

**Comprehensive Annual  
Financial Report**

**of the**

**Borough of Woodbine Board of Education**

**Borough of Woodbine, New Jersey**

**For the Fiscal Year Ended June 30, 2011**

## TABLE OF CONTENTS

Page

### INTRODUCTORY SECTION

Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

### FINANCIAL SECTION

Independent Auditor's Report	8-9
------------------------------	-----

<b>Required Supplementary Information - Part I</b> Management's Discussion and Analysis	10-18
--	-------

#### Basic Financial Statements

#### A DISTRICT - WIDE FINANCIAL STATEMENTS

A-1 Statement of Net Assets	19
-----------------------------	----

A-2 Statement of Activities	20
-----------------------------	----

#### B FUND FINANCIAL STATEMENTS

##### Governmental Funds:

B-1 Balance Sheet	21
-------------------	----

B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	22
--	----

B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
--	----

##### Proprietary Funds:

B-4 Statement of Net Assets	24
-----------------------------	----

B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	25
---	----

B-6 Statement of Cash Flows	26
-----------------------------	----

##### Fiduciary Funds:

B-7 Statement of Fiduciary Net Assets	27
---------------------------------------	----

B-8 Statement of Changes in Fiduciary Net Assets	28
--	----

Notes to Financial Statements	29-47
-------------------------------	-------

## TABLE OF CONTENTS

	Page
<b>Required Supplementary Information - Part II</b>	
<b>C Budgetary Comparison Schedules</b>	
C-1 Budgetary Comparison Schedule - General Fund	48-52
C-1a Budgetary Comparison Schedule - American Recovery and Reinvestment Act - Education Jobs Fund	53
C-2 Budgetary Comparison Schedule - Special Revenue Fund	54-55
<b>Notes to the Required Supplementary Information</b>	
C-3 Budget - to - GAAP Reconciliation	56
<b>Other Supplementary Information</b>	
<b>D School Level Schedules</b>	N/A
<b>E Special Revenue Fund:</b>	
E-1 Combining Schedule of Revenues and Expenditures - Special Revenue Fund - Budgetary Basis	57-60
E-2 Preschool Education Aid Statement of Expenditures - Budgetary Basis	61
<b>F Capital Projects Fund:</b>	
F-1 Summary Statement of Project Expenditures	62
F-2 Schedules of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	63
F-2a Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis - Renovations to Gymnasium	64
F-2b Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis - Renovations to Library/Media Center	65
F-2c Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis - Various Improvements and Renovations including Solar Panels	66
F-2d Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis - Building Upgrades and Boiler Project	67
F-2e Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis - Building Upgrades and Boiler Project	68
<b>G Proprietary Funds:</b>	
<b>Enterprise Fund:</b>	
B-4 Statement of Net Assets	24
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	25
B-6 Statement of Cash Flows	26

## TABLE OF CONTENTS

Page

### Other Supplementary Information (Continued)

#### H Fiduciary Funds

H-1	Combining Statement of Fiduciary Net Assets	69
H-2	Combining Statement of Changes in Fiduciary Net Assets	70
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	71
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	72

#### I Long-Term Debt

I-1	Schedule of Serial Bonds	73
I-2	Schedule of Obligations Under Capital Leases	74
I-3	Debt Service Fund Budgetary Comparison Schedule	N/A

#### J STATISTICAL SECTION (Unaudited)

J-1	Net Assets by Component	75
J-2	Changes in Net Assets	76-78
J-3	Fund Balances, Governmental Funds	79
J-4	Changes in Fund Balances, Governmental Funds	80
J-5	General Fund Other Local Revenue by Source	81
J-6	Assessed Value and Actual Value of Taxable Property	82
J-7	Direct and Overlapping Property Tax Rates	83
J-8	Principal Property Tax Payers	84
J-9	Property Tax Levies and Collections	85
J-10	Ratios of Outstanding Debt by Type	86
J-11	Ratios of Net General Bonded Debt Outstanding	87
J-12	Direct and Overlapping Governmental Activities Debt	88
J-13	Legal Debt Margin Information	89
J-14	Demographic and Economic Statistics	90
J-15	Principal Employers	91
J-16	Full-time Equivalent District Employees by Function/Program	92
J-17	Operating Statistics	93
J-18	School Building Information	94
J-19	Required Maintenance for School Facilities	95
J-20	Insurance Schedule	96

## TABLE OF CONTENTS

Page

### K SINGLE AUDIT SECTION

K-1	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	97-98
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04	99-100
K-3	Schedule of Expenditures of Federal Awards, Schedule A	101-102
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	103
K-5	Notes to Schedules of Awards and Financial Assistance	104-105
K-6	Schedule of Findings and Questioned Costs	106-110
K-7	Summary Schedule of Prior Audit Findings	111-114

# **Introductory Section**

WOODBINE BOARD OF EDUCATION  
801 Webster Street  
Woodbine, New Jersey 08270

November 30, 2011

Honorable President and  
Members of the Board of Education  
Borough of Woodbine School District  
County of Cape May

Dear Board Members:

The Comprehensive Annual Financial Report of the Borough of Woodbine School District for the fiscal year ending June 30, 2011, 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 to 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, the District's organizational chart and a list of the principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the New Jersey OMB Circular Letter 04-04, *Single Audit Policy 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 the report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Borough of Woodbine School District is an independent reporting entity within the criteria set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. All funds of the District are included in this report. The Borough of Woodbine Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 217 students, which is 1 student above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Year</u>	<u>Enrollment</u>		<u>Change from Prior Year</u>
2010-11	217	*	0.46%
2009-10	216	*	1.41%
2008-09	213	*	14.52%
2007-08	186	*	-11.85%
2006-07	211	*	-0.94%
2005-06	213		-9.36%
2004-05	235		-2.49%
2003-04	241		-9.06%
2002-03	265		7.72%
2001-02	246		-5.02%

\*Actual District Enrollment as of June 30.

**2. ECONOMIC CONDITION AND OUTLOOK:** The Borough of Woodbine continued to experience slow economic development during the past year. The district's status as a district in severe need is primarily due to a higher than average number of low-income families, a higher than average transient student population and a lower than average increase in ratables.

However, the economic outlook for the Borough of Woodbine is promising. The Borough has initiated several public works projects and clean energy grant projects designed to enhance the safety of the Borough's citizens and lessen the burden on the taxpayer.

**3. MAJOR INITIATIVES:** The education of our children remains the top priority for the District. During the past year, the district successfully completed phase I of the referendum project including electrical upgrades, a new roof and solar panels. Replacement of the school's boiler and conversion to natural gas and replacement of classroom lighting was also completed under the Regular Operating District Grant (ROD) and funding from the Borough's Small Cities Grant and Clean Energy Grant.

Phase II of the Referendum Project, which includes kitchen renovations and a new security vestibule, is now underway. Completion of Phase II is scheduled for November 2011.

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 that adequate accounting data is 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 costs and benefits requires estimates and judgments by management.

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 and the special revenue 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.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations to fund balance at June 30, 2011.

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

7. **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management and improve its financial position.

8. **DEBT ADMINISTRATION:** At June 30, 2011, the District's outstanding debt issues included \$3,682,000.00 of school bonds.

9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA 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.

10. **RISK MANAGEMENT:** The Board carries various forms of insurance, including, but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft on property and contents, and fidelity bonds.

11. **OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Accounting firm of Ford, Scott & Associates was selected by the Board's Finance Committee. In addition to meeting the requirements set forth in the state statutes, the audit is designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Borough of Woodbine Board of Education 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. The preparation of this report could not have been accomplished without the efficient and dedicated service of our staff.

Respectfully submitted:



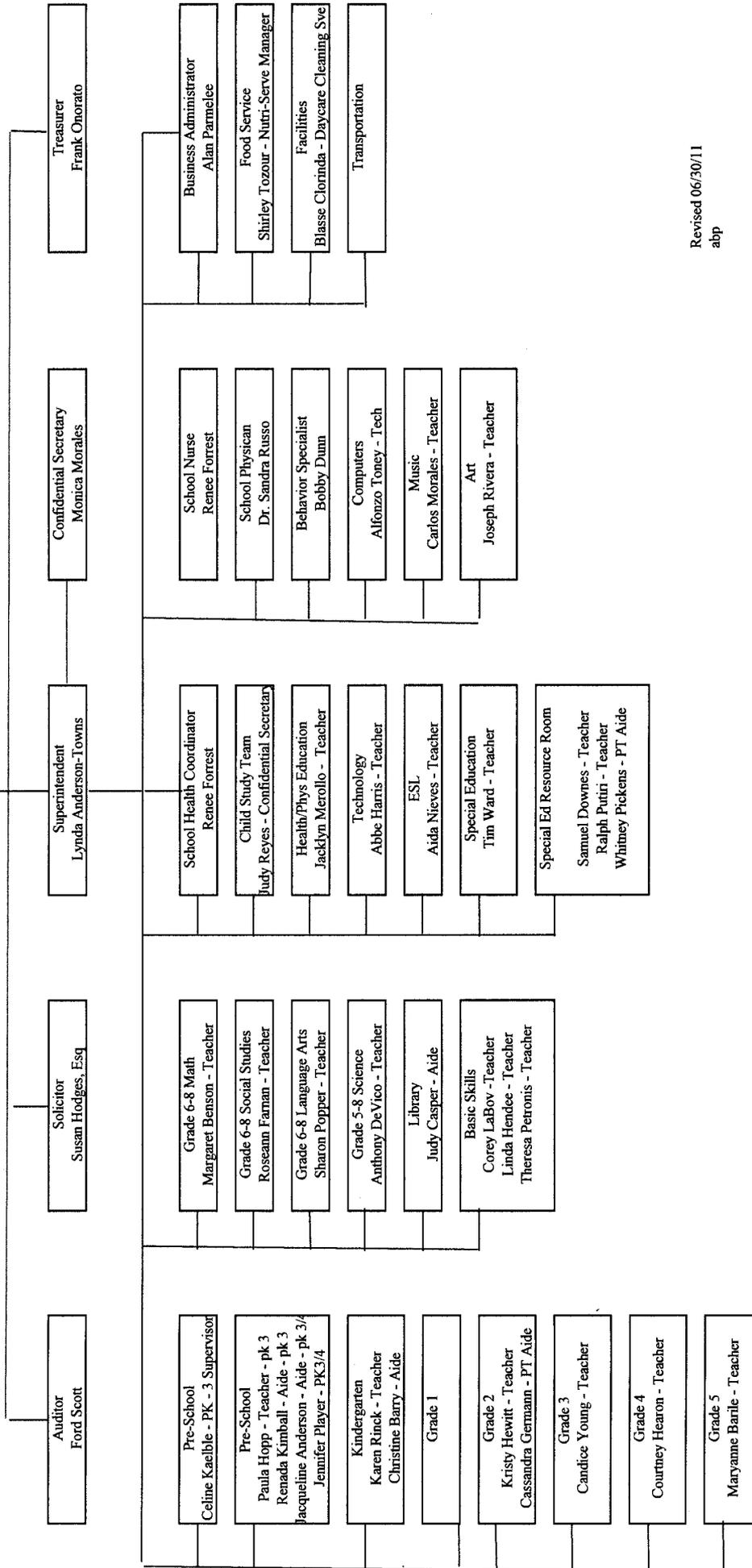
Lynda Anderson-Towns  
Superintendent



Alan B. Parmelee  
Board Secretary/  
Business Administrator

# Woodbine Board of Education

Lisa Feliciano - Vice-President (term expires 2012)    Janita Hutchinson - Member (term expires 2014)    Gerald Murray - Member (term expires 2012)  
 Manuel Gonzalez - Member (term expires 2013)    Donald Jenkins - Member (term expires 2013)    Melissa Rodriguez - President (term expires 2013)  
 Harold Harris - Member (term expires 2012)    Victoria London - Member (term expires 2014)    Minian Vives-Rivera - Member (term expires 2014)  
 Alan Parmelee - Board Secretary



Revised 06/30/11  
abp

**BOROUGH OF WOODBINE BOARD OF EDUCATION  
COUNTY OF CAPE MAY, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2011**

**Members of the Board of Education**

**Term Expires**

Melissa Rodriguez, President	2013
Lisa Feliciano-Toney, Vice President	2012
Gerald Murray	2012
Donald Jenkins	2013
Manuel Gonzalez	2013
Harold Harris	2012
Janita Hutchinson	2014
Victoria London	2014
Miriam Vives-Rivera	2014

**Other Officials**

Lynda Anderson-Townes, Superintendent /Principal  
Alan B. Parmelee, School Business Administrator  
Frank Onorato, Treasurer  
Susan S. Hodges, Esq. Solicitor

**BOROUGH OF WOODBINE BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Ford, Scott & Associates, L.L.C.**  
Certified Public Accountants  
1535 Haven Avenue  
P.O. Box 538  
Ocean City, NJ 08226-0538

**ATTORNEY**

**Archer & Greiner**  
Susan S. Hodges, Attorney at Law  
One Centennial Square  
Haddonfield, NJ 08033-0968

**OFFICIAL DEPOSITORY**

**Sturdy Savings Bank**  
506 S. Main Street, PO Box 900  
Cape May Courthouse, NJ 08210

## **Financial Section**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538  
PHONE 609.399.6333 • FAX 609.399.3710

## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Borough of Woodbine School District  
County of Cape May, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Woodbine School District (the District), in the County of Cape May, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Woodbine Board of Education'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 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, of the Borough of Woodbine Board of Education, in the County of Cape May, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the 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 30, 2011 on our consideration of the Borough of Woodbine Board of Education's internal control over financial reporting and on 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 our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information listed in the accompanying 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 principally 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 Woodbine Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt 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 section and statistical tables 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.

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 New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**



**Glen J. Ortman**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 853**

**November 30, 2011**

## **Required Supplementary Information – Part I**

**WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

The discussion and analysis of Borough of Woodbine School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- In total, net assets increased \$1,148,562.20, which represents an increase of 35.3 percent from 2010.
- General revenues accounted for \$4,560,520.64 of total revenue or 67.2 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions and capital grants and contributions accounted for \$2,222,247.26 or 32.8 percent of total revenues of \$6,782,767.90.
- Total assets of governmental activities increased by \$4,788,786.57 as cash and cash equivalents decreased by \$144,714.35, receivables increased by \$825,916.18, and capital assets increased by \$4,109,631.37.
- The School District had \$5,634,205.70 in expenses; only \$2,222,247.26 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$4,560,520.64 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$4,513,037.10 in revenues and \$4,615,677.27 in expenditures. The General Fund's fund balance decreased \$115,717.24 from 2010.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Borough of Woodbine School District as a financial whole; an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Borough of Woodbine School District, the General Fund is by far the most significant fund.

**WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Latchkey and Food Service enterprise funds are reported as a business activity.

**Reporting the School District's Most Significant Funds**

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The 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 years. These funds are reported using an accounting method called modified accrual 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 School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. 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.

**WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Reporting the School District's Most Significant Funds (Continued)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 29 to 47 of this report.

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2011 and 2010.

	Table 1 Net Assets	
	2011	2010
<b>Assets</b>		
Current and Other Assets	\$ 1,496,635.38	\$ 841,139.08
Capital Assets	7,841,813.43	3,728,973.10
<b>Total Assets</b>	9,338,448.81	4,570,112.18
<b>Liabilities</b>		
Long-Term Liabilities	3,686,998.75	200,452.28
Other Liabilities	1,246,084.38	1,099,745.17
<b>Total Liabilities</b>	4,933,083.13	1,300,197.45
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	4,155,543.52	3,719,347.48
Restricted	742,489.75	66,334.56
Unrestricted	(492,667.59)	(528,878.56)
<b>Total Net Assets</b>	\$ 4,405,365.68	\$ 3,256,803.48

The District's combined net assets were \$4,405,365.68 on June 30, 2011. This was an increase of 35.3 percent from the prior year.

**WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**The School District as a Whole (Continued)**

Table 2 shows changes in net assets for fiscal year 2011 and 2010.

**Table 2  
Changes in Net Assets**

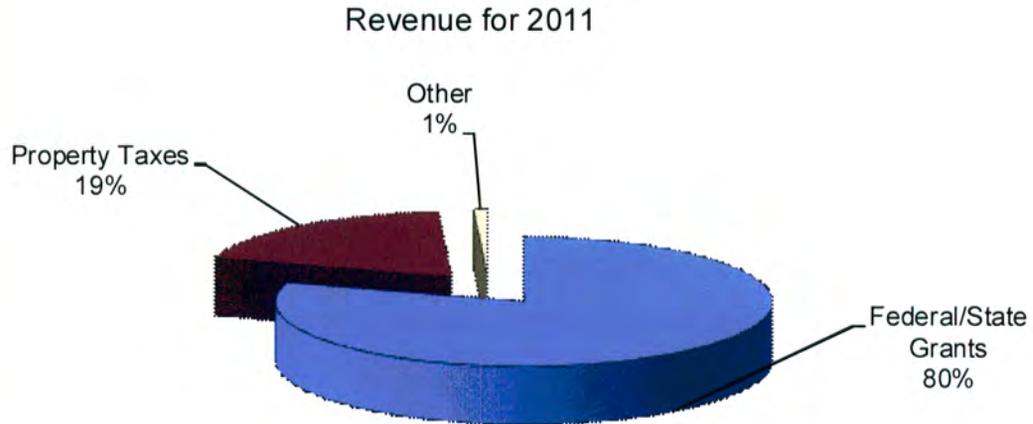
	2011	2010
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 37,356.78	\$ 54,538.82
Operating Grants and Contributions	2,184,890.48	1,066,260.25
General Revenues:		
Property Taxes	1,284,516.00	1,279,075.00
Grants and Entitlements	3,219,153.00	3,302,322.63
Other	56,851.64	3,664.27
Total Revenues	6,782,767.90	5,705,860.97
<b>Program Expenses</b>		
Instruction	2,273,712.52	2,179,773.82
Support Services:		
Tuition	1,353,274.81	1,434,282.79
Related Services - Pupils and Instructional Staff	973,631.01	892,445.19
General Administration, School Administration	350,599.58	327,652.43
Maintenance of Facilities	259,749.16	292,940.57
Pupil Transportation	241,476.37	363,671.17
Food Service / Latchkey	181,762.25	208,855.12
Total Expenses	5,634,205.70	5,699,621.09
Increase in Net Assets	\$ 1,148,562.20	\$ 6,239.88

**Governmental Activities**

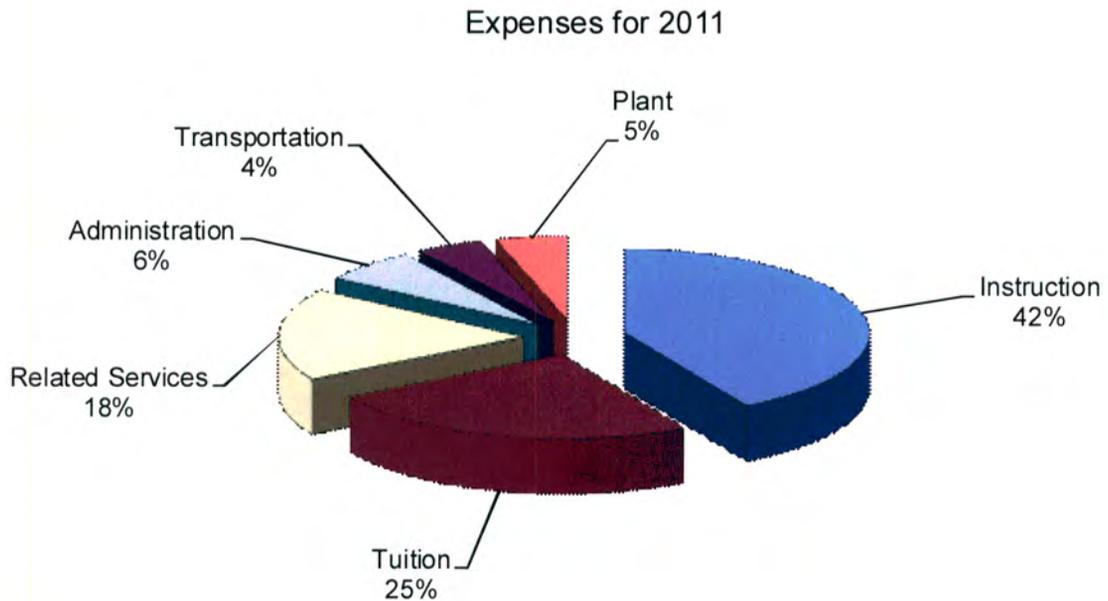
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 19 percent of revenues for governmental activities for the Borough of Woodbine School District for fiscal year 2011 and 23 percent for fiscal year 2010. Property tax revenues increased by \$5,441.00; an increase of less than 1 percent from 2010. The District's total revenues were \$6,640,849.36 for the year ended June 30, 2010. Federal, state, and local grants accounted for 80 percent of revenue.

WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

Governmental Activities (Continued)



The total cost of all program and services was \$5,452,443.45. Instruction comprises 42 percent of District expenses.



**WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Business-Type Activities**

Revenues for the District's business-type activities (food service program and the Latchkey after-school care program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$23,803.95 and Latchkey revenues exceeded expenses by \$698.10.
- Charges for food services represent \$28,117.53 of revenue. This represents amounts paid by patrons for daily food service. Charges for Latchkey represent \$9,239.25 of revenue. This represents amounts paid by patrons for daycare services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$105,322.10.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>
Instruction	\$ 2,273,712.52	\$ 194,144.14	\$ 2,179,773.82	\$ 1,242,074.23
Support Services:				
Tuition	1,353,274.81	1,353,274.81	1,434,282.79	1,434,282.79
Pupils and Instructional Staff	973,631.01	973,631.01	892,445.19	892,445.19
General Administration, School				
Administration, Business	350,599.58	350,599.58	327,652.43	327,652.43
Operations and Maintenance				
of Facilities	259,749.16	259,749.16	292,940.57	292,940.57
Pupil Transportation	241,476.37	241,476.37	363,671.17	363,671.17
Other				
Total Expenses	<u>\$ 5,452,443.45</u>	<u>\$ 3,372,875.07</u>	<u>\$ 5,490,765.97</u>	<u>\$ 4,553,066.38</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

**WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Governmental Activities (Continued)**

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

"Other" includes special schools and unallocated depreciation.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$6,640,849.36 and expenditures were \$9,585,592.55. There was a bond issue of \$3,682,000.00 and net transfers out of \$16,737.90. The net increase in fund balance for the year was \$720,518.95.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2010</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 1,357,118	20.4%	\$ 58,582	4.5%
State Sources	4,222,568	63.6%	1,012,549	31.5%
Federal Sources	1,061,163	16.0%	47,063	4.6%
Total	<u>\$ 6,640,849</u>	100.0%	<u>\$ 1,118,194</u>	20.2%

State revenues increased by \$1,012,548.98. This increase in state revenue was predominately due to state aid on capital projects that were started during the school year and an increase in the aid for providing preschool for the District.

**WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**The School District's Funds (Continued)**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2010</u>	<u>Percent of Increase (Decrease)</u>
Current expense:				
Instruction	\$ 4,650,675	49%	\$ (219,271)	-4.5%
Undistributed expenditures	886,127	9%	185,719	26.5%
Capital Outlay	4,048,791	42%	3,813,498	1620.7%
Total	<u>\$ 9,585,593</u>	100%	<u>\$ 3,779,945</u>	65.1%

Changes in expenditures were the results of varying factors. Capital outlay increased \$3,813,497.61. due to commencement of projects including installation of solar panels and upgrade of the boiler and various other upgrades of the building.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

**Capital Assets**

At the end of the fiscal year 2011, the School District had \$7,841,813.43 invested in land, building and machinery and equipment. Table 4 shows fiscal year 2011 balances compared to 2010.

**Table 4  
Capital Assets (Net of Depreciation) at June 30**

	<u>2011</u>	<u>2010</u>
Land and Land Improvements	\$ 1.00	\$ 1.00
Construction in Progress	949,179.61	191,062.44
Building and Building Improvements	6,448,524.67	3,470,327.06
Machinery and Equipment	444,108.15	67,582.60
Total	<u>\$ 7,841,813.43</u>	<u>\$ 3,728,973.10</u>

Overall capital assets increased \$4,112,840.33 from fiscal year 2010 to fiscal year 2011. The increase in capital assets is due the capital projects that were begun and completed during the school year. For more detailed information, please refer to the Notes to the Financial Statements.

**WOODBINE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)**

**Debt Administration**

At June 30, 2011, the School District had \$3,856,998.75 of outstanding debt. Of this amount, \$170,728.84 is for compensated absences, \$3,682,000.00 is the serial bonds that were issued in 2010, and \$4,269.91 is for capital leases payable.

At June 30, 2011, the School District's remaining legal debt margin available was \$1,654,935.00. For more detailed information, please refer to the Notes to the Financial Statements.

**For the Future**

The Borough of Woodbine School District is in good financial condition presently. The School District is proud of its community support of the public schools.

The District continues to provide quality education programs while continuing to stabilize the tax rate in Borough of Woodbine. In conclusion, the Borough of Woodbine School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Alan Parmelee, Business Administrator at Borough of Woodbine School District, 801 Webster Street, Borough of Woodbine, New Jersey 08270.

# **Basic Financial Statements**

## DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,383.52	\$ 8,592.86	\$ 10,976.38
Receivables, Net (Note 3)	1,321,725.33	8,736.58	1,330,461.91
Internal Balances	52,737.93	(52,385.48)	352.45
Inventory (Note 5)		1,889.14	1,889.14
Restricted Assets:			
Capital Projects Cash	152,955.50		152,955.50
Capital Assets, Net (Note 6)	7,821,091.12	20,722.31	7,841,813.43
<b>Total Assets</b>	<u>9,350,893.40</u>	<u>(12,444.59)</u>	<u>9,338,448.81</u>
<b>LIABILITIES</b>			
Accounts Payable	577,651.84	57,161.28	634,813.12
Deferred Revenue	132,885.26		132,885.26
Notes Payable (Note 9)	307,536.00		307,536.00
Accrued Interest	850.00		850.00
Noncurrent Liabilities (Note 7)			
Due Within One Year	174,269.91		174,269.91
Due Beyond One Year	3,678,458.93	4,269.91	3,682,728.84
<b>Total Liabilities</b>	<u>4,871,651.94</u>	<u>61,431.19</u>	<u>4,933,083.13</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	4,139,091.12	16,452.40	4,155,543.52
Restricted for:			
Debt Service (Deficit)	(850.00)		(850.00)
Capital Projects	789,178.75		789,178.75
Other Purposes (Deficit)	(45,839.00)		(45,839.00)
Unrestricted (Deficit)	(402,339.41)	(90,328.18)	(492,667.59)
<b>Total Net Assets</b>	<u>\$ 4,479,241.46</u>	<u>\$ (73,875.78)</u>	<u>\$ 4,405,365.68</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**

Function/Programs	Program Revenue			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
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 1,165,264.25	\$ -	\$ -	\$ 1,128,493.78	\$ (36,770.47)	\$ -	\$ (36,770.47)
Special Education	954,053.10		951,074.60		(2,978.50)		(2,978.50)
Other Special Instruction	154,395.17				(154,395.17)		(154,395.17)
<b>Support Services:</b>							
Tuition	1,353,274.81				(1,353,274.81)		(1,353,274.81)
Student & Instruction Related Services	973,631.01				(973,631.01)		(973,631.01)
School Administrative Services	74,123.54				(74,123.54)		(74,123.54)
General Administrative Services	151,031.15				(151,031.15)		(151,031.15)
Central Services	125,444.89				(125,444.89)		(125,444.89)
Plant Operation and Maintenance	259,749.16				(259,749.16)		(259,749.16)
Pupil Transportation	241,476.37				(241,476.37)		(241,476.37)
<b>Total Governmental Activities</b>	<b>5,452,443.45</b>	<b>-</b>	<b>951,074.60</b>	<b>1,128,493.78</b>	<b>(3,372,875.07)</b>	<b>-</b>	<b>(3,372,875.07)</b>
<b>Business-Type Activities:</b>							
Latchkey	8,555.60	9,239.25				683.65	683.65
Food Service	173,206.65	28,117.53	105,322.10			(39,767.02)	(39,767.02)
<b>Total Business-Type Activities</b>	<b>181,762.25</b>	<b>37,356.78</b>	<b>105,322.10</b>	<b>-</b>	<b>-</b>	<b>(39,083.37)</b>	<b>(39,083.37)</b>
<b>Total Primary Government</b>	<b>\$ 5,634,205.70</b>	<b>\$ 37,356.78</b>	<b>\$ 1,056,396.70</b>	<b>\$ 1,128,493.78</b>	<b>\$ (3,372,875.07)</b>	<b>\$ (39,083.37)</b>	<b>\$ (3,411,958.44)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes, Net					\$ 1,284,516.00	\$ -	\$ 1,284,516.00
Federal and State Aid not Restricted					3,219,153.00		3,219,153.00
Miscellaneous Income					57,611.98	39.66	57,651.64
Transfers					(16,737.86)	15,937.86	(800.00)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>4,544,543.12</b>	<b>15,977.52</b>	<b>4,560,520.64</b>
Change in Net Assets					1,171,668.05	(23,105.85)	1,148,562.20
Net Assets - Beginning					3,307,573.41	(50,769.93)	3,256,803.48
Net Assets - Ending					<b>4,479,241.46</b>	<b>(73,875.78)</b>	<b>4,405,365.68</b>

## FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,383.52	\$ -	\$ 152,955.50	\$ -	\$ 155,339.02
Due from Other Funds	107,498.47		119,031.69		226,530.16
Receivables from Other Governments	5,019.00	489,928.77	826,777.56		1,321,725.33
<b>Total Assets</b>	<b>\$ 114,900.99</b>	<b>\$ 489,928.77</b>	<b>\$ 1,098,764.75</b>	<b>\$ -</b>	<b>\$ 1,703,594.51</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 346,511.56	\$ 62,673.40	\$ 2,050.00	\$ -	\$ 411,234.96
Due to Other Funds		173,792.23			173,792.23
Due to Other Governments		166,416.88			166,416.88
Notes Payable			307,536.00		307,536.00
Deferred Revenue		132,885.26			132,885.26
<b>Total Liabilities</b>	<b>346,511.56</b>	<b>535,767.77</b>	<b>309,586.00</b>	<b>-</b>	<b>1,191,865.33</b>
Fund Balances:					
Nonspendable:					
None					
Restricted for:					
Capital Projects			789,178.75		789,178.75
Committed to:					
None					
Assigned:					
None					
Unassigned:					
General Fund (Deficit)	(231,610.57)				(231,610.57)
Special Revenue Fund (Deficit)		(45,839.00)			(45,839.00)
<b>Total Fund Balances</b>	<b>(231,610.57)</b>	<b>(45,839.00)</b>	<b>789,178.75</b>	<b>-</b>	<b>511,729.18</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 114,900.99</b>	<b>\$ 489,928.77</b>	<b>\$ 1,098,764.75</b>	<b>\$ -</b>	

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 \$10,078,003.29 and the accumulated depreciation is \$2,256,912.17.

7,821,091.12

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

(3,852,728.84)

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

(850.00)

Net assets of governmental activities

\$ 4,479,241.46

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 1,284,516.00	\$ -	\$ -	\$ -	\$ 1,284,516.00
Miscellaneous	9,368.13		48,243.85		57,611.98
Total Local Sources	1,293,884.13	-	48,243.85	-	1,342,127.98
State Sources	3,117,840.00	436,632.31	668,096.00	-	4,222,568.31
Federal Sources	101,313.00	499,451.83	460,397.78		1,061,162.61
Local Sources:		14,990.46			14,990.46
Total Revenues	<u>4,513,037.13</u>	<u>951,074.60</u>	<u>1,176,737.63</u>	<u>-</u>	<u>6,640,849.36</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	984,857.93				984,857.93
Special Education Instruction	235,730.11	464,387.88			700,117.99
Other Special Instruction	112,301.42				112,301.42
Support Services:					
Tuition	1,353,274.81				1,353,274.81
Student & Instruction Related Serv.	255,793.59	469,577.69			725,371.28
School Administrative Services	53,742.66				53,742.66
General Administrative Services	127,597.66				127,597.66
Central Services	94,946.45				94,946.45
Plant Operation and Maintenance	258,729.55				258,729.55
Pupil Transportation	239,734.80				239,734.80
Employee Benefits	886,127.29				886,127.29
Capital Outlay	12,841.00	31,694.03	4,004,255.68		4,048,790.71
Total Expenditures	<u>4,615,677.27</u>	<u>965,659.60</u>	<u>4,004,255.68</u>	<u>-</u>	<u>9,585,592.55</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(102,640.14)</u>	<u>(14,585.00)</u>	<u>(2,827,518.05)</u>	<u>-</u>	<u>(2,944,743.19)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond Proceeds			3,682,000.00		3,682,000.00
Transfer in	3,660.76				3,660.76
Transfer out	(16,737.86)		(3,660.76)		(20,398.62)
Total Other Financing Sources and Uses	<u>(13,077.10)</u>	<u>-</u>	<u>3,678,339.24</u>	<u>-</u>	<u>3,665,262.14</u>
Net Changes in Fund Balance	(115,717.24)	(14,585.00)	850,821.19	-	720,518.95
Fund Balance (Deficit) - July 1	(115,893.33)	(31,254.00)	(61,642.44)	-	(208,789.77)
Fund Balance (Deficit) - June 30	<u>\$ (231,610.57)</u>	<u>\$ (45,839.00)</u>	<u>\$ 789,178.75</u>	<u>\$ -</u>	<u>\$ 511,729.18</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2011**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 720,518.95

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation expense	\$ (115,686.75)	
Capital Outlay, Net of Deletions	4,225,318.12	4,109,631.37

Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long - term liabilities in the statement of net assets.

Bonds Issued		(3,682,000.00)
--------------	--	----------------

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

24,367.73

In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

(850.00)

Change in Net Assets of Governmental Activities

\$ 1,171,668.05

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Assets**  
**June 30, 2011**

	Business-Type Activities - Enterprise Fund		
	Food Service	Latchkey Program	Total Enterprise
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,036.85	\$ 7,556.01	\$ 8,592.86
Intergovernmental Accounts Receivable	6,663.34		6,663.34
Accounts Receivable	2,073.24		2,073.24
Inventory	1,889.14		1,889.14
<b>Total Current Assets</b>	<b>11,662.57</b>	<b>7,556.01</b>	<b>19,218.58</b>
Noncurrent Assets:			
Furniture, Machinery & Equipment	98,879.33		98,879.33
Less: Accumulated Depreciation	(78,157.02)		(78,157.02)
<b>Total Noncurrent Assets</b>	<b>20,722.31</b>	<b>-</b>	<b>20,722.31</b>
<b>Total Assets</b>	<b>\$ 32,384.88</b>	<b>\$ 7,556.01</b>	<b>\$ 39,940.89</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 57,161.28	\$ -	\$ 57,161.28
Interfund Payable	41,494.16	10,891.32	52,385.48
<b>Total Current Liabilities</b>	<b>98,655.44</b>	<b>10,891.32</b>	<b>109,546.76</b>
Noncurrent Liabilities:			
Capital Leases Payable	4,269.91	-	4,269.91
<b>Total Noncurrent Liabilities</b>	<b>4,269.91</b>	<b>-</b>	<b>4,269.91</b>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	16,452.40	-	16,452.40
Unrestricted (Deficit)	(86,992.87)	(3,335.31)	(90,328.18)
<b>Total Net Assets (Deficit)</b>	<b>\$ (70,540.47)</b>	<b>\$ (3,335.31)</b>	<b>\$ (73,875.78)</b>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Fund		
	Food Service	Latchkey Program	Total Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales	\$ 28,117.53	\$ -	\$ 28,117.53
Program Fees		9,239.25	9,239.25
Total Operating Revenue	<u>28,117.53</u>	<u>9,239.25</u>	<u>37,356.78</u>
Operating Expenses:			
Cost of Sales	68,168.43		68,168.43
Salaries	55,165.26	8,555.60	63,720.86
Employee Benefits	26,955.19		26,955.19
Management Fee	11,840.68		11,840.68
Insurance	2,537.59		2,537.59
General Supplies	4,453.03		4,453.03
Miscellaneous	1,305.43		1,305.43
Depreciation	2,781.04		2,781.04
Total Operating Expenses	<u>173,206.65</u>	<u>8,555.60</u>	<u>181,762.25</u>
Operating Income (Loss)	<u>(145,089.12)</u>	<u>683.65</u>	<u>(144,405.47)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,600.01		1,600.01
Federal Sources:			
National School Lunch Program	67,886.18		67,886.18
Federal Breakfast Program	24,680.06		24,680.06
Snack Program	4,295.70		4,295.70
Food Distribution Program	6,860.15		6,860.15
Interest and Investment Income	25.21	14.45	39.66
Total Nonoperating Revenues (Expenses)	<u>105,347.31</u>	<u>14.45</u>	<u>105,361.76</u>
Income (Loss) before Contributions & Transfers	<u>(39,741.81)</u>	<u>698.10</u>	<u>(39,043.71)</u>
Contributions & Transfers			
Transfer from General Fund	<u>15,937.86</u>		<u>15,937.86</u>
Changes in Net Assets	<u>(23,803.95)</u>	<u>698.10</u>	<u>(23,105.85)</u>
Total Net Assets (Deficit) - Beginning	<u>(46,736.52)</u>	<u>(4,033.41)</u>	<u>(50,769.93)</u>
Total Net Assets (Deficit) - Ending	<u>\$ (70,540.47)</u>	<u>\$ (3,335.31)</u>	<u>\$ (73,875.78)</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Fund		
	Food Service	Latchkey Program	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 32,815.51	\$ 9,239.25	\$ 42,054.76
Payments for Operations	(153,779.92)	(8,555.60)	(162,335.52)
Net Cash Provided by (Used for) Operating Activities	<u>(120,964.41)</u>	<u>683.65</u>	<u>(120,280.76)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	1,902.81		1,902.81
Federal Sources	101,092.58		101,092.58
Operating Subsidies and Transfers from Other Funds	13,543.17		13,543.17
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>116,538.56</u>	<u>-</u>	<u>116,538.56</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Fixed Asset Purchase	(5,990.00)		(5,990.00)
Lease Payments	(5,355.71)		(5,355.71)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(11,345.71)</u>	<u>-</u>	<u>(11,345.71)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest and Investment Income	25.21	14.45	39.66
Net Cash Provided by (Used for) Investing Activities	<u>25.21</u>	<u>14.45</u>	<u>39.66</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(15,746.35)	698.10	(15,048.25)
Balance - Beginning of Year	16,783.20	6,857.91	23,641.11
Balance - End of Year	<u>\$ 1,036.85</u>	<u>\$ 7,556.01</u>	<u>\$ 8,592.86</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (145,089.12)	\$ 683.65	\$ (144,405.47)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	2,781.04		2,781.04
Food Distribution Program	6,860.15		6,860.15
(Increase) Decrease in Inventories	1,773.92		1,773.92
(Increase) Decrease in Accounts Receivable	4,697.98		4,697.98
Increase (Decrease) in Accounts Payable	8,011.62		8,011.62
Total Adjustments	<u>24,124.71</u>	<u>-</u>	<u>24,124.71</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (120,964.41)</u>	<u>\$ 683.65</u>	<u>\$ (120,280.76)</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Net Assets**  
**June 30, 2011**

