

SCHOOL DISTRICT
OF
BOROUGH OF WOODBINE

Borough of Woodbine Board of Education
Woodbine, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Comprehensive Annual Financial Report

of the

Borough of Woodbine Board of Education

Woodbine, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

Borough of Woodbine Board of Education

Finance Department

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Introductory Section

WOODBINE BOARD OF EDUCATION

801 Webster Street
Woodbine, New Jersey 08270

November 30, 2012

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, 2012, 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 2011-2012 fiscal year with an enrollment of 211 students, which is 6 students below 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>
2011-12	211 *	-2.76%
2010-11	217 *	-4.41%
2009-10	227 *	6.57%
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%

*Actual 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 decrease in ratables.

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 took on a major initiative to make changes to the Language Arts/Literacy curriculum in response to revisions made to the NJDOE Core Curriculum Content Standards.

Also, during the past year, the district successfully completed phase II of the Referendum Project, which included kitchen renovations a new security vestibule and heating system upgrades.

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, 2012.

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, 2012, the District's outstanding debt issues included \$3,512,000 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.

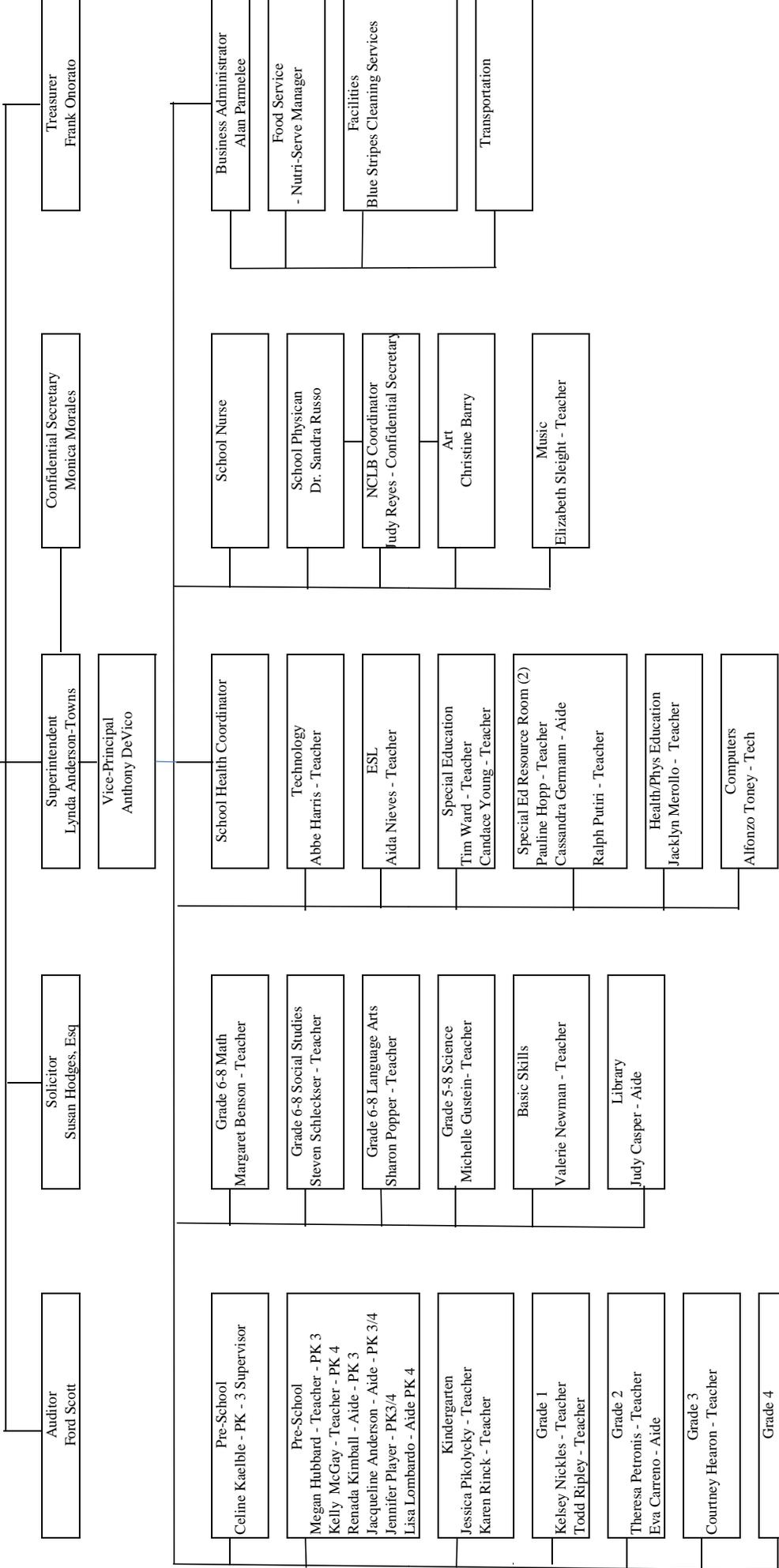
Respectfully submitted:


Lynda Anderson-Towns
Superintendent


Alan B. Parmelee
Board Secretary/
Business Administrator

Woodbine Board of Education

Lisa Feliciano - Vice-President (term expires 2013) Jaunita Hutchinson - Member (term expires 2015) Gerald Murray - Member (term expires 2013)
 Manuel Gonzalez - Member (term expires 2014) Donald Jenkins - Member (term expires 2014) Melissa Rodriguez - President (term expires 2014)
 Harold Harris - Member (term expires 2013) Victoria London - Member (term expires 2015) Miriam Vives-Rivera - Member (term expires 2015)
 Alan Parmelee - Board Secretary



BOROUGH OF WOODBINE BOARD OF EDUCATION

WOODBINE, NEW JERSEY

ROSTER OF OFFICIALS
June 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Melissa Rodriguez, President	2014
Lisa Feliciano-Toney, Vice President	2013
Gerald Murray	2013
Donald Jenkins	2014
Manuel Gonzalez	2014
Harold Harris	2013
Janita Hutchinson	2015
Victoria London	2015
Miriam Vives-Rivera	2015
<u>Other Officials</u>	
Lynda Anderson-Townes, Superintendent/Principal	
Alan B. Parmelee, School Business Administrator	
Frank Onorato, Treasurer of School Monies	
Susan S. Hodges, Esq., Solicitor	

**BOROUGH OF WOODBINE BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

Ford Scott & Associates, LLC
1535 Haven Avenue
PO Box 538
Ocean City, NJ 08226
(609) 399-6333

Attorney

Susan S. Hodges, Esq.
Archer & Greiner
One Centennial Square
Haddonfield, NJ 08033

Official Depository

Sturdy Savings Bank
506 S. Main Street
P.O. Box 900
Cape May Court House, New Jersey 08210

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Financial Section

Independent Auditor's Report

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, each major fund and the aggregate remaining fund information 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 year ended June 30, 2012, 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 and the aggregate remaining fund information of the Borough of Woodbine Board of Education, in the County of Cape May, State of New Jersey, as of June 30, 2012 and the respective changes in financial position and cash flows, where applicable, 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, 2012 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 an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and the Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the U.S Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Office of Management and Budget Circular 04-04 and is also not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Glen J. Ortman

Glen J. Ortman, CPA
Licensed Public School Accountant
No. CS00853

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC
Certified Public Accountants

November 30, 2012

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Required Supplemental Information
Part I

**WOODBINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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, 2012. 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 2012 are as follows:

- In total, net assets decreased \$121,391, which represents a decrease of 3.5% percent from 2011.
- General revenues accounted for \$5,075,036 of total revenue or 82.7% 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 \$1,062,299 or 17.3% of total revenues of \$6,137,335.
- Total assets of governmental activities increased by \$265,675 as cash and cash equivalents decreased by \$25,028, receivables decreased by \$177,556, and capital assets increased by \$461,349.
- The School District had \$6,091,152 in expenses; only \$898,626 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$5,075,011 were used to provide for these programs.
- Among governmental funds, the General Fund had \$4,545,226 in revenues and \$4,734,834 in expenditures. The General Fund's fund balance decreased \$189,608 from 2011.

