

**BOARD OF EDUCATION
OF THE
BOROUGH OF WOODLYNNE
SCHOOL DISTRICT
WOODLYNNE, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

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INTRODUCTORY SECTION

The Woodlynne Public School

131 Elm Avenue
Woodlynne, New Jersey 08107-2299

President, Board of Ed
HEIDEMARIE WOOD

Superintendent
WALTER J. RUDDER, Ed D
856-962-8822 x 120
FAX: 856-962-0191

School Business Administrator
RANDY OSTROW
856-962-8827
FAX: 856-962-6520

Principal
PATRICIA A. GUNNING
962-8822 x 123

November 16, 2009

Honorable President and
Members of the Board of Education
Woodlynne Public School
Camden County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Woodlynne School District for the fiscal year ending June 30, 2009, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, management's discussion and analysis, the District's organizational chart and a list of principal officials. The financial section includes the basic statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Woodlynne School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Woodlynne Board of Education and the school constitute the District's reporting entity.

The district provided a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for handicapped youngsters. The Woodlynne Public School completed the 2008-2009 fiscal year with an enrollment of 506. The following details the changes in the student enrollment of the district over the last ten years.

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Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
1999-2000	433	-1%
2000-2001	420	-3%
2001-2002	458	9%
2002-2003	437	-4%
2003-2004	448	2%
2004-2005	488	9%
2005-2006	482	-1%
2006-2007	517	7%
2007-2008	439	-15%
2008-2009	506	15%

2. **ECONOMIC CONDITIONS AND OUTLOOK:** Woodlynne is almost completely developed, as a result, no major development or expansion is anticipated. The community is in the midst of a restoration program through federal grants. The tax base has experienced a decline in recent years, this trend may change. There has been an active real estate market, which means an increase in the annual daily enrollment.

3. **MAJOR INITIATIVES:** The district switched from administering the California Achievement Test to the Terra Nova. The Terra Nova is much more in line with the state mandated tests as well as standardized tests such as the College Boards.

A new pro-active discipline policy has been put into place with the emphasis on recognizing students for positive endeavors, strengthening self-esteem and image, and supporting at risk students.

Finally, a new extra curricular program has been put into place with a number of new activities geared to capture the interest of our students.

4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure the adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of consists and benefits requires estimates and judgments by management.

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As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the district management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs as well as to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

6. **ACCOUNT SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principals, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Districts is organized on the basis of funds and account groups. These funds and account groups explained in "Notes to the Financial Statements", Note 1.

7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statement", Note 2. The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability and theft insurance on property and contents, and fidelity bonds.

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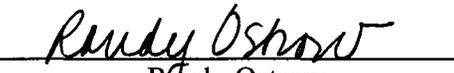
9. **OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the single Audit Act of 1984 and the related OB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor’s report, related specifically to the single audit is included in the single audit section of this report.

10. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Woodlynne School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Dr. Walter J. Rudder, Ed.D.
Interim Superintendent



Randy Ostrow
Interim Business Administrator/Board Secretary

Borough of Woodlynne School District

Board Member Listing

Name	Term Expires
Heidemarie Wood, President	2011
Christine Sanford, Vice-President	2012
Mary Carney	2010
Cheryl Linthicum	2010
Gwendolyn Torres	2011
Robin L. Medero	2010
Sharon Vogel	2011
Donna Smith	2012
Joseph Idiong	2012

Consultants and Advisors

Architect

The Spiezle Architectural Group
120 Sanhican Drive
Trenton, NJ 08618

Audit Firm

Bowman & Company, LLP
601 White Horse Road
Voorhees, NJ 08043

Attorneys

Comegno Law Group, P.C.
521 Pleasant Valley Ave.
Moorestown, NJ 08057

Official Depository

TD Bank
1130 White Horse Pike
Oaklyn, NJ 08107

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Woodlynne School District
County of Camden
131 Elm Avenue
Woodlynne, New Jersey 08107

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of the Borough of Woodlynne School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Woodlynne School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

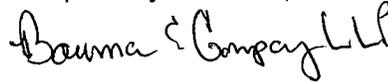
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Borough of Woodlynne School District in the County of Camden, State of New Jersey as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 13, 2009 on our consideration of the Borough of Woodlynne School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audit.

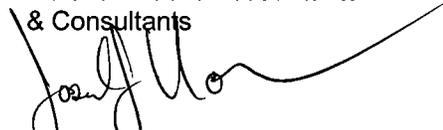
The accompanying management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Woodlynne School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Public School Accountant No. CS 00759

Voorhees, New Jersey
November 13, 2009

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and
Members of the Board of Education
Borough of Woodlynne School District
County of Camden
131 Elm Avenue
Woodlynne, NJ 08107

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Borough of Woodlynne School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated November 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Woodlynne School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the school district's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance to be a material weakness: 2009-1.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance to be a significant deficiency: 2009-2.

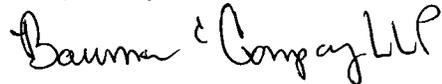
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodlynne School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey which is described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings-- Financial, Compliance and Performance as findings no.: 2009-1; 2009-2 and 2009-3.

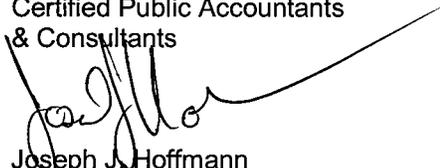
The Borough of Woodlynne School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School District's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of the School District, the Division of Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Public School Accountant No. CS 00759

Voorhees, New Jersey
November 13, 2009

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited)

As management of the Borough of Woodlynne School District, we offer readers of the Borough of Woodlynne School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Woodlynne School District for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the Borough of Woodlynne School District's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Borough of Woodlynne School District's financial performance.

Financial Highlights

- The assets of the Borough of Woodlynne School District exceeded its liabilities at the close of the most recent fiscal year by \$3,452,305.22. (net assets).
- The Borough of Woodlynne School District's total net assets decreased by \$36,461.41.
- As of the close of the current fiscal year, the Borough of Woodlynne School District's governmental funds reported combined ending fund balances of \$644,284.03, an increase of \$39,681.29, in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$351,634.89, approximately a 26 percent increase from that of the prior fiscal year.
- The Borough of Woodlynne School District does not have any debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Borough of Woodlynne School District's basic financial statements. The Borough of Woodlynne School District's basic financial statements comprise three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements themselves.

District-wide financial statements The district-wide financial statements are designed to provide readers with a broad overview of the Borough of Woodlynne School District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Borough of Woodlynne School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Borough of Woodlynne School District is improving or deteriorating.

The statement of activities presents information showing how the Borough of Woodlynne School District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave).

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited) (Cont'd)

District-wide financial statements (Cont'd) Both of the district-wide financial statements distinguish functions of the Borough of Woodlynne School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Borough of Woodlynne School District include the education of students in grades K-8 at the Borough of Woodlynne School District's one school. The business-type activity, of the Borough of Woodlynne School District is comprised of the food service program.

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Woodlynne School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Borough of Woodlynne School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds Most of the Borough of Woodlynne School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Borough of Woodlynne School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The Borough of Woodlynne School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and debt service fund.

The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Also, the Borough of Woodlynne School District adopts an annual budget for its general fund, special revenue fund, and debt service fund. Budgetary comparison schedules have been provided for both to demonstrate compliance with the budgets.

Proprietary Funds The Borough of Woodlynne School District maintains one type of proprietary fund, the enterprise fund, which is a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services, is used to report the same functions presented as business-type activities in the district-wide financial statements. The Borough of Woodlynne School District uses the enterprise fund to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service program.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Borough of Woodlynne School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statement The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited) (Cont'd)

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Borough of Woodlynne School District, assets exceeded liabilities by \$3,430,389.11, at the close of the most recent fiscal year.

The largest portion of the Borough of Woodlynne School District's net assets (86 percent) reflects its investment in capital assets (i.e., land, buildings, equipment), less any related debt used to acquire those assets that are still outstanding. The Borough of Woodlynne School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Borough of Woodlynne School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT'S NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 1,239,654	\$ 827,810	\$ 36,198	\$ 26,836	\$ 1,275,853	\$ 854,646
Capital Assets	2,939,165	3,029,146	343	682	2,939,508	3,029,828
Total Assets	4,178,819	3,856,956	36,541	27,518	4,215,360	3,884,474
Long-term Liabilities Outstanding	134,950	172,500			134,950	172,500
Other Liabilities	613,480	223,207	14,625		628,105	223,207
Total Liabilities	748,430	395,707	14,625	-	763,055	395,707
Net Assets:						
Invested in Capital Assets, Net of Related Debt	2,939,165	3,029,146	343	682	2,939,508	3,029,828
Restricted	375,688	344,286			375,688	344,286
Unrestricted	115,537	87,817	21,573	26,836	137,110	114,653
Total Net Assets	\$ 3,430,389	\$ 3,461,249	\$ 21,916	\$ 27,518	\$ 3,452,305	\$ 3,488,767

The portion of the Borough of Woodlynne School District's net assets (11 percent) represents resources that are subject to external restrictions on how they may be used.

There was a decrease of \$5,601.57 in overall net assets for the Borough of Woodlynne School District's business-type activities. The primary reason for the decrease was a reduction in lunch sales during fiscal year 2009.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited) (Cont'd)

Governmental Activities Governmental activities decreased the Borough of Woodlynne School District's net assets by \$30,859.84 Key elements of this increase are as follows:

BOROUGH OF WOODLYNNE SCHOOL DISTRICT'S CHANGES IN NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services			\$ 24,487	\$ 27,933		\$ 27,933
Operating Grants and Contributions	\$ 1,047,563	\$ 1,878,678	163,953	155,160	\$ 1,211,516	2,033,839
General Revenues:						
Property Taxes	1,777,195	1,757,325			1,777,195	1,757,325
Grants and Contributions Restricted and not Restricted to Programs	6,109,179	4,846,740			6,109,179	4,846,740
Other	29,390	(124,370)			29,390	(124,370)
Total Revenues	8,963,327	8,358,373	188,440	183,094	9,127,280	8,541,467
Expenses:						
Instruction	2,595,364	2,477,655			2,595,364	2,477,655
Support Services	6,456,326	6,053,023			6,456,326	6,053,023
Other	1,300	8,029			1,300	8,029
Food Services			194,042	187,011	194,042	187,011
Total Expenses	9,052,990	8,538,708	194,042	187,011	9,247,032	8,725,718
Increase in Net Assets before Transfers	(89,663)	(180,334)	(5,602)	(3,917)	(95,264)	(184,251)
Transfers	58,802				58,802	
Increase in Net Assets	(30,861)	(180,334)	(5,602)	(3,917)	(36,462)	(184,251)
Net Assets, July 1	3,461,249	3,641,583	27,518	31,435	3,488,767	3,673,018
Net Assets, June 30	\$ 3,430,388	\$ 3,461,249	\$ 21,916	\$ 27,518	\$ 3,452,305	\$ 3,488,767

- *Property taxes* increased by \$19,870.00. (1.1 percent) during the year. Most of this increase is the product of funding general fund services and programs.
- *Other revenues* increased by \$153,760. Despite a reduction in interest rates, this increase was due to a prior year cancelation of receivable and current year DEPA and TARA funds being turned over to the General Fund.
- *Business-Type Activities* Business-type activities decreased the Borough of Woodlynne School District's net assets by \$5,601.57.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited) (Cont'd)

Financial Analysis of the Government's Funds

As stated earlier, the Borough of Woodlynne School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund The focus of the Borough of Woodlynne School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Borough of Woodlynne School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Borough of Woodlynne School District's governmental funds reported combining ending fund balances of \$644,284.03, an increase of \$39,681.29, in comparison with the prior year.

Of the combined ending fund balances of \$644,284.03, unreserved fund balance represented \$361,496.09. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$2,000.00), (2) to be used to off-set future tax increases (\$256,398.07), (3) and to be used for future capital projects (\$24,389.87).

The general fund is the main operating fund of the Borough of Woodlynne School District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$351,634.89, while total fund balance was \$634,422.83.

- The fund balance of the Borough of Woodlynne School District's general fund increased by \$73,287.98, during the current fiscal year

The special revenue fund had a fund balance at the end of the current fiscal year in the amount of \$9,861.20. The balance was a result of unexpended state school aid for the Preschool Education Program.

The debt service fund has no fund balance at fiscal year end.

The capital projects fund also had no fund balance at fiscal year end.

Proprietary Funds The Borough of Woodlynne School District's proprietary funds provide the same type of information found in the district-wide financial statements, but in more detail.

Unrestricted net assets consisted of \$21,916.11, for the food service program. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Borough of Woodlynne School District's business-type activities.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited) (Cont'd)

General Fund Budgetary Highlights

During the course of the 2009 fiscal year, the Borough of Woodlynne School District modified its general fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances.

The final budgetary basis revenue actual was \$8,612,338.10. The original budgeted estimate was \$8,284,427.00.

During fiscal year 2009, the Borough of Woodlynne School District budgeted \$1,777,195.00 and \$6,485,167.00 for property taxes (local tax levy) and state aid revenues, respectively. The Borough of Woodlynne School District also received \$175,222.69 and \$139,939.00 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The final budgetary basis expenditures were \$8,224,077.72, compared to the estimate of \$8,580,340.67.

The Borough of Woodlynne School District's expenditures also include the reimbursed TPAF Social Security Aid and T.P.A.F. Pension Contributions of \$175,222.69 and \$139,939.00, respectively.

Capital Asset and Debt Administration

Capital Assets The Borough of Woodlynne School District's investment in capital assets for its governmental and business-type activities as of June 30, 2009 amounts to \$2,939,507.53. (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

At the end of the fiscal year 2008, the Borough of Woodlynne School District had \$3,029,827.92 invested in land, construction in progress, land improvements, buildings and improvements and equipment.

Major capital asset events during the fiscal year include the following:

- The Borough of Woodlynne School District did not expend funds in the current fiscal year for capital purposes.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)							
	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		<u>Total</u>		
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
Land	\$ 2,589	\$ 2,589			\$ 2,589		\$ 2,589
Construction in Progress	-	-			-		-
Land Improvements	7,459	8,509			7,459		8,509
Building Improvements	2,880,675	2,975,917			2,880,675		2,975,917
Equipment	48,442	42,131	\$ 343	\$ 682	48,785		42,813
Total	\$ 2,939,165	\$ 3,029,146	\$ 343	\$ 682	\$ 2,939,508		\$ 3,029,828

Additional information on the Borough of Woodlynne School District's capital assets can be found in Note 5.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(Unaudited) (Cont'd)

Long-term Debt At the end of the current fiscal year, the Borough of Woodlynne School District had no bonded debt outstanding.