	<u>Private Purpose Trust</u>	<u>Agency Fund</u>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,062.08	\$ 5,806.47	
Total Assets	<u>\$ 2,062.08</u>	<u>\$ 5,806.47</u>	
<b>LIABILITIES</b>			
Payable to Student Groups	\$	\$ 192.64	
Payroll Deductions and Withholdings		5,261.38	
Interfund		352.45	
Total Liabilities	<u>-</u>	<u>\$ 5,806.47</u>	
<b>NET ASSETS</b>			
Held in Trust for Other Purposes	<u>\$ 2,062.08</u>		

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2011**

		Private Purpose Trust
<b>ADDITIONS</b>		
Contributions:		
Donations	\$	458.29
Total Contributions		458.29
Investment Earnings:		
Interest		-
Less: Investment Expense		
Net Investment Earnings		-
Total Additions		458.29
<b>DEDUCTIONS</b>		
None		
Total Deductions		-
Changes in Net Assets		458.29
Net Assets - Beginning of the Year		1,603.79
Net Assets - End of the Year	\$	2,062.08

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Borough of Woodbine School District (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 more significant of the Board's accounting policies are described below.

**A. Reporting Entity**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The Borough of Woodbine School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District;
- there is a fiscal dependency by the organization on the District;

Based on the aforementioned criteria, the District has no component units.

**B. Basis of Presentation, Measurement Focus and Basis of Accounting**

**Basis of Presentation**

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

*District-Wide Financial Statements:* The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued**

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment 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. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* - are presented. The New Jersey Department of Education ("Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**Governmental Funds**

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable 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, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, 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 that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all 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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued**

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations and the Latchkey Fund, which accounts for all revenues and expenses pertaining to the District's after-school care operations.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Currently, the District does not maintain this type of fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued**

**Measurement Focus and Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

**C. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval 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, except for special revenue funds. 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(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C. Budgets/Budgetary Control - Continued**

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment 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 grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting 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.

**D. Encumbrance Accounting**

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 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.

**E. Assets, Liabilities and Equity**

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, bank deposits 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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Assets, Liabilities and Equity - Continued**

Cash, Cash Equivalents and Investments - Continued

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks 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 full amount of their deposits to the governmental units.

Interfund Transactions

Transfers between governmental and business-type activities on the District-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 the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the Enterprise Fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 45 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Assets, Liabilities and Equity - Continued**

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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 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 District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Assets, Liabilities and Equity - Continued**

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 balance of any borrowing 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. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.
- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education, Superintendent or Business Administrator.
- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Revenues – Exchange and Nonexchange Transactions

Revenues 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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 District, available means within sixty days of the fiscal year end.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. Assets, Liabilities and Equity - Continued**

Revenues – Exchange and Nonexchange Transactions - Continued

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the 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 specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Funds. For the School District, these revenues are sales for food service and Latchkey service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Custodial Credit Risk Related to Deposits**

Custodial credit risk is the risk that, in the event of 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. At June 30, 2010, the carrying amount of the Board's deposits were \$171,800.43 and the bank balance was \$528,764.99. Of the School District's bank balance of \$528,764.99 as of June 30, 2011, \$30,495.48 was uninsured and uncollateralized.

**Investments**

The District did not have any investments at June 30, 2011.

**NOTE 3 – RECEIVABLES**

Receivables at June 30, 2011, consisted of accounts (tuition), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ 1,321,725.33	\$ 1,330,461.91
Other	226,530.16	352.45
Gross Receivables	1,548,255.49	1,330,814.36
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	\$ 1,548,255.49	\$ 1,330,814.36

**NOTE 4 – INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 107,498.47	\$
Special Revenue Fund		173,792.23
Capital Fund	119,031.69	
Food Service Fund		41,494.16
Latchkey Fund		10,891.32
Trust and Agency		352.45
Total	\$ 226,530.16	\$ 226,530.16

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 4 – INTERFUND TRANSFERS AND BALANCES - Continued**

The General Fund receivable is comprised of four interfunds. The first is due from the Special Revenue Fund in the amount of \$173,792.23 which is a result of the General Fund's loan to cover the Special Revenue Fund's cash deficit. The second interfund relates to \$41,494.16 owed to the General Fund by the Food Service Enterprise Fund for payment of invoices related to the food service company and lease payments made by the General Fund that have not yet been repaid by the food service fund. The third interfund is owed to the General Fund in the amount of \$10,891.32 from the Latchkey Enterprise Fund for charges in that fund. The fourth interfund of \$2.45 is due from the payroll trust account for interest that had accrued but has not been paid over. The Capital Fund receivable is comprised of two interfunds, the first of \$118,681.69 is due from the General Fund for loans made to the General Fund during the year and an interfund due from Trust and Agency of \$350.00.

**NOTE 5 – INVENTORY**

Inventory in the Food Service Enterprise Fund at June 30, 2011, consisted of the following:

Food	\$ 1,219.73
Supplies	<u>669.41</u>
	<u>\$ 1,889.14</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1.00	\$	\$	\$ 1.00
Construction in Progress	191,062.44	949,179.61	191,062.44	949,179.61
Total capital assets not being depreciated	<u>191,063.44</u>	<u>949,179.61</u>	<u>191,062.44</u>	<u>949,180.61</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 5,439,784.34	\$ 3,088,864.29	\$	\$ 8,528,648.63
Equipment	221,837.39	378,336.66		600,174.05
Total capital assets being depreciated at historical cost	<u>5,661,621.73</u>	<u>3,467,200.95</u>	<u>-</u>	<u>9,128,822.68</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,969,457.28)	(110,666.68)		(2,080,123.96)
Equipment	(171,768.14)	(5,020.07)		(176,788.21)
Total capital assets being depreciated, net of accumulated depreciation	<u>3,520,396.31</u>	<u>3,351,514.20</u>	<u>-</u>	<u>6,871,910.51</u>
Governmental activity capital assets, net	<u>\$ 3,711,459.75</u>	<u>\$ 4,300,693.81</u>	<u>\$ 191,062.44</u>	<u>\$ 7,821,091.12</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 92,889.33	\$ 5,990.00	\$	\$ 98,879.33
Less accumulated depreciation	(75,375.98)	(2,781.04)		(78,157.02)
Enterprise Fund capital assets, net	<u>\$ 17,513.35</u>	<u>\$ 3,208.96</u>	<u>\$ -</u>	<u>\$ 20,722.31</u>

Depreciation is charged to governmental functions as follows:

Regular Instruction	\$ 40,706.55
Special Education	28,937.57
Other Special Instruction	4,641.69
Student & Instructional Related Services	29,981.34
General Administrative Services	5,273.92
School Administrative Services	2,221.31
Business and Other Support Services	3,924.37
	<u>\$ 115,686.75</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 7 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2011 are as follows:

	Balance July 1, 2010	Issues or Additions	Payments or Expenditures	Balance June 30, 2011	Amounts Due Within One Year
Compensated Absences	\$ 195,096.57		24,367.73	\$ 170,728.84	
Serial Bonds	-	3,682,000.00		3,682,000.00	170,000.00
Capital Leases	9,625.62		5,355.71	4,269.91	4,269.91
	<u>\$ 204,722.19</u>	<u>\$ 3,682,000.00</u>	<u>\$ 29,723.44</u>	<u>\$ 3,856,998.75</u>	<u>\$ 174,269.91</u>

Compensated absences will be liquidated in the General Fund and capital leases will be liquidated in the Food Service Fund.

**Bonds Payable**

Bonds 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. Bonds issued by the District are general obligation bonds.

At June 30, 2011, bonds payable consisted of the following issues:

\$3,682,000.00 School Bonds dated September 1, 2010, due in annual installments through March 1, 2026, bearing interest rates from 2.000% per annum to 3.625% per annum. The balance remaining as of June 30, 2011 is \$3,682,000.00.

Debt service requirements on serial bonds payable at June 30, 2010 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 170,000.00	\$ 3,400.00	\$ 173,400.00
2013	185,000.00	5,550.00	190,550.00
2014	195,000.00	5,850.00	200,850.00
2015	205,000.00	6,150.00	211,150.00
2016	215,000.00	6,450.00	221,450.00
2017-2021	1,210,000.00	36,300.00	1,246,300.00
2022-2026	1,502,000.00	50,831.25	1,552,831.25
	<u>\$ 3,682,000.00</u>	<u>\$ 114,531.25</u>	<u>\$ 3,796,531.25</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 7 – LONG-TERM OBLIGATIONS – Continued**

Capital Leases

As of June 30, 2011, the District had two outstanding capital lease obligations. The district's Food Service Enterprise Fund is leasing a food steamer and a convection oven. Monthly lease payments are made to Susquehanna Commercial Leasing, and include interest at a rate of 6.43% and 6.66% per annum respectively. The following is a schedule of future minimum lease payments under this capital lease and the net minimum lease at June 30, 2011.

Fiscal Year Ending June 30, 2012	Principal
Total minimum lease payments	4,395.78
Less amount representing interest	125.87
Present value of lease payments	\$ 4,269.91

**NOTE 8 – OPERATING LEASES**

As of June 30, 2011 the district had no operating leases.

**NOTE 9 – SHORT-TERM DEBT**

The District issued Grant Anticipation Notes in the amount of \$307,536.00 on December 21, 2010 with an interest rate of 3.00% per annum due December 21, 2011. The Bond Anticipation Notes of \$500,000.00 were paid off with the issuance of permanent funding on August 24, 2010.

**NOTE 10 – PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 10 – PENSION PLANS - Continued**

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2009 under the provisions of Chapter 92, P.L. 2009 and Chapter 103, P.L. 2009 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2009 and Chapter 103, P.L. 2009, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2011.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 10 – PENSION PLANS - Continued**

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF. The School District's contributions to TPAF for the years ending June 30, 2011, 2010 and 2009 were \$0, \$0, and \$0 respectively, and normally paid by the State of New Jersey on behalf of the board. The State of New Jersey did not make the required contributions for the last three years. The School District's contributions to PERS for the years ending June 30, 2011, 2010, 2009 were \$20,433.10, \$26,599.00, and \$25,831.00 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey contributed \$112,717.00, \$101,740.00, and \$104,597.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$126,714.00, \$136,243.03, and \$119,636.45 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

**NOTE 11 – POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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 post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement 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 is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

**NOTE 12 – ECONOMIC DEPENDENCY**

The District receives support from federal government and from the state governments through local school districts. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 13 – COMPENSATED ABSENCES**

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the Food Service Enterprise Fund or the Latchkey Enterprise Fund.

**NOTE 14 – DEFERRED COMPENSATION**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below permits 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 Investment Planning  
Syracusa Benefits Program  
Travelers

**NOTE 15 – RISK MANAGEMENT**

The 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 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 and Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”.

Worker's Compensation Fund – The Board Currently maintains traditional insurance for its worker's compensation coverage.

**NOTE 16 – CONTINGENT LIABILITIES**

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

**NOTE 17 – COMMITMENTS**

The District has not adopted an encumbrance policy for the fiscal year end to consider significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund or Committed Fund Balance in the Capital Projects Fund. There were no significant encumbrances at June 30, 2011.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 18 – FUND BALANCES**

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Regular Public School Districts (N.J.S.A. 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000.00, whichever is greater may be maintained.

The District's major sources of revenue in the special revenue funds is federal and state grant funding for the No Child Left Behind (NCLB) program, federal grants for special education, and Preschool Education Aid.

Specific classifications of fund balance are summarized below;

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2011.

Restricted Fund Balance

Capital Projects Fund – At June 30, 2011 the District had a Capital Projects fund balance of \$789,178.75.

Committed Fund Balance – The District had no committed fund balance at June 30, 2011

Assigned Fund Balance – The District had no assigned fund balances at June 30, 2011.

Unassigned Fund Balance – At June 30, 2011, the District has (\$231,610.57) of unassigned fund balance/ (Deficit) in the General Fund and (\$45,839.00) in the Special Revenue Fund.

**NOTE 19 – CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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, 2011 is \$0.00. The excess fund balance at June 30, 2010 was \$0.00.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 20 – DEFICIT FUND BALANCES**

The District has a deficit fund balance of (\$231,610.57) in the General Fund and (\$45,839.00) in the Special Revenue Fund at June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated Special Revenue Fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of (\$45,839.00) in the Special Revenue Fund is less than the last two state aid payments. The General Fund has a deficit of (\$231,610.57) of which \$222,594.00 is due to the last state aid payments. The balance of (\$9,016.57) will need to be raised in the 2011/12 budget or made up through operations.

**NOTE 21 – DEFICIT IN NET ASSETS – ENTERPRISE FUNDS**

The Food Service and Latchkey Enterprise Funds have a cumulative deficit in net assets of (\$90,328.18) as of June 30, 2011. This deficit will either be provided for in the 2011-12 budget or made up through operations.

**NOTE 22 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2011 through November 30, 2011, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items have come to attention of the District that would require disclosure.