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.

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 2012?" 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

**WOODBINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

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.

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 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.

**WOODBINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

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 2012 and 2011.

Table 1 Net Assets		
	2012	2011
Assets		
Current and Other Assets	\$ 1,307,972	1,496,636
Capital Assets	7,333,489	6,875,021
Total Assets	8,641,461	8,371,657
Liabilities		
Long-Term Liabilities	3,697,449	3,686,999
Other Liabilities	1,626,829	1,246,084
Total Liabilities	5,324,278	4,933,083
Net Assets		
Invested in Capital Assets, Net of Debt	3,821,489	3,188,752
Restricted	231,298	742,490
Unrestricted	(735,604)	(492,668)
Total Net Assets	\$ 3,317,183	3,438,574

The District's combined net assets were \$3,317,183 on June 30, 2012. This was a decrease of 4.8% from the prior year.

**WOODBINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

Table 2 shows changes in net assets for fiscal year 2012 and 2011.

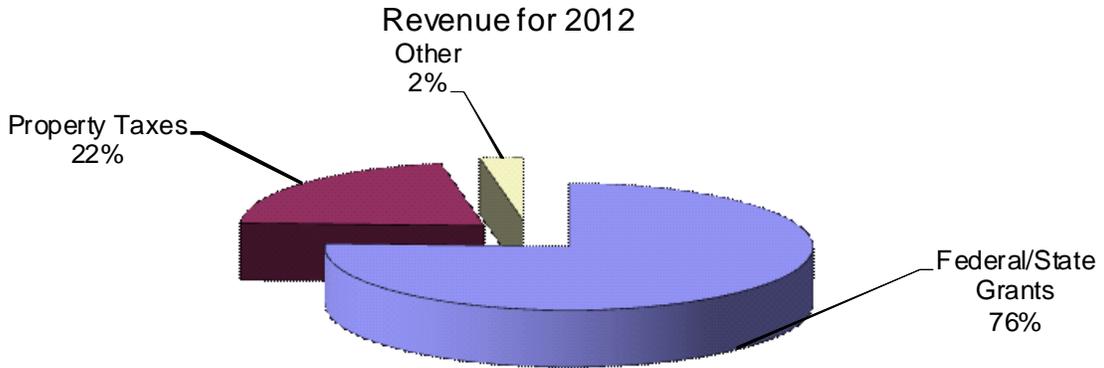
**Table 2
Changes in Net Assets**

	2012	2011
Revenues		
Program Revenues:		
Charges for Services	\$ 48,114	37,357
Operating Grants and Contributions	1,014,185	2,184,890
General Revenues:		
Property Taxes	1,284,516	1,284,516
Grants and Entitlements	3,620,754	3,219,153
Other	169,766	56,852
Total Revenues	6,137,335	6,782,768
Program Expenses		
Instruction	2,148,354	2,273,713
Support Services:		
Tuition	1,749,250	1,353,275
Related Services - Pupils and Instructional Staff	766,941	973,631
General Administration, School Administration	541,134	350,600
Maintenance of Facilities	338,410	259,749
Pupil Transportation	336,845	241,476
Interest Expense	210,218	-
Food Service / Latchkey	167,574	181,762
Total Expenses	6,258,726	5,634,206
Increase/(Decrease) in Net Assets	\$ (121,391)	1,148,562

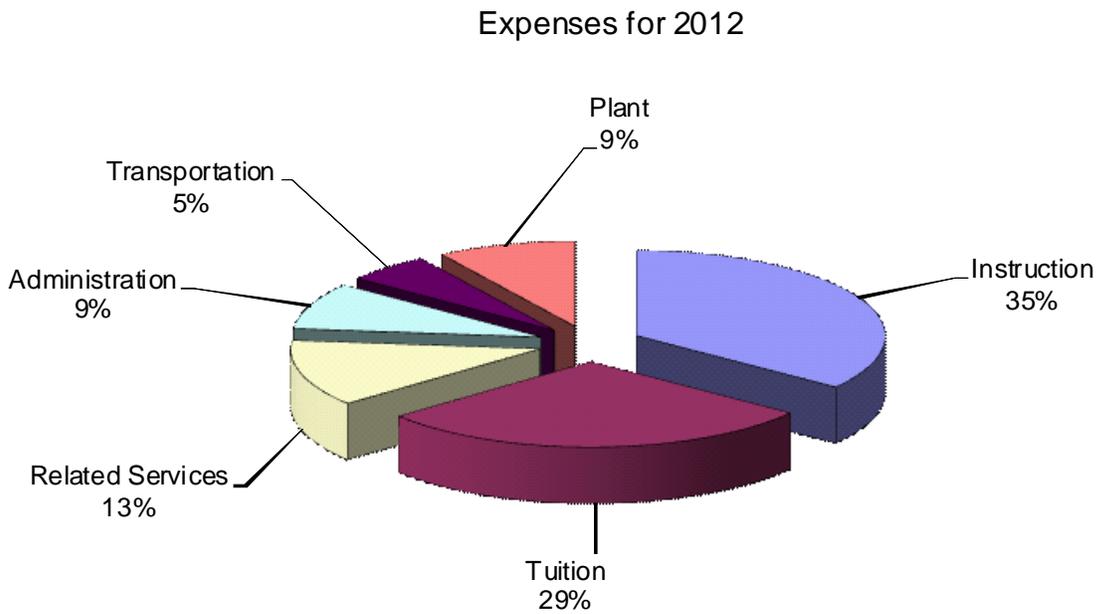
Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. During 2012 the District elected to move the annual election to November. This change removed the requirement of obtaining voter approval for the budget so long as the budget is within the State spending limits. Property taxes made up 22% of revenues for governmental activities for the Borough of Woodbine School District for fiscal year 2012 and 19 percent for fiscal year 2011. Property tax revenues were the same in 2012 as they were in 2011. The District's total governmental activities revenues were \$5,973,637 for the year ended June 30, 2012. Federal, state, and local grants accounted for 76% of revenue.

**WOODBINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**



The total cost of all governmental activities program and services was \$6,091,152. Instruction comprises 35% of District expenses.



**WOODBINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

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 revenues exceeded expenses by \$46,589 and Latchkey expenses exceeded revenue by \$936.
- Charges for food services represent \$40,594 of revenue. This represents amounts paid by patrons for daily food service and special functions. Charges for Latchkey represent \$7,520 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 \$115,559.