Economic Factors and Next Year's Budget

For the 2008-09 school year, the Borough of Woodlynne School District was able to sustain its general fund budget through the borough tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 21.5 percent of total revenue is from local tax levy, while 78.5 percent of the Borough of Woodlynne School District's revenue is from federal, state and local aid. One of the most important factors affecting the Borough of Woodlynne School District's budget is its enrollment. The District's mobility rate (the rate of enrollment turnover) is seventeen percent. This uncertainty of the enrollment make-up, specifically as it deals with special education children creates issues regarding the budget, since the Districts' budget is adopted months prior to the start of the school year. The 2009-10 Budget was adopted May, 2009 based in part on the state education aid the Borough of Woodlynne School District anticipated receiving. This aid continues to be based on the State's projected enrollment of previous years with little or no increase in the State Aid Revenue. Since State Aid has been held harmless (not increased for additional enrollment), any future increase in enrollments will place an additional burden on the taxpayers of Woodlynne.

Requests for Information

This financial report is designed to provide a general overview of the Borough of Woodlynne School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Randy Ostrow, Business Administrator/Board Secretary at 131 Elm Avenue, Woodlynne, NJ 08107.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF WOODLYNNE SCHOOL DISTRICT

Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 421,778.34	\$ 24,158.04	\$ 445,936.38
Receivables, net	817,875.88	12,040.43	829,916.31
Capital Assets, net (Note 5)	<u>2,939,164.53</u>	<u>343.00</u>	<u>2,939,507.53</u>
Total Assets	<u>4,178,818.75</u>	<u>36,541.47</u>	<u>4,215,360.22</u>
LIABILITIES:			
Accounts Payable	531,067.06	14,625.36	545,692.42
Payable to Other Governments	11,814.08		11,814.08
Deferred Revenue	52,489.05		52,489.05
Noncurrent Liabilities (Note 6):			
Due within One Year	18,109.42		18,109.42
Due beyond One Year	<u>134,950.03</u>		<u>134,950.03</u>
Total Liabilities	<u>748,429.64</u>	<u>14,625.36</u>	<u>763,055.00</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	2,939,164.53	343.00	2,939,507.53
Restricted for:			
Other Purposes	375,688.03		375,688.03
Unrestricted (Deficit)	<u>115,536.55</u>	<u>21,573.11</u>	<u>137,109.66</u>
Total Net Assets	<u>\$ 3,430,389.11</u>	<u>\$ 21,916.11</u>	<u>\$ 3,452,305.22</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WOODYNE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2009

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,363,663.18				\$ (1,363,663.18)		\$ (1,363,663.18)
Special Education	1,210,002.20				(673,034.98)		(673,034.98)
Other Special Instruction	21,698.90		\$ 536,967.22		(21,698.90)		(21,698.90)
Support Services:							
Tuition	3,007,246.99				(3,007,246.99)		(3,007,246.99)
Student and Instruction Related Services	703,881.99		195,434.46		(508,447.53)		(508,447.53)
School Administrative Services	128,912.74				(128,912.74)		(128,912.74)
General and Business Administrative Services	491,993.10				(491,993.10)		(491,993.10)
Plant Operations and Maintenance	374,377.81				(374,377.81)		(374,377.81)
Pupil Transportation	315,337.97				(315,337.97)		(315,337.97)
Unallocated Benefits	791,808.42		315,161.69		(791,808.42)		(791,808.42)
Reimbursed TPAF and Social Security	315,161.69						
Transfer to Charter School	327,604.82				(327,604.82)		(327,604.82)
Unallocated Depreciation	1,300.07				(1,300.07)		(1,300.07)
Total Governmental Activities	9,052,989.88	-	1,047,563.37	-	(8,005,426.51)	-	(8,005,426.51)
Business-Type Activities:							
Food Service	194,041.85	\$ 24,487.30	163,952.98			\$ (5,601.57)	(5,601.57)
Total Primary Government	\$ 9,247,031.73	\$ 24,487.30	\$ 1,211,516.35	-	(8,005,426.51)	(5,601.57)	(8,011,028.08)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					1,777,195.00		1,777,195.00
Federal and State Aid not Restricted					6,109,178.61		6,109,178.61
Miscellaneous Income					29,391.41		29,391.41
Operating Transfers In					58,801.65		58,801.65
Operating Transfers Out							
Total General Revenues, Special Items, Extraordinary Items and Transfers					7,974,566.67		7,974,566.67
Change in Net Assets					(30,859.84)	(5,601.57)	(36,461.41)
Net Assets -- July 1					3,461,248.95	27,517.68	3,488,766.63
Net Assets -- June 30					\$ 3,430,389.11	\$ 21,916.11	\$ 3,452,305.22

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2009

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 421,778.34				\$ 421,778.34
Receivables, net:					
Interfunds Receivable:					
Special Revenue Fund	317,627.67				317,627.67
Payroll Fund	11,778.74				11,778.74
Receivables from Other Governments:					
Local Municipality	23,070.27				23,070.27
State of NJ -- Extraordinary Aid	29,232.00				29,232.00
Federal		\$ 426,683.16			426,683.16
Other Receivables	9,484.04				9,484.04
Total Assets	\$ 812,971.06	\$ 426,683.16	-	-	\$ 1,239,654.22
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 175,811.82	\$ 34,891.16			\$ 210,702.98
Interfunds Payable:					
General Fund		317,627.67			317,627.67
Unemployment Fund	2,736.41				2,736.41
Payable to Federal Government		11,814.08			11,814.08
Deferred Revenue		52,489.05			52,489.05
Total Liabilities	178,548.23	416,821.96	-	-	595,370.19
Fund Balances:					
Reserved for:					
Encumbrances	2,000.00				2,000.00
Capital Reserve Account	24,389.87				24,389.87
Excess Surplus	63,676.96				63,676.96
Excess Surplus - Designated to Subsequent Year's Expenditures	192,721.11				192,721.11
Unreserved -- Undesignated	268,596.00	9,861.20			278,457.20
Unreserved -- Designated for Subsequent Year's Expenditures	83,038.89				83,038.89
Total Fund Balances	634,422.83	9,861.20	-	-	644,284.03
Total Liabilities and Fund Balances	\$ 812,971.06	\$ 426,683.16	-	-	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,536,904.44, and the accumulated depreciation is \$1,597,739.91.

2,939,164.53

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(153,059.45)

Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.

-

Interest on long term debt is accrued on the Statement of Net Assets regardless when due.

-

Net assets of governmental activities

\$ 3,430,389.11

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 1,777,195.00				\$ 1,777,195.00
Interest Earned on Capital Reserve Funds	145.95				145.95
Miscellaneous	29,245.46				29,245.46
State Sources	6,431,977.64	\$ 62,659.73			6,494,637.37
Federal Sources		669,741.95			669,741.95
Total Revenues	8,238,564.05	732,401.68	-	-	8,970,965.73
EXPENDITURES:					
Regular Instruction	1,306,910.03				1,306,910.03
Special Education Instruction	639,758.13	570,573.91			1,210,332.04
Other Special Instruction	21,698.90				21,698.90
Support Services and Undistributed Costs:					
Tuition	3,007,246.99				3,007,246.99
Student and Instruction Related Services	515,755.03	195,434.46			711,189.49
School Administrative Services	128,912.74				128,912.74
Other Administrative Services	471,909.74				471,909.74
Plant Operations and Maintenance	369,389.26				369,389.26
Pupil Transportation	315,337.97				315,337.97
Unallocated Benefits	791,808.42				791,808.42
Reimbursed TPAF Pension and Social Security Transfer to Charter School	315,161.69				315,161.69
Debt Service:					
Principal					
Interest and Other Charges					
Capital Outlay	12,584.00				12,584.00
Total Expenditures	8,224,077.72	766,008.37	-	-	8,990,086.09
Excess (Deficiency) of Revenues over Expenditures	14,486.33	(33,606.69)	-	-	(19,120.36)
OTHER FINANCING SOURCES (USES):					
Transfer of DEPA & TARA Funds	58,801.65				58,801.65
Total Other Financing Sources and Uses	58,801.65	-	-	-	58,801.65
Net Change in Fund Balances	73,287.98	(33,606.69)	-	-	39,681.29
Fund Balance -- July 1	561,134.85	43,467.89	-	-	604,602.74
Fund Balance -- June 30	\$ 634,422.83	\$ 9,861.20	-	-	\$ 644,284.03

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Statement of Net Assets
Enterprise Funds
June 30, 2009

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 24,158.04
Accounts Receivable:	
State	540.50
Federal	<u>11,499.93</u>
Total Current Assets	<u>36,198.47</u>
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	
Furniture, Machinery and Equipment	4,075.00
Less Accumulated Depreciation	<u>(3,732.00)</u>
Total Noncurrent Assets	<u>343.00</u>
Total Assets	<u>36,541.47</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	<u>14,625.36</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>-</u>
Total Liabilities	<u>14,625.36</u>
NET ASSETS:	
Unrestricted	<u>\$ 21,916.11</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2009

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 15,432.85
School Breakfast Program	742.35
Special Milk Program	121.00
Daily Sales - Non-Reimbursable Programs	<u>8,191.10</u>
Total Operating Revenues	<u>24,487.30</u>
OPERATING EXPENSES:	
Salaries	72,870.76
Depreciation	339.00
Cost of Sales	59,889.21
Supplies	25,542.88
Purchased Professional/Technical Services	<u>35,400.00</u>
Total Operating Expenses	<u>194,041.85</u>
Operating Income / (Loss)	<u>(169,554.55)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	4,684.82
State School Breakfast Program	2,489.40
Federal Sources:	
National School Lunch Program	114,893.75
National School Breakfast Program	41,144.02
National School Milk Program	740.99
Board Contribution	<u> </u>
Total Nonoperating Revenues (Expenses)	<u>163,952.98</u>
Change in Net Assets	(5,601.57)
Net Assets -- July 1	<u>27,517.68</u>
Net Assets -- June 30	<u><u>\$ 21,916.11</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Statement of Cash Flows
Enterprise Fund
For the Fiscal Year Ended June 30, 2009

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 24,487.30
Payments to Management Company	(164,333.35)
Payments to Employees	(11,744.14)
Payments for Supplies and Services	<u>(3,000.00)</u>
Net Cash Provided by (used for) Operating Activities	<u>(154,590.19)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	7,010.80
Federal Sources	152,660.21
Operating Subsidies and Transfers to Other Funds	<u> </u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>159,671.01</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	<u> -</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,080.82
Cash and Cash Equivalents -- July 1	<u>19,077.22</u>
Cash and Equivalents -- June 30	<u><u>\$ 24,158.04</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (169,554.55)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	339.00
Increase (Decrease) in Accounts Payable	<u>14,625.36</u>
Total Adjustments	<u>14,964.36</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (154,590.19)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2009

	Trust Fund	Agency Funds	
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>
ASSETS:			
Cash and Cash Equivalents	\$ 5,397.99	\$ 23,409.03	\$ 6,829.32
Accounts Receivable:			
Interfund Accounts Receivable:			
Due General Fund	2,736.41		
Due Unemployment Fund			4,949.42
Total Investments	<u>2,736.41</u>	<u>-</u>	<u>4,949.42</u>
 Total Assets	 <u>8,134.40</u>	 <u>\$ 23,409.03</u>	 <u>\$ 11,778.74</u>
LIABILITIES:			
Accounts Payable		\$ 575.00	
Interfund Accounts Payable:			
Due Payroll Fund	4,949.42		
Due General Fund			\$ 11,778.74
Payable to Student Groups		22,834.03	
Unemployment Claims	<u>3,138.50</u>		
 Total Liabilities	 <u>8,087.92</u>	 <u>\$ 23,409.03</u>	 <u>\$ 11,778.74</u>
NET ASSETS:			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 46.48</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Statement of Changes in Fiduciary Net Assets
 Fiduciary Funds
 For the Fiscal Year Ended June 30, 2009

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions and Donations from Payroll Deductions Withheld	\$ 5,741.37
Employer Contributions	<u>7,600.00</u>
	13,341.37
Investment Earnings: Interest	<u>19.58</u>
Total Additions	<u>13,360.95</u>
DEDUCTIONS:	
Unemployment Claims	<u>13,394.09</u>
Change in Net Assets	(33.14)
Net Assets -- July 1	<u>79.62</u>
Net Assets -- June 30	<u><u>\$ 46.48</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2009

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The Borough of Woodlynne School District (hereafter referred to as the "School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-8 at its one school and students in grades 9-12 are transported to Collingswood High School. The School District has an approximate enrollment at June 30, 2009 of 506.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units - GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. There were no organizations that were considered component units.

Basis of Presentation - The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities, and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this Note.

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation (Cont'd)**

District-wide Financial Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Governmental Funds (Cont'd)**

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenues from the federal and state government, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations:

1. that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. where the School District has decided that periodic determination of revenues earned, expenses incurred, and / or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise fund is:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds, an unemployment compensation trust fund, a student activity fund and a payroll fund.

Measurement Focus

District-wide Financial Statements - The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days after fiscal year end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Accounting (Cont'd)**

Revenues -- Exchange and Non-Exchange Transactions (Cont'd) - Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids, if any, are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

Expenses / Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets / Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2.11.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and Exhibit C-2 includes all amendments to the adopted budget, if any.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets / Budgetary Control (Cont'd) - Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis, with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2009 and 2008 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Tuition Receivable - Tuition charges, if any, were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories (Cont'd) - Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses, if any, recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2009.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure / expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2009, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves - The School District reserves portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves are established for encumbrances, legally restricted appropriations, tuition, excess surplus, capital reserve accounts, maintenance reserve accounts, emergency reserves, and debt service reserves.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. There are no non-operating revenues.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. As of June 30, 2009, none of the School District's bank balance of \$1,041,229.01 was uninsured and uncollateralized.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$20,000.00 during fiscal year 2002-2003 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2008 to June 30, 2009 fiscal year is as follows:

Beginning Balance July 1, 2008	\$ 24,243.92
Increased by:	
Interest Earnings	145.95
	<hr/>
Ending Balance June 30, 2009	<u>\$ 24,389.87</u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2009 is \$1,024,847.88. There were no withdrawals from the capital reserve account during the year.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2009 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Intergovernmental	\$ 61,777.27	\$ 426,683.16	\$ 12,040.43	-	\$ 500,500.86

Note 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 2,589.00			\$ 2,589.00
Total Capital Assets not being Depreciated	2,589.00	-	-	2,589.00
Capital Assets, being Depreciated:				
Land Improvements	54,220.00			54,220.00
Building and Improvements	4,250,347.44			4,250,347.44
Equipment	225,954.00	\$ 12,584.00	\$ (8,790.00)	229,748.00
Total Capital Assets, being Depreciated	4,530,521.44	12,584.00	(8,790.00)	4,534,315.44
Less Accumulated Depreciation for:				
Land Improvements	(45,711.35)	(1,050.07)		(46,761.42)
Building and Improvements	(1,274,430.49)	(95,241.76)		(1,369,672.25)
Equipment	(183,822.68)	(6,273.56)	8,790.00	(181,306.24)
Total Accumulated Depreciation	(1,503,964.52)	(102,565.39)*	8,790.00	(1,597,739.91)
Total Capital Assets, being Depreciated, Net	3,026,556.92	(89,981.39)		2,936,575.53
Governmental Activities Capital Assets, Net	\$ 3,029,145.92	\$ (89,981.39)	-	\$ 2,939,164.53
Business-Type Activities:				
Total Capital Assets, being Depreciated:				
Equipment	\$ 4,075.00			\$ 4,075.00
Less Accumulated Depreciation	(3,393.00)	\$ (339.00)		(3,732.00)
Total Business-Type Activities Capital Assets, Net	\$ 682.00	\$ (339.00)	-	\$ 343.00

Note 5: CAPITAL ASSETS (CONT'D)

* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 76,193.41
General and Business Administrative Services	20,083.36
Plant Operations and Maintenance	4,988.55
Unallocated	<u>1,300.07</u>
Total Depreciation Expense	<u><u>\$ 102,565.39</u></u>

Note 6: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2009, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2009</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 172,499.71	\$ 32,156.39	\$ (51,596.65)	\$ 153,059.45	\$ 18,109.42
Governmental Activity Long-term Liabilities	<u>\$ 172,499.71</u>	<u>\$ 32,156.39</u>	<u>\$ (51,596.65)</u>	<u>\$ 153,059.45</u>	<u>\$ 18,109.42</u>
Business-Type Activities:					
Compensated Absences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. As of June 30, 2009, there were no bonds issued by the School District.