## **Required Supplementary Information – Part II**

## **Budgetary Comparison Schedules**

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,284,516.00	\$ -	\$ 1,284,516.00	\$ 1,284,516.00	\$ -
Miscellaneous	18,315.00		18,315.00	9,368.13	(8,946.87)
<b>Total Local Sources</b>	<u>1,302,831.00</u>	<u>-</u>	<u>1,302,831.00</u>	<u>1,293,884.13</u>	<u>(8,946.87)</u>
State Sources:					
Categorical Special Education Aid	111,835.00		111,835.00	111,835.00	-
Equalization Aid	1,794,117.00		1,794,117.00	1,794,117.00	-
Categorical Security Aid	84,252.00		84,252.00	84,252.00	-
Adjustment Aid	670,536.00		670,536.00	670,536.00	-
Categorical Transportation Aid	173,414.00		173,414.00	173,414.00	-
Additional Non-Public Transportation Aid			-	2,262.00	2,262.00
TPAF (On-Behalf - Non-Budgeted)					
Post Retirement Medical Contributions			-	112,717.00	112,717.00
TPAF Social Security (Reimbursed-Non-Budgeted)			-	126,714.00	126,714.00
<b>Total State Sources</b>	<u>2,834,154.00</u>	<u>-</u>	<u>2,834,154.00</u>	<u>3,075,847.00</u>	<u>241,693.00</u>
Federal Sources:					
ARRA Education Jobs		101,313.00	101,313.00	101,313.00	-
<b>Total Federal Sources</b>	<u>-</u>	<u>101,313.00</u>	<u>101,313.00</u>	<u>101,313.00</u>	<u>-</u>
<b>Total Revenues</b>	<u>4,136,985.00</u>	<u>101,313.00</u>	<u>4,238,298.00</u>	<u>4,471,044.13</u>	<u>232,746.13</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Kindergarten- Salaries of Teachers	75,542.00		75,542.00	75,542.00	-
Grades 1 - 5 Salaries of Teachers	405,992.00	2,257.47	408,249.47	408,249.47	-
Grades 6 - 8 Salaries of Teachers	368,855.00	36,688.53	405,543.53	393,687.81	11,855.72
Regular Programs - Home Instruction					
Salaries of Teachers	500.00	8,365.00	8,865.00	8,865.00	-
Purchased Professional and Technical Services		168.00	168.00	168.00	-
Regular Programs - Undistributed Instruction					
Salaries of Instructional Aides	21,383.00	20,208.70	41,591.70	41,591.70	-
Other Purchased Services (400-500 series)	21,280.00	(2,246.24)	19,033.76	19,033.76	-
General Supplies	27,782.00	2,372.67	30,154.67	31,229.97	(1,075.30)
Textbooks	4,000.00	2,422.22	6,422.22	6,422.22	-
Other Objects		68.00	68.00	68.00	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>925,334.00</u>	<u>70,304.35</u>	<u>995,638.35</u>	<u>984,857.93</u>	<u>10,780.42</u>
Resource Room/Resource Center					
Salaries of Teachers	208,601.00	(10,977.41)	197,623.59	197,623.59	-
Other Salaries for Instruction	21,183.00	16,923.52	38,106.52	38,106.52	-
<b>Total Resource Room/Resource Center</b>	<u>229,784.00</u>	<u>5,946.11</u>	<u>235,730.11</u>	<u>235,730.11</u>	<u>-</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>229,784.00</u>	<u>5,946.11</u>	<u>235,730.11</u>	<u>235,730.11</u>	<u>-</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	14,028.00	20,625.42	34,653.42	34,653.42	-
<b>Total Basic Skills/Remedial - Instruction</b>	<u>14,028.00</u>	<u>20,625.42</u>	<u>34,653.42</u>	<u>34,653.42</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries of Teachers	75,542.00		75,542.00	75,542.00	-
<b>Total Bilingual Education - Instruction</b>	<u>75,542.00</u>	<u>-</u>	<u>75,542.00</u>	<u>75,542.00</u>	<u>-</u>
School-Sponsored Co/Extra-Curr. Activities - Instruction					
Salaries	2,608.00	(502.00)	2,106.00	2,106.00	-
<b>Total Other Instructional Programs - Instruction</b>	<u>2,608.00</u>	<u>(502.00)</u>	<u>2,106.00</u>	<u>2,106.00</u>	<u>-</u>
<b>TOTAL INSTRUCTION</b>	<u>1,247,296.00</u>	<u>96,373.88</u>	<u>1,343,669.88</u>	<u>1,332,889.46</u>	<u>10,780.42</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Undistributed Expenditures - Instruction</b>					
Tuition to Other LEAs Within the State - Regular	\$ 412,900.00	\$ 12,431.80	\$ 425,331.80	\$ 425,331.80	\$ -
Tuition to Other LEAs Within the State - Special	81,350.00		61,350.00	61,350.00	-
Tuition to County Voc. School Dist.-Regular	322,637.00	750.00	323,387.00	323,387.00	-
Tuition to County Voc. School Dist.-Special	89,360.00		89,360.00	89,360.00	-
Tuition to CSSD & Reg. Day Schools	382,989.00	(68,699.00)	314,270.00	314,270.00	-
Tuition to Private Schools for the Disabled - Within State	47,587.00	(12,380.00)	35,207.00	35,206.01	0.99
Tuition - State Facilities	48,449.00		48,449.00	48,449.00	-
Tuition - Other	55,921.00		55,921.00	55,921.00	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,421,173.00</b>	<b>(67,897.20)</b>	<b>1,353,275.80</b>	<b>1,353,274.81</b>	<b>0.99</b>
<b>Undistributed Expend. - Attend. &amp; Social Worker</b>					
Salaries	78,389.00	(3,531.06)	74,857.94	74,857.94	-
<b>Total Undist. Expend. - Attend. &amp; Social Worker</b>	<b>78,389.00</b>	<b>(3,531.06)</b>	<b>74,857.94</b>	<b>74,857.94</b>	<b>-</b>
<b>Undistributed Expend. - Health Services</b>					
Salaries	29,160.00	20,655.09	49,815.09	49,815.09	-
Purchased Professional and Technical Services	3,120.00		3,120.00	3,120.00	-
Supplies & Materials	1,000.00	(117.75)	882.25	882.25	-
Other Objects	110.00		110.00	110.00	-
<b>Total Undistributed Expend. - Health Services</b>	<b>33,390.00</b>	<b>20,537.34</b>	<b>53,927.34</b>	<b>53,927.34</b>	<b>-</b>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Purchased Professional Educational Services	17,512.00	4,245.00	21,757.00	21,757.00	-
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Services</b>	<b>17,512.00</b>	<b>4,245.00</b>	<b>21,757.00</b>	<b>21,757.00</b>	<b>-</b>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	16,857.00	51.00	16,908.00	16,908.00	-
Purchased Professional - Educational Services	64,298.00	(9,367.50)	54,930.50	54,930.50	-
<b>Total Undist. Expend. - Other Support Services</b>	<b>81,155.00</b>	<b>(9,316.50)</b>	<b>71,838.50</b>	<b>71,838.50</b>	<b>-</b>
<b>Students - Special</b>					
<b>Undist. Expend. - Improvement of Inst. Services</b>					
Salaries of Supervisor of Instruction	6,500.00	(3,680.00)	2,820.00	2,820.00	-
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>6,500.00</b>	<b>(3,680.00)</b>	<b>2,820.00</b>	<b>2,820.00</b>	<b>-</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	24,822.00	3,441.00	28,263.00	28,263.00	-
Supplies & Materials	3,000.00	(1,153.19)	1,846.81	1,846.81	-
Other Objects	1,313.00	(830.00)	483.00	483.00	-
<b>Media Services - School Library</b>	<b>29,135.00</b>	<b>1,457.81</b>	<b>30,592.81</b>	<b>30,592.81</b>	<b>-</b>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 55,648.00	\$ (2,217.00)	\$ 53,431.00	\$ 53,431.00	\$ -
Legal Services	13,000.00	5,600.62	18,600.62	18,600.62	-
Audit Fees	14,000.00		14,000.00	14,000.00	-
Other Purchased Professional Services	4,568.00		4,568.00	4,568.00	-
Communications/Telephone	20,296.00	(1,428.41)	18,867.59	18,867.59	-
Other Purchased Services (400-500) (Other than 530 & 585)	6,996.00	505.68	7,501.68	7,501.68	-
General Supplies	2,500.00	129.62	2,629.62	2,629.62	-
BOE In-House Training/Meeting Supplies	150.00	(150.00)	-	-	-
Miscellaneous Expenditures	1,750.00	98.22	1,848.22	1,848.22	-
BOE Memberships and Dues	7,688.00	(1,537.07)	6,150.93	6,150.93	-
Total Undistributed Expenditures - Support Services - General Administration	<u>126,596.00</u>	<u>1,001.66</u>	<u>127,597.66</u>	<u>127,597.66</u>	<u>-</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	55,649.00	(2,218.00)	53,431.00	53,431.00	-
Other Objects	434.00	(122.34)	311.66	311.66	-
Total Undistributed Expenditures - Support Services - School Administration	<u>56,083.00</u>	<u>(2,340.34)</u>	<u>53,742.66</u>	<u>53,742.66</u>	<u>-</u>
Undist. Expend. - Central Services					
Salaries	79,367.00	(1,177.96)	78,189.04	78,189.04	-
Purchased Professional Services	9,000.00	(2,339.06)	6,660.94	6,660.94	-
Purchased Technical Services	4,500.00	(319.00)	4,181.00	4,181.00	-
Misc. Purchased Services (400-500 series)	1,000.00	(1,000.00)	-	-	-
Supplies and Materials	1,000.00	4.78	1,004.78	1,004.78	-
Interest on Lease Purchase Agreements	474.00		474.00	474.00	-
Interest on Bond Anticipation Notes (BANs)		3,231.94	3,231.94	3,231.94	-
Miscellaneous Expenditures	908.00	296.75	1,204.75	1,204.75	-
Total Undistributed Expenditures - Support Services - Central Services	<u>96,249.00</u>	<u>(1,302.55)</u>	<u>94,946.45</u>	<u>94,946.45</u>	<u>-</u>
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	3,440.00	(3,440.00)	-	-	-
Total Undistrib. Expend.-Admin. Info Technology	<u>3,440.00</u>	<u>(3,440.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Required Maint. School Fac.					
Salaries	3,000.00		3,000.00	3,000.00	-
Cleaning, Repair, and Maintenance Services	17,820.00	(7,083.17)	10,736.83	10,736.83	-
General Supplies	3,500.00	(2,500.00)	1,000.00	1,000.00	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>24,320.00</u>	<u>(9,583.17)</u>	<u>14,736.83</u>	<u>14,736.83</u>	<u>-</u>
Undist. Expend. - Custodial Services					
Cleaning, Repair, and Maintenance Service	107,000.00	(7,714.74)	99,285.26	99,285.26	-
Insurance	31,387.00	155.00	31,542.00	31,542.00	-
Miscellaneous Purchased Services	325.00	(100.00)	225.00	225.00	-
General Supplies	7,500.00	(4,238.74)	3,261.26	3,261.26	-
Energy (Electricity)	50,000.00	25,349.12	75,349.12	75,349.12	-
Other Objects	120.00	46.00	166.00	166.00	-
Energy (Natural Gas)		28,064.08	28,064.08	28,064.08	-
Energy (Oil)	25,000.00	(25,000.00)	-	-	-
Total Undistributed Expenditures - Custodial Services	<u>221,332.00</u>	<u>16,560.72</u>	<u>237,892.72</u>	<u>237,892.72</u>	<u>-</u>
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	4,000.00	2,100.00	6,100.00	6,100.00	-
General Supplies	1,075.00	(1,075.00)	-	-	-
Total Care and Upkeep of Grounds	<u>5,075.00</u>	<u>1,025.00</u>	<u>6,100.00</u>	<u>6,100.00</u>	<u>-</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>250,727.00</u>	<u>8,002.55</u>	<u>258,729.55</u>	<u>258,729.55</u>	<u>-</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	\$ 7,200.00	\$ (2,216.98)	\$ 4,983.02	\$ 4,983.02	\$ -
Management Fee - ESC & CTSA Trans. Program	12,500.00	(3,181.07)	9,318.93	9,318.93	-
Contr Serv (Oth. Than Bet Home & Sch) - Vend	3,000.00	(190.00)	2,810.00	2,810.00	-
Contr Serv (Bet. Home & School)- Joint Agrmnts	17,680.00	(2,652.00)	15,028.00	15,028.00	-
Contr. Serv. (Reg. Students) - ESCs & CTSA	85,279.00	(771.25)	84,507.75	84,507.75	-
Contr. Serv. (Spl. Ed. Students) - ESCs & CTSA	166,644.00	(43,556.90)	123,087.10	123,087.10	-
Contract. Serv. - Aid in Lieu Pymts-Nonpub Sch	2,652.00	(2,652.00)	-	-	-
Total Undistributed Expenditures - Student Transportation Services	<u>294,955.00</u>	<u>(55,220.20)</u>	<u>239,734.80</u>	<u>239,734.80</u>	<u>-</u>
Unallocated Benefits					
Social Security Contribution	35,310.00	6,794.49	42,104.49	42,104.49	-
Other Retirement Contributions - Regular	15,000.00	(5,865.28)	9,134.72	20,433.10	(11,298.38)
Unemployment Compensation	5,000.00	3,168.00	8,168.00	8,167.20	0.80
Worker's Compensation	23,613.00	2,073.53	25,686.53	25,686.53	-
Health Benefits	429,709.00	98,303.42	528,012.42	528,012.42	-
Tuition Reimbursement	7,080.00	(6,330.00)	750.00	750.00	-
Other Employee Benefits	12,671.00	8,871.55	21,542.55	21,542.55	-
Total Unallocated Benefits	<u>528,383.00</u>	<u>107,015.71</u>	<u>635,398.71</u>	<u>646,696.29</u>	<u>(11,297.58)</u>
On-Behalf Contributions					
On-Behalf TPAF Contribution (non-bud)					
Post Retirement Medical Contributions			-	112,717.00	(112,717.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	126,714.00	(126,714.00)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,431.00</u>	<u>(239,431.00)</u>
Total Personal Services - Employee Benefits	<u>528,383.00</u>	<u>107,015.71</u>	<u>635,398.71</u>	<u>886,127.29</u>	<u>(250,728.58)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>3,023,687.00</u>	<u>(4,467.78)</u>	<u>3,019,219.22</u>	<u>3,269,946.81</u>	<u>(250,727.59)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>4,270,983.00</u>	<u>91,906.10</u>	<u>4,362,889.10</u>	<u>4,602,836.27</u>	<u>(239,947.17)</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Construction Services	5,000.00	(5,000.00)	-	-	-
Lease Purchase Agreements - Principal	5,388.00	(0.96)	5,387.04	(474.00)	5,861.04
Other Objects	13,315.00		13,315.00	13,315.00	-
Total Facilities Acquisition and Construction Services	<u>23,703.00</u>	<u>(5,000.96)</u>	<u>18,702.04</u>	<u>12,841.00</u>	<u>5,861.04</u>
TOTAL CAPITAL OUTLAY	<u>23,703.00</u>	<u>(5,000.96)</u>	<u>18,702.04</u>	<u>12,841.00</u>	<u>5,861.04</u>
TOTAL EXPENDITURES	<u>4,294,686.00</u>	<u>86,905.14</u>	<u>4,381,591.14</u>	<u>4,615,677.27</u>	<u>(234,086.13)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(157,701.00)</u>	<u>14,407.86</u>	<u>(143,293.14)</u>	<u>(144,633.14)</u>	<u>(1,340.00)</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Financing Sources:					
Operating Transfers Out:					
Transfer to Cover Food Service Deficit	\$ -	\$ (15,937.86)	\$ (15,937.86)	\$ (15,937.86)	\$ -
Transfer from Capital Projects				3,660.76	3,660.76
Transfer to Student Activities				(800.00)	(800.00)
Total Other Financing Sources:	<u>-</u>	<u>(15,937.86)</u>	<u>(15,937.86)</u>	<u>(13,077.10)</u>	<u>2,860.76</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(157,701.00)	(1,530.00)	(159,231.00)	(157,710.24)	1,520.76
Fund Balance July 1			148,693.67	148,693.67	-
Fund Balance June 30	<u>\$ (157,701.00)</u>	<u>\$ (1,530.00)</u>	<u>\$ (10,537.33)</u>	<u>\$ (9,016.57)</u>	<u>\$ 1,520.76</u>
Recapitulation:					
Nonspendable Fund Balance:					
None				\$ -	
Restricted Fund Balance:					
None					
Assigned Fund Balance					
None					
Unassigned Fund Balance				<u>(9,016.57)</u>	
				(9,016.57)	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				222,594.00	
Fund Balance per Governmental Funds (GAAP)				<u>\$ (231,610.57)</u>	

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
ARRA Education Jobs Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources	\$ -	\$ 101,313.00	\$ 101,313.00	\$ 101,313.00	\$ -
Total Revenues	<u>-</u>	<u>101,313.00</u>	<u>101,313.00</u>	<u>101,313.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Health Benefits	-	101,313.00	101,313.00	101,313.00	-
Total Instruction	<u>-</u>	<u>101,313.00</u>	<u>101,313.00</u>	<u>101,313.00</u>	<u>-</u>
Other Financing Sources (Uses)					
None			-		-
Total Outflows	<u>-</u>	<u>101,313.00</u>	<u>101,313.00</u>	<u>101,313.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 458,392.00	\$ 12,320.43	\$ 470,712.43	\$ 452,514.08	\$ (18,198.35)
Federal Sources	330,164.00	290,071.11	620,235.11	512,568.48	(107,666.63)
Local Sources		22,010.74	22,010.74	14,990.46	(7,020.28)
<b>Total Revenues</b>	<b>788,556.00</b>	<b>324,402.28</b>	<b>1,112,958.28</b>	<b>980,073.02</b>	<b>(132,885.26)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	510,566.00	(169,484.21)	341,081.79	328,436.34	12,645.45
Other Salaries for Instruction	64,049.00	100.00	64,149.00	64,149.00	-
Other Purchased Services (400-500 series)		40,074.89	40,074.89	38,634.89	1,440.00
Supplies and Materials	14,383.00	21,306.15	35,689.15	33,167.65	2,521.50
<b>Total Instruction</b>	<b>588,998.00</b>	<b>(108,003.17)</b>	<b>480,994.83</b>	<b>464,387.88</b>	<b>16,606.95</b>
Support Services:					
Salaries of Supervisors of Instruction	25,000.00	70,560.16	95,560.16	82,782.18	12,777.98
Salaries of Sec and Clerical Assistants		7,372.50	7,372.50	7,372.50	-
Salaries of Master Teachers	49,228.00	1,851.32	51,079.32	51,079.32	-
Personal Services - Employee Benefits	74,243.00	90,007.74	164,250.74	153,237.31	11,013.43
Purchased Professional - Educational Services		16,143.09	16,143.09	9,208.50	6,934.59
Other Purchased Professional Services	5,000.00	143,747.00	148,747.00	127,466.25	21,280.75
Other Purchased Services (400-500 series)	17,400.00	21,500.59	38,900.59	16,484.02	22,416.57
Contr. Serv-Trans. (Field Trips)	2,000.00	(528.00)	1,472.00	1,472.00	-
Travel	3,000.00	(2,571.69)	428.31	428.31	-
Supplies & Materials	23,687.00	35,712.69	59,399.69	34,460.72	24,938.97
Other Objects		10,432.75	10,432.75	-	10,432.75
<b>Total Support Services</b>	<b>199,558.00</b>	<b>394,228.15</b>	<b>593,786.15</b>	<b>483,991.11</b>	<b>109,795.04</b>

**WOODBINE SCHOOL DISTRICT  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES(cont'd):</b>					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	\$ -	\$ 38,177.30	\$ 38,177.30	\$ 31,694.03	\$ 6,483.27
Total Facilities Acquisitions and Const. Services:	-	38,177.30	38,177.30	31,694.03	6,483.27
Transfer to Charter Schools None	-	-	-	-	-
Other Financing Sources (Uses) None	-	-	-	-	-
Total Outflows	788,556.00	324,402.28	1,112,958.28	980,073.02	132,885.26
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**Notes to the Required Supplementary  
Information**

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to RSI**  
**For the Year Ended June 30, 2011**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

	General Fund		Special Revenue Fund
<b>Sources / inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 4,471,044.13	[C-2]	\$ 980,073.02
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(14,413.42)
The Final Two State Aid payments for the Year Ended June 30, 2011 that were delayed until July 2011 were recorded as budgetary revenue for the Year Ended June 30, 2011 but is not recognized under GAAP until the Year Ended June 30, 2012.	(222,594.00)		(45,839.00)
The Final State Aid payment for the Year Ended June 30, 2010 that was delayed until July 2010 was recorded as budgetary revenue for the Year Ended June 30, 2010 but is not recognized under GAAP until the Year Ended June 30, 2011.	264,587.00		31,254.00
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 4,513,037.13</u>	[B-2]	<u>\$ 951,074.60</u>
<b>Uses / outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 4,615,677.27	[C-2]	\$ 980,073.02
Difference - budget to GAAP:			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.			(14,413.42)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 4,615,677.27</u>	[B-2]	<u>\$ 965,659.60</u>