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 2012</u>	<u>Net Cost of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>
Instruction	\$ 2,148,354	1,788,006	2,273,713	194,144
Support Services:				
Tuition	1,749,250	1,749,250	1,353,275	1,353,275
Pupils and Instructional Staff	766,941	339,145	973,631	973,631
General Administration, School				
Administration, Business	541,134	430,652	350,600	350,600
Operations and Maintenance				
of Facilities	269,456	269,456	259,749	259,749
Pupil Transportation	336,845	336,845	241,476	241,476
Other	279,172	279,172		
Total Expenses	<u>\$ 6,091,152</u>	<u>5,192,526</u>	<u>5,452,443</u>	<u>3,372,875</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, 2012
UNAUDITED**

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 interest expense.

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 \$5,973,637 and expenditures were \$6,671,587. There was a net transfer out of \$49,529. The net decrease in fund balance for the year was \$747,479.

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, 2012, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Local Sources	\$ 1,472,399	25%	115,281	8%
State Sources	3,980,249	67%	(242,319)	-6%
Federal Sources	520,989	9%	(540,174)	-51%
Total	<u>\$ 5,973,637</u>	100%	<u>(667,212)</u>	-10%

State revenues decreased by \$242,319. This decrease in state revenue was predominately due to state aid on capital projects that were started during the 2011 school year.

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, 2012, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2011	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 4,651,494	70%	819	0%
Undistributed expenditures	921,178	14%	35,051	4%
Debt Service	344,024	5%	344,024	100%
Capital Outlay	754,891	11%	(3,293,900)	-81%
Total	<u>\$ 6,671,587</u>	100%	<u>(2,914,006)</u>	-30%

Changes in expenditures were the results of varying factors. Capital outlay decreased \$3,293,900 due to capital projects completed in 2011.

**WOODBINE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

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 2012, the School District had \$7,333,489 invested in land, building and machinery and equipment. Table 4 shows fiscal year 2012 balances compared to 2011.

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

	2012	2011
Land and Land Improvements	\$ 1	1
Building and Building Improvements	6,762,892	6,448,525
Machinery and Equipment	570,596	444,108
Total	\$ 7,333,489	6,892,634

Overall capital assets increased \$440,855 from fiscal year 2011 to fiscal year 2012. 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.

Debt Administration

At June 30, 2012, the School District had \$3,697,449 of outstanding debt. Of this amount, \$185,449 is for compensated absences, and \$3,512,000 is the serial bonds that were issued in 2010.

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

The basic financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds as of June 30, 2012.

DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of the governmental and business-like funds as of June 30, 2012.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 130,312	10,943	141,255
Receivables, net	71,928	7,160	79,088
Internal balances	54,072	(54,072)	-
Due from Trust & Agency Funds	5,575		5,575
Due from other governments	1,072,241		1,072,241
Inventory		9,813	9,813
Capital assets, net	7,315,648	17,841	7,333,489
Total Assets	<u>8,649,776</u>	<u>(8,315)</u>	<u>8,641,461</u>
LIABILITIES			
Accounts payable	326,206	19,907	346,113
Accrued Interest Payable	37,044		37,044
Payable to state government	171,048		171,048
Loan Payable	1,037,604		1,037,604
Deferred revenue	35,020		35,020
Noncurrent liabilities:			
Due within one year	185,000		185,000
Due beyond one year	3,512,449		3,512,449
Total liabilities	<u>5,304,371</u>	<u>19,907</u>	<u>5,324,278</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,803,648	17,841	3,821,489
Restricted	231,298	-	231,298
Unrestricted	(689,541)	(46,063)	(735,604)
Total net assets	<u>\$ 3,345,405</u>	<u>(28,222)</u>	<u>3,317,183</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	\$ 1,315,494	253,445		360,348		(1,208,591)		(1,208,591)
Special education	223,111	58,790				(281,901)		(281,901)
Other instruction	275,609	21,905				(297,514)		(297,514)
Support services:								
Tuition	1,430,024	319,226				(1,749,250)		(1,749,250)
Student & instruction related services	714,340	52,601		427,796		(339,145)		(339,145)
School administrative services	188,404	20,507		110,482		(98,429)		(98,429)
General and central administrative services	263,007	69,216				(332,223)		(332,223)
Plant operations and maintenance	214,145	55,311				(269,456)		(269,456)
Pupil transportation	266,668	70,177				(336,845)		(336,845)
Unallocated benefits	921,178	(921,178)				-		-
Unallocated interest expense	210,218					(210,218)		(210,218)
Unallocated capital outlay	68,954					(68,954)		(68,954)
Total governmental activities	6,091,152	-	-	898,626	-	(5,192,526)	-	(5,192,526)
Business-type activities:								
Food Service	159,107	40,594	115,559			(2,954)		(2,954)
Child Care	8,467	7,520				(947)		(947)
Total business-type activities	167,574	48,114	115,559			(3,901)		(3,901)
Total primary government	\$ 6,258,726	48,114	1,014,185			(5,192,526)	(3,901)	(5,196,427)
General revenues:								
Taxes:								
Property taxes, levied for general purposes, net						1,284,516		1,284,516
Federal and State aid not restricted						3,213,645		3,213,645
Federal and State aid - restricted for specific purpose						407,109		407,109
Miscellaneous Income						169,741	25	169,766
Special Items and Transfers:								
Transfer						(49,529)	49,529	-
Total general revenues, special items, extraordinary items and transfers						5,025,482	49,554	5,075,036
Change in Net Assets						(167,044)	45,653	(121,391)
Net Assets—beginning (restated)						3,512,449	(73,875)	3,438,574
Net Assets—ending						\$ 3,345,405	(28,222)	3,317,183

FUND FINANCIAL STATEMENTS

The combining and individual fund and account group statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type. The statements are segregated as follows:

Governmental Funds - This section consists of the general and special revenue funds.

Proprietary Funds - This section consists of the milk program and the internal service fund. These funds are operated in a manner similar to a private business enterprise.

Fiduciary Funds - This section consists of the unemployment compensation insurance trust fund, the student activity and payroll agency funds and the scholarship expendable trust fund.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 87,937	22,417	19,956	2	130,312
Due from other funds		86,097	124,032		210,129
Receivables from other governments	23,292	67,703	981,246		1,072,241
Other Receivables	1,977	1,011		68,940	71,928
Total assets	<u>113,206</u>	<u>177,228</u>	<u>1,125,234</u>	<u>68,942</u>	<u>1,484,610</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	307,757	16,999	1,450		326,206
Due to other governments		171,048			171,048
Due to other funds	81,550			68,932	150,482
Loan Payable	145,118		892,486		1,037,604
Deferred revenue		35,020			35,020
Total liabilities	<u>534,425</u>	<u>223,067</u>	<u>893,936</u>	<u>68,932</u>	<u>1,720,360</u>
Fund Balances:					
Restricted for:					
Capital Projects			231,298		231,298
Unreserved, reported in:					
General fund	(421,219)				(421,219)
Special revenue fund		(45,839)			(45,839)
Debt Service fund				10	10
Total Fund balances	<u>(421,219)</u>	<u>(45,839)</u>	<u>231,298</u>	<u>10</u>	<u>(235,750)</u>
Total liabilities and fund balances	<u>\$ 113,206</u>	<u>177,228</u>	<u>1,125,234</u>	<u>68,942</u>	

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.