Bonds Authorized But Not Issued - As of June 30, 2009, the School District had no authorizations to issue bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 7: OPERATING LEASES

At June 30, 2009, the School District had operating lease agreements in effect for copy machines. The future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 5,007.72
2011	5,007.72
2012	<u>3,338.48</u>
	<u><u>\$ 13,353.92</u></u>

Rental payments under operating leases for the fiscal year ended June 30, 2009 were \$4,385.17.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

Note 8: PENSION PLANS (CONT'D)

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Public Employees Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by Excess Pension Asset Credit</u>	<u>Paid by School District</u>
2009	\$ 26,030.00	\$ 23,742.00	\$ 49,772.00		\$ 49,772.00
2008	22,921.00	17,664.00	40,585.00	\$ 8,117.00	32,468.00
2007	24,837.00	12,897.00	37,734.00	15,093.60	22,640.40

Note 9: POST-RETIREMENT BENEFITS

Plan Description - The School District contributes to the New Jersey State Health Benefits Program ("the SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in the New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy - P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2008, there were 80,181 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State's contribution rate is based on the *annual required contribution (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2008.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a school district or county college with 25 years of service. The State paid \$116.0 million toward Chapter 126 benefits for 12,545 eligible retired members in Fiscal Year 2008.

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2009, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$6,970.00 and \$132,969.00, respectively.

Note 11: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009	\$ 7,619.58	\$ 5,741.37	\$ 13,394.09	\$ 46.48
2008	26,427.22	5,362.88	42,566.23	79.62
2007	888.39	5,737.27	14,994.40	10,855.79

Joint Insurance Pool - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund.

The Fund provides the School District with the following coverage:

- Property, Inland Marine and Auto Physical Damages
- Boiler and Machinery
- Crime
- General and Automobile Liability
- Workers' Compensation
- Educator's Legal Liability
- Pollution Legal Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

Note 11: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - The Fund publishes its own financial report for the year ended December 31, 2008, which can be obtained from the following address:

Burlington County Insurance Pool Joint Insurance Fund
P.O. Box 449
Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Invest
Lincoln National
Met Life
AXA Equitable

Note 13: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2009, the liability for compensated absences in the governmental activities fund type was \$153,059.45 and there was no accrual for the proprietary fund type.

Note 14: INTERFUND BALANCES AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as June 30, 2009:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 329,406.41	\$ 2,736.41
Special Revenue		317,627.67
Fiduciary	2,736.41	11,778.74
	<u>\$ 332,142.82</u>	<u>\$ 332,142.82</u>

Note 15: FUND BALANCES**RESERVED**

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance are summarized below:

For Encumbrances - The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. As of June 30, 2009, \$2,000.00 has been reserved for this purpose.

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of reserved fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2009 is \$63,676.96. Additionally, \$192,721.11 of excess fund balance generated during 2007-2008 has been restricted and designated for utilization in the 2009-2010 budget.

For Capital Reserve Account - As of June 30, 2009, the balance in the capital reserve account is \$24,389.87. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

UNRESERVED

General Fund - Of the \$351,634.89 unreserved General Fund fund balance at June 30, 2009, \$83,038.89 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2010 and \$268,596.00 is undesignated.

Special Revenue Fund - The unreserved Special Revenue Fund fund balance at June 30, 2009 is \$9,861.20.

Note 16: LITIGATION

The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,777,195.00		\$ 1,777,195.00	\$ 1,777,195.00	
Interest Earned on Capital Reserve Funds	65.00		65.00	145.95	\$ 80.95
Unrestricted Miscellaneous Revenues	20,000.00		20,000.00	29,245.46	9,245.46
Total - Local Sources	1,797,260.00	-	1,797,260.00	1,806,586.41	9,326.41
State Sources:					
Equalization Aid	5,807,425.00		5,807,425.00	5,794,252.00	(13,173.00)
Security Aid	228,677.00		228,677.00	228,677.00	
Transportation Aid	98,079.00		98,079.00	98,079.00	
Special Education Aid	340,350.00		340,350.00	340,350.00	
Extraordinary Aid	10,636.00		10,636.00	29,232.00	18,596.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				175,222.69	175,222.69
On-behalf TPAF Pension Contributions (non-budgeted)				6,970.00	6,970.00
On-behalf TPAF Medical Contributions (non-budgeted)				132,969.00	132,969.00
Total - State Sources	6,485,167.00	-	6,485,167.00	6,805,751.69	320,584.69
Federal Sources:					
Medicare Reimbursement	2,000.00		2,000.00		(2,000.00)
Total Revenues	8,284,427.00	-	8,284,427.00	8,612,338.10	327,911.10

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 124,131.00	\$ (4,000.00)	\$ 120,131.00	\$ 119,380.39	\$ 750.61
Grades 1 - 5	632,169.00	(3,857.41)	628,311.59	619,302.10	9,009.49
Grades 6 - 8	440,478.00	(75,776.20)	364,701.80	354,366.34	10,335.46
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000.00		10,000.00	3,381.00	6,619.00
Purchased Professional/Educational Services	7,000.00		7,000.00		7,000.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	99,789.00	(7,366.39)	92,422.61	89,958.60	2,464.01
Purchased Professional/Educational Services	25,360.00	10,000.00	35,360.00	15,859.50	19,500.50
Other Purchased Services	22,000.00	(11,500.00)	10,500.00	669.50	9,830.50
General Supplies	89,925.00	(756.93)	89,168.07	74,031.12	15,136.95
Textbooks	45,000.00		45,000.00	29,961.48	15,038.52
Total Regular Programs	1,495,852.00	(93,256.93)	1,402,595.07	1,306,910.03	95,685.04
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	136,949.00		136,949.00	136,927.00	22.00
Other Salaries for Instruction	64,145.00		64,145.00	57,971.84	6,173.16
Purchased Professional/Educational Services	3,630.00		3,630.00		3,630.00
General Supplies	5,100.00		5,100.00	2,708.49	2,391.51
Textbooks	6,000.00		6,000.00	371.00	5,629.00
Total - Learning and/or Language Disabilities	215,824.00	-	215,824.00	197,978.33	17,845.67
Resource Room/Center					
Salaries of Teachers	184,876.00		184,876.00	177,350.60	7,525.40
Other Salaries for Instruction	26,487.00		26,487.00	7,293.70	19,193.30
General Supplies	4,000.00		4,000.00	2,030.22	1,969.78
Textbooks	4,000.00		4,000.00		4,000.00
Total - Resource Room/Center	219,363.00	-	219,363.00	186,674.52	32,688.48
Preschool Disabilities - Part Time:					
Salaries of Teachers	38,611.00		38,611.00	37,539.88	1,071.12
Other Salaries for Instruction	17,200.00		17,200.00	14,830.52	2,369.48
Purchased Professional/Educational Services	1,210.00		1,210.00		1,210.00
General Supplies	2,000.00		2,000.00		2,000.00
Total - Preschool Disabilities - Part Time	59,021.00	-	59,021.00	52,370.40	6,650.60

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Basic Skills/Remedial					
Salaries of Teachers	\$ 179,662.00		\$ 179,662.00	\$ 152,946.95	\$ 26,715.05
Total - Basic Skills/Remedial	179,662.00	-	179,662.00	152,946.95	26,715.05
Bilingual Education:					
Salaries of Teachers	92,155.00	\$ 756.93	92,155.00	49,031.00	43,124.00
General Supplies			756.93	756.93	
Total - Bilingual Education	92,155.00	756.93	92,911.93	49,787.93	43,124.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	30,532.00		30,532.00	20,005.00	10,527.00
Supplies and Materials	700.00		700.00	361.90	338.10
Total - School Sponsored Cocurricular Activities - Instruction	31,232.00	-	31,232.00	20,366.90	10,865.10
School Sponsored Athletics - Instruction:					
Salaries	6,094.00	132.00	6,226.00	1,332.00	4,894.00
Other Purchased Services	2,000.00		2,000.00		2,000.00
Supplies and Materials	1,500.00		1,500.00		1,500.00
Other Objects	2,600.00		2,600.00		2,600.00
Total - School Sponsored Athletics - Instruction	12,194.00	132.00	12,326.00	1,332.00	10,994.00
Tuition to Other LEAs within State-Regular	2,038,879.00		2,038,879.00	2,038,879.00	
Tuition to Other LEAs within State-Special	165,960.00	45,552.00	211,512.00	188,181.37	23,330.63
Tuition to County Voc. School Dist. - Regular	95,000.00		95,000.00	95,000.00	
Tuition to CSSD & Reg. Day Schools	489,458.00	(28,956.48)	460,501.52	459,861.52	640.00
Tuition to Private School for the Handicapped- State	101,840.00	18,177.48	120,017.48	71,678.31	48,339.17
Tuition - State Facilities	73,332.00	(18,333.00)	54,999.00	54,999.00	
Tuition - Other	116,064.00	(16,690.00)	99,374.00	98,647.79	726.21
Total Undistributed Expenditures - Instruction	3,080,533.00	(250.00)	3,080,283.00	3,007,246.99	73,036.01
Total - Instruction	5,385,836.00	(92,618.00)	5,293,218.00	4,975,614.05	317,603.95

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures:					
Attendance & Social Work					
Salaries	\$ 61,411.00	\$	61,411.00	\$ 59,400.10	\$ 2,010.90
Purchased Professional and Technical Services	7,000.00	(100.00)	6,900.00	6,572.00	328.00
Other Purchased Services	2,000.00	1,500.00	3,500.00	3,178.92	321.08
Supplies and Materials	3,000.00	(2,000.00)	1,000.00	309.05	690.95
Total Attendance & Social Work	73,411.00	(600.00)	72,811.00	69,460.07	3,350.93
Health Services					
Salaries	52,810.00		52,810.00	52,810.00	
Purchased Professional and Technical Services	4,300.00		4,300.00	4,160.00	140.00
Supplies and Materials	2,000.00		2,000.00	1,349.68	650.32
Total Health Services	59,110.00	-	59,110.00	58,319.68	790.32
Other Support Services-Students-Related Services:					
Salaries	77,671.00		77,671.00	77,671.00	
Purchased Professional/Educational Services	7,600.00		7,600.00		7,600.00
Supplies and Materials	1,700.00		1,700.00	962.27	737.73
Total - Other Support Services-Students-Related Services	86,971.00	-	86,971.00	78,633.27	8,337.73
Other Support Services - Students - Regular					
Salaries of Other Professional Staff	108,716.00	115.00	108,831.00	108,831.00	
Other Purchased Professional and Technical Services	1,000.00		1,000.00	937.56	62.44
Supplies and Materials	3,000.00	(115.00)	2,885.00	22.89	2,862.11
Total Other Support Services - Students - Regular	112,716.00	-	112,716.00	109,791.45	2,924.55
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	170,772.00	(8,000.00)	162,772.00	146,441.40	16,330.60
Salaries of Secretarial/Clerical Assistants	23,917.00		23,917.00	23,797.41	119.59
Purchased Professional - Educational Services	9,000.00	10,300.00	19,300.00	16,835.00	2,465.00
Miscellaneous Purchased Services	2,000.00	(253.86)	1,746.14	881.03	865.11
Supplies and Materials	2,500.00	253.86	2,753.86	1,588.99	1,164.87
Total Other Support Services - Students - Special Services	208,189.00	2,300.00	210,489.00	189,543.83	20,945.17

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Improvement of Instruction/Other Support Services - Instructional Staff:					
Salaries of Other Professional Staff	\$ 11,900.00	\$ (2,110.25)	\$ 9,789.75	\$ 5,793.75	\$ 3,996.00
Supplies and Materials	5,300.00		5,300.00	467.00	4,833.00
Total Improvement of Instruction/Other Support Services - Instructional Staff	17,200.00	(2,110.25)	15,089.75	6,260.75	8,829.00
Educational Media Services/School Library:					
Other Purchased Professional and Technical Services	3,000.00	1,377.00	1,377.00	1,377.00	
Supplies and Materials		(1,377.00)	1,623.00	1,071.98	551.02
Total Educational Media Services/School Library	3,000.00	-	3,000.00	2,448.98	551.02
Instructional Staff Training Services:					
Other Purchased Professional and Technical Services	5,736.00	(913.00)	4,823.00	553.00	4,270.00
Travel		913.00	913.00	744.00	169.00
Supplies and Materials	1,000.00		1,000.00		1,000.00
Total Instructional Staff Training Services	6,736.00	-	6,736.00	1,297.00	5,439.00
Support Services General Administration:					
Salaries	148,981.00	172.50	149,153.50	140,782.37	8,371.13
Legal Services	35,000.00		35,000.00	23,639.20	11,360.80
Audit Fees	27,000.00		27,000.00	22,950.00	4,050.00
Other Purchased Professional Services	15,500.00	500.00	16,000.00	14,869.68	1,130.32
Purchased Technical Services	12,000.00	(5,000.00)	7,000.00	2,154.60	4,845.40
Insurance		6,043.00	6,043.00		
Communications/Telephone	23,000.00	18,100.00	41,100.00	38,632.55	2,467.45
Travel		6,575.64	6,575.64	874.00	5,701.64
BOE Other Purchased Services	12,720.00	(11,162.12)	1,557.88	26.25	1,531.63
Other Purchased Services	35,050.00	(5,537.56)	29,512.44	21,207.75	8,304.69
General Supplies	6,000.00	800.00	6,800.00	6,775.32	24.68
Miscellaneous Expenditures	6,000.00		6,000.00	4,970.33	1,029.67
BOE Membership and Fees	4,900.00	5,126.56	10,026.56	5,566.56	4,460.00
Total Support Services General Administration	326,151.00	15,618.02	341,769.02	288,491.61	53,277.41