## **Other Supplementary Information**

**SPECIAL REVENUE FUND DETAIL  
STATEMENTS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2011**

	Title I	Title I Carryover	ARRA Title I	Title IIA Carryover	Title IIA	Title IV Carryover
<b>REVENUES:</b>						
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	163,115.44	20,458.92	19,717.59	4,938.15	24,765.00	1,405.44
Local Sources						
<b>Total Revenues</b>	<u>163,115.44</u>	<u>20,458.92</u>	<u>19,717.59</u>	<u>4,938.15</u>	<u>24,765.00</u>	<u>1,405.44</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	101,453.53		13,824.66		23,416.92	
Other Salaries for Instruction						
Other Purchased Services (400-500 series)						
Supplies and Materials						
<b>Total Instruction</b>	<u>101,453.53</u>	<u>-</u>	<u>13,824.66</u>	<u>-</u>	<u>23,416.92</u>	<u>-</u>
Support Services:						
Salaries of Supervisors of Instruction	10,362.00	13,500.00				
Salaries of Sec and Clerical Assistants						
Salaries of Master Teachers						
Personal Services - Employee Benefits	12,856.65		2,764.93	4,938.15		
Purchased Professional - Educational Services						
Other Purchased Professional Services	26,590.25	611.00				
Other Purchased Services (400-500 series)	9,436.00	2,970.00			1,348.08	400.00
Contr Serv- Trans. (Field Trips)						
Travel						
Supplies and Materials	2,417.01	3,377.92	3,128.00			1,005.44
Other Objects						
<b>Total Support Services</b>	<u>61,661.91</u>	<u>20,458.92</u>	<u>5,892.93</u>	<u>4,938.15</u>	<u>1,348.08</u>	<u>1,405.44</u>
Facilities Acquisitions and Construction Services:						
Instructional Equipment						
<b>Total Facilities Acquisitions and Const. Services:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to Charter Schools						
None						
Other Financing Sources (Uses)						
None						
<b>Total Outflows</b>	<u>163,115.44</u>	<u>20,458.92</u>	<u>19,717.59</u>	<u>4,938.15</u>	<u>24,765.00</u>	<u>1,405.44</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2011**

	IDEA	IDEA Preschool	Title IV Carryover	Sam Azeez Grant	Preschool Education Aid	New Jersey Fresh Fruits & Vegetables
<b>REVENUES:</b>						
State Sources	\$ 95,980.00	\$ -	\$ -	\$ -	\$ 440,641.58	\$ -
Federal Sources		1,059.00	157.87			11,666.90
Local Sources				1,210.45	4,550.00	
<b>Total Revenues</b>	<b>95,980.00</b>	<b>1,059.00</b>	<b>157.87</b>	<b>1,210.45</b>	<b>445,191.58</b>	<b>11,666.90</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers					184,823.47	
Other Salaries for Instruction					64,149.00	
Other Purchased Services (400-500 series)					371.53	
Supplies and Materials					7,832.21	
<b>Total Instruction</b>					<b>257,176.21</b>	
Support Services:						
Salaries of Supervisors of Instruction					13,148.68	2,264.00
Salaries of Sec and Clerical Assistants						
Salaries of Master Teachers					51,079.32	
Personal Services - Employee Benefits					110,944.32	
Purchased Professional - Educational Services					5,850.00	
Other Purchased Professional Services	95,980.00	1,059.00		450.00	2,826.00	
Other Purchased Services (400-500 series)						
Contr Serv-Trans. (Field Trips)					1,472.00	
Travel					428.31	
Supplies and Materials			157.87	760.45	2,266.74	9,402.90
Other Objects						
<b>Total Support Services</b>	<b>95,980.00</b>	<b>1,059.00</b>	<b>157.87</b>	<b>1,210.45</b>	<b>188,015.37</b>	<b>11,666.90</b>
Facilities Acquisitions and Construction Services:						
None						
<b>Total Facilities Acquisitions and Const. Services:</b>						
Transfer to Charter Schools						
None						
Other Financing Sources (Uses)						
None						
<b>Total Outflows</b>	<b>95,980.00</b>	<b>1,059.00</b>	<b>157.87</b>	<b>1,210.45</b>	<b>445,191.58</b>	<b>11,666.90</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2011**

	NJ Insured for Sure	Sam Azeez Grant	Atlantic City Electric Energy Grant	ARRA Title I SIA	ARRA Talent 21	PBSIS
<b>REVENUES:</b>						
State Sources	\$ 7,372.50	-	\$ -	\$ -	\$ -	\$ 4,500.00
Federal Sources		8,443.31	786.70	1,058.50	106,411.24	
Local Sources						
<b>Total Revenues</b>	<b>7,372.50</b>	<b>8,443.31</b>	<b>786.70</b>	<b>1,058.50</b>	<b>106,411.24</b>	<b>4,500.00</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers					4,917.76	
Other Salaries for Instruction					8,528.46	
Other Purchased Services (400-500 series)					22,982.25	
Supplies and Materials					36,428.47	
<b>Total Instruction</b>						
Support Services:						
Salaries of Supervisors of Instruction	7,372.50				24,697.50	
Salaries of Sec and Clerical Assistants						
Salaries of Master Teachers					21,733.26	
Personal Services - Employee Benefits				1,058.50		
Purchased Professional - Educational Services						998.24
Other Purchased Professional Services		495.00	786.70			
Other Purchased Services (400-500 series)						
Contr Serv-Trans. (Field Trips)						
Travel		7,948.31				
Supplies and Materials						3,501.76
Other Objects						
<b>Total Support Services</b>	<b>7,372.50</b>	<b>8,443.31</b>	<b>786.70</b>	<b>1,058.50</b>	<b>46,430.76</b>	<b>4,500.00</b>
Facilities Acquisitions and Construction Services:						
None					23,552.01	
<b>Total Facilities Acquisitions and Const. Services:</b>					<b>23,552.01</b>	
Transfer to Charter Schools						
None						
Other Financing Sources (Uses)						
None						
<b>Total Outflows</b>	<b>7,372.50</b>	<b>8,443.31</b>	<b>786.70</b>	<b>1,058.50</b>	<b>106,411.24</b>	<b>4,500.00</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>						
<b>Expenditures and Other Financing Sources (Uses)</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2011**

	Title I SIA Carryover	ARRA IDEA Part B	Title I SIA	Totals 2011
<b>REVENUES:</b>				
State Sources	-	-	-	\$ 452,514.08
Federal Sources	22,957.19	29,734.90	9,142.34	512,568.48
Local Sources				14,990.46
<b>Total Revenues</b>	<u>22,957.19</u>	<u>29,734.90</u>	<u>9,142.34</u>	<u>980,073.02</u>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers				328,436.34
Other Salaries for Instruction				64,149.00
Other Purchased Services (400-500 series)		29,734.90		38,634.89
Supplies and Materials	2,353.19			33,167.65
<b>Total Instruction</b>	<u>2,353.19</u>	<u>29,734.90</u>	<u>-</u>	<u>464,387.88</u>
Support Services:				
Salaries of Supervisors of Instruction			8,648.02	82,782.18
Salaries of Sec and Clerical Assistants				7,372.50
Salaries of Master Teachers				51,079.32
Personal Services - Employee Benefits				153,237.31
Purchased Professional - Educational Services	2,300.00			9,208.50
Other Purchased Professional Services				127,466.25
Other Purchased Services (400-500 series)				16,484.02
Contr Serv-Trans. (Field Trips)				1,472.00
Travel				428.31
Supplies and Materials			494.32	34,460.72
Other Objects				-
<b>Total Support Services</b>	<u>12,461.98</u>	<u>-</u>	<u>9,142.34</u>	<u>483,991.11</u>
Facilities Acquisitions and Construction Services:				
None	8,142.02			31,694.03
<b>Total Facilities Acquisitions and Const. Services:</b>	<u>8,142.02</u>	<u>-</u>	<u>-</u>	<u>31,694.03</u>
Transfer to Charter Schools				
None				
Other Financing Sources (Uses)				
None				
<b>Total Outflows</b>	<u>22,957.19</u>	<u>29,734.90</u>	<u>9,142.34</u>	<u>980,073.02</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2011**

	Total		
	Budgeted	Actual	Variance
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 180,347.00	\$ 184,823.47	\$ (4,476.47)
Other Salaries for Instruction	64,149.00	64,149.00	-
Other Purchased Services (400-500 series)	371.53	371.53	-
Supplies and Materials	7,832.21	7,832.21	-
<b>Total Instruction</b>	<u>252,699.74</u>	<u>257,176.21</u>	<u>(4,476.47)</u>
Support Services:			
Salaries of Supervisors of Instruction	13,148.68	13,148.68	-
Salaries of Master Teachers	51,079.32	51,079.32	-
Personal Services - Employee Benefits	110,944.32	110,944.32	-
Other Purchased Professional - Ed. Services	5,850.00	5,850.00	-
Other Purchased Professional Services	12,148.59	2,826.00	9,322.59
Contr Serv - Trans. (Field Trips)	1,472.00	1,472.00	-
Travel	428.31	428.31	-
Supplies and Materials	10,621.04	2,266.74	8,354.30
<b>Total Support Services</b>	<u>205,692.26</u>	<u>188,015.37</u>	<u>17,676.89</u>
Facilities Acquisition and Construction Services			
Noninstructional Equipment			-
<b>Total Facilities Acquisition and Construction Ser.</b>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools			
None			-
<b>Total Expenditures</b>	<u>\$ 458,392.00</u>	<u>\$ 445,191.58</u>	<u>\$ 13,200.42</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2010-11 Preschool Education Aid Allocation	\$ 458,392.00
Add: Actual Carryover June 30, 2010	
Add: Preschool Tuition	4,550.00
	<u>462,942.00</u>
Add: Budgeted Transfer from the General Fund	-
<b>Total Preschool Education Aid Funds Available for 2010/2011 Budget</b>	<u>462,942.00</u>
Less: 2010/2011 Budgeted Preschool Education Aid - Prior Year Budget Carryover	(458,392.00)
Available & Unbudgeted Preschool Education Aid Funds, June 30, 2011	4,550.00
Add: June 30, 2011 Unexpended Preschool Education Aid	13,200.42
2010-2011 Carryover - Preschool Education Aid	<u>\$ 17,750.42</u>
2010-11 Preschool Education Carryover Budgeted for Preschool Programs 2011-2012	<u>\$ -</u>

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Summary Statement of Project Expenditures**  
**For the Year Ended June 30, 2011**

Project Title/Issue	Date	Original Appropriations	GAAP Expenditures to Date		Unexpended Balance June 30, 2011
			Prior Years	Current Year	
Renovations to the Gymnasium	Feb-04	\$ 2,130,219.00	\$ 2,020,806.00	\$ -	\$ 109,413.00
Renovations to Library/Media Center	Feb-04	1,574,480.00	1,524,473.00	-	50,007.00
Various Improvements and Renovations Including Solar Panels	Dec-09	3,682,000.00	166,534.69	2,857,626.68	657,838.63
Building Upgrades and Boiler Project	Dec-09	527,813.00	24,527.75	456,988.67	46,296.58
Building Upgrades and Boiler Project	Dec-09	3,057,476.00	30,000.00	689,640.33	2,337,835.67
		<u>\$ 10,971,988.00</u>	<u>\$ 3,766,341.44</u>	<u>\$ 4,004,255.68</u>	<u>\$ 3,201,390.88</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**For the Year Ended June 30, 2011**

**Revenues and Other Financing Sources**

Bond Proceeds	\$ 3,682,000.00
State Sources - EDA Grant	2,089,008.00
Federal Sources - Small Cities Grant	1,496,281.00
Refund of Prior Year Clean Energy Audit	12,735.00
Borough Portion of Clean Energy Audit	29,004.22
Miscellaneous	2,843.87
Interest	3,660.76
Total Revenues	<u>7,315,532.85</u>

**Expenditures and Other Financing Uses**

Purchased Professional and Technical Services	140,636.97
Construction Services	3,788,210.06
Legal Fees	19,471.04
Other Objects	55,937.61
Total Expenditures	<u>4,004,255.68</u>

Excess (deficiency) of revenues over (under) expenditures 3,311,277.17

**Other Financing Sources (Uses):**

Transfer of Interest to Current Fund	<u>(3,660.76)</u>
Total Other Financing Sources (Uses)	<u>(3,660.76)</u>

Excess (Deficiency) of Revenues  
Over (Under) Expenditures 3,307,616.41

Fund Balance - Beginning (61,642.44)

Fund Balance Ending \$ 3,245,973.97

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Renovations to Gymnasium**  
**From Inception and for the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 727,112.00	\$ -	\$ 727,112.00	\$ -
Federal Sources - Small Cities Public Facilities Grant	400,000.00	-	400,000.00	-
Bond Proceeds and Transfers Borough of Woodbine	1,003,107.00	-	1,003,107.00	-
Transfer From General Fund	-	-	-	-
Total Revenues	<u>2,130,219.00</u>	<u>-</u>	<u>2,130,219.00</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	134,966.00	-	134,966.00	-
Construction Services	1,885,840.00	-	1,885,840.00	-
Total Expenditures	<u>2,020,806.00</u>	<u>-</u>	<u>2,020,806.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 109,413.00</u>	<u>\$ -</u>	<u>\$ 109,413.00</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	N/A			
Grant Date	2/4/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	\$ 1,978,162.00			
Revised Authorized Cost	2,130,219.00			
Percentage Increase over Original Authorized Cost	7.69%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/2004			
Revised Target Completion Date	9/1/2007			

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Renovations to Library/Media Center**  
**From Inception and for the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 501,033.00	\$	\$ 501,033.00	\$
Federal Sources - Small Cities Public Facilities Grant	400,000.00		400,000.00	
Bond Proceeds and Transfers Borough of Woodbine	673,447.00		673,447.00	
Transfer From General Fund			-	
Total Revenues	<u>1,574,480.00</u>	<u>-</u>	<u>1,574,480.00</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	85,585.00		85,585.00	
Construction Services	1,438,888.00		1,438,888.00	
Total Expenditures	<u>1,524,473.00</u>	<u>-</u>	<u>1,524,473.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 50,007.00</u>	<u>\$ -</u>	<u>\$ 50,007.00</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	2/4/2004
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Costs	\$ 1,003,430.00
Revised Authorized Cost	1,574,480.00
Percentage Increase over Original Authorized Cost	56.91%
Percentage Completion	100.00%
Original Target Completion Date	12/31/2004
Revised Target Completion Date	9/1/2007

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Various Improvements and Renovations including Solar Panels**  
**From Inception and for the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$	\$	\$ -	\$
Bond Proceeds		3,682,000.00	3,682,000.00	3,682,000.00
Miscellaneous		44,583.09	44,583.09	
Total Revenues	<u>-</u>	<u>3,726,583.09</u>	<u>3,726,583.09</u>	<u>3,682,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	158,795.71	72,763.81	231,559.52	367,175.46
Construction Services		2,725,663.54	2,725,663.54	3,212,050.96
Legal Fees		18,221.04	18,221.04	22,920.48
Other Objects	7,738.98	40,978.29	48,717.27	79,853.10
Total Expenditures	<u>166,534.69</u>	<u>2,857,626.68</u>	<u>3,024,161.37</u>	<u>3,682,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (166,534.69)</u>	<u>\$ 868,956.41</u>	<u>\$ 702,421.72</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	
Grant Date	N/A
Bond Authorization Date	12/8/2009
Bonds Authorized	\$ 3,682,000.00
Bonds Issued	3,682,000.00
Original Authorized Costs	3,682,000.00
Revised Authorized Cost	3,682,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	82.13%
Original Target Completion Date	
Revised Target Completion Date	

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Building Upgrades and Boiler Project**  
**From Inception and for the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$	\$ 307,536.00	\$ 307,536.00	\$ 307,536.00
Federal Sources - Small Cities Public Facilities Grant		220,277.00	220,277.00	220,277.00
Transfer From General Fund			-	
Total Revenues		<u>527,813.00</u>	<u>527,813.00</u>	<u>527,813.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	802.32	23,644.41	24,446.73	33,264.42
Construction Services	22,742.15	419,881.41	442,623.56	476,398.86
Legal Fees		1,250.00	1,250.00	2,459.00
Other Objects	983.28	12,212.85	13,196.13	15,690.72
Total Expenditures	<u>24,527.75</u>	<u>456,988.67</u>	<u>481,516.42</u>	<u>527,813.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>(24,527.75)</u>	\$ <u>70,824.33</u>	\$ <u>46,296.58</u>	\$ <u>-</u>

**Additional Project Information:**

Project Number	5840-050-09-2001-G02B
Grant Date	
Bond Authorization Date	12/8/2009
Bonds Authorized	\$ -
Bonds Issued	-
Original Authorized Costs	527,813.00
Revised Authorized Cost	527,813.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	91.23%
Original Target Completion Date	
Revised Target Completion Date	

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Building Upgrades and Boiler Project**  
**From Inception and for the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$	\$ 1,781,472.00	\$ 1,781,472.00	\$ 1,781,472.00
Federal Sources - Small Cities Public Facilities Grant		1,276,004.00	1,276,004.00	1,276,004.00
Total Revenues	-	3,057,476.00	3,057,476.00	3,057,476.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		44,228.75	44,228.75	238,106.82
Construction Services		642,665.11	642,665.11	2,777,912.87
Legal Fees			-	26,456.31
Other Objects	30,000.00	2,746.47	32,746.47	15,000.00
Total Expenditures	30,000.00	689,640.33	719,640.33	3,057,476.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (30,000.00)	\$ 2,367,835.67	\$ 2,337,835.67	-

**Additional Project Information:**

Project Number	5840-050-09-3000
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	\$ -
Bonds Issued	-
Original Authorized Costs	3,057,476.00
Revised Authorized Cost	3,057,476.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	23.54%
Original Target Completion Date	
Revised Target Completion Date	

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Service Fund** - This fund provides for the operation of food services in all schools within the school district.