7,315,648

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

(3,734,493)

Net assets of governmental activities

3,345,405

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	\$ 1,284,516				1,284,516
Miscellaneous	47,065				47,065
Local sources		18,142		122,676	140,818
State sources	3,210,471	461,464	137,931	170,383	3,980,249
Federal sources	3,174	419,020	98,795		520,989
Total revenues	<u>4,545,226</u>	<u>898,626</u>	<u>236,726</u>	<u>293,059</u>	<u>5,973,637</u>
EXPENDITURES					
Current:					
Regular instruction	889,305	360,348			1,249,653
Special education instruction	207,839				207,839
Other instruction	269,919				269,919
Support services and undistributed costs:					
Tuition	1,347,094				1,347,094
Student & instruction related services	272,879	427,796			700,675
General administrative services	144,159				144,159
School administrative services	72,594	110,482			183,076
Central Services	100,867				100,867
Plant operations and maintenance	199,776				199,776
Pupil transportation	248,436				248,436
Unallocated Benefits	921,178				921,178
Debt Service:					
Principal				170,000	170,000
Interest				174,024	174,024
Capital outlay	11,259		743,632		754,891
Total expenditures	<u>4,685,305</u>	<u>898,626</u>	<u>743,632</u>	<u>344,024</u>	<u>6,671,587</u>
Excess (Deficiency) of revenues over expenditures	<u>(140,079)</u>	<u>-</u>	<u>(506,906)</u>	<u>(50,965)</u>	<u>(697,950)</u>
OTHER FINANCING (USES)					
Transfers	(49,529)		(50,975)	50,975	(49,529)
Total other financing and uses	<u>(49,529)</u>	<u>-</u>	<u>(50,975)</u>	<u>50,975</u>	<u>(49,529)</u>
Net change in fund balances	(189,608)	-	(557,881)	10	(747,479)
Fund balance—July 1	(231,611)	(45,839)	789,179	-	511,729
Fund balance—June 30	<u>\$ (421,219)</u>	<u>(45,839)</u>	<u>231,298</u>	<u>10</u>	<u>(235,750)</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2012**

Total net change in fund balances - governmental funds (from B-2) \$ (747,479)

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

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 170,000

Capital outlays are reported in governmental funds as expenditures. However, in 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 period.

	Depreciation expense	(224,588)	
	Capital outlays	<u>685,937</u>	461,349

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (14,720)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (-) (36,194)

Change in net assets of governmental activities \$ (167,044)

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Non-Major Funds	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	10,943	10,943
Accounts receivable:		
Federal	5,997	5,997
State	102	102
Other	1,061	1,061
Inventories	9,813	9,813
Total current assets	27,916	27,916
Noncurrent assets:		
Furniture, machinery & equipment	98,879	98,879
Less accumulated depreciation	(81,038)	(81,038)
Total noncurrent assets	17,841	17,841
Total assets	45,757	45,757
LIABILITIES		
Current liabilities:		
Accounts payable	19,907	19,907
Due to other funds	54,072	54,072
Total current liabilities	73,979	73,979
Total liabilities	73,979	73,979
NET ASSETS		
Invested in capital assets net of related debt	17,841	17,841
Unrestricted/(deficit)	(46,063)	(46,063)
Total net assets	(28,222)	(28,222)

Exhibit B-5

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Non-Major Funds	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales	22,633	22,633
Special Functions	17,961	17,961
Latchkey program revenue	7,520	7,520
Total operating revenues	48,114	48,114
Operating expenses:		
Salaries	52,925	52,925
Employee Benefits	19,532	19,532
Supplies and materials	273	273
Direct Expenses	2,492	2,492
Management Fee	15,068	15,068
Miscellaneous	1,886	1,886
Cost of Sales	72,517	72,517
Depreciation	2,881	2,881
Total Operating Expenses	167,574	167,574
Operating (loss)	(119,460)	(119,460)
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	1,686	1,686
Federal sources:		
National school lunch program	72,775	72,775
National school breakfast program	27,301	27,301
School snack program	4,993	4,993
Food distribution program	8,804	8,804
Interest and investment revenue	25	25
Total nonoperating revenues	115,584	115,584
Profit/(Loss) before contributions & transfers	(3,876)	(3,876)
Transfer in	49,529	49,529
Change in net assets	45,653	45,653
Total net assets (deficit)—beginning	(73,875)	(73,875)
Total net assets (deficit)—ending	(28,222)	(28,222)

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Non-Major Funds	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	49,126	49,126
Payments to employees	(5,764)	(5,764)
Payments to cost of sales	(193,615)	(193,615)
Net cash (used) for operating activities	(150,253)	(150,253)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from state and federal reimbursements	107,319	107,319
Cash received from board subsidy	49,529	49,529
Net cash provided by non-capital financing activities	156,848	156,848
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments on capital lease	(4,270)	(4,270)
Net cash used in capital and related financing activities	(4,270)	(4,270)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	25	25
Net cash provided by investing activities	25	25
Net increase/(decrease) in cash and cash equivalents	2,350	2,350
Balances—beginning of year	8,593	8,593
Balances—end of year	10,943	10,943
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating profit/(loss)	(119,460)	(119,460)
Adjustments to reconcile operating profit/(loss) to net cash (used for) operating activities		
Depreciation and net amortization	2,881	2,881
Decrease in Accounts Receivable	1,012	1,012
Federal commodities	8,804	8,804
(Increase) in inventories	(7,924)	(7,924)
Increase in interfund payable	1,688	1,688
(Decrease) in accounts payable	(37,254)	(37,254)
Total adjustments	(30,793)	(30,793)
Net cash (used for) operating activities	(150,253)	(150,253)

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 2,332	21,701
Total assets	<u>2,332</u>	<u>21,701</u>
LIABILITIES		
Due to student groups		175
Due to district		5,575
Payroll deductions and withholdings		15,951
Total liabilities	<u>-</u>	<u>21,701</u>
NET ASSETS		
Expendable trust - scholarship fund	<u>\$ 2,332</u>	<u>-</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012

	Private Purpose Scholarship Fund
ADDITIONS	
Contributions:	
Donations	1,670
Total Contributions	\$ 1,670
Investment earnings:	
Interest	-
Net investment earnings	-
Total additions	1,670
DEDUCTIONS	
Scholarships	1,400
Total deductions	1,400
Change in net assets	270
Net assets—beginning of the year	2,062
Net assets—end of the year	\$ 2,332

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

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.

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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

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.

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.

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NOTES TO BASIC FINANCIAL STATEMENTS
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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 Scholarship Trust 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.

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.

B. 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. Beginning with fiscal year 2013 the budget is no longer submitted to the voters approval so long as it is within the State of New Jersey appropriation limits. 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

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

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.

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.

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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.

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

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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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.

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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
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- 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.

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

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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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.

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" to improve financial reporting related to service concession arrangements (SCAs) which are a type of public-private or public-public partnership. This statement will become effective for fiscal periods beginning after December 15, 2011. This statement is not anticipated to have any effect on the District's financial reporting.

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The statement, which is effective for periods beginning after December 15, 2011, amends and supersedes several previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position". The statement, which is effective for periods beginning after December 15, 2011, amends several previously issued GASB statements to standardize reporting of deferred inflows and outflows of financial resources. This statement is not anticipated to have any effect on the District's financial reporting.

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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Investments

The District did not have any investments at June 30, 2012.

NOTE 3 – 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 Food Service 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, 2012:

Fund	Interfund Receivable	Interfund Payable
General Fund		81,550
Special Revenue Fund	\$ 86,097	
Capital Fund	124,032	
Debt Service Fund		68,932
Aggregate Non-major funds		54,072
Trust and Agency		5,575
Total	\$ 210,129	210,129

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. A permanent interfund transfer was made by the General Fund to the Food Service Fund in the amount of \$49,529 to offset a deficit. A permanent interfund transfer was also made from the Capital Fund to the Debt Service Fund in the amount of \$50,975 represented unneeded bond funds.