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 101,568.00	\$ 1,641.62	\$ 103,209.62	\$ 103,209.62	\$ 946.00
Salaries of Secretarial and Clerical Assistants	25,000.00	(1,641.62)	23,358.38	22,412.38	3,864.51
Other Purchased Services	4,000.00	(135.49)	3,864.51		
Travel		170.85	170.85	170.85	
Supplies and Materials	2,500.00	(35.36)	2,464.64	1,444.89	1,019.75
Miscellaneous Expenditures	1,900.00		1,900.00	1,675.00	225.00
Total Support Services School Administration	134,968.00	-	134,968.00	128,912.74	6,055.26
Support Services Central Services					
Salaries	120,000.00		120,000.00	96,952.80	23,047.20
Purchased Professional Services	15,000.00	5,400.00	20,400.00	13,617.13	6,782.87
Purchased Technical Services	6,400.00	(4,200.00)	2,200.00	2,071.00	129.00
Travel		53.15	53.15	53.15	
Misc. Purchased Services	7,000.00	(1,288.15)	5,711.85	5,000.00	711.85
Supplies and Materials	5,000.00		5,000.00	3,870.72	1,129.28
Miscellaneous Expenditures		1,235.00	1,235.00	1,235.00	
Total Support Services Central Services	153,400.00	1,200.00	154,600.00	122,799.80	31,800.20
Administration Information Technology:					
Salaries	60,078.00	278.33	60,356.33	60,356.33	
Purchased Professional Services		920.00	920.00		920.00
Purchased Technical Services	3,600.00	1,125.00	4,725.00		1,125.00
Other Purchased Services		(2,323.33)	1,276.67	262.00	1,014.67
Total Administration Information Technology	63,678.00		63,678.00	60,618.33	3,059.67
Allowable Maintenance for School Facilities:					
Salaries	38,014.00	1.00	38,015.00	38,014.08	0.92
Cleaning, Repair & Maintenance Services	23,040.00	22,278.00	45,318.00	43,571.86	1,746.14
General Supplies	5,000.00		5,000.00	1,136.71	3,863.29
Total - Allowable Maintenance for School Facilities	66,054.00	22,279.00	88,333.00	82,722.65	5,610.35

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):					
Undistributed Expenditures (Cont'd):					
Other Operation and Maintenance of Plant Services:					
Salaries	\$ 168,250.00	\$ (7,312.90)	\$ 160,937.10	160,937.10	
Purchased Professional and Technical Services	2,000.00	950.00	2,950.00	2,950.00	
Cleaning, Repair & Maintenance Services	18,000.00	(9,450.00)	8,550.00	8,407.82	\$ 142.18
Other Purchased Property Services	8,000.00	(1,500.00)	6,500.00	6,440.24	59.76
Insurance	13,725.00	6,834.00	20,559.00	20,559.00	
General Supplies	13,000.00	2,966.00	15,966.00	10,088.01	5,877.99
Energy (Heat & Electricity)	84,071.00	(2,852.20)	81,218.80	77,099.44	4,119.36
Other Objects	200.00		200.00	185.00	15.00
Total - Other Operation and Maintenance of Plant Services	307,246.00	(10,365.10)	296,880.90	286,666.61	10,214.29
Total - Operation and Maintenance of Plant Services	373,300.00	11,913.90	385,213.90	369,389.26	15,824.64
Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	8,760.00	2,500.00	11,260.00	10,885.60	374.40
Contract Services (Special Education Students) - ESCs and CTSA	255,000.00	30,000.00	285,000.00	281,499.11	3,500.89
Contracted Services - Aid in Lieu of Payments - Charter School	23,400.00		23,400.00	22,953.26	446.74
Total Student Transportation Services	287,160.00	32,500.00	319,660.00	315,337.97	4,322.03
Business and Other Support Services:					
Miscellaneous Expenditures	1,500.00		1,500.00		1,500.00
Total Business and Other Support Services	1,500.00	-	1,500.00	-	1,500.00
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	53,000.00	15,000.00	68,000.00	65,698.61	2,301.39
Other Retirement Contributions - Regular	27,500.00	23,000.00	50,500.00	49,772.00	728.00
Other Retirement Contributions - ERIP	14,240.00		14,240.00	14,240.00	
Unemployment Compensation	60,000.00		60,000.00	7,600.00	52,400.00
Workers Compensation	26,000.00	4,356.00	30,356.00	30,356.00	
Health Benefits	780,476.00	(79,506.00)	700,970.00	611,178.06	89,791.94
Tuition Reimbursements	6,000.00		6,000.00	4,097.25	1,902.75
Other Employee Benefits	20,250.00	3,000.00	23,250.00	23,106.50	143.50
Total Unallocated Benefits - Employee Benefits	987,466.00	(34,150.00)	953,316.00	791,808.42	161,507.58

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONTD):					
GENERAL CURRENT EXPENSE (CONTD):	\$ 15,000.00	\$ (1,500.00)	\$ 13,500.00	-	\$ 13,500.00
Undistributed Expenditures (Cont'd):					
Undistributed Expenditures - Enterprise Funds					
Amounts to Cover Deficit					
On-behalf TPAF Medical Contributions			\$	132,969.00	(132,969.00)
On-behalf TPAF Pension Contributions				6,970.00	(6,970.00)
Reimbursed TPAF Social Security Contributions				175,222.69	(175,222.69)
Total TPAF Contributions	-	-	-	315,161.69	(315,161.69)
Total Undistributed Expenses	2,909,956.00	25,171.67	2,935,127.67	2,908,274.85	26,852.82
Total Expenditures - Current Expense	8,295,792.00	(67,446.33)	8,228,345.67	7,883,888.90	344,456.77
CAPITAL OUTLAY:					
Purchase of Equipment	23,500.00		23,500.00	12,584.00	10,916.00
Interest Deposit to Capital Reserve	65.00		65.00		65.00
Total Capital Outlay	23,565.00	-	23,565.00	12,584.00	10,981.00
Transfer to Charter Schools	240,830.00	87,600.00	328,430.00	327,604.82	825.18
Total Expenditures	8,560,187.00	20,153.67	8,580,340.67	8,224,077.72	356,262.95
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(275,760.00)	(20,153.67)	(295,913.67)	388,260.38	684,174.05
Other Financing Sources (Uses):					
Transfer of DEPA & TARA Funds				58,801.65	58,801.65
Total - Other Financing Sources (Uses)	-	-	-	58,801.65	58,801.65
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(275,760.00)	(20,153.67)	(295,913.67)	447,062.03	742,975.70
Fund Balances, July 1	773,195.70		773,195.70	773,195.70	
Fund Balances, June 30	\$ 497,435.70	\$ (20,153.67)	\$ 477,282.03	\$ 1,220,257.73	\$ 742,975.70

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Recapitulation:					
Reserve for Encumbrances				\$ 2,000.00	
Capital Reserve				24,389.87	
Excess Surplus				649,511.86	
Excess Surplus - Designated for Subsequent Year				192,721.11	
Unreserved -- Designated for Subsequent Year's Expenditures				83,038.89	
Unreserved -- Undesignated Fund Balance				<u>268,596.00</u>	
				1,220,257.73	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(585,834.90)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 634,422.83</u>	

BOROUGH OF WOOLLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:					
Early Childhood Program Aid	\$ 14,371.00	\$	\$ 14,371.00	\$ 14,371.00	\$ (1,525.85)
Character Education Aid	90,681.00	1,525.85	1,525.85	76,048.81	(14,632.19)
Preschool Education Aid			90,681.00		
Total - State Sources	105,052.00	1,525.85	106,577.85	90,419.81	(16,158.04)
Federal Sources:					
Title I	285,121.00	97,605.31	382,726.31	243,846.49	(138,879.82)
Title I SIA		20,824.00	20,824.00		(20,824.00)
Title I SIA - G		75,000.00	75,000.00	32,493.43	(42,506.57)
Title II Part A		40,486.20	40,486.20	39,256.00	(1,230.20)
Title II Part D		4,022.02	4,022.02	2,711.00	(1,311.02)
Title III		12,679.01	12,679.01	179.00	(12,500.01)
Title IV		8,058.60	8,058.60	4,544.00	(3,514.60)
Star W		100.00	100.00		(100.00)
ACE+		100.34	100.34		(100.34)
Arts in Education		29,545.00	29,545.00	23,885.01	(5,659.99)
Matrix		293.07	293.07		(293.07)
Include		296,412.36	296,412.36	141,499.51	(154,912.85)
I.D.E.I.A., Part B Basic	157,754.00	3,610.00	161,364.00	161,364.00	
I.D.E.I.A., Part B, Preschool Incentive		11,279.00	11,279.00	5,710.02	(5,568.98)
Total - Federal Sources	442,875.00	600,014.91	1,042,889.91	655,488.46	(387,401.45)
Total Revenues	\$ 547,927.00	\$ 601,540.76	\$ 1,149,467.76	\$ 745,908.27	\$ (403,559.49)

(Continued)

BOROUGH OF WOOLLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries	\$ 146,727.00	\$ 119,047.40	\$ 265,774.40	\$ 214,375.00	\$ 51,399.40
Salaries of Teachers	48,631.00	4,951.02	53,582.02	47,631.00	5,951.02
Other Salaries for Instruction	18,657.00		18,657.00	16,275.00	2,382.00
Purchased Technical Services	33,877.00	26,945.60	60,822.60	50,128.12	10,694.48
Other Purchased Services	157,754.00	36,144.00	193,898.00	161,364.00	32,534.00
Supplies and Materials	141,150.01	141,150.01	141,150.01	74,171.71	66,978.30
General Supplies	17,818.00	(921.05)	16,896.95	684.81	16,212.14
Total Instruction	423,464.00	327,316.98	750,780.98	564,629.64	186,151.34
Support Services:					
Salaries	21,362.00	58,148.00	79,510.00	33,897.50	45,612.50
Salaries of Supervisors of Instruction	7,500.00		7,500.00	5,000.00	2,500.00
Salaries of Program Directors	5,000.00		5,000.00		5,000.00
Personal Services - Employee Benefits	58,128.00	33,362.12	91,490.12	82,198.04	9,292.08
Purchased Professional - Technical Services	12,796.00	129,656.98	142,452.98	48,097.66	94,355.32
Purchased Professional - Educational Services		3,514.60	3,514.60		3,514.60
Other Purchased Professional Services	1,735.00		1,735.00		1,735.00
Other Purchased Services	11,903.00	17,691.34	29,594.34	4,743.18	24,851.16
Travel		19,892.03	19,892.03	2,925.65	16,966.38
Supplies and Materials	6,039.00	11,958.71	17,997.71	4,416.60	13,581.11
Total Support Services	124,463.00	274,223.78	398,686.78	181,278.63	217,408.15
Total Expenditures	\$ 547,927.00	\$ 601,540.76	\$ 1,149,467.76	\$ 745,908.27	\$ 403,559.49

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2009

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 8,612,338.10	\$ 745,908.27
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		20,100.10
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		(58,540.74)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2007.	212,060.85	34,002.15
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2008.	<u>(585,834.90)</u>	<u>(9,068.10)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 8,238,564.05</u></u>	<u><u>\$ 732,401.68</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 8,224,077.72	\$ 745,908.27
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>20,100.10</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 8,224,077.72</u></u>	<u><u>\$ 766,008.37</u></u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2009

	N.C.L.B.					Total Brought Forward
	Title I		Title II		Part D 2007-2008	
	2008-2009	2007-2008	S/A - G 2008-2009	Part A 2007-2008		
REVENUES:						
Federal Sources	\$ 655,488.46	\$ 15,178.79	\$ 32,493.43	\$ 115.00	\$ 39,141.00	\$ 337,181.54
State Sources	90,419.81					90,419.81
Local Sources	-					-
Total	\$ 745,908.27	\$ 15,178.79	\$ 32,493.43	\$ 115.00	\$ 39,141.00	\$ 427,601.35
EXPENDITURES:						
Instruction:						
Salaries	\$ 214,375.00	\$ 4,140.00	\$ 30,000.00			\$ 59,933.00
Salaries of Teachers	47,631.00					47,631.00
Other Salaries for Instruction	16,275.00					16,275.00
Purchased Professional - Technical Services	50,128.12	39,776.12				10,352.00
Other Purchased Services	161,364.00					161,364.00
Supplies and Materials	74,171.71	13,523.79	\$ 4,868.43		\$ 725.00	55,054.49
General Supplies	684.81					684.81
Total Instruction	564,629.64	173,601.91	4,868.43	-	30,000.00	351,294.30
Support Services:						
Salaries	33,897.50	11,873.71				9,140.00
Salaries of Supervisors of Instruction	5,000.00				1,845.00	5,000.00
Personal Services - Employee Benefits	82,198.04	35,652.27			141.00	38,904.77
Purchased Professional - Technical Services	48,097.66	3,131.00	27,625.00			17,341.66
Other Purchased Services	4,743.18	2,777.04		115.00		210.14
Travel	2,925.65	416.00				2,509.65
Supplies and Materials	4,416.60	1,215.77				3,200.83
Total Support Services	181,278.63	11,038.79	27,625.00	115.00	1,986.00	76,307.05
Transfer to Charter School	-	-	-	-	-	-
Facilities Acquisition and Construction Services:						
Non-Instructional Equipment	-	-	-	-	-	-
Total Expenditures	\$ 745,908.27	\$ 15,178.79	\$ 32,493.43	\$ 115.00	\$ 39,141.00	\$ 427,601.35

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2009

	N.C.L.B				I.D.E.I.A. Part B Pre-School 2008-2009	Arts In Education	Include	PreSchool Aid
	Total Carried Forward	Title III Part D 2008-2009	Title IV 2008-2009	I.D.E.I.A. Part B Basic 2008-2009				
REVENUES:								
Federal Sources	\$ 337,181.54	\$ 179.00	\$ 4,544.00	\$ 161,364.00	\$ 5,710.02	\$ 23,885.01	\$ 141,499.51	\$ 90,419.81
State Sources	90,419.81							
Local Sources	-							
Total Revenues	\$ 427,601.35	\$ 179.00	\$ 4,544.00	\$ 161,364.00	\$ 5,710.02	\$ 23,885.01	\$ 141,499.51	\$ 90,419.81
EXPENDITURES:								
Instruction:								
Salaries	\$ 59,933.00				\$ 59,933.00			\$ 47,631.00
Salaries of Teachers	47,631.00							16,275.00
Other Salaries for Instruction	16,275.00							300.00
Purchased Professional - Technical Services	10,352.00		\$ 4,544.00	\$ 161,364.00	\$ 5,508.00			
Other Purchased Services	161,364.00							
Supplies and Materials	55,054.49	\$ 179.00				\$ 16,200.00	38,675.49	684.81
General Supplies	684.81							
Total Instruction	351,294.30	179.00	4,544.00	161,364.00	5,508.00	16,200.00	98,608.49	64,890.81
Support Services:								
Salaries	9,140.00					4,640.00	4,500.00	5,000.00
Salaries of Supervisors of Instruction	5,000.00							20,529.00
Personal Services - Employee Benefits	38,904.77						18,375.77	
Purchased Professional - Technical Services	17,341.66						17,341.66	
Other Purchased Services	210.14						210.14	
Travel	2,509.65				202.02	46.20	2,463.45	
Supplies and Materials	3,200.83					2,998.81		
Total Support Services	76,307.05	-	-	-	202.02	7,685.01	42,891.02	25,529.00
Transfer to Charter School	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Services:								
Non-Instructional Equipment	-	-	-	-	-	-	-	-
Total Expenditures	\$ 427,601.35	\$ 179.00	\$ 4,544.00	\$ 161,364.00	\$ 5,710.02	\$ 23,885.01	\$ 141,499.51	\$ 90,419.81