**Latchkey** - This fund provides for the operation and after school care.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

**Unemployment Compensation Fund** - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2011**

	Private Purpose Trust	Agency Funds	Totals
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,062.08	\$ 5,806.47	\$ 7,868.55
Total Assets	<u>2,062.08</u>	<u>5,806.47</u>	<u>7,868.55</u>
<b>LIABILITIES</b>			
Payable to Student Groups		192.64	192.64
Payroll Deductions & Withholdings		5,261.38	5,261.38
Interfund		352.45	352.45
Total Liabilities	<u>-</u>	<u>5,806.47</u>	<u>5,806.47</u>
<b>NET ASSETS</b>			
Held in Trust for Other Purposes	\$ <u>2,062.08</u>		<u>2,062.08</u>
Total Net Assets			<u>2,062.08</u>
Total Liabilities and Net Assets			<u>\$ 7,868.55</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2011**

	Private Purpose Trust	Totals
<b>ADDITIONS</b>		
Contributions:		
Donations	\$ 455.69	\$ 455.69
Interest	2.60	2.60
<b>Total Contributions</b>	<b>458.29</b>	<b>458.29</b>
<b>Deductions</b>		
None		
<b>Total Deductions</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>458.29</b>	<b>458.29</b>
<b>Net Assets - Beginning of the Year</b>	<b>1,603.79</b>	<b>1,603.79</b>
<b>Net Assets - End of the Year</b>	<b>\$ 2,062.08</b>	<b>\$ 2,062.08</b>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2011**

	<u>Balance</u> July 1, 2010	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> June 30, 2011
Woodbine School	\$ 1,386.12	\$ 5,955.91	\$ 7,164.63	\$ 177.40
Library	1,240.30	588.98	1,464.04	365.24
Due to/from Capital Project Fund			350.00	(350.00)
<b>Total Assets</b>	<b>\$ <u>2,626.42</u></b>	<b>\$ <u>6,544.89</u></b>	<b>\$ <u>8,978.67</u></b>	<b>\$ <u>192.64</u></b>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2011**

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 5,545.64	\$ 2,504,140.57	\$ 2,504,431.52	\$ 5,254.69
<b>Total Assets</b>	<u>\$ 5,545.64</u>	<u>\$ 2,504,140.57</u>	<u>\$ 2,504,431.52</u>	<u>\$ 5,254.69</u>
<b>LIABILITIES:</b>				
Payroll Deductions & Withholding	\$ 5,541.25	\$ 1,069,683.37	\$ 1,069,972.38	\$ 5,252.24
Net Pay	-	1,434,457.20	1,434,457.20	-
Interfund	4.39		1.94	2.45
<b>Total Liabilities</b>	<u>\$ 5,545.64</u>	<u>\$ 2,504,140.57</u>	<u>\$ 2,504,431.52</u>	<u>\$ 5,254.69</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.



**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Schedule of Obligations Under Capital Leases**  
**As of June 30, 2011**

Description	Amount of Original Issue	Balance July 1, 2010	Issued Current Year	Retired Current Year	Balance June 30, 2011
Food Steamer	\$ 15,584	\$ 5,761.75	\$	3,202.83	2,558.92
Convection Oven	7,916	3,863.87		2,152.88	1,710.99
		<u>\$ 9,625.62</u>	<u>\$ -</u>	<u>5,355.71</u>	<u>4,269.91</u>

# Statistical Section

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Net Assets by Component,**  
**Last Eight Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 142,320.00	\$ 226,096.00	\$ 271,484.00	\$ 2,949,136.00	\$ 3,582,220.00	\$ 3,548,276.00	\$ 3,711,459.75	\$ 4,139,091.12
Restricted	(363,657.00)	(290,734.00)	(188,143.00)	(184,681.00)	(164,777.00)	105,979.73	66,334.56	742,489.75
Unrestricted	(221,337.00)	(64,638.00)	83,341.00	2,784,455.00	3,417,443.00	(378,571.90)	(470,220.90)	(402,339.41)
<b>Total governmental activities net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83,341.00</b>	<b>\$ 2,784,455.00</b>	<b>\$ 3,417,443.00</b>	<b>\$ 3,275,683.83</b>	<b>\$ 3,307,573.41</b>	<b>\$ 4,479,241.46</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ (63.00)	\$ (76.00)	\$ (495.98)	\$ 7,887.73	\$ 16,452.40
Restricted	4,895.00	(13,074.00)	(10,348.00)	1,508.00	(30,871.00)	(24,624.25)	(58,657.66)	(90,328.18)
Unrestricted	4,895.00	(13,074.00)	(10,348.00)	1,445.00	(30,947.00)	(25,120.23)	(50,769.93)	(73,875.78)
<b>Total business-type activities net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (63.00)</b>	<b>\$ (76.00)</b>	<b>\$ (495.98)</b>	<b>\$ 7,887.73</b>	<b>\$ 16,452.40</b>
<b>District-wide</b>								
Invested in capital assets, net of related debt	\$ 142,320.00	\$ 226,096.00	\$ 271,484.00	\$ 2,949,073.00	\$ 3,582,144.00	\$ 3,547,780.02	\$ 3,719,347.48	\$ 4,155,543.52
Restricted	(358,762.00)	(303,808.00)	(198,491.00)	(163,173.00)	(195,648.00)	105,979.73	66,334.56	742,489.75
Unrestricted	(216,442.00)	(77,712.00)	72,993.00	2,785,900.00	3,386,496.00	(403,196.15)	(528,878.56)	(492,667.59)
<b>Total district net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 72,993.00</b>	<b>\$ 2,785,900.00</b>	<b>\$ 3,386,496.00</b>	<b>\$ 3,250,563.60</b>	<b>\$ 3,256,803.48</b>	<b>\$ 4,405,365.68</b>

Source: CAFR Schedule A-1

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Changes in Net Assets,**  
**Last Eight Fiscal Years**  
*(actual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
<b>Governmental activities:</b>								
<b>Instruction:</b>								
Regular	\$ 1,635,302.00	\$ 1,206,378.00	\$ 1,274,958.00	\$ 1,403,787.00	\$ 1,556,440.00	\$ 1,199,047.82	\$ 1,139,227.63	\$ 1,165,264.25
Special education	310,943.00	356,252.00	373,430.00	335,121.00	300,038.00	740,378.07	900,194.15	954,053.10
Other Instruction	79,669.00	59,926.00	58,797.00	57,617.00	64,015.00	125,029.58	140,352.04	154,395.17
<b>Support Services:</b>								
Tuition	1,104,687.00	1,228,165.00	1,435,739.00	1,583,828.00	1,614,922.00	1,326,866.72	1,434,282.79	1,353,274.81
Student & instruction related services	476,482.00	532,774.00	206,561.00	366,775.00	395,127.00	872,453.84	892,445.19	973,631.01
General administrative services	193,690.00	184,494.00	192,968.00	127,684.00	315,888.00	283,213.63	255,227.41	276,476.04
School administrative services	189,483.00	351,339.00	290,014.00	298,419.00	100,377.00	69,270.73	72,425.02	74,123.54
Business administrative services	107,868.00							
Plant operations and maintenance	228,418.00	229,200.00	265,466.00	259,127.00	358,544.00	301,633.42	292,940.57	259,749.16
Pupil transportation	300,792.00	280,450.00	351,816.00	406,123.00	401,032.00	324,007.74	363,671.17	241,476.37
Unallocated Capital Outlay		517.00						
Special schools						8,811.89		
Charter Schools								
Interest on long-term debt								
<b>Total governmental activities expenses</b>	<b>4,627,334.00</b>	<b>4,429,495.00</b>	<b>4,449,749.00</b>	<b>4,838,481.00</b>	<b>5,106,383.00</b>	<b>5,260,713.44</b>	<b>5,490,765.97</b>	<b>5,452,443.45</b>

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Changes in Net Assets,**  
**Last Eight Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Business-type activities:</b>								
Food service	\$ 155,572.00	\$ 152,296.00	\$ 160,609.00	\$ 169,807.00	\$ 185,124.00	\$ 182,891.31	\$ 202,338.80	\$ 173,206.65
Latchkey			13,729.00	5,316.00	8,187.00	8,202.68	6,516.32	8,555.60
Total business-type activities expenses	155,572.00	152,296.00	174,338.00	175,123.00	193,311.00	191,093.99	208,855.12	181,762.25
Total district expenses	\$ 4,782,906.00	\$ 4,581,791.00	\$ 4,624,087.00	\$ 5,013,604.00	\$ 5,299,694.00	\$ 5,451,807.43	\$ 5,699,621.09	\$ 5,634,205.70
<b>Program Revenues</b>								
<b>Governmental activities:</b>								
Operating grants and contributions	\$ 1,152,859.00	\$ 1,005,222.00	\$ 1,004,180.00	\$ 1,251,506.00	\$ 1,215,183.00	\$ 772,263.57	\$ 937,699.59	\$ 951,074.60
Capital grants and contributions		106,930.00	49,164.00	2,717,860.00				1,128,493.78
Total governmental activities program revenues	1,152,859.00	1,112,152.00	1,053,344.00	3,969,366.00	1,215,183.00	772,263.57	937,699.59	2,079,568.38
<b>Business-type activities:</b>								
Charges for services:								
Food service	45,176.00	41,253.00	37,043.00	31,353.00	42,241.00	43,630.45	48,829.79	28,117.53
Latchkey			10,680.00	3,679.00	6,300.00	4,772.59	5,709.03	9,239.25
Operating grants and contributions	107,524.00	97,708.00	128,799.00	137,703.00	112,129.00	117,513.46	128,560.66	105,322.10
Total business-type activities program revenue	152,700.00	138,961.00	176,522.00	172,735.00	160,670.00	165,916.50	183,099.48	142,678.88
Total district program revenue	\$ 1,305,559.00	\$ 1,251,113.00	\$ 1,229,866.00	\$ 4,142,101.00	\$ 1,375,853.00	\$ 938,180.07	\$ 1,120,799.07	\$ 2,222,247.26

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Changes in Net Assets,**  
**Last Eight Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>								
Governmental activities	\$ (3,474,475.00)	\$ (3,317,343.00)	\$ (3,396,405.00)	\$ (869,115.00)	\$ (3,891,200.00)	\$ (4,488,449.87)	\$ (4,553,066.38)	\$ (3,372,875.07)
Business-type activities	(2,872.00)	(13,335.00)	2,184.00	(2,388.00)	(32,641.00)	(25,177.49)	(25,755.64)	(39,083.37)
Total district-wide net expense	\$ (3,477,347.00)	\$ (3,330,678.00)	\$ (3,394,221.00)	\$ (871,503.00)	\$ (3,923,841.00)	\$ (4,513,627.36)	\$ (4,578,822.02)	\$ (3,411,958.44)
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 808,194.00	\$ 864,467.00	\$ 936,000.00	\$ 1,018,600.00	\$ 1,110,047.00	\$ 1,224,753.00	\$ 1,279,075.00	\$ 1,284,516.00
Taxes levied for debt service								
Unrestricted grants and contributions	2,455,145.00	2,586,882.00	2,586,133.00	2,553,572.00	2,836,801.00	3,122,039.45	3,302,322.63	3,219,153.00
Federal and State Aid Restricted for a Specific Purpose					519,755.00			
Miscellaneous income	24,993.00	22,693.00	22,251.00	11,410.00	57,585.00	30,652.25	3,558.33	57,611.98
Transfers				(13,353.00)		(30,754.00)		(16,737.86)
Total governmental activities	\$ 3,286,332.00	\$ 3,474,042.00	\$ 3,544,384.00	\$ 3,570,229.00	\$ 4,524,188.00	\$ 4,346,690.70	\$ 4,584,955.96	\$ 4,544,543.12
Business-type activities:								
Investment earnings	35.00		542.00	828.00	249.00	250.26	105.94	39.66
Transfers		121.00		13,353.00		30,754.00		15,937.86
Total business-type activities	\$ 35.00	\$ 121.00	\$ 542.00	\$ 14,181.00	\$ 249.00	\$ 31,004.26	\$ 105.94	\$ 15,977.52
Total district-wide	\$ 3,286,367.00	\$ 3,474,163.00	\$ 3,544,926.00	\$ 3,584,410.00	\$ 4,524,437.00	\$ 4,377,694.96	\$ 4,585,061.90	\$ 4,560,520.64
<b>Changes in Net Assets</b>								
Governmental activities	\$ (186,143.00)	\$ 156,699.00	\$ 147,979.00	\$ 2,701,114.00	\$ 632,988.00	\$ (141,759.17)	\$ 31,889.58	\$ 1,171,668.05
Business-type activities	(2,837.00)	(13,214.00)	2,726.00	11,793.00	(32,392.00)	5,826.77	(25,649.70)	(23,105.85)
Total district	\$ (188,980.00)	\$ 143,485.00	\$ 150,705.00	\$ 2,712,907.00	\$ 600,596.00	\$ (135,932.40)	\$ 6,239.88	\$ 1,148,562.20

Source: CAFR Schedule A-2

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Fund Balances, Governmental Funds,**  
**Last Eight Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit J-3

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund								
Restricted								
Com None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned								
Unassigned								
Reserved	1,800.00	5,288.00	103,716.00	155,187.00	117,490.00	136,369.29	159,231.00	(231,610.57)
Unreserved	(116,556.00)	(164,304.00)	(153,767.00)	(174,543.00)	(92,218.00)	(190,459.40)	(275,124.33)	
Total general fund	\$ (114,756.00)	\$ (159,016.00)	\$ (50,051.00)	\$ (19,356.00)	\$ 25,272.00	\$ (54,090.11)	\$ (115,893.33)	\$ (231,610.57)
All Other Governmental Funds								
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789,178.75
Capital Projects Fund								
Committed								
Assigned								
Unassigned			18,535.00					(45,839.00)
Reserved								
Unreserved, reported in:								
Special revenue fund	(14,283.00)	(14,282.00)	(14,282.00)	(14,282.00)	(19,614.00)	(31,128.00)	(31,254.00)	
Capital projects fund			(18,306.00)	20,631.00	738.00	738.44	(61,642.44)	
Debt service fund								
Permanent fund								
Total all other governmental funds	\$ (14,283.00)	\$ (14,282.00)	\$ (14,053.00)	\$ 6,349.00	\$ (18,876.00)	\$ (30,389.56)	\$ (92,896.44)	\$ 743,339.75

Source: CAFR Schedule B-1

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Eight Fiscal Years**

Exhibit J-4

	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>								
Tax Levy	\$ 808,194	\$ 864,467	\$ 936,000	\$ 1,018,600	\$ 1,110,047	\$ 1,224,753	\$ 1,279,075	\$ 1,284,516
Tuition charges								
Miscellaneous	24,993	22,693	22,251	11,410	57,585	30,652	3,558	57,612
Local Sources	15,993	121,799	70,043	1,002,298	532,274	10,544	15,903	14,990
State sources	2,995,060	3,105,481	3,117,797	4,243,901	3,637,953	3,446,088	3,210,019	4,222,568
Federal sources	596,950	471,754	451,637	1,276,739	401,512	437,670	1,014,100	1,061,163
Total revenue	4,441,190	4,586,194	4,597,728	7,552,948	5,739,371	5,149,708	5,522,656	6,640,849
<b>Expenditures</b>								
Instruction:								
Regular instruction	1,292,260	1,093,769	1,148,470	1,250,852	1,383,647	922,663	1,030,133	984,858
Special education instruction	250,756	302,133	306,649	269,360	240,392	563,501	702,939	700,118
Other special education instruction								
Other instruction	64,248	50,929	48,962	46,876	52,488	95,160	104,374	112,301
Support Services:								
Tuition	890,862	1,042,277	1,184,390	1,255,854	1,271,183	1,326,867	1,434,283	1,353,275
Student & instruction related services	384,253	488,861	185,087	334,255	351,899	690,548	687,659	725,371
General administrative services	152,971	199,056	162,333	133,439	152,589	129,076	125,452	127,598
School administrative services	152,121	172,383	177,651	117,358	87,746	53,105	53,986	53,743
Central Services		106,190	74,949	106,103	100,585	109,592	77,275	94,946
Business administrative services	86,989							
Plant operations and maintenance	184,205	194,651	217,365	207,938	288,243	301,303	282,022	258,730
Pupil transportation	242,570	239,248	284,256	322,277	321,262	322,350	361,824	239,735
Unallocated employee benefits	675,654	633,420	633,003	746,728	764,695	655,319	700,408	886,127
Special schools						8,615		
Charter Schools								
Capital outlay	37,930	107,327	65,628	2,697,458	705,239	31,731	235,293	4,048,791
Debt service:								
Principal								
Interest and other charges								
Total Expenditures	4,414,819	4,630,244	4,488,743	7,488,498	5,719,968	5,209,830	5,805,647	9,585,593
Excess (Deficiency) of revenues over (under) expenditures	26,371	(44,050)	108,985	64,450	19,403	(60,122)	(282,992)	(2,944,743)
<b>Other Financing Sources (Uses)</b>								
Serial Bonds				(13,353)				3,682,000
Transfers						(30,754)		(16,738)
Total other financing sources (uses)				(13,353)		(30,754)		3,665,262
Net change in fund balances	\$ 26,371	\$ (44,050)	\$ 108,985	\$ 51,097	\$ 19,403	\$ (90,876)	\$ (282,992)	\$ 720,519
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: CAFR Schedule B-2

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**General Fund Other Local Revenue by Source,**  
**Last Ten Fiscal Years**  
 Unaudited

**Exhibit J-5**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition Revenue</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Totals</u>
2002	10,268.00	2,960.00	24,820.00	38,048.00
2003			24,993.00	24,993.00
2004		4,561.00	18,043.00	22,604.00
2005		8,829.00	13,031.00	21,860.00
2006		8,829.00	13,031.00	21,860.00
2007		7,310.00	4,100.00	11,410.00
2008		4,422.00	53,163.00	57,585.00
2009		564.37	30,087.88	30,652.25
2010		287.75	2,838.43	3,126.18
2011		538.17	8,829.96	9,368.13

Source: District Records

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2002	2,293,600	30,351,300	2,445,900	108,700	15,455,000	1,854,900	1,931,800	54,441,200	1,089,264	55,530,464	1.180	67,395,927
2003	2,359,500	34,380,800	2,386,100	112,700	12,073,000	1,854,900	1,931,800	55,098,800	1,053,390	56,152,190	1.275	70,587,291
2004	5,827,100	31,955,900	2,496,100	118,600	12,073,000	1,854,900	1,931,800	56,257,400	856,972	57,114,372	1.307	86,731,443
2005	5,863,500	33,192,800	2,828,800	110,900	12,183,500	1,854,900	1,931,800	57,966,200	806,328	58,772,528	1.415	97,670,710
2006	5,926,500	33,784,500	3,299,600	132,500	12,140,400	1,854,900	1,931,800	59,070,200	631,576	59,701,776	1.448	118,838,058
2007 - R	9,075,300	130,109,200	4,860,800	140,100	23,161,300	4,736,300	5,061,400	177,144,400	1,296,161	178,440,561	0.525	142,608,529
2008	8,754,000	130,920,600	4,860,800	140,100	23,302,300	4,763,000	5,061,400	177,802,200	1,260,222	179,062,422	0.525	167,570,389
2009	8,503,500	132,543,000	4,344,600	102,300	23,942,900	4,763,000	5,061,400	179,260,700	1,416,345	180,677,045	0.679	181,694,390
2010	8,527,100	133,733,100	3,920,400	96,000	24,124,400	4,763,000	5,061,400	180,225,400	1,401,630	181,627,030	0.704	182,376,135
2011	8,367,200	133,927,900	3,614,800	94,300	24,646,200	4,700,300	3,911,400	179,262,100	-	179,262,100	0.717	180,544,076