NOTE 4 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2012, consisted of the following:

Food	\$ 7,488
Supplies	2,325
	\$ 9,813

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1			1
Total capital assets not being depreciated	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Capital assets being depreciated:				
Buildings and improvements	8,528,649	494,837		9,023,486
Equipment	507,285	191,000		698,285
Total capital assets being depreciated at historical cost	<u>9,035,934</u>	<u>685,837</u>	<u>-</u>	<u>9,721,771</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,080,124)	(180,470)		(2,260,594)
Equipment	(101,412)	(44,118)		(145,530)
Total capital assets being depreciated, net of accumulated depreciation	<u>6,854,398</u>	<u>461,249</u>	<u>-</u>	<u>7,315,647</u>
Governmental activity capital assets, net	<u>\$ 6,854,399</u>	<u>461,249</u>	<u>-</u>	<u>7,315,648</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 98,879			98,879
Less accumulated depreciation	<u>(78,157)</u>	<u>(2,881)</u>		<u>(81,038)</u>
Enterprise Fund capital assets, net	<u>\$ 20,722</u>	<u>(2,881)</u>	<u>-</u>	<u>17,841</u>

Depreciation is charged to governmental functions as follows:

Regular Instruction	\$ 61,791
Special Education	14,333
Other Instruction	5,340
Tuition	77,829
Student & Instructional Related Services	12,824
General Administrative Services	16,875
School Administrative Services	5,000
Plant Operation and Maintenance	13,485
Pupil Transportation	17,111
	<u>\$ 224,588</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 6 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

Governmental Activities:

	Balance July 1, 2011	Issues or Additions	Payments or Expenditures	Balance June 30, 2012	Amounts Due Within One Year
Compensated Absences	\$ 170,729	39,802	25,082	185,449	
Serial Bonds	3,682,000		170,000	3,512,000	185,000
	<u>\$ 3,852,729</u>	<u>39,802</u>	<u>195,082</u>	<u>3,697,449</u>	<u>185,000</u>

Business Type Activities

	Balance July 1, 2011	Issues or Additions	Payments or Expenditures	Balance June 30, 2012	Amounts Due Within One Year
Capital Leases	\$ 4,270		4,270	-	
	<u>\$ 4,270</u>	<u>-</u>	<u>4,270</u>	<u>-</u>	<u>-</u>

Compensated absences will be liquidated in the General Fund, Serial Bonds will be liquidated in the Debt Service 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, 2012, bonds payable consisted of the following issues:

\$3,682,000 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, 2012 is \$3,512,000.

Debt service requirements on serial bonds payable at June 30, 2012 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 185,000	111,131	296,131
2014	195,000	105,581	300,581
2015	205,000	99,731	304,731
2016	215,000	93,581	308,581
2017	220,000	87,131	307,131
2018-2022	1,262,000	329,910	1,591,910
2023-2026	1,230,000	103,321	1,333,321
	<u>\$ 3,512,000</u>	<u>930,386</u>	<u>4,442,386</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 7 – SHORT-TERM DEBT

	Balance July 1, 2011	Issues or Additions	Payments or Expenditures	Balance June 30, 2012
Grant Anticipation Notes	\$ 307,536	892,486	307,536	892,486
State Aid Anticipation Note	-	145,118		145,118
	<u>\$ 307,536</u>	<u>1,037,604</u>	<u>307,536</u>	<u>1,037,604</u>

The District issued Grant Anticipation Notes in the amount of \$307,536 on December 21, 2011 with an interest rate of 3.00% per annum due December 21, 2012. The District also issued a Grant Anticipation Note in the amount of \$584,950 on October 12, 2011 with an interest rate of 1.49% maturing October 12, 2012.

In June of 2012 the District issued a State Aid Anticipation Note in the amount of \$145,118 bearing an interest rate of 4.00% per annum. The note matured on July 9, 2012 and was paid in full.

NOTE 8 – 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.

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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2012**

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.

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, 2012, 2011 and 2010 were \$56,518, \$0, and \$0 respectively, and are paid by the State of New Jersey on behalf of the board. The State of New Jersey did not make the required contributions for 2011 and 2010. The School District's contributions to PERS for the years ending June 30, 2012, 2011, 2010 were \$23,742, \$20,433, and \$26,599 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2012, 2011 and 2010, the State of New Jersey contributed \$113,615, \$112,717, and \$101,740, 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 \$131,762, \$126,714, and \$136,243 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.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 9 – 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, 2011, there were 93,323 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

NOTE 10 – 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.

NOTE 12 – 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, 2012, no liability existed for compensated absences in the Food Service Enterprise Fund or the Latchkey Enterprise Fund.

NOTE 13 – 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
Siracusa Benefits Program
Travelers

NOTE 14 – 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".

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

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

NOTE 15 – 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 16 – 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, 2012.

NOTE 17 – FUND BALANCES

General Fund – Of the (\$421,219) General Fund fund balance at June 30, 2012, (\$421,219) is unreserved and undesignated.

NOTE 18 – 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, 2012 is \$0.

NOTE 19 – DEFICIT FUND BALANCES

The District has a deficit fund balance of (\$421,219) in the General Fund and (\$45,839) in the Special Revenue Fund at June 30, 2012 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) in the Special Revenue Fund is less than the last two state aid payments. The General Fund has a deficit of (\$421,219) of which \$244,397 is due to the last state aid payments. The balance of (\$176,822) will need to be raised in the 2012/13 budget or made up through operations.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 20 – DEFICIT IN NET ASSETS – ENTERPRISE FUNDS

The Food Service and Latchkey Enterprise Funds have a cumulative deficit in net assets of (\$46,063) as of June 30, 2012. This deficit will either be provided for in the 2012-13 budget or made up through operations.

NOTE 21 – RESTATEMENT OF BALANCES

The Governmental Fund Net Assets were restated to remove an overstated construction in progress balances and the inclusion of Business-type assets in the Governmental Activities capital assets as of June 30, 2011. The net effect to the net assets was (\$966,792)

NOTE 22 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2012 through November 30, 2012, 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 Supplemental Information
Part II

BUDGETARY COMPARISON SCHEDULES

The budgetary comparison schedules consist of the comparison of anticipated revenues and budgeted expenditures to actual results for the general and the special revenue funds.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,284,516		1,284,516	1,284,516	-
Unrestricted Miscellaneous Revenues	10,840		10,840	47,065	36,225
Total - Local Sources	1,295,356	-	1,295,356	1,331,581	36,225
State Sources:					
Extraordinary Aid	4,000		4,000	4,000	-
Other State Aids				2,958	2,958
Categorical Special Education Aid	111,835		111,835	111,835	-
Equalization Aid	1,794,117		1,794,117	1,794,117	-
Categorical Security Aid	84,252		84,252	84,252	-
Adjustment Aid	715,169	44,634	759,803	759,803	-
Categorical Transportation Aid	173,414		173,414	173,414	-
On behalf TPAF Pension				170,133	170,133
Contributions (non-budgeted)					
Reimbursed TPAF Social Security				131,762	131,762
Contributions (non-budgeted)					
Total - State Sources	2,882,787	44,634	2,927,421	3,232,274	304,853
Federal Sources:					
Educational Jobs Fund		3,174	3,174	3,174	-
Total - Federal Sources	-	3,174	3,174	3,174	-
Total Revenues	4,178,143	47,808	4,225,951	4,567,029	341,078