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2009

EXPENDITURES:	<u>Budgeted</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Instruction:			
Salaries of Teachers	\$ 48,631.00	\$ 47,631.00	\$ 1,000.00
Other Salaries for Instruction	18,657.00	16,275.00	2,382.00
Other Purchased Services (400-500 series)	1,200.00	300.00	900.00
General Supplies	6,000.00	684.81	5,315.19
Total Instruction	<u>74,488.00</u>	<u>64,890.81</u>	<u>9,597.19</u>
Support Services:			
Salaries of Supervisors of Instruction	\$ 7,500.00	\$ 5,000.00	2,500.00
Personal Services - Employee Benefits	20,529.00	20,529.00	-
Other Purchased Professional Services	1,735.00		1,735.00
Other Purchased Professional Services (400-500 series)	800.00		800.00
Total Support Services	<u>30,564.00</u>	<u>25,529.00</u>	<u>5,035.00</u>
Total Expenditures	<u>\$ 105,052.00</u>	<u>\$ 90,419.81</u>	<u>\$ 14,632.19</u>
<u>Calculation of Budget and Carryover</u>			
Total Revised 2008-09 Preschool Education Aid Allocation			\$ 90,681.00
Add: Actual ECPA Carryover (June 30, 2008)			18,668.11
Add: Budgeted Transfer from the General Fund 2008-09			<u> </u>
Total Preschool Education Aid Funds Available for 2008-09 Budget			109,349.11
Less: 2008-09 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)			<u>(105,052.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2009			4,297.11
Add: June 30, 2009 Unexpended Preschool Education Aid			<u>14,632.19</u>
2008-09 Carryover - Preschool Education Aid			<u>\$ 18,929.30</u>
2008-09 Preschool Education Aid Carryover Budgeted for Preschool Programs 2009-10			<u> </u>

PROPRIETARY FUNDS

BOROUGH OF WOODLYNNE SCHOOL DISTRICT

Enterprise Fund
 Combining Statement of Net Assets
 June 30, 2009

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 24,158.04
Accounts Receivable:	
State	540.50
Federal	11,499.93
	<hr/>
Total Current Assets	36,198.47
	<hr/>
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	
Furniture, Machinery and Equipment	4,075.00
Less Accumulated Depreciation	(3,732.00)
	<hr/>
Total Noncurrent Assets	343.00
	<hr/>
Total Assets	36,541.47
	<hr/>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	14,625.36
	<hr/>
Noncurrent Liabilities:	
Compensated Absences Payable	-
	<hr/>
Total Liabilities	14,625.36
	<hr/>
NET ASSETS:	
Unrestricted	\$ 21,916.11
	<hr/> <hr/>

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Enterprise Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 For the Fiscal Year Ended June 30, 2009

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 15,432.85
School Breakfast Program	742.35
Special Milk Program	121.00
Daily Sales - Non-Reimbursable Programs	8,191.10
Total Operating Revenues	24,487.30
OPERATING EXPENSES:	
Salaries	72,870.76
Depreciation	339.00
Cost of Sales	59,889.21
Supplies	25,542.88
Purchased Professional/Technical Services	35,400.00
Total Operating Expenses	194,041.85
Operating Income / (Loss)	(169,554.55)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	4,684.82
State School Breakfast Program	2,489.40
Federal Sources:	
National School Lunch Program	114,893.75
National School Breakfast Program	41,144.02
National School Milk Program	740.99
Board Contribution	
Total Nonoperating Revenues (Expenses)	163,952.98
Change in Net Assets	(5,601.57)
Net Assets -- July 1	27,517.68
Net Assets -- June 30	\$ 21,916.11

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Enterprise Fund
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2009

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 24,487.30
Payments to Management Company	(164,333.35)
Payments to Employees	(11,744.14)
Payments for Supplies and Services	<u>(3,000.00)</u>
Net Cash Provided by (used for) Operating Activities	<u>(154,590.19)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	7,010.80
Federal Sources	152,660.21
Operating Subsidies and Transfers to Other Funds	<u> </u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>159,671.01</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,080.82
Cash and Cash Equivalents -- July 1	<u>19,077.22</u>
Cash and Equivalents -- June 30	<u>\$ 24,158.04</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (169,554.55)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	339.00
Increase (Decrease) in Accounts Payable	<u>14,625.36</u>
Total Adjustments	<u>14,964.36</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (154,590.19)</u>

FIDUCIARY FUNDS

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 June 30, 2009

	<u>Trust Fund</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:				
Cash and Cash Equivalents	\$ 5,397.99	\$ 23,409.03	\$ 6,829.32	\$ 35,636.34
Accounts Receivable:				
Interfund Accounts Receivable:				
Due General Fund	2,736.41			2,736.41
Due Unemployment Fund			4,949.42	4,949.42
Total Investments	2,736.41	-	4,949.42	7,685.83
 Total Assets	 8,134.40	 \$ 23,409.03	 \$ 11,778.74	 43,322.17
LIABILITIES:				
Accounts Payable		\$ 575.00		575.00
Interfund Accounts Payable:				
Due Payroll Fund	4,949.42			4,949.42
Due General Fund			\$ 11,778.74	11,778.74
Payable to Student Groups		22,834.03		22,834.03
Unemployment Claims	3,138.50			3,138.50
 Total Liabilities	 8,087.92	 \$ 23,409.03	 \$ 11,778.74	 43,275.69
 NET ASSETS:				
Held in Trust for Unemployment Claims and Other Purposes	\$ 46.48			\$ 46.48

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Assets
 For the Fiscal Year Ended June 30, 2009

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions and Donations from Payroll Deductions Withheld Employer Contributions	\$ 5,741.37 <u>7,600.00</u>
	13,341.37
Investment Earnings: Interest	<u>19.58</u>
Total Additions	<u>13,360.95</u>
DEDUCTIONS:	
Unemployment Claims	<u>13,394.09</u>
Change in Net Assets	(33.14)
Net Assets -- July 1	<u>79.62</u>
Net Assets -- June 30	<u>\$ 46.48</u>

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2009

	<u>Balance June 30, 2008</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2009</u>
ELEMENTARY SCHOOLS: Woodlynne Elementary School	<u>\$ 25,078.71</u>	<u>\$ 16,816.11</u>	<u>\$ 18,485.79</u>	<u>\$ 23,409.03</u>

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
ASSETS:				
Cash and Cash Equivalents	\$ 2,169.92	\$ 3,563,803.03	\$ 3,559,143.63	\$ 6,829.32
Interfund Accounts Receivable:				
Due Unemployment Trust	4,556.06	6,134.73	5,741.37	4,949.42
Due General Fund				
Total Assets	<u>\$ 6,725.98</u>	<u>\$ 3,569,937.76</u>	<u>\$ 3,564,885.00</u>	<u>\$ 11,778.74</u>
LIABILITIES:				
Payroll Deductions and Withholdings		\$ 1,423,359.91	\$ 1,423,359.91	
Net Payroll		2,141,325.09	2,141,325.09	
Interfund Accounts Payable:				
Due Unemployment Trust				
Due General Fund	\$ 6,725.98	5,252.76	200.00	\$ 11,778.74
Total Liabilities	<u>\$ 6,725.98</u>	<u>\$ 3,569,937.76</u>	<u>\$ 3,564,885.00</u>	<u>\$ 11,778.74</u>

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1 and J-2 are only presented for the last six fiscal years as the School District's first year of implementation of the Governmental Accounting Standards Board Statement No. 34 was for the fiscal year ended June 30, 2004; thus, ten year comparative financial information is unavailable.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Net Assets by Component
 Last Six Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,					
	2009	2008	2007	2006	2005	2004
Governmental Activities:						
Invested in Capital Assets, Net of Related Debt	\$ 2,939,164.53	\$ 3,029,145.92	\$ 2,997,936.42	\$ 2,995,254.18	\$ 2,972,855.88	\$ 2,839,026.13
Restricted	375,688.03	344,285.74	476,953.44	372,957.72	418,116.69	345,224.28
Unrestricted	115,536.55	87,817.29	166,693.52	(28,329.80)	(97,564.57)	75,127.08
Total Governmental Activities Net Assets	\$ 3,430,389.11	\$ 3,461,248.95	\$ 3,641,583.38	\$ 3,339,882.10	\$ 3,293,408.00	\$ 3,259,377.49
Business-type Activities:						
Invested in Capital Assets, Net of Related Debt	\$ 343.00	\$ 682.00	\$ 1,021.00	\$ 1,360.00	\$ 1,699.00	\$ 2,038.00
Unrestricted	21,573.11	26,835.68	30,413.69	34,043.53	9,277.32	45,901.80
Total Business-type Activities Net Assets	\$ 21,916.11	\$ 27,517.68	\$ 31,434.69	\$ 35,403.53	\$ 10,976.32	\$ 47,939.80
District-wide:						
Invested in Capital Assets, Net of Related Debt	\$ 2,939,507.53	\$ 3,029,827.92	\$ 2,998,957.42	\$ 2,996,614.18	\$ 2,974,554.88	\$ 2,841,064.13
Restricted	375,688.03	344,285.74	476,953.44	372,957.72	418,116.69	345,224.28
Unrestricted	137,109.66	114,652.97	197,107.21	5,713.73	(88,287.25)	121,028.88
Total District-wide Net Assets	\$ 3,452,305.22	\$ 3,488,766.63	\$ 3,673,018.07	\$ 3,375,285.63	\$ 3,304,384.32	\$ 3,307,317.29

Source: Exhibit A-1

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Changes in Net Assets
 Last Six Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,					
	2009	2008	2007	2006	2005	2004
Expenses:						
Governmental Activities:						
Instruction:						
Regular	\$ 1,363,663.18	\$ 1,074,147.49	\$ 974,214.51	\$ 989,177.19	\$ 918,265.10	\$ 805,907.97
Special Education	1,210,002.20	1,373,965.50	1,275,031.25	1,235,628.34	1,454,073.33	1,214,554.78
Other Special Education	21,698.90	29,542.00	33,917.32	22,980.31	54,689.37	28,386.66
Support Services:						
Tuition	3,007,246.99	2,556,517.36	2,206,183.12	2,522,699.05	2,400,076.22	2,135,260.39
Student and Instruction Related Services	703,881.99	790,210.85	611,645.69	820,750.87	737,831.59	674,705.35
School Administrative Services	128,912.74	115,497.49	115,867.82	105,275.50	91,028.55	84,673.37
General and Business Administrative Services	491,993.10	484,980.42	357,402.12	389,155.22	385,471.55	357,885.38
Plant Operations and Maintenance	374,377.81	417,913.36	361,175.79	332,852.04	318,697.56	336,104.48
Pupil Transportation	315,337.97	294,634.82	241,163.17	252,411.71	243,711.30	259,005.98
Unallocated Benefits	1,106,970.11	1,168,772.19	1,183,190.14	1,035,665.04	897,069.95	859,661.74
Transfer to Charter School	327,604.82	224,497.00	134,911.00	88,635.00	68,746.87	64,438.00
Interest on Long-term Debt		3,062.50	8,312.50	13,562.50	18,812.50	24,062.50
Amortization of Bond Issuance Costs		3,666.66	3,666.67	3,666.67	3,666.67	3,666.67
Unallocated Depreciation	1,300.07	1,300.07	1,300.07	1,300.07	1,300.07	1,300.07
Total Governmental Activities Expenses	9,052,989.88	8,538,707.71	7,507,981.17	7,813,759.51	7,593,440.63	6,849,613.34
Business-type Activities:						
Food Service	194,041.85	187,010.61	188,241.16	191,002.29	210,011.62	167,726.69
Other						
Total Business-type Activities Expense	194,041.85	187,010.61	188,241.16	191,002.29	210,011.62	167,726.69
Total District Expenses	\$ 9,247,031.73	\$ 8,725,718.32	\$ 7,696,222.33	\$ 8,004,761.80	\$ 7,803,452.25	\$ 7,017,340.03

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Changes in Net Assets
 Last Six Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,					
	2009	2008	2007	2006	2005	2004
Program Revenues:						
Governmental Activities:						
Operating Grants and Contributions	\$ 1,047,563.37	\$ 1,878,678.11	\$ 1,649,281.91	\$ 1,752,880.92	\$ 1,789,523.89	\$ 1,680,813.49
Capital Grants and Contributions						
Total Governmental Activities Program Revenues	<u>1,047,563.37</u>	<u>1,878,678.11</u>	<u>1,649,281.91</u>	<u>1,752,880.92</u>	<u>1,789,523.89</u>	<u>1,680,813.49</u>
Business-type activities:						
Charges for services	24,487.30	27,933.20	34,781.11	38,365.90	20,252.20	15,646.50
Food service						
Other						
Capital Grants and Contributions				27,000.00	27,000.00	
Operating Grants and Contributions	163,952.98	155,160.40	149,491.21	150,063.60	125,795.94	111,539.18
Total Business-type Activities Program Revenues	<u>188,440.28</u>	<u>183,093.60</u>	<u>184,272.32</u>	<u>215,429.50</u>	<u>173,048.14</u>	<u>127,185.68</u>
Total District Program Revenues	<u>\$ 1,236,003.65</u>	<u>\$ 2,061,771.71</u>	<u>\$ 1,833,554.23</u>	<u>\$ 1,968,310.42</u>	<u>\$ 1,962,572.03</u>	<u>\$ 1,807,999.17</u>
Net (Expense)/Revenue:						
Governmental Activities	\$ (8,005,426.51)	\$ (6,660,029.60)	\$ (5,858,699.26)	\$ (6,060,878.59)	\$ (5,803,916.74)	\$ (5,168,799.85)
Business-type Activities	<u>(5,601.57)</u>	<u>(3,917.01)</u>	<u>(3,968.84)</u>	<u>24,427.21</u>	<u>(36,963.48)</u>	<u>(40,541.01)</u>
Total District-wide Net Expense	<u>\$ (8,011,028.08)</u>	<u>\$ (6,663,946.61)</u>	<u>\$ (5,862,668.10)</u>	<u>\$ (6,036,451.38)</u>	<u>\$ (5,840,880.22)</u>	<u>\$ (5,209,340.86)</u>