R = Revaluation

Source: County Abstract of Rates & Municipal Tax Assessor

Exhibit J-7

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	BOROUGH OF WOODBINE BOARD OF EDUCATION				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Cape May County	Municipal Local Purpose			
2002	1.275		1.275	0.460	0.410	2.145		
2003	1.307		1.307	0.430	0.410	2.147		
2004	1.415		1.415	0.440	0.410	2.265		
2005	1.448		1.448	0.420	0.410	2.278		
2006	0.525		0.525	0.416	0.409	1.350		
2007	0.525		0.525	0.154	0.231	0.910		
2008	0.679		0.679	0.182	0.238	1.099		
2009	0.710		0.710	0.204	0.238	1.152		
2010	0.704		0.704	0.215	0.237	1.156		
2011	0.708		0.708	0.214	0.251	1.173		

Source: District Records and Municipal Tax Collector



**BOROUGH OF WOODBINE BOARD OF EDUCATION  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	707,813.00	707,813.00	100%	-
2003	734,000.00	734,000.00	100%	-
2004	808,194.00	808,194.00	100%	-
2005	864,467.00	864,467.00	100%	-
2006	936,000.00	936,000.00	100%	-
2007	1,018,600.00	1,018,600.00	100%	-
2008	1,110,047.00	1,110,047.00	100%	-
2009	1,224,753.00	1,224,753.00	100%	-
2010	1,279,075.00	1,279,075.00	100%	-
2011	1,284,516.00	1,284,516.00	100%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2002				-	0.00%	\$ 36,053
2003				-	0.00%	36,492
2004				-	0.00%	38,740
2005				-	0.00%	40,316
2006				-	0.00%	42,322
2007		14,089		14,089	31.61%	44,575
2008		18,901		18,901	41.03%	46,067
2009		14,621		14,621	31.56%	46,329
2010		9,626	500,000	509,626	Not Available	Not Available
2011	3,682,000	4,270	307,536	3,993,806	Not Available	Not Available

Source: District CAFR Schedules I-1, I-2

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
2002	-	-	-	0.00%	\$ 36,053
2003	-	-	-	0.00%	36,492
2004	-	-	-	0.00%	38,740
2005	-	-	-	0.00%	40,316
2006	-	-	-	0.00%	42,322
2007	-	-	-	0.00%	44,575
2008	-	-	-	0.00%	46,067
2009	-	-	-	0.00%	46,329
2010	-	-	-	0.00%	Not Available
2011	3,682,000	-	3,682,000	2.05%	Not Available

**BOROUGH OF WOODBINE BOARD OF EDUCATION  
 Direct and Overlapping Governmental Activities Debt,  
 As of December 31, 2010**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Borough of Woodbine	\$ 89,695.00	100.00%	\$ 89,695.00
<b>Other Debt</b>			
County of Cape May	32,134,000.00	0.35%	111,613.69
Cape May County Municipal Utilities Authority	99,268,094.00	0.35%	344,796.11
Cape May County Bridge Commission	15,190,000.00	0.35%	52,760.69
Subtotal, Overlapping Debt			<u>598,865.49</u>
<b>School District Direct Debt</b>			<u>3,682,000.00</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 4,280,865.49</u></u>

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**

**Exhibit J-13**

Equalized valuation basis	
2010	\$ 178,990,366
2009	177,926,253
2008	176,776,894
	<u>\$ 533,693,513</u>

Average equalized valuation of taxable property	\$ 177,897,838
Debt limit ( 3% of average)	5,336,935
Net bonded school debt	3,682,000
Legal debt margin	<u>\$ 1,654,935</u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 1,866,615	\$ 1,967,648	\$ 2,166,118	\$ 2,437,429	\$ 2,896,834	\$ 3,443,587	\$ 4,175,402	\$ 4,799,402	\$ 5,203,980	\$ 5,336,935
Total net debt applicable to limit	-	-	-	-	-	-	-	3,682,000	3,682,000	3,682,000
Legal debt margin	<u>\$ 1,866,615</u>	<u>\$ 1,967,648</u>	<u>\$ 2,166,118</u>	<u>\$ 2,437,429</u>	<u>\$ 2,896,834</u>	<u>\$ 3,443,587</u>	<u>\$ 4,175,402</u>	<u>\$ 1,117,402</u>	<u>\$ 1,521,980</u>	<u>\$ 1,654,935</u>

Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	76.72%	70.75%	68.99%
--	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------

Source: Abstract of Rates and District Records.

**BOROUGH OF WOODBINE BOARD OF EDUCATION  
Demographic and Economic Statistics,  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	2,659	95,865	36,053	10.3%
2003	2,651	96,740	36,492	10.7%
2004	2,608	101,034	38,740	8.2%
2005	2,565	103,411	40,316	7.5%
2006	2,523	106,778	42,322	7.1%
2007	2,506	111,705	44,575	6.8%
2008	2,494	114,891	46,067	8.3%
2009	2,500	115,823	46,329	11.8%
2010	2,472	Not Available	Not Available	12.4%
2011	Not Available	Not Available	Not Available	Not Available

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Principal Employers,**  
**Current Year and Nine Years Ago**

**Exhibit J-15**

	2010			2001		
	Approximate Number of Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Woodbine Developmental Center	1,000 +	1	Not Available	Not Available		Not Available
Robinson Pallet	50 - 99	2	Not Available	Not Available		Not Available
Gentilini Ford	50 - 99	3	Not Available	Not Available		Not Available
Woodbine School District	38	4	Not Available	Not Available		Not Available
Borough of Woodbine	20 - 49	5	Not Available	Not Available		Not Available
NJ State Police	20 - 49	6	Not Available	Not Available		Not Available
Modern Gas	20 - 49	7	Not Available	Not Available		Not Available
Quality Electric & Alarms	20 - 49	8	Not Available	Not Available		Not Available
Cape May County MUA	20 - 49	9	Not Available	Not Available		Not Available
Alarm Systems	20 - 49	10	Not Available	Not Available		Not Available
<b>Totals</b>			<b>Not Available</b>	<b>-</b>		<b>Not Available</b>

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Five Fiscal Years**

**Exhibit J-16**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Function/Program</u></b>						
Instruction:						
Regular instruction	20	21	18	22	23	22
Special education instruction	6	4	5	3	3	2
Other special education	2	2	1	3	1	1
Other Instruction	2	1	4	3	5	5
Support Services:						
Tuition	2	2				
Student & instruction related services	1	1	4	4	4	7
General administrative services	1	1	1	1	1	1
School administrative services	1	1	1			
Technology services		1	1	1	1	1
Business administrative services	2	3	1	1	1	1
Plant operations and maintenance	0	0	3			
Food Service						
Total	<u>37</u>	<u>36</u>	<u>37</u>	<u>38</u>	<u>38</u>	<u>40</u>

Source: District Personnel Records

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Operating Statistics,**  
**Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School				
2002	Not Available	Not Available	Not Available	Not Available	Not Available	1:12	1:12	246	222	-5.02%	90.24%
2003	Not Available	Not Available	Not Available	Not Available	Not Available	1:12	1:13	265	237	7.72%	89.43%
2004	240	Not Available	Not Available	Not Available	Not Available	1:12	1:13	240	217	-9.43%	90.42%
2005	229	4,376,889	19,113	Not Available	Not Available	1:12	1:13	229	214	-4.58%	93.45%
2006	213	4,522,917	21,234	11.10%	36	1:12	1:13	213	200	-6.99%	93.90%
2007	246	4,423,115	17,980	-15.33%	36	1:12	1:13	246	227	15.49%	92.28%
2008	276	4,791,040	17,359	-3.46%	22	1:12	1:13	211	195	-14.23%	92.42%
2009	213	5,014,729	23,543	35.63%	22	1:12	1:13	202	189	-4.08%	93.21%
2010	216	5,178,100	23,973	1.82%	22	1:15	1:9	203	191	0.30%	94.09%
2011	217	5,570,354	25,670	7.08%	22	1:15	1:9	207	195	1.97%	94.20%

Source: District records

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**School Building Information,**  
**Last Ten Fiscal Years**

**Exhibit J-18**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b><u>District Buildings</u></b>										
<b><u>Woodbine Elementary School</u></b>										
Square Feet	40,366	40,366	40,366	40,366	40,366	52,789	52,789	52,789	52,789	52,789
Capacity (students)	294	294	294	294	294	294	294	294	294	294
Enrollment	246	265	240	229	213	294	211	213	216	217

Number of Schools at June 30, 2011  
 Elementary - 1

Source: District Records, ASSA

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities,**  
**Last Nine Fiscal Years**  
*(Unaudited)*

Exhibit J-19

**Undistributed Expenditures - Required Maintenance for School Facilities**

School Facilities	Project # (s)	2003	2004	2005	2006	2007	2008	2009	2010	2011
Woodbine Elementary School	N/A	\$ 17,863	\$ 15,194	\$ 23,182	\$ 51,571	\$ 54,966	\$ 38,208	\$ 20,105	\$ 30,455	\$ 14,737
Total School Facilities		17,863	15,194	23,182	51,571	54,966	38,208	20,105	30,455	14,737
Other Facilities										
Grand Total		\$ 17,863	\$ 15,194	\$ 23,182	\$ 51,571	\$ 54,966	\$ 38,208	\$ 20,105	\$ 30,455	\$ 14,737

Source: District Records

**BOROUGH OF WOODBINE BOARD OF EDUCATION**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2011**  
*(Unaudited)*

**Exhibit J-20**

Type of Coverage	Amount of Coverage	Deductible
Atlantic & Cape May Counties School Business Officials Joint Insurance Fund		
Property, Inland Marine and Automobile Physical Damages Perils Included	\$ 1,000,000.00 All Risk	\$
Property Valuation Blanket and Building Contents	11,706,700.00	1,000.00
Comprehensive Crime Coverage	250,000.00	1,000.00
General and Automobile Liability	1,000,000.00	
Workers' Compensation	2,000,000.00	
School Board Legal Liability	16,000,000.00	5,000.00
Pollution Legal Liability	1,000,000.00	5,000.00
NJ School Boards Association Insurance Group		
Blanket Position Bond		
Treasurer	155,000.00	
Board Secretary/Business Administrator	50,000.00	

# **Single Audit Section**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

## **K-1 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**

Honorable President and  
Members of the Board of Education  
Borough of Woodbine School District  
County of Cape May  
New Jersey

We have audited the basic financial statements of the Board of Education of the Borough of Woodbine School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements presented 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 Woodbine Board of Education'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 Borough of Woodbine Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodbine Board of Education's internal control over financial reporting.

Our consideration of internal control over financial reporting 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 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, we identified certain deficiencies in internal control over financial reporting that we consider be material weaknesses.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies identified in the schedule of findings and questioned costs as findings 11-2 and 11-5 to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodbine Board of Education's basic 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 no 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.

We noted certain matters that we reported to the Board of Education of the Borough of Woodbine Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* dated November 30, 2011.

This report is intended solely for the information of management, the Borough of Woodbine Board of Education, the New Jersey State Department of Education, and other 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 parties.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**



**Glen J. Ortman**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 853**

**November 30, 2011**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

## **K-2 REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT A MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
Members of Board of Education  
Borough of Woodbine School District  
County of Cape May,  
New Jersey

### Compliance

We have audited the compliance of the Board of Education of the Borough of Woodbine School District in the County of Cape May, State of New Jersey, 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 could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011. Borough of Woodbine Board of Education'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 Borough of Woodbine Board of Education's management. Our responsibility is to express an opinion on Borough of Woodbine Board of Education'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; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the 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 New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Woodbine Board of Education'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 of Borough of Woodbine Board of Education's compliance with those requirements.

As described in findings 11-4 and 11-5 in the accompanying schedule of findings and questioned costs, the Borough of Woodbine School District did not comply with requirements regarding reporting that are applicable to its Special Education Cluster, Title I Cluster, State Aid – Public and Preschool Education Aid. Compliance with such requirements is necessary, in our opinion, for the Borough of Woodbine School District to comply with the requirements to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Borough of Woodbine Board of Education School District, in the County of Cape May, State of New Jersey, 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, 2011.

#### Internal Control Over Compliance

The management of the Borough of Woodbine Board of Education 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 Borough of Woodbine Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey Circular 04-04, 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 Borough of Woodbine Board of Education's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance 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 discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 11-5 to be a material weakness.

The Borough of Woodbine Board of Education'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 Borough of Woodbine Board of Education's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information of the management of the Borough of Woodbine Board of Education, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these parties.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**



**Glen J. Ortman**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 853**

**November 30, 2011**

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2011	Deferred Revenue	Due to Grantor at June 30, 2011
<b>U.S. Department of Education</b>													
<b>Passed-Through State Department</b>													
<b>Education:</b>													
General Fund:													
Education Jobs Fund	84.410	N/A	\$ 101,313	7/1/2010 6/30/2011	\$ -	\$ -	\$ 101,313.00	\$ (101,313.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Education Jobs Fund					(293.22)		293.22	(101,313.00)					
Medical Assistance Program (Medicaid)	93.778	N/A	4,692	7/1/2009 6/30/2010	(293.22)		101,606.22	(101,313.00)					
Total General Fund					(293.22)		101,606.22	(101,313.00)					
Special Revenue Fund:													
Title I Cluster													
Title I	84.010	NCLB 09	220,646	9/1/2008 8/31/2009	599.00	(599.00)	7,984.00	(20,458.92)			5,839.57		
Title I	84.010	NCLB 10	219,224	9/1/2009 8/31/2010	17,715.49	599.00	68,002.00	(163,115.44)			(139,230.00)	44,116.56	
Title I	84.010	NCLB 11	207,232	9/1/2010 8/31/2011	(53,222.41)			(19,717.59)	(14,656.00)		(87,602.00)	6.00	
ARRA Title I	84.389	NCLB 10	133,428	9/1/2009 8/31/2011				(203,291.95)					
Total Title I Cluster													
School Improvement Cluster													
Title I SIA Carryover	84.377	NCLB 08	14,506	9/1/2007 8/31/2008	8,632.34	(8,632.34)							
Title I SIA Carryover	84.377	NCLB 10	27,667	9/1/2009 8/31/2010	-	8,632.34		(22,957.19)			(27,667.00)	13,342.15	
Title I SIA	84.377	NCLB 11	21,055	9/1/2010 8/31/2011	(199.91)		8,193.00	(1,058.50)			(21,055.00)	11,912.66	
ARRA Title I SIA	84.388	NCLB 10	9,317	9/1/2009 8/31/2011				(33,158.03)				6,934.59	
Total School Improvement Cluster													
Title IIA	84.281	NCLB 10	28,386	9/1/2008 8/31/2010	(15,566.68)			(4,938.15)	721.89		(20,035.00)	252.06	
Title IIA	84.281	NCLB 09	29,394	9/1/2008 8/31/2009	(4,376.63)		13,331.00	(24,765.00)			(4,376.63)	4,715.00	
Title IIA	84.281	NCLB 11	29,480	9/1/2010 8/31/2011			2,181.00				(16,149.00)	2,181.00	
Title IID	84.281	NCLB 10	2,181	9/1/2009 8/31/2010							(479.00)	479.00	
Title IID	84.281	NCLB 11	479	9/1/2010 8/31/2011									
Title IV	84.186	NCLB 08	4,139	9/1/2007 8/31/2008	1,347.94	(1,347.94)		(1,405.44)					
Title IV	84.186	NCLB 09	3,093	9/1/2008 8/31/2009	57.50	1,347.94	2,842.00	(157.87)					
Title IV	84.186	NCLB 10	2,842	9/1/2009 8/31/2010	(2,099.05)							585.08	
Special Education Cluster													
I.D.E.A. Part B, Basic Regular Carryover	84.027A	FT 10	97,749	9/1/2009 8/31/2010	1.60			(95,980.00)			(95,980.00)	1.60	
I.D.E.A. Part B, Basic Regular	84.027A	FT 11	95,980	9/1/2010 8/31/2011				(1,059.00)			(1,059.00)		
I.D.E.A. Part B, Preschool	84.027	FT 11	1,059	9/1/2010 8/31/2011				(29,734.90)	14,656.00		(6,167.00)		
ARRA I.D.E.A. Part B, Basic	84.391	FT 10	74,665	9/1/2009 8/31/2011	8,911.90			(126,773.90)					
Total Special Education Cluster													
Access Collaborative Equity Plus (ACE+)	84.318	100-034-5060-071	100,000	8/1/2005 7/31/2006	4,631.00						(973.00)		4,631.00
Safe Schools Healthy Students	16.732	N/A	11,089	8/1/2007 7/31/2008	(973.00)								
21st Century Program	84.287c	07-EK09-H05	57,803	7/1/2007 6/30/2008	(16,306.14)						(16,306.14)		
ARRA Talent 21	84.366A	10-100-034-5060-105-H300	165,801	4/1/2010 9/15/2011	(44,653.75)		117,962.59	(106,411.24)			(47,838.41)	14,736.01	
Total U.S. Department of Education													
Passed-through State Department													
of Education:													
New Jersey Fresh Fruit & Vegetables	10.582	N/A	15,272	7/1/2008 6/30/2009	3,809.85	1,908.65	1,507.66	(7,226.16)					
New Jersey Fresh Fruit & Vegetables	10.582	N/A	9,761	7/1/2010 6/30/2011		(1,908.65)	8,914.74	(4,440.74)					
Total Special Revenue Fund					(91,690.95)		230,917.99	(512,568.48)	721.89		(484,917.18)	107,666.63	4,631.00

The accompanying Notes to Schedules of Expenditures of Awards of Financial Assistance are an integral part of this schedule