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	77,542	52,366	129,908	126,830	3,078
Grades 1-5	426,482	(73,560)	352,922	352,922	-
Purchased Professional-Grades 1-5	-	11,903	11,903	11,903	-
Grades 6-8	385,317	(33,408)	351,909	348,891	3,018
Purchased Professional-Grades 6-8	-	11,903	11,903	11,903	-
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000	(1,711)	1,289	1,289	-
Regular Programs - Undistributed					
Other Salaries for Instruction	40,985	(35,653)	5,332	5,332	-
Other Purchased Services	20,300	(114)	20,186	19,237	949
General Supplies	22,600	(11,318)	11,282	10,846	436
Other Objects-Field trips	500	-	500	152	348
Textbooks	10,000	(9,937)	63	-	63
Total Regular Programs	986,726	(89,529)	897,197	889,305	7,892
Resource Room/Resource Center					
Salaries of Teachers	212,642	(8,894)	203,748	203,748	-
Other Salaries	40,902	(36,533)	4,369	4,091	278
Total Resource Room/Resource Center	253,544	(45,427)	208,117	207,839	278
Total Special Education - Instruction	253,544	(45,427)	208,117	207,839	278

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Basic Skills/Remedial - Instruction	50,498	138,223	188,721	188,721	-
Salaries of Teachers	50,498	138,223	188,721	188,721	-
Total Basic Skills/Remedial - Instruction	77,542	-	77,542	77,542	-
Bilingual Education - Instruction:	77,542	-	77,542	77,542	-
Salaries of Teachers	77,542	-	77,542	77,542	-
Total Bilingual Education - Instruction	3,008	648	3,656	3,656	-
School Sponsored Co-curricular Activities	3,008	648	3,656	3,656	-
Salaries of Teachers	1,371,318	3,915	1,375,233	1,367,063	8,170
Total School Sponsored Co-curricular Activities	365,222	(1,326)	363,896	363,896	-
Total Instruction	61,350	-	61,350	61,350	-
Undistributed Expenditures - Instruction:	291,566	15	291,581	291,581	-
Tuition to Other LEAs Within the State - Regular	116,412	(14,560)	101,852	101,852	-
Tuition to Other LEAs Within the State - Special	256,668	(10,500)	246,168	463,251	(217,083)
Tuition to County Vocational Schools - Regular	-	29,967	29,967	29,914	53
Tuition to County Vocational Schools - Special	35,250	-	35,250	35,250	-
Tuition to CSSD & Regional Day Schools	57,040	(57,040)	-	-	-
Tuition to Private Schools for the Disabled - Within State	1,183,508	(53,444)	1,130,064	1,347,094	(217,030)
Tuition - State Facilities					
Tuition - Other					
Total Undistributed Expenditures - Instruction					

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Attendance and Social Work Services					
Salaries	82,060	(6,635)	75,425	75,425	-
Total Undistributed Expenditures - Attendance and Social Work Services	82,060	(6,635)	75,425	75,425	-
Undistributed Expenditures - Health Services:					
Salaries	49,528	-	49,528	49,528	-
Purchased Professional and Technical Services	3,120	-	3,120	3,120	-
Supplies and Materials	1,000	13	1,013	1,013	-
Other Objects	110	(3)	107	107	-
Total Undistributed Expenditures - Health Services	53,758	10	53,768	53,768	-
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Purchased Professional Educational Services	15,900	7,530	23,430	23,430	-
Total Undistributed Expenditures - Other Support Services - Students - Related Services	15,900	7,530	23,430	23,430	-
Undistributed Expenditures - Other Support Services - Students - Regular Services:					
Other Purchased Services	-	10,222	10,222	10,222	-
Total Undistributed Expenditures - Other Support Services - Students - Regular Services	-	10,222	10,222	10,222	-
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	17,567	6,454	24,021	24,021	-
Purchased Professional-Educational Services	55,039	(20,654)	34,385	34,385	-
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	72,606	(14,200)	58,406	58,406	-

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Improvement of Instructional Services					
Salary of Supervisor of Instruction	4,000	(2,975)	1,025	1,025	-
Purchased Professional Educational Services	-	-	-	-	-
Total Undist. Expend. - Improvement Of Instructional Services	4,000	(2,975)	1,025	1,025	-
Undistributed Expenditures - Educational Media Serv/Sch Library:					
Salaries	29,276	17,753	47,029	47,029	-
Supplies	3,000	(655)	2,345	2,345	-
Other Objects	1,313	(84)	1,229	1,229	-
Total Undistributed Expenditures - Educational Media Services	33,589	17,014	50,603	50,603	-
Undistributed Expenditures - Support Services - Gen. Administration					
Salaries	54,767	15	54,782	54,782	-
Legal Services	20,000	(9,514)	10,486	10,486	-
Audit Fees	15,000	(125)	14,875	14,875	-
Other Purchased Professional Services	4,568	-	4,568	4,568	-
Communications/Telephone	20,296	19,310	39,606	39,606	-
BOE Other Purchased Services	250	(250)	-	-	-
Other Purchased Services	7,359	(2,308)	5,051	5,051	-
General Supplies	2,500	256	2,756	2,756	-
BOE In-House Training/Meeting Supplies	150	(150)	-	-	-
Miscellaneous Expenditures	2,000	2,487	4,487	4,487	-
BOE Membership Dues and Fees	7,688	(140)	7,548	7,548	-
Total Undistributed Expenditures - Support Services - Gen. Admin.	134,578	9,581	144,159	144,159	-

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	54,767	17,550	72,317	72,317	-
Other Objects	734	(457)	277	277	-
Total Undistributed Expenditures - Support Serv. - School Admin.	55,501	17,093	72,594	72,594	-
Undistributed Expenditures - Central Services					
Salaries	80,397	(388)	80,009	80,009	-
Purchased Professional Services	9,000	(4,091)	4,909	4,909	-
Purchased Technical Services	4,500	45	4,545	4,545	-
Supplies and Material	1,000	187	1,187	1,187	-
Misc. Purchased Services	1,000	(1,000)	-	-	-
Interest of Lease Purchase Agreements	101	(2)	99	99	-
Interest on BANS	9,175	-	9,175	9,175	-
Miscellaneous Expenditures	1,158	(215)	943	943	-
Total Undistributed Expenditures - Central Services	106,331	(5,464)	100,867	100,867	-
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	3,000	-	3,000	3,000	-
Cleaning, Repair, and Maintenance Services	13,295	(1,677)	11,618	11,618	-
General Supplies	2,500	(1,026)	1,474	1,474	-
Total Undistributed Expenditures - Required Maint for School Facilities	18,795	(2,703)	16,092	16,092	-