(Continued)

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Changes in Net Assets
 Last Six Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,					
	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Assets:						
Governmental Activities:						
Property Taxes Levied for General Purposes, Net	\$ 1,777,195.00	\$ 1,732,728.00	\$ 1,685,318.00	\$ 1,638,383.00	\$ 1,474,633.00	\$ 1,177,927.00
Taxes Levied for Debt Service		24,597.00	25,824.00	27,051.00	28,278.00	29,503.00
Unrestricted Grants and Contributions	6,116,815.95	4,769,087.00	4,318,485.14	4,271,792.00	4,253,659.32	4,069,434.75
Restricted Grants and Contributions		77,653.00	76,696.00	88,699.00	91,768.91	76,629.70
Investment Earnings	8,379.15	31,748.01	43,335.58	31,807.73	10,041.31	4,923.12
Other	79,813.91	18,856.80	15,745.82	76,619.96	6,566.71	7,688.68
Cancelation of Project		(174,974.64)	(5,004.00)			
Cancelation of Receivable				(27,000.00)	(27,000.00)	(72,887.36)
Transfers						
Total Governmental Activities	<u>7,982,204.01</u>	<u>6,479,695.17</u>	<u>6,160,400.54</u>	<u>6,107,352.69</u>	<u>5,837,947.25</u>	<u>5,293,218.89</u>
Business-type Activities:						
Investment Earnings						48,353.46
Transfers						48,353.46
Total Business-type Activities						<u>96,706.92</u>
Total District-wide	<u>\$ 7,982,204.01</u>	<u>\$ 6,479,695.17</u>	<u>\$ 6,160,400.54</u>	<u>\$ 6,107,352.69</u>	<u>\$ 5,837,947.25</u>	<u>\$ 5,341,572.35</u>
Change in Net Assets:						
Governmental Activities	\$ (23,222.50)	\$ (180,334.43)	\$ 301,701.28	\$ 46,474.10	\$ 34,030.51	\$ 124,419.04
Business-type Activities	(5,601.57)	(3,917.01)	(3,968.84)	24,427.21	(36,963.48)	7,812.45
Total District	<u>\$ (28,824.07)</u>	<u>\$ (184,251.44)</u>	<u>\$ 297,732.44</u>	<u>\$ 70,901.31</u>	<u>\$ (2,932.97)</u>	<u>\$ 132,231.49</u>

Source: Exhibit A-2

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Fund Balances, Governmental Funds
 Last Six Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30					
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:						
Reserved	\$ 282,787.94	\$ 281,382.23	\$ 441,143.50	\$ 229,456.08	\$ 285,680.17	\$ 153,303.51
Unreserved	351,634.89	279,752.62	263,354.02	223,443.64	148,848.73	103,964.89
Total General Fund	<u>\$ 634,422.83</u>	<u>\$ 561,134.85</u>	<u>\$ 704,497.52</u>	<u>\$ 452,899.72</u>	<u>\$ 434,528.90</u>	<u>\$ 257,268.40</u>
All Other Governmental Funds:						
Reserved						
Unreserved, Reported in:						
Special Revenue Fund	\$ 9,861.20	\$ 43,467.89	\$ 37,997.42	\$ 49,290.64	\$ 49,210.02	\$ 161,267.61
Capital Projects Fund				5,004.00	5,004.00	168,050.47
Total All Other Governmental Funds	<u>\$ 9,861.20</u>	<u>\$ 43,467.89</u>	<u>\$ 37,997.42</u>	<u>\$ 54,294.64</u>	<u>\$ 54,214.02</u>	<u>\$ 329,318.08</u>

Source: Exhibit B-1

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Tax Levy	\$ 1,777,195.00	\$ 1,757,325.00	\$ 1,711,142.00	\$ 1,665,434.00	\$ 1,502,911.00	\$ 1,207,430.00	\$ 991,266.00	\$ 362,149.00	\$ 446,574.00	\$ 330,659.00
Other Local Revenue	29,391.41	36,133.01	59,081.40	108,427.69	17,020.17	13,362.95	24,046.00	89,310.00	117,719.00	374,501.00
Slate Sources	6,494,637.37	5,990,354.33	5,395,201.50	5,245,652.50	5,210,700.80	5,059,450.27	4,903,213.00	5,478,224.00	4,987,276.00	4,175,867.00
Federal Sources	669,741.95	730,678.78	649,261.55	867,719.42	924,251.32	766,646.52	395,063.00	365,399.00	345,226.00	306,538.00
Total Revenue	8,970,965.73	8,514,491.12	7,814,686.45	7,887,233.61	7,654,883.29	7,046,919.74	6,313,588.00	6,295,082.00	5,896,795.00	5,187,565.00
Expenditures:										
Instruction										
Regular Instruction	1,306,910.03	957,954.08	898,021.10	927,899.57	830,552.74	760,573.86	683,654.00	587,133.00	952,031.00	969,081.00
Special Education Instruction	1,210,332.04	1,373,965.50	1,275,031.25	1,235,628.34	1,454,073.33	1,214,554.78	1,111,997.00	1,212,562.00	679,044.00	676,497.00
Other Special Instruction	21,686.90	29,542.00	33,917.32	22,980.31	54,689.37	28,386.66	43,533.00	48,576.00	32,963.00	19,279.00
Support Services:										
Tuition	3,007,246.99	2,556,517.36	2,206,183.12	2,522,699.05	2,400,076.22	2,135,260.39	2,131,087.00	1,718,210.00	1,734,838.00	1,557,647.00
Student and Instruction Related Services	711,189.49	790,210.85	611,645.69	820,750.87	737,831.59	674,705.35	512,672.00	444,476.00	524,982.00	346,219.00
School Administrative Services	128,912.74	115,497.49	115,867.82	105,275.50	91,028.55	84,673.37	91,141.00	92,002.00	92,269.00	87,702.00
Other Administrative Services	471,909.74	428,600.38	401,526.02	386,223.29	330,721.03	307,781.78	338,976.00	276,051.00	278,341.00	884,059.00
Plant Operations and Maintenance	369,389.26	412,924.81	356,187.24	327,863.49	313,709.01	331,336.84	259,793.00	236,595.00	246,146.00	230,510.00
Pupil Transportation	315,337.97	294,634.82	241,163.17	252,411.71	243,711.30	259,005.98	242,250.00	215,228.00	164,643.00	145,452.00
Unallocated Benefits	1,106,970.11	1,168,772.19	1,183,190.14	1,035,665.04	897,069.85	859,661.74	824,336.00	677,995.00	627,090.00	164,043.00
Transfer to Charter School	327,604.82	224,497.00	134,911.00	88,635.00	68,746.87	64,438.00	48,314.00			
Debt Service:										
Principal		100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	75,000.00	75,000.00	75,000.00	75,000.00
Interest and Other Charges		5,250.00	10,500.00	15,750.00	21,000.00	26,250.00	30,187.00	34,125.00	38,062.00	42,000.00
Capital Outlay	12,584.00	19,042.20	6,238.00		182,104.44	2,126,217.62	102,569.00	619,036.00	581,445.00	103,718.00
Total Expenditures	8,990,086.09	8,477,408.68	7,574,381.87	7,841,782.17	7,725,314.30	8,972,846.37	6,495,509.00	6,236,989.00	6,026,854.00	5,301,207.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,120.36)	37,082.44	240,304.58	45,451.44	(70,431.01)	(1,925,926.63)	(181,921.00)	58,093.00	(130,059.00)	(113,642.00)
Other Financing Sources (Uses):										
Refund of Prior Year Revenue						(17,719.58)				
Accounts Receivable/Payable Canceled					(412.15)	(6,814.32)				
DEPA & TARA Funds	58,801.65	(174,974.64)	(5,004.00)	(27,000.00)	(27,000.00)	(48,353.46)	17,018.00		(7,938.00)	(29,286.00)
Cancellation of Project			(5,004.00)	(27,000.00)	(27,000.00)	(72,887.36)	(44,018.00)			
Transfers In										
Transfers Out										
Total Other Financing Sources (Uses)	58,801.65	(174,974.64)	(5,004.00)	(27,000.00)	(27,000.00)	(48,353.46)	(27,000.00)	-	(7,938.00)	(29,286.00)
Net Change in Fund Balances	\$ 39,681.29	\$ (137,892.20)	\$ 235,300.58	\$ 18,451.44	\$ (97,843.16)	\$ (1,998,813.99)	\$ (208,921.00)	\$ 58,093.00	\$ (137,997.00)	\$ (142,928.00)
Debt Service as a Percentage of Noncapital Expenditures		1.2%	1.5%	1.5%	1.6%	1.8%	1.6%	1.9%	2.1%	2.3%

Source: Exhibit B-2
 (1) Detail Unavailable

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Interest Earned on Deposits	\$ 8,379.15	\$ 31,746.51	\$ 43,335.58	\$ 31,807.73	\$ 10,041.31	\$ 4,923.12	\$ 7,011.00	\$ 38,012.00	\$ 93,274.00	\$ 84,034.00
Refund of Prior Year Expenditures	20,796.72		10,758.00	65,489.49	5,908.74	7,613.15	13,371.00	15,079.00	23,034.00	54,317.00
Cancellation of Accounts Payable									1,348.00	
Prior Year Tuition Adjustments			3,369.00	10,263.00						
Miscellaneous Fees	215.54	1.50	1,618.82	8.65	778.22	75.53				236,000.00
Total Miscellaneous Revenues	\$ 29,391.41	\$ 31,748.01	\$ 59,081.40	\$ 107,566.87	\$ 16,728.27	\$ 12,611.80	\$ 20,382.00	\$ 53,091.00	\$ 117,656.00	\$ 374,351.00

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (2)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (3)
2009	\$ 298,800.00	\$ 45,579,400.00	-	\$ 3,747,550.00	-	\$ 730,900.00	\$ 50,356,650.00	\$ 32,246.00	\$ 50,388,896.00	\$ 4,734,100.00	\$ 106,824,032.00	\$ 3.536
2008	298,800.00	45,579,400.00	-	3,782,550.00	-	730,900.00	50,391,650.00	32,104.00	50,423,754.00	4,734,100.00	100,285,906.00	3.504
2007	298,800.00	45,584,000.00	-	3,793,650.00	-	730,900.00	50,407,350.00	30,695.00	50,438,045.00	4,734,100.00	86,683,059.00	3.438
2006	311,300.00	45,452,600.00	-	3,793,650.00	-	730,900.00	50,288,450.00	35,194.00	50,323,644.00	4,788,300.00	73,240,640.00	3.354
2005	298,800.00	45,579,500.00	-	3,695,050.00	-	730,900.00	50,304,250.00	46,302.00	50,350,552.00	4,721,600.00	63,190,954.00	3.146
2004	298,800.00	45,648,300.00	-	3,695,050.00	-	730,900.00	50,373,050.00	51,178.00	50,424,228.00	4,656,900.00	63,270,367.00	2.687
2003	316,300.00	45,647,300.00	-	3,707,150.00	-	730,900.00	50,401,650.00	60,040.00	50,461,690.00	4,656,900.00	59,328,208.00	2.179
2002	316,300.00	45,658,800.00	-	4,121,450.00	-	730,900.00	50,827,450.00	54,759.00	50,882,209.00	Unavailable	54,103,723.00	1.330
2001 (1)	516,500.00	45,763,000.00	-	3,733,550.00	-	730,900.00	50,743,950.00	56,277.00	50,800,227.00	Unavailable	51,157,812.00	0.788
2000	372,500.00	45,865,600.00	-	3,773,050.00	-	795,900.00	50,807,050.00	60,128.00	50,867,178.00	Unavailable	48,487,545.00	0.756

(1) Revaluation

(2) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(3) Tax Rates are per \$100.00 of Assessed Valuation

Source: Camden County Board of Taxation

BOROUGH OF WOODLYNNE SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

Unaudited

Year Ended Dec. 31	District Direct Rate				Total Direct School Tax Rate	Borough of Woodlynne	Camden County	Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service						
2009	\$ 3.536		\$	3.536	\$ 3.013		\$ 1.317	7.866
2008	3.455	\$ 0.049		3.504	2.877		1.269	7.650
2007	3.386	0.052		3.438	2.475		1.212	7.125
2006	3.300	0.054		3.354	2.387		1.183	6.924
2005	3.087	0.059		3.146	2.387		1.044	6.577
2004	2.621	0.066		2.687	2.252		1.044	5.983
2003	2.125	0.054		2.179	2.229		1.052	5.460
2002	1.232	0.098		1.330	2.207		1.020	4.557
2001 (1)	0.742	0.046		0.788	2.110		0.929	3.827
2000	0.689	0.067		0.756	1.994		0.880	3.630

(1) Revaluation

Source: Municipal Tax Collector

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Principal Property Tax Payers
 Current Year and Nine Years Ago
Unaudited

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Bradco	\$ 589,000.00	1	1.17%			
Primax Properties	558,600.00	2	1.11%			
Woodlynn Investors	308,800.00	3	0.61%			
Ferry Ave LLC	270,000.00	4	0.54%			
Sovereign Bank	250,000.00	5	0.50%			
Shah	235,000.00	6	0.47%			
Merit Amerada Hess	191,300.00	7	0.38%	\$ 97,700.00	8	0.19%
Penn Pizza (Carollo)	168,300.00	8	0.33%	83,700.00	9	0.16%
Lisa Koonce	156,300.00	9	0.31%			
Theodossion Panayiotis	128,000.00	10	0.25%			
Mount Ephraim Associates				376,700.00	1	0.74%
PNB Realty Corporation				170,000.00	2	0.33%
Camden Marine Mart				215,200.00	3	0.42%
Sea Associates				199,000.00	4	0.39%
Trilon				159,300.00	5	0.31%
B. Schnepfer				116,800.00	6	0.23%
Walbrow Associates				112,000.00	7	0.22%
Shultz Properties				76,700.00	10	0.15%
Total	\$ 2,855,300.00		5.67%	\$ 1,607,100.00		3.16%

(1) Detail Unavailable

Source: Municipal Tax Assessor

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2009	\$ 1,777,195.00	\$ 1,754,124.77	98.70%	\$ 23,070.23
2008	1,757,325.00	1,734,254.77	98.69%	23,070.23
2007	1,711,142.00	1,283,357.70	75.00%	427,784.30
2006	1,665,434.00	1,514,972.23	90.97%	150,461.77
2005	1,502,911.00	1,389,347.08	92.44%	113,563.92
2004	1,207,430.00	996,851.81	82.56%	210,578.19
2003	991,266.00	920,340.40	92.84%	70,925.60
2002	362,149.00	320,291.00	88.44%	41,858.00
2001	446,574.00	421,810.00	94.45%	24,764.00
2000	330,659.00	325,897.00	98.56%	4,762.00