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year ended June 30, 2011**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2011	Deferred Revenue	Due to Grantor at June 30, 2011
<b>Capital Projects Fund:</b>													
<b>U.S. Department of Housing and Urban Development passed through the State of New Jersey:</b>													
Community Development Block Grant - Small Cities Public Facilities Grant	14.228	2010-02292-0602-00	489,402	1/1/2010 12/31/2012	\$ -	\$ -	\$ 460,397.78	\$ (460,397.78)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capital Projects Fund</b>							<u>460,397.78</u>	<u>(460,397.78)</u>					
<b>U.S. Department of Agriculture Passed-through State Department of Education:</b>													
<b>Enterprise Fund:</b>													
National School Lunch Program	10.555	N/A	74,541	7/1/2009 6/30/2010	(7,649.88)		7,649.88						
National School Lunch Program	10.555	N/A	67,886	7/1/2010 6/30/2011			63,166.78	(67,886.18)			(4,719.40)		
National School Breakfast Program	10.553	N/A	24,680	7/1/2010 6/30/2011			23,003.98	(24,680.06)			(1,676.08)		
National School Breakfast Program	10.553	N/A	23,350	7/1/2009 6/30/2010	(2,935.54)		2,935.54						
National School Snack Program	10.555	N/A	4,178	7/1/2009 6/30/2010	(125.80)		125.80						
National School Snack Program	10.555	N/A	4,296	7/1/2010 6/30/2011			4,210.60	(4,295.70)			(85.10)		
Food Distribution Program	10.550	N/A	6,860	7/1/2010 6/30/2011	(10,711.22)		6,860.15	(6,860.15)					
<b>Total Enterprise Fund</b>					<u>(10,711.22)</u>		<u>107,952.73</u>	<u>(103,722.09)</u>			<u>(6,480.58)</u>		
<b>Total Federal Financial Awards</b>					<u>\$ (102,695.39)</u>	<u>\$ -</u>	<u>\$ 900,874.72</u>	<u>\$ (1,178,001.35)</u>	<u>\$ 721.89</u>	<u>\$ -</u>	<u>\$ (491,397.76)</u>	<u>\$ 107,666.63</u>	<u>\$ 4,631.00</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT**  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011		MEMO
			From	To							(Accounts Receivable)	Deferred Revenue/	
<b>State Department of Education</b>													
<b>General Fund:</b>													
Special Education Categorical Aid	11-495-034-5120-088	111,835	7/1/2010	6/30/2011	\$ -	\$ -	\$ 111,835.00	(111,835.00)	\$ -	\$ -	\$ -	(8,783.49)	111,835.00
Equalization Aid	11-495-034-5120-078	1,794,117	7/1/2010	6/30/2011	\$ -	\$ -	1,794,117.00	(1,794,117.00)	\$ -	\$ -	\$ -	(140,808.81)	1,794,117.00
Security Aid	11-495-034-5120-084	84,252	7/1/2010	6/30/2011	\$ -	\$ -	84,252.00	(84,252.00)	\$ -	\$ -	\$ -	(6,617.13)	84,252.00
Adjustment Aid	11-495-034-5120-085	670,536	7/1/2010	6/30/2011	\$ -	\$ -	670,536.00	(670,536.00)	\$ -	\$ -	\$ -	(52,663.70)	670,536.00
Categorical Transportation Aid	11-495-034-5120-014	173,414	7/1/2010	6/30/2011	\$ -	\$ -	173,414.00	(173,414.00)	\$ -	\$ -	\$ -	(13,616.67)	173,414.00
Additional Transportation Aid	10-100-034-5120-014	3,394	7/1/2009	6/30/2010	(3,394.00)	\$ -	3,394.00	\$ -	\$ -	\$ -	\$ -	\$ -	3,394.00
Additional Transportation Aid	09-100-034-5120-014	2,262	7/1/2010	6/30/2011	\$ -	\$ -	\$ -	(2,262.00)	\$ -	\$ -	\$ -	(2,262.00)	2,262.00
On-behalf TPAF Post Retirement Contributor	11-495-034-5095-001	112,717	7/1/2010	6/30/2011	\$ -	\$ -	6,926.63	(112,717.00)	\$ -	\$ -	\$ -	(772.86)	112,717.00
Reimbursed TPAF Social Security Contributor	10-495-034-5095-051	136,243	7/1/2009	6/30/2010	(6,926.63)	\$ -	125,941.14	(126,714.00)	\$ -	\$ -	\$ -	\$ -	136,243.03
Reimbursed TPAF Social Security Contributor	11-495-034-5095-006	128,714	7/1/2010	6/30/2011	(10,320.63)	\$ -	2,970,415.77	(3,075,847.00)	\$ -	\$ -	\$ -	(222,594.00)	128,714.00
<b>Total General Fund</b>													<b>3,215,484.03</b>
<b>Special Revenue Fund:</b>													
Preschool Education Aid	11-495-034-5120-086	458,392	7/1/2010	6/30/2011	\$ -	\$ -	458,392.00	(440,641.59)	17,750.42	\$ -	\$ -	(45,839.00)	458,392.00
Preschool Education Aid	10-495-034-5120-086	312,540	7/1/2009	6/30/2010	14,018.83	\$ -	\$ -	(14,018.83)	\$ -	\$ -	\$ -	\$ -	312,540.00
Early Launch to Learning Initiative	07-485-034-5120-062	54,000	7/1/2006	6/30/2007	(3,001.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(3,001.00)	54,000.00
Garden State Distance Learning		1,000	7/1/2007	6/30/2008	447.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	952.07
PESS		4,500	7/1/2010	6/30/2011	7,372.50	\$ -	3,500.00	(4,500.00)	447.93	\$ -	\$ -	(1,000.00)	4,500.00
NJ Insured for Sure		12,500	7/1/2009	6/30/2010	18,838.26	\$ -	461,892.00	(452,514.08)	18,198.35	\$ -	\$ -	(45,839.00)	12,500.00
<b>Total Special Revenue Fund</b>													<b>842,484.07</b>
<b>Capital Projects Fund</b>													
SDA - Building Upgrades and Boiler Project	5840-050-09-2001-502B	307,536	Open	Open	\$ -	\$ -	\$ -	(266,269.48)	\$ -	\$ -	\$ -	(266,269.48)	266,269.48
SDA - Building Upgrades and Boiler Project	5840-050-09-3000	1,781,472	Open	Open	\$ -	\$ -	\$ -	(401,826.52)	\$ -	\$ -	\$ -	(401,826.52)	401,826.52
<b>Total Capital Projects Fund</b>													<b>668,096.00</b>
<b>State Department of Agriculture:</b>													
<b>Enterprise Fund:</b>													
National School Lunch Program (State Share)	10-100-010-3380-023	2,988	7/1/2009	6/30/2010	(301.86)	\$ -	301.86	\$ -	\$ -	\$ -	\$ -	\$ -	2,987.94
National School Lunch Program (State Share)	11-100-010-3380-023	1,530	7/1/2008	6/30/2009	(183.70)	\$ -	1,417.25	(1,529.63)	\$ -	\$ -	\$ -	(112.38)	1,529.63
National School Breakfast Program (State Share)	10-100-010-3350-021	1,510	7/1/2009	6/30/2010	(183.70)	\$ -	183.70	\$ -	\$ -	\$ -	\$ -	\$ -	1,510.20
National School Breakfast Program (State Share)	09-100-010-3350-021	1,576	7/1/2008	6/30/2009	(485.56)	\$ -	1,902.81	(1,529.63)	\$ -	\$ -	\$ -	(112.38)	1,575.90
<b>Total Enterprise Fund</b>													<b>7,602.67</b>
<b>Total State Financial Assistance</b>					<b>\$ 8,032.07</b>	<b>\$ -</b>	<b>\$ 3,634,210.58</b>	<b>(4,197,986.71)</b>	<b>\$ (14,018.83)</b>	<b>\$ -</b>	<b>\$ (675,244.24)</b>	<b>\$ 18,198.35</b>	<b>\$ 4,733,867.77</b>

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-5 NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2011**

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Borough of Woodbine School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC 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 revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003,c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$41,993.00 for the general fund and (\$28,998.42) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$ 101,313.00	\$ 3,117,840.00	\$ (112,717.00)	\$ 3,106,436.00
Special Revenue Fund	499,451.83	436,632.31		936,084.14
Capital Projects Fund	460,397.78	668,096.00		1,128,493.78
Food Service Fund	<u>103,722.09</u>	<u>1,529.63</u>		<u>105,251.72</u>
	<u>\$ 1,164,884.70</u>	<u>\$ 4,224,097.94</u>	<u>\$ (112,717.00)</u>	<u>\$ 5,276,265.64</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-5 NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2011  
(CONTINUED)**

**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. OTHER**

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2011. 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 year ended June 30, 2011.

**NOTE 6. ADJUSTMENTS**

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year. In addition, local contributions are reflected as adjustments. The following adjustments were a result of final grant payments being rounded by the grantor, prior encumbrances being canceled and grantor cost disallowances from a prior period. The total adjustment was (\$13,296.94).

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified Opinion issued on the Basic Financial Statements, dated November 30, 2011.

Internal control over financial reporting:

- |   |               |
|---|---------------|
| 1) Material weakness identified?                            | Yes           |
| 2) Significant deficiencies?                                | None Reported |
| Noncompliance material to basic financial statements noted? | No            |

**Federal Awards**

Internal control over major programs:

- |                                  |     |
|----------------------------------|-----|
| 1) Material weakness identified? | Yes |
| 2) Significant deficiencies?     | No  |

Type of auditor's report issued on compliance for major programs: A Qualified Opinion was issued on compliance for major programs, dated November 30, 2011

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education Cluster
84.391	IDEA Basic Part A ARRA IDEA Basic Title I Cluster
84.010	Title I
84.389	ARRA Title I
14.228	CDBG - Small Cities Public Facilities Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? No

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**I. SUMMARY OF AUDITOR'S RESULTS (Continued)**

**State Awards**

Dollar threshold used to distinguish between type A and type B Programs: \$300,000

Type of auditor's report issued on compliance for major programs: A Qualified Opinion was issued on compliance for major programs, dated November 30, 2011

Internal control over major programs:

- 1) Material weakness identified? No
- 2) Significant deficiencies? No

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? Yes

Auditee qualified as low-risk auditee? No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Special Education Categorical Aid
11-495-034-5120-084	Categorical Security Aid
11-495-034-5120-085	Adjustment Aid
5840-050-09-3000	SDA Grant
5840-050-09-2001-G02B	SDA Grant
11-495-034-5120-086	Preschool Education Aid

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**II. FINANCIAL STATEMENT FINDINGS**

**Finding 11-2 \*:**

The District's internal account balances were not reconciled.

**Criteria**

The Board of Education is required to reconcile amounts due to and from other funds.

**Condition**

The District's internal account balances were not reconciled.

**Questioned Costs**

The questioned costs related to this finding is \$63,902.06.

**Context**

Not determinable

**Cause**

The Board Administrator did not monitor activity posted to the interfund accounts.

**Effect**

By not reconciling the internal receivable and liability accounts, the potential exists for a misstatement of the District's financial statements.

**Recommendation**

That internal accounts be liquidated and going forward be reconciled on a monthly basis.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

Federal:

**Finding 11-5 \*:**

There are several years of TPAF FICA and Pension Reimbursement checks due to the State of New Jersey that were not remitted.

**Federal Program Information:**

84.027 IDEA Basic; 84.391 ARRA IDEA Basic; 84.010 Title I; 84.389 ARRA Title I

**Criteria**

The District is required to prepare and submit the TPAF FICA Reimbursement to the state prior to September 30 of the year in which it is due.

**Condition**

The District has held the checks voided them in fiscal year 2011.

**Questioned Costs**

The questioned costs are as follows for a total of \$166,416.88 in liabilities:

<u>School Year</u>	<u>Check Number</u>	<u>Amount</u>
2010/11		\$ 20,304.96
2009/10	6183	30,995.24
2008/09	5197	29,554.44
2007/08	5655	20,060.25
2006/07	5584	21,533.81
2005/06	5584	18,594.00
Unknown	5410	21,855.08
Unknown	5585	3,519.10

**Context**

Not determinable

**Cause**

The District held the checks and voided them in fiscal year 2011.

**Effect**

The District did not comply with N.J.S.A. 18A:66-90.

**Recommendation**

The liability for TPAF FICA and Pension charged to federally funded programs should be remitted to the NJ Department of Education in accordance with regulations.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-6 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)**

State:

**Finding 11-4 \*:**

The District overexpended two budget lines items.

**State Program Information**

Equalization Aid; GMIS No. 495-034-5120-078; Special Education Categorical Aid; GMIS No. 495-034-5120-089; Categorical Security Aid; GMIS No. 495-034-5120-084; Adjustment Aid; GMIS No. 495-034-5120-085; Preschool Education Aid GMIS No. 495-034-5120-086

**Criteria**

The District is not permitted to incur expenditures in excess of the amounts appropriated.

**Condition**

There are two budget lines that are overexpended.

**Questioned Costs**

The questioned costs related to this finding are \$11,298.38 and \$1,075.30 for a total of \$12,373.68.

**Context**

Two budget line items were identified as overexpended and a deficit Unrestricted Fund Balance was created.

**Cause**

As a result of the District not recording the Annual Pension Contribution payment in the accounting program the District overexpended a budget line in the amount of \$11,298.38 and reclassification of an item from the special revenue fund, there was an overexpenditure of a budget line in the amount of \$1,075.30

**Effect**

Noncompliance with state regulations.

**Recommendation**

The District should ensure that all items are properly charged to the budget and transfers are made as needed to prevent overexpenditures of budget line items.

An asterisk (\*) indicates a prior year finding.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-7 SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**STATUS OF PRIOR YEAR FINDINGS**

**Financial Statement Findings:**

**Finding 10-2\*:**

The District was unable to prepare a complete set of financial statements, including related disclosures.

**Criteria**

Entities are required to employ or contract with an individual or consultant with sufficient knowledge and experience to accurately prepare a complete set of financial statements including related disclosures.

**Condition**

The District was unable to prepare a complete set of financial statements, including related disclosures.

**Questioned Costs**

None

**Context**

Not determinable

**Cause**

The District does not currently employ or contract with an individual or consultant with the training and experience to prepare a complete set of financial statements including related disclosures.

**Effect**

District personnel are unable to provide the Board with year end financial reports including related disclosures that are in compliance with generally accepted accounting principles.

**Recommendation**

That District personnel receive additional training in financial statement preparation including all related disclosures.

**Current Status**

The District has contracted with a firm with regards to training on preparation of financial statements.

**Finding 10-3\*:**

The District's internal account balances were not reconciled.

**Criteria**

The Board of Education is required to reconcile amounts due to and from other funds.

**Condition**

The District's internal account balances were not reconciled.

**Questioned Costs**

None

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-7 SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**STATUS OF PRIOR YEAR FINDINGS (Continued)**

**Financial Statement Findings (Continued):**

**Finding 10-3 (Continued):**

**Context**

Not determinable

**Cause**

The Board Administrator did not monitor activity posted to the interfund accounts.

**Effect**

By not reconciling the internal receivable and liability accounts, the potential exists for a misstatement of the District's financial statements.

**Recommendation**

That internal accounts be reconciled on a monthly basis.

**Current Status**

This continues to be a finding.

**Federal Awards and State Financial Assistance Findings**

Federal

**Finding 10-7:**

The district is not maintaining proper workpapers regarding reimbursements and expenditures as they are reported in the EWEG system.

**Federal Program Information:**

84.027 IDEA Basic; 84.391 ARRA IDEA Basic; 84.010 Title I; 84.389 ARRA Title I; 84.394 ARRA ESF; 84.397 ARRA GSF: Department of Education

**Criteria**

The District is required to maintain proper workpapers regarding reimbursements and expenditures as they are reported in the EWEG system.

**Condition**

The District was unable to provide the EWEG reports showing the reimbursements requested and the expenditures associated with the requests. They were unable to provide copies of the required 1512 reports.

**Questioned Costs**

The questioned costs are \$748,438.65.

**Context**

Not determinable

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-7 SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**STATUS OF PRIOR YEAR FINDINGS (Continued)**

**Federal Awards and State Financial Assistance Findings (Continued)**

Federal (Continued)

**Finding 10-7: (Continued)**

**Cause**

The District did not maintain a copy of the workpapers or the required reports.

**Effect**

The amount reported could not be verified to the District's records.

**Recommendation**

The Business Administrator should ensure that the amounts that are reported in the EWEG system match the expenditures and reimbursements requested and maintain copies of the EWEG and Edmunds reports.

**Current Status**

This finding was corrected.

State:

**Finding 10-8:**

The District improperly charged 2009-10 Preschool Education expenditures in the Special Revenue Fund to a future Preschool entitlement. Audit adjustments were necessary to properly classify the expenditures to the other Preschool balances in the Special Revenue Fund and to budget lines in the General Fund. The result of these reclassifications was individual line item overexpenditures in both the General and Special Revenue Funds. In addition, the reclassifications in the General Fund caused an Unreserved General Fund Deficit to exist at June 30, 2011.

**State Program Information**

Core Curriculum Standards Aid; GMIS No. 495-034-5120-022; Supplemental Core Curriculum Standards Aid; GMIS No. 495-034-5120-023; Special Education Aid; GMIS No. 495-034-5120-008; Stabilization Aid; GMIS No. 495-034-5120-030; Consolidated Aid; GMIS No. 08-495-034-5120-034; Full-Day Kindergarten Supplemental Aid; GMIS No. 495-5120-074; State Department of Education.

**Criteria**

The District is not permitted to incur expenditures in excess of the amounts appropriated.

**Condition**

As a result of reclassifying expenditures of \$71,531.94 from the Special Revenue Fund for to the General Fund there were four budget lines that were overexpended and a deficit in the General Fund Unrestricted Balance was created.

**Questioned Costs**

The questioned costs related to this finding is \$71,531.94.

**BOROUGH OF WOODBINE SCHOOL DISTRICT  
K-7 SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**STATUS OF PRIOR YEAR FINDINGS (Continued)**

**Federal Awards and State Financial Assistance Findings (Continued)**

**Finding 10-8: (Continued)**

**Context**

Four budget line items were identified as overexpended and a deficit Unrestricted Fund Balance was created.

**Cause**

The District expended funds for an additional preschool class in the Special Revenue Fund that exceeded the allocation and that had to be reclassified to the General Fund.

**Effect**

Noncompliance with state requirements.

**Recommendation**

The District should charge expenditures to current year grant allotments and carryover balances in order to avoid reclassification of expenditures that cause budgetary line item overexpenditures.

**Current Status**

This finding has not been corrected.