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Cleaning, Repair, and Maintenance Services	103,000	(4,200)	98,800	98,800	-
Insurance	31,969	(2,538)	29,431	29,431	-
Miscellaneous Purchased Services	325	65	390	390	-
General Supplies	5,000	(1,429)	3,571	3,571	-
Energy (Heat and Electricity)	61,000	(13,646)	47,354	47,354	-
Other Objects		166	166	166	-
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	201,294	(21,582)	179,712	179,712	-
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	4,000	(1,990)	2,010	2,010	-
General Supplies	500	1,462	1,962	1,962	-
Total Undistributed Expenditures - Care & Upkeep of Grounds	4,500	(528)	3,972	3,972	-
Undistributed Expenditures - Student Transportation Services:					
Sal. For Pupil Trans (Bet Home & Sch) - Reg.	5,400	59	5,459	5,459	-
Management Fee - ESC & CTSA Trans. Program	9,860	(380)	9,480	9,480	-
Contracted Services - (Other than Betw Home and Sch) - Vendors	3,000	20	3,020	3,020	-
Contracted Services - (Between Home and School) - Joint Agrmnts	19,448	(7,072)	12,376	12,376	-
Contracted Services - (Reg. Students) - ESCs & CTAs	87,600	(2,266)	85,334	85,334	-
Contracted Services - (Special Ed Students) - ESCs and CTAs	119,966	11,917	131,883	131,883	-
Contracted Services - Aid in Lieu of Payments-Nonpub Sch	8,840	(7,956)	884	884	-
Total Undistributed Expenditures - Student Transportation Serv.	254,114	(5,678)	248,436	248,436	-

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Unallocated Benefits:					
Social Security Contributions	19,913	9,998	29,911	29,911	-
Other Retirement Contributions - Regular	24,978	(1,236)	23,742	23,742	-
Unemployment Compensation	5,000	4,105	9,105	9,105	-
Workmen's Compensation	26,200	2,462	28,662	28,662	-
Health Benefits	479,069	22,709	501,778	501,778	-
Tuition Reimbursement	5,000	(5,000)	-	-	-
Other Employee Benefits	13,000	13,085	26,085	26,085	-
Total Unallocated Benefits	573,160	46,123	619,283	619,283	-
On-behalf TPAF Pension Contributions (non-budgeted)					
Reimbursed TPAF Social Security Contributions (non-budgeted)				170,133	(170,133)
				131,762	(131,762)
Total On-behalf Contributions	-	-	-	301,895	(301,895)
Total Undistributed Expenditures	2,793,694	(5,636)	2,788,058	3,306,983	(518,925)
Transfer of Funds to Charter Schools	-	-	-	-	-
Total Current Expense	4,165,012	(1,721)	4,163,291	4,674,046	(510,755)
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Other Objects	7,743	-	7,743	7,743	-
Lease Purchase Agreements - Principal	5,388	-	5,388	3,516	1,872
Total Facilities Acquisition and Construction Services	13,131	-	13,131	11,259	1,872
Total Capital Outlay	13,131	-	13,131	11,259	1,872
Total Expenditures	4,178,143	(1,721)	4,176,422	4,685,305	(508,883)

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	49,529	49,529	(118,276)	(167,805)
Other Financing Sources/(Uses)					
Operating transfers out:					
Transfer to Food Service Fund - Board Contribution		(49,529)	(49,529)	(49,529)	-
Total Other Financing Sources/(Uses)	-	(49,529)	(49,529)	(49,529)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	(167,805)	(167,805)
Fund Balances, July 1	(9,017)	-	(9,017)	(9,017)	-
Fund Balances, June 30	<u>\$ (9,017)</u>	<u>-</u>	<u>(9,017)</u>	<u>(176,822)</u>	<u>(167,805)</u>
Recapitulation of Fund Balance:					
Unassigned Fund Balance				<u>(176,822)</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(244,397)</u>	
				<u><u>(421,219)</u></u>	

BOROUGH OF WOODBINE SCHOOL DISTRICT

Budgetary Comparison Schedule
American Recovery and Reinvestment Act - Education Jobs Fund
for the Fiscal Year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Education Jobs Fund	\$ -	3,174	3,174	3,174	-
Total Revenues	-	3,174	3,174	3,174	-
EXPENDITURES:					
Instruction:					
Grades 1 - 5 Salaries of Teachers	-	3,174	3,174	3,174	-
Total Instruction	-	3,174	3,174	3,174	-
Unallocated Benefits					
Health Benefits	-	-	-	-	-
Total undistributed expenditures	-	-	-	-	-
Total Expenditures	-	3,174	3,174	3,174	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ -	26,408	26,408	21,030	(5,378)
Total - Local Sources	-	26,408	26,408	21,030	(5,378)
State Sources:					
Preschool Education Aid	458,392	13,200	471,592	459,719	(11,873)
Other State Aid	-	448	448	448	-
Total - State Sources	458,392	13,648	472,040	460,167	(11,873)
Federal Sources:					
Title I	216,872	44,531	261,403	258,189	(3,214)
I.D.E.A., Part B	92,187	2,016	94,203	94,203	-
Other	28,461	25,051	53,512	53,512	-
Total - Federal Sources	337,520	71,598	409,118	405,904	(3,214)
Total Revenues	795,912	111,654	907,566	887,101	(20,465)

BOROUGH OF WOODBINE SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Instruction					
Salaries of teachers	527,623	(242,000)	285,623	285,623	-
Other salaries of instruction	67,188	4,795	71,983	71,983	-
Other purchased services		273	273	273	-
General Supplies	2,500	1,144	3,644	2,469	1,175
Other Objects		-			
Total instruction	597,311	(235,788)	361,523	360,348	1,175
EXPENDITURES (CONT'D):					
Support Services					
Salaries of program directors					
Salaries supervisors of instruction	15,000	1,129	16,129	16,129	-
Salaries of other professional staff	53,938	40,415	94,353	94,353	-
Personal services- employee benefits	119,828	(5,261)	114,567	114,567	-
Purchased professional educational services	3,900	167,845	171,745	170,060	1,685
Purchased professional technical services	3,935	12,152	16,087	9,203	6,884
Other purchased services		11,692	11,692	11,479	213
Travel	2,000	(269)	1,731	1,731	-
Supplies and materials		119,239	119,239	108,731	10,508
Other objects		500	500	500	-
Total support services	198,601	347,442	546,043	526,753	19,290
Facilities acquisition and construction services:					
Instructional Equipment					
Non-instructional Equipment					
Total facilities acquisition and construction services					
Transfers to Charter Schools					
Total expenditures	795,912	111,654	907,566	887,101	20,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	-	-

BOROUGH OF WOODBINE SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Notes to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2012

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

	General Fund	Special Revenue
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 4,567,029	887,101
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		14,413
Current year		(2,888)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	222,594	45,839
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(244,397)	(45,839)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	4,545,226	898,626
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	4,685,305	887,101
Differences - 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 financial reporting purposes		
Prior year		14,413
Current year		(2,888)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 4,685,305	898,626

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Supplementary Information

SPECIAL REVENUE FUND

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 Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Preschool Education Aid	Garden State Distance Learning	Total State Funds	Title I SIA ARRA	Title I Part A ARRA	Title I Part A	Title I Part A Carryover
REVENUES:							
State Sources	\$ 459,719	448	460,167	6,935	6	184,979	49,647
Federal Sources	10,188		10,188				
Local Sources	469,907	448	470,355	6,935	6	184,979	49,647
Total revenues							
EXPENDITURES:							
Instruction:							
Salaries of teachers	187,703		187,703			76,815	
Other salaries of instruction	65,248		65,248				
Other purchased services	2,469		2,469				
Supplies and materials							
Total instruction	255,420	-	255,420	-	-	76,815	-
Support services:							
Salaries supervisors of instruction	16,129		16,129				
Salaries of other professional staff	53,938		53,938			12,300	20,295
Personal services- employee benefits	106,839		106,839				
Purchased professional educational service	9,520		9,520	6,935		55,400	5,812
Purchased professional and technical services							
Other purchased services	9,631		9,631				
Travel	1,731		1,731				
Supplies and materials	16,699	448	17,147		6	40,464	23,040
Other objects							500
Total support services	214,487	448	214,935	6,935	6	108,164	49,647
Total expenditures	\$ 469,907	448	470,355	6,935	6	184,979	49,647