(1) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: District Records

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2009	-	-	-	-	-	-	Unavailable	Unavailable
2008	-	-	-	-	-	-	Unavailable	Unavailable
2007	\$ 100,000.00	-	-	-	-	\$ 100,000.00	0.09%	\$ 36.97
2006	200,000.00	-	-	-	-	200,000.00	0.20%	73.64
2005	300,000.00	-	-	-	-	300,000.00	0.31%	109.81
2004	400,000.00	-	-	-	-	400,000.00	0.42%	145.88
2003	500,000.00	-	-	-	-	500,000.00	0.54%	181.23
2002	575,000.00	-	-	-	-	575,000.00	0.65%	207.28
2001	650,000.00	-	-	-	-	650,000.00	0.75%	234.07
2000	725,000.00	-	-	-	-	725,000.00	0.88%	259.76

Sources:
 (1) District Records
 (2) Personal income has been estimated based upon the municipal population and per capita
 (3) Per Capita personal income by county-estimated based upon the 2000 Census published

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2009	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2007	\$ 100,000.00	-	\$ 100,000.00	0.20%	\$ 36.97
2006	200,000.00	-	200,000.00	0.40%	73.64
2005	300,000.00	-	300,000.00	0.60%	109.81
2004	400,000.00	-	400,000.00	0.79%	145.88
2003	500,000.00	-	500,000.00	0.99%	181.23
2002	575,000.00	-	575,000.00	1.13%	207.28
2001	650,000.00	-	650,000.00	1.28%	234.07
2000	725,000.00	-	725,000.00	1.43%	259.76

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2008
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Woodlynnne Borough</u>
Municipal Debt: (1) Woodlynnne Borough School District Borough of Woodlynnne	\$ 612,000.00		\$ 612,000.00	\$ 612,000.00
	<u>612,000.00</u>	-	<u>612,000.00</u>	<u>612,000.00</u>
Overlapping Debt Apportioned to the Municipality: County of Camden: (2) General: Bonds Loan Agreement Bonds Issued by Other Public Bodies Guaranteed by the County	29,337,812.00 45,950,000.00 804,362,154.00	\$ 11,904,735.00 (3) 804,362,154.00 (4)	17,433,077.00 45,950,000.00 63,383,077.00	53,646.53 (5) 141,401.20 (5) 195,047.72
	<u>879,649,966.00</u>	<u>816,266,889.00</u>	<u>63,383,077.00</u>	<u>195,047.72</u>
	<u>\$ 880,261,966.00</u>	<u>\$ 816,266,889.00</u>	<u>\$ 63,995,077.00</u>	<u>\$ 807,047.72</u>

Sources:

- (1) 2008 Annual Debt Statement
- (2) County's 2008 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2008 Equalized Value, which is 0.31%.
 The source for this computation was the 2008 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2009

Equalized valuation basis (1)	
2008	\$ 106,829,871
2007	100,253,282
2006	86,435,975
[A]	<u>\$ 293,519,128</u>

Average equalized valuation of taxable property

[A/3] \$ 97,839,709

Debt limit (3% of average equalization value) (2)

[B] 2,935,191

Total Net Debt Applicable to Limit

[C] -

Legal Debt Margin

[B-C] \$ 2,935,191

Fiscal Year Ended June 30.

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Debt limit	\$ 2,935,191.00	\$ 2,599,017.00	\$ 2,228,676.00	\$ 1,956,998.00	\$ 1,777,466.00	\$ 1,682,418.00	\$ 1,598,927.00	\$ 1,528,117.00	\$ 1,483,748.00	\$ 1,486,051.00
Total net debt applicable to limit (3)	-	-	100,000.00	200,000.00	300,000.00	400,000.00	500,000.00	575,000.00	650,000.00	725,000.00
Legal debt margin	\$ 2,935,191.00	\$ 2,599,017.00	\$ 2,128,676.00	\$ 1,756,998.00	\$ 1,477,466.00	\$ 1,282,418.00	\$ 1,098,927.00	\$ 953,117.00	\$ 833,748.00	Unavailable
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	4.49%	10.22%	16.88%	23.78%	31.27%	37.63%	43.81%	Unavailable

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NUSA 18A:24-19 for a K through 8 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2008	2,687	Unavailable	Unavailable	7.8%
2007	2,705	\$ 106,214,530.00	\$ 39,266.00	5.9%
2006	2,716	101,062,360.00	37,210.00	6.4%
2005	2,732	98,065,140.00	35,895.00	5.2%
2004	2,742	94,818,360.00	34,580.00	3.4%
2003	2,759	91,775,376.00	33,264.00	3.8%
2002	2,774	88,809,610.00	32,015.00	3.7%
2001	2,777	86,711,825.00	31,225.00	2.6%
2000	2,791	82,303,799.00	29,489.00	2.5%
1999	2,796	79,163,148.00	28,313.00	2.9%

Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2000 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2009 (1)</u>			<u>2000 (1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Employer 1		1			1	
Employer 2		2			2	
Employer 3		3			3	
Employer 4		4			4	
Employer 5		5			5	
Employer 6		6			6	
Employer 7		7			7	
Employer 8		8			8	
Employer 9		9			9	
Employer 10		10			10	
	-			-		

(1) Unavailable
 Source: Individual Employers

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005 (1)	2004 (1)	2003 (1)	2002 (1)	2001 (1)	2000 (1)
Instruction										
Regular	24	25	26	26	-	-	-	-	-	-
Special education	10	6	6	5	-	-	-	-	-	-
Other special education	5	3	4	5	-	-	-	-	-	-
Vocational					-	-	-	-	-	-
Other instruction	6	6	8	1	-	-	-	-	-	-
Nonpublic school programs					-	-	-	-	-	-
Adult/continuing education programs					-	-	-	-	-	-
Support Services:										
Tuition										
Student & instruction related services	6	6	3	8	-	-	-	-	-	-
General administrative services	2	2	3	2	-	-	-	-	-	-
School administrative services	2	3	4	2	-	-	-	-	-	-
Business administrative services	2	2	2	2	-	-	-	-	-	-
Plant operations and maintenance	6	5	6	5	-	-	-	-	-	-
Pupil transportation					-	-	-	-	-	-
Special Schools					-	-	-	-	-	-
Food Service					-	-	-	-	-	-
Community Education and Recreation					-	-	-	-	-	-
Total	62	57	60	55	-	-	-	-	-	-

Source: District Records
 (1) Detail Unavailable

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2009	506	\$ 8,977,502.09	\$ 17,742.10	-6.76%	57.0	22.0	n/a	437.7	412.6	17.34%	94.26%
2008	439	8,353,116.48	19,027.60	31.91%	41.0	14.3	n/a	373.0	345.9	-20.23%	92.73%
2007	517	7,457,643.87	14,424.84	-10.01%	32.6	15.8	n/a	467.6	442.9	-2.91%	94.72%
2006	482	7,726,032.17	16,029.11	5.39%	37.4	12.9	n/a	481.6	442.8	-1.31%	91.94%
2005	488	7,422,209.86	15,209.45	5.24%	37.0	12.6	n/a	488.0	451.5	8.83%	92.52%
2004	465	6,720,378.75	14,452.43	5.96%	37.0	12.6	n/a	448.4	416.1	2.61%	92.80%
2003	461	6,287,753.00	13,639.38	15.63%	40.0	12.0	n/a	437.0	396.8	-4.52%	90.80%
2002	467	5,508,828.00	11,796.21	-7.97%	40.0	12.0	n/a	457.7	424.9	8.87%	92.83%
2001	416	5,332,347.00	12,818.14	7.48%	40.0	12.0	n/a	420.4	396.7	-2.82%	94.36%
2000	426	5,080,489.00	11,926.03	14.12%	38.0	19.0	n/a	432.6	407.8	-0.92%	94.27%

Sources: District Records

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
District Building										
Elementary										
Woodlynn Elementary (1927)	50,674	50,674	50,674	50,674	50,674	50,674	50,674	43,796	43,796	38,036
Square Feet	540	540	540	540	540	540	540	553	553	480
Capacity (students)	506	439	517	482	488	465	461	467	416	426
Enrollment										
Number of Schools at June 30, 2009										
Elementary = 1										
Middle School = 0										
High School = 0										
Other = 0										

Source: District Records

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Nine Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES (11-000-261-XXX)

* School Facilities	Project # (s)	Fiscal Year Ended June 30,								
		2009	2008	2007	2006	2005	2004	2003	2002	2001
Woodlynn Elementary School	n/a	\$ 82,722.65	\$ 86,901.48	\$ 63,035.24	\$ 39,290.91	\$ 34,239.50	\$ 49,573.12	\$ 34,605.00	\$ 17,085.00	\$ 700.00
Total School Facilities		82,722.65	86,901.48	63,035.24	39,290.91	34,239.50	49,573.12	34,605.00	17,085.00	700.00
Other Facilities		-	-	-	-	-	-	-	-	-
Grand Total		\$ 82,722.65	\$ 86,901.48	\$ 63,035.24	\$ 39,290.91	\$ 34,239.50	\$ 49,573.12	\$ 34,605.00	\$ 17,085.00	\$ 700.00

* School Facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2009
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund:		
Property, Inland Marine and Auto Physical Damages	\$ 150,000,000.00	\$ 500.00
Boiler and Machinery	100,000,000.00	1,000.00
General and Auto Liability	10,000,000.00	
Workers Compensation	Statutory	
Crime Coverage	500,000.00	500.00
Educator's Legal Liability	10,000,000.00	
Pollution Legal Liability	3,000,000.00	25,000.00
Surety Bonds		
Treasurer of School Funds Bond	200,000.00	
School Business Administrator	50,000.00	

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

The Honorable President and
Members of the Board of Education
Borough of Woodlynne School District
County of Camden
131 Elm Avenue
Woodlynne, NJ 08107

Compliance

We have audited the compliance of the Borough of Woodlynne School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2009. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Woodlynne School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Borough of Woodlynne School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB, which are described in the accompanying Schedule of Findings and Questioned Costs as findings no.: 2009-4, 2009-5 and 2009-6.

Internal Control Over Compliance

The management of the Borough of Woodlynne School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School District's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the School District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

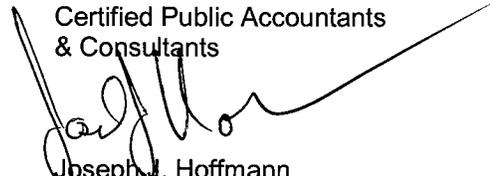
The Borough of Woodlynne School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School District's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of the School District, the Division of Finance of the New Jersey Department of Education, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Public School Accountant No. CS 00759

Voorhees, New Jersey
November 13, 2009

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2009

<u>Pass-through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>State Project</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Grant Period</u>	
				<u>From</u>	<u>To</u>
Special Revenue Fund:					
U.S. Department of Education:					
Passed-through State Department of Education:					
N.C.L.B.:					
Title I	84.010	IASA540008	\$ 285,121.00	9-1-07	8-31-08
Title I Carryover	84.010	IASA540008	5,000.00	9-1-08	8-31-09
Title I	84.010	IASA540009	325,333.00	9-1-08	8-31-09
Title I Carryover	84.010	IASA540008	99,631.00	9-1-07	8-31-08
Title I SIA	84.010	IASA540008	25,258.00	9-1-07	8-31-08
Title I SIA	84.010	IASA540009	20,824.00	9-1-08	8-31-09
Title I SIA	84.010	IASA540009	75,000.00	9-1-08	8-31-09
Title II - Part A	84.367	IASA540008	35,186.00	9-1-07	8-31-08
Title II - Part A Carryover	84.367	IASA540008	116.00	9-1-08	8-31-09
Title II - Part A	84.367	IASA540009	40,255.00	9-1-08	8-31-09
Title II - Part D	84.318	IASA540008	1,449.00	9-1-07	8-31-08
Title II - Part D Carryover	84.318	IASA540008	211.00	9-1-08	8-31-09
Title II - Part D	84.318	IASA540009	2,711.00	9-1-08	8-31-09
Title III	84.365	IASA540008	13,627.00	9-1-07	8-31-08
Title III	84.365	IASA540009	12,679.00	9-1-08	8-31-09
Title IV	84.186	IASA540008	6,353.00	9-1-07	8-31-08
Title IV	84.186	IASA540009	4,544.00	9-1-08	8-31-09
I.D.E.I.A. Part B:					
Basic	84.027	FT540009	161,364.00	9-1-08	8-31-09
Pre-School	84.173	PS540008	6,643.00	9-1-07	8-31-08
Pre-School	84.173	PS540009	6,387.00	9-1-08	8-31-09
Pre-School Carryover	84.173	PS540008	1,038.00	9-1-07	8-31-08
Pre-School Carryover	84.173	PS540009	4,892.00	9-1-08	8-31-09
Access Collaboration (ACE+)	84.276	05000111	50,000.00	8-1-04	7-31-05
Technology Literacy (Star W)	84.318	06000133	154,260.00	9-1-05	8-31-06
Include	84.318	08000209	161,538.00	12-15-07	8-31-08
Include	84.318	09000186	226,000.00	9-1-08	8-31-09
Passed-through the Camden County Technical School District:					
Arts In Education	84.351	U351D06009	29,545.00	9-1-08	8-31-09
Passed-through the Deptford Township School District:					
Matrix	84.366	07000158	46,495.00	9-1-06	8-31-07
Matrix	84.366	06000223	56,596.00	9-1-05	8-31-06
Matrix	84.366	05000312	64,770.00	11-1-04	9-30-05
Total Special Revenue Fund					
Enterprise Fund:					
U.S. Department of Agriculture:					
Passed-through State Department of Education:					
National School Lunch Program	10.555	Unavailable	102,673.77	9-1-07	8-31-08
National School Lunch Program	10.555	Unavailable	114,893.75	9-1-08	8-31-09
School Breakfast Program	10.553	Unavailable	44,881.47	9-1-07	8-31-08
School Breakfast Program	10.553	Unavailable	41,144.02	9-1-08	8-31-09
Special Milk Program	10.556	Unavailable	289.76	9-1-07	8-31-08
Special Milk Program	10.556	Unavailable	740.99	9-1-08	8-31-09
Total Enterprise Fund:					
Total Federal Financial Assistance					

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance June 30, 2008	Carry-over Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2009		
						Accounts Receivable	Deferred Revenue	Due to Grantor
\$ 57,022.79	\$ (5,000.00) 5,000.00		\$ 287.12	\$ 10,178.79 5,000.00	\$ 39,844.00			\$ 2,287.12
83.40 (25,258.00)		\$ 60,876.00 25,258.00		228,667.70		\$ (264,457.00)	\$ 96,665.30	83.40
231.20	(116.00) 116.00			32,493.43		(20,824.00) (75,000.00)	20,824.00 42,506.57	115.20 1.00
1,311.02	(211.00) 211.00			39,141.00		(40,255.00)	1,114.00	1,100.02 211.00
0.01		1,634.00		2,711.00		(1,077.00)		0.01
3,514.60		7,534.00		179.00		(5,145.00)	12,500.00	3,514.60
				4,544.00		(4,544.00)		
				161,364.00		(161,364.00)		
4,223.56	(4,826.00)		602.44	818.02		(6,387.00)	5,568.98	
66.00	(66.00) 4,892.00			4,892.00				
100.34 100.00 39,030.36		31,382.00 173,828.00	1,837.80	11,279.71 130,219.80	56,962.13	(52,172.00)	95,780.20	100.34 100.00 4,008.32
		4,431.00		23,885.01		(25,114.00)	5,659.99	
3.51 190.12 99.44								3.51 190.12 99.44
<u>80,718.35</u>	<u>-</u>	<u>304,943.00</u>	<u>2,727.36</u>	<u>655,488.46</u>	<u>96,806.13</u>	<u>(656,339.00)</u>	<u>280,619.04</u>	<u>11,814.08</u>
(4,225.36)		4,225.36						
(3,130.77)		107,417.07		114,893.75		(7,476.68)		
(25.25)		3,130.77		41,144.02		(3,968.34)		
		37,175.68		740.99		(54.91)		
		25.25						
		686.08						
<u>(7,381.38)</u>	<u>-</u>	<u>152,660.21</u>	<u>-</u>	<u>156,778.76</u>	<u>-</u>	<u>(11,499.93)</u>	<u>-</u>	<u>-</u>
<u>\$ 73,336.97</u>	<u>-</u>	<u>\$ 457,603.21</u>	<u>\$ 2,727.36</u>	<u>\$ 812,267.22</u>	<u>\$ 96,806.13</u>	<u>\$ (667,838.93)</u>	<u>\$ 280,619.04</u>	<u>\$ 11,814.08</u>

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2009

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2008	
			From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor
General Fund:						
State Department of Education:						
Core Curriculum Standards Aid	08-495-034-5120-022	\$ 3,306,130.00	7-1-07	6-30-08	\$ (148,753.30)	
Equalization Aid	09-495-034-5120-078	5,794,252.00	7-1-08	6-30-09		
Supplemental Core Curriculum Aid	08-495-034-5120-023	122,626.00	7-1-07	6-30-08	(5,517.33)	
Transportation Aid	09-495-034-5120-014	98,079.00	7-1-08	6-30-09		
Transportation Aid	08-495-034-5120-014	116,080.00	7-1-07	6-30-08	(5,222.81)	
Special Education Aid	09-495-034-5120-089	340,350.00	7-1-08	6-30-09		
Special Education Aid	08-495-034-5120-011	530,698.00	7-1-07	6-30-08	(23,877.79)	
Security Aid	09-495-034-5120-084	228,677.00	7-1-08	6-30-09		
Bilingual Aid	08-495-034-5120-008	22,228.00	7-1-07	6-30-08	(1,000.11)	
Stabilization Aid	08-495-034-5120-030	96,901.00	7-1-07	6-30-08	(4,359.88)	
Consolidated Aid	08-495-034-5120-057	68,356.00	7-1-07	6-30-08	(3,075.55)	
Additional Formula Aid	08-495-034-5120-058	280,375.00	7-1-07	6-30-08	(12,614.96)	
FT K Supp Aid	08-495-034-5120-074	169,784.00	7-1-07	6-30-08	(7,639.12)	
Extraordinary Special Education Costs Aid	09-100-034-5120-473	29,232.00	7-1-08	6-30-09		
Extraordinary Special Education Costs Aid	08-100-034-5120-473	10,317.00	7-1-07	6-30-08	(10,317.00)	
T.P.A.F. Social Security Aid	09-495-034-5095-002	175,222.69	7-1-08	6-30-09		
Total General Fund					(222,377.85)	-
Special Revenue Fund:						
State Department of Education:						
Early Childhood Program Aid	08-495-034-5120-025	347,477.00	7-1-07	6-30-08	(13,077.99)	
Early Childhood Program Aid	07-495-034-5120-025	347,477.00	7-1-06	6-30-07	14,372.25	
Preschool Education Aid	09-495-034-5120-086	90,681.00	7-1-08	6-30-09		
Demonstrably Effective Program Aid	08-495-034-5064-002	182,566.00	7-1-07	6-30-08	6,652.60	
Demonstrably Effective Program Aid	07-495-034-5064-002	182,566.00	7-1-06	6-30-07	3,177.83	
Targeted At Risk Aid	08-495-034-5120-005	150,000.00	7-1-07	6-30-08	32,343.20	
Character Education Aid	08-100-034-5120-418	4,000.00	7-1-05	6-30-06	230.00	
Character Education Aid	03-100-034-5120-418	4,000.00	7-1-02	6-30-03	966.01	
Total Special Revenue Fund					44,663.90	-
Enterprise Fund:						
State School Lunch Aid	09-100-010-3360-067	4,684.82	7-1-08	6-30-09		
State School Lunch Aid	08-100-010-3360-067	4,403.40	7-1-07	6-30-08	(180.88)	
State School Breakfast Aid	07-100-010-3360-096	2,489.40	7-1-08	6-30-09		
State School Breakfast Aid	08-100-010-3360-096	2,912.00	7-1-07	6-30-08	(196.20)	
Total Enterprise Fund					(377.08)	-
Total State Financial Assistance					\$ (178,091.03)	-

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2009			Memo	
					Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2009	Cumulative Total Expenditures
	\$ 148,753.30		\$ 5,794,252.00		\$ (525,350.10)			\$ (525,350.10)	\$ 5,794,252.00
	5,268,901.90								
	5,517.33								
	89,186.43		98,079.00		(8,892.57)			(8,892.57)	98,079.00
	5,222.81								
	309,491.33		340,350.00		(30,858.67)			(30,858.67)	340,350.00
	23,877.79								
	207,943.44		228,677.00		(20,733.56)			(20,733.56)	228,677.00
	1,000.11								
	4,359.88								
	3,075.55								
	12,614.96								
	7,639.12								
			29,232.00		(29,232.00)			(29,232.00)	29,232.00
	10,317.00								
	175,222.69		175,222.69						175,222.69
-	6,273,123.64	-	6,665,812.69	-	(615,066.90)	-	-	(615,066.90)	6,665,812.69
\$ (14,371.00)	17,373.85					\$ 4,295.86			
14,371.00	81,612.90		90,419.81		(9,068.10)	1.25		(9,068.10)	90,419.81
	9,128.30	\$ (15,780.90)				14,632.19			
	7,500.00	(3,177.83)							
		(39,843.20)							
		329.84				230.00			
						1,295.85			
-	115,615.05	(58,472.09)	90,419.81	-	(9,068.10)	20,455.15	-	(9,068.10)	90,419.81
	4,383.62		4,684.82		(301.20)				4,684.82
	180.88								
	2,250.10		2,489.40		(239.30)				2,489.40
	196.20								
-	7,010.80	-	7,174.22	-	(540.50)	-	-	-	7,174.22
-	\$ 6,395,749.49	\$ (58,472.09)	\$ 6,763,406.72	-	\$ (624,675.50)	\$ 20,455.15	-	\$ (624,135.00)	\$ 6,763,406.72

TOWNSHIP OF WOODLYNNE SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2009

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Woodlynne School District (hereafter referred to as the "School District"). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or two state June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$20,100.10 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 6,665,812.69	\$ 6,665,812.69
Special Revenue	\$ 669,741.95	96,266.42	766,008.37
Food Service	<u>156,778.76</u>	<u>7,174.22</u>	<u>163,952.98</u>
	<u>\$ 826,520.71</u>	<u>\$ 6,769,253.33</u>	<u>\$ 7,595,774.04</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2007-2008 as well as DEPA and TARA funds being transferred to the general fund.

Note 6: OTHER

TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2009.

Note 7: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? x yes no

Were significant deficiencies identified that were not considered to be a material weakness? x yes none reported

Noncompliance material to financial statements noted? x yes no

Federal Awards

Internal control over compliance:

Material weaknesses identified? yes x no

Were significant deficiencies identified that were not considered to be a material weakness? yes x none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? yes x no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010 _____ _____ _____ _____ _____	N.C.L.B. Title I _____ _____ _____ _____ _____

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee? x yes no

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? ___ yes x no

Were significant deficiencies identified that were not considered to be a material weakness? ___ yes x none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? x yes ___ no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
09-495-034-5120-078	State Aid Public - Equalization Aid
09-495-034-5120-089	State Aid Public - Special Education Aid
09-495-034-5120-084	State Aid Public - Security Aid

Dollar threshold used to determine Type A programs \$300,000.00

Auditee qualified as low-risk auditee? x yes ___ no

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Finding No. 2009-1

Condition

Our audit of expenditures indicated the following:

1. Several disbursements were approved in the minute record after the checks were issued.
2. Six mileage reimbursements were calculated using an incorrect rate.
3. One meal reimbursement was for an amount in excess of the maximum allowed.
4. Four vouchers could not be located along with the support of five other vouchers.
5. Six expenditures were not charged to the proper budgetary account.
6. Four disbursements were not approved in the minutes.
7. Some non-salary items were charged to a salary account.
8. Some salary items were not paid through payroll.
9. Checks were written as late as October 2009 and dated back to June 2009.

Criteria

Effective internal controls and N.J.S.A. 18A: 19 et. seq. requires that prior to payment, all claims must be approved in the minutes, have a detailed bill of items and be paid at the correct amount. Also, in accordance with N.J.A.C. 6A:23-2.2(f) Districts are required to follow "The Uniform Chart of Accounts for New Jersey Public Schools" and the "Budget Guidelines" as promulgated by the State Department of Education with regard to proper classification and charging of expenditures. Additionally, all checks should be dated when they are actually prepared.

Effect

That control over the financial accounts and records is not effective to reduce the likelihood that errors of a material nature could occur and not be detected and unauthorized expenditures could be made and may cause over-expenditures of approved budgetary line items.

Cause

Procedures are not in place for the review and follow-up of vouchers prior to payment.

Recommendation

That control procedures be established and followed to ensure that all expenditures are properly approved and recorded prior to checks being issued.

View of Responsible Official and Planned Corrective Action

The responsible officials agree with the finding and will establish control procedures over expenditures.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2009-2

Condition

Two employees who left the employment of the District were not removed from the health insurance on a timely basis.

Criteria

The District should not be paying for the health insurance of non –employees.

Effect

The District is paying health benefits for individuals who are no longer employed by the District.

Cause

Oversight on the part of the responsible official.

Recommendation

That control procedures be established, to insure that terminated employees be removed from health insurance coverage on a timely basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2009-3

Condition

Reimbursement requests for the No Child Left Behind and Individuals with Disabilities Education Improvement Act Federal Programs were not made timely.

Criteria

Cash requests for expenditures of federal programs are required to be made on a timely basis.

Effect

The District's available cash is negatively impacted by not requesting the reimbursements on a timely basis.

Cause

Oversight on the part of the responsible official.

Recommendation

That the No Child Left Behind and Individuals with Disabilities Education Improvement Act Federal Program reimbursement requests be made timely.

View of Responsible Official and Planned Corrective Action

The responsible officials agree with the finding and will establish a corrective action for the above issue.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

Finding No. 2009-4

Program:

State Aid Public:

Equalization Aid (GMIS No. 495-034-5120-078)

Special Education Aid (GMIS No. 495-034-5120-089)

Security Aid (GMIS No. 495-034-5120-084)

Condition

The District is not maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining Federal funding for special education services.

Criteria

N.J.A.C. 6A-5.3(d) requires the District to maximize its participation in the SEMI Program by obtaining 90 percent return rate of parental consent forms for all SEMI eligible students and complying with all program requirements.

Questioned Costs

None.

Context

Not applicable.

Effect

There is a lack of compliance with the state regulations.

Cause

Oversight by the responsible official.

Recommendation

That the District should establish procedures to ensure that it maximizes its efforts under the SEMI Program for obtaining federal reimbursement for special education services.

View of Responsible Official and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2009-5

Program:

State Aid Public:

Equalization Aid (GMIS No. 495-034-5120-078)

Special Education Aid (GMIS No. 495-034-5120-089)

Security Aid (GMIS No. 495-034-5120-084)

Condition

Our audit of compliance with the Local Public Contracts Law, the Pay-to-Play Law and the Business Registration Law revealed the following:

- a. The required 271 Disclosure Forms were not on file for three vendors who were paid in excess of \$17,500.00 and one of the vendor contracts was not awarded in the minutes.
- b. Four New Jersey Business Registration Forms were unable to be located for vendors that provided goods and services to the District in excess of the statutory quote threshold.

Criteria

Chapter 271 of the laws of 2005 requires that 271 Disclosure Forms be filed ten days prior to the contract award and certain specific language be utilized in resolutions awarding contracts to vendors in excess \$17,500.00 via a non-fair and open process. Chapter 57 of the laws of 2004 requires that governmental contracting units obtain Business Registration Forms from all vendors that receive payments in excess of the statutory quote threshold.

Questioned Costs

None.

Context

Not applicable.

Effect

The School District did not fully comply with the Local Public Contracts Law, the Pay-to-Play Law and the Business Registration Law.

Cause

Oversight by the responsible official.

Recommendation

That proper controls, be established to insure compliance with all facets of the regulations set forth in the Local Public Contracts Law, the Business Registration Law and the Pay-to-Play Law.

View of Responsible Official and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2009

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs (Cont'd)

Finding No. 2009-6

Program:

State Aid Public:

Equalization Aid (GMIS No. 495-034-5120-078)

Special Education Aid (GMIS No. 495-034-5120-089)

Security Aid (GMIS No. 495-034-5120-084)

Condition

Our audit of the records of the Board Secretary revealed the following:

1. The year-end budget transfer report as well as the June 2009 Board Secretary and Treasurer's Reports were not available and were not filed with the County Superintendent's Office.
2. We were not able to trace nine budget transfers to the minutes since the support for the budget transfers that were not included in the minute record.

Criteria

The New Jersey Administrative Code and the New Jersey Statutes require the following:

1. N.J.S.A. 18A: 17-10 requires that the Board Secretary and Treasurer's reports be filed with the County by August 1.
2. N.J.A.C. 6A:23A-13 requires that all budget transfers from advertised appropriations be approved by the Board.

Questioned Costs

None.

Context

Not applicable.

Effect

There is a lack of compliance with the state regulations.

Cause

Unknown

Recommendation

That the New Jersey Administrative Code and the New Jersey Statutes regarding the filing of the Board Secretary's and Treasurer's reports and the budget transfers being approved in the minutes, be adhered to.

View of Responsible Official and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF WOODLYNNE SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

N/A

FEDERAL AWARDS

N/A

STATE FINANCIAL ASSISTANCE PROGRAMS

N/A