BOROUGH OF WOODBINE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Title I SIA Carryover	Title II Part A	Title II Part A Carryover	Title II Part D Carryover	Title IV, Part A Drug Free	New Jersey Fresh Fruit & Vegetables	IDEA B Basic	IDEA B Preschool	Talent 21 ARRA Carryover
REVENUES:									
State Sources	16,622	27,326	4,245	2,660	585	3,960	93,206	997	14,736
Federal Sources									
Local Sources									
Total revenues	<u>16,622</u>	<u>27,326</u>	<u>4,245</u>	<u>2,660</u>	<u>585</u>	<u>3,960</u>	<u>93,206</u>	<u>997</u>	<u>14,736</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers		21,105							6,735
Other salaries of instruction									273
Other purchased services									
Supplies and materials									
Total instruction	<u>-</u>	<u>21,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,008</u>
Support services:									
Salaries supervisors of instruction									
Salaries of other professional staff	7,820								7,728
Personal services- employee benefits									
Purchased professional educational service		5,025	3,593				91,396	997	
Purchased professional and technical services		1,196	652						
Other purchased services									
Travel									
Supplies and materials	8,802			2,660	585	3,960	1,810		
Other objects									
Total support services	<u>16,622</u>	<u>6,221</u>	<u>4,245</u>	<u>2,660</u>	<u>585</u>	<u>3,960</u>	<u>93,206</u>	<u>997</u>	<u>7,728</u>
Total expenditures	<u>16,622</u>	<u>27,326</u>	<u>4,245</u>	<u>2,660</u>	<u>585</u>	<u>3,960</u>	<u>93,206</u>	<u>997</u>	<u>14,736</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Total Federal Funds	Sam Azeez Grant	REBEL Grant	Cape Educational Grant	Carol White Phys. Ed. Grant	NJSBA-IG Safety Grant	Rosemary Howell Grant	Total All Other Funds	Totals
REVENUES:									
State Sources									
Federal Sources	405,904	9,775	71	-	11	585	400	10,842	460,167
Local Sources									405,904
Total revenues	<u>405,904</u>	<u>9,775</u>	<u>71</u>	<u>-</u>	<u>11</u>	<u>585</u>	<u>400</u>	<u>10,842</u>	<u>887,101</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers	97,920								285,623
Other salaries of instruction	6,735								71,983
Other purchased services	273								273
Supplies and materials	-								2,469
Total instruction	<u>104,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360,348</u>
Support services:									
Salaries supervisors of instruction	-								16,129
Salaries of other professional staff	40,415								94,353
Personal services- employee benefits	7,728								114,567
Purchased professional educational service	160,540								170,060
Purchased professional and technical services	8,618					585		585	9,203
Other purchased services	1,848								11,479
Travel	-								1,731
Supplies and materials	81,327	9,775	71		11		400	10,257	108,731
Other objects	500								500
Total support services	<u>300,976</u>	<u>9,775</u>	<u>71</u>	<u>-</u>	<u>11</u>	<u>585</u>	<u>400</u>	<u>10,842</u>	<u>526,753</u>
Total expenditures	<u>405,904</u>	<u>9,775</u>	<u>71</u>	<u>-</u>	<u>11</u>	<u>585</u>	<u>400</u>	<u>10,842</u>	<u>887,101</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 187,703	187,703	-
Other Salaries for Instruction	65,248	65,248	-
General Supplies	<u>2,469</u>	<u>2,469</u>	<u>-</u>
Total instruction	<u>255,420</u>	<u>255,420</u>	<u>-</u>
Support services:			
Salaries of Supervisors of Instruction	16,129	16,129	-
Salaries of Program Directors			-
Salaries of Other Professional Staff	53,938	53,938	-
Personal Services - Employee Benefits	106,839	106,839	-
Purchased Professional Educational Services	9,520	9,520	-
Other Purchased Services	9,631	9,631	-
Travel	1,731	1,731	-
Supplies and Materials	<u>22,934</u>	<u>16,699</u>	<u>6,235</u>
Total support services	<u>220,722</u>	<u>214,487</u>	<u>6,235</u>
Total expenditures	<u>\$ 476,142</u>	<u>469,907</u>	<u>6,235</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2011-12 Preschool Education Aid Allocation	\$ 458,392
Add: Actual PEA Carryover (June 30, 2011)	17,750
Add: Budgeted Transfer from the General Fund 2011-12	<u>-</u>
Total Preschol Education Aid Funds Available for 2011-12 Budget	476,142
Less: 2011-12 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(476,142)</u>
Available & Unbudgeted Preschool Education Funds as of June 30, 2012	-
Add: June 30, 2012 Unexpended Preschool Education Aid	<u>6,235</u>
2011-12 Carryover - Preschool Education Aid Programs	<u>6,235</u>
2011-12 Preschool Education Aid Carryover Budgeted for Preschool Pograms in 2012-2013	<u>\$ -</u>

CAPITAL PROJECTS FUND

Capital Projects funds are 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 Fund
Summary Statement of Project Expenditures
For the Fiscal Year Ended June 30, 2012

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2012
			Prior Years	Current Year	
Renovations to Gymnasium	Feb-04	\$ 2,130,219	2,020,806	-	109,413
Renovations to the Library/Media Center	Feb-04	1,574,480	1,524,473	-	50,007
Various Improvements & Renovations Including Solar Panels	Dec-09	3,682,000	2,979,578	557,881	144,541
Building Upgrades and Boiler Project	Dec-09	527,813	481,517	30,470	15,826
Building Upgrades and Boiler Project	Dec-09	3,057,476	719,640	206,256	2,131,580
		<u>\$ 10,971,988</u>	<u>7,726,014</u>	<u>794,607</u>	<u>2,451,367</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, 2012

Revenues and Other Financing Sources	
State Sources	
School Construction Corporation Grant	\$ -
Federal Sources	
Small Cities Public Facilities Grant	-
Bond proceeds	-
Miscellaneous	-
	<hr/>
Total revenue	<hr/> -
Expenditures and Other Financing Uses	
Purchased professional and technical services	9,146
Land and improvements	-
Construction Services	698,420
Legal Services	29,360
Other Objects	6,706
	<hr/>
Total expenditures	<hr/> 743,632
Deficiency of revenues over expenditures	(743,632)
Other Financing Sources/(Uses)	
Transfers out	(50,975)
Fund balance - beginning	<hr/> 3,245,974
Fund balance - ending	<hr/> <hr/> \$ 2,451,367

BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Renovations to Gymnasium
From Inception and for the Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources				
School Construction Corporation Grant	\$ 727,112		727,112	
Federal sources				
Small Cities Public Facilities Grant	400,000		400,000	
Bond proceeds and transfers				
Borough of Woodbine	<u>1,003,107</u>		<u>1,003,107</u>	
Total revenue	<u>2,130,219</u>	-	<u>2,130,219</u>	-
Expenditures and Other Financing Uses				
Purchased professional and technical services	134,966		134,966	
Land and improvements			-	
Construction services	1,885,840		1,885,840	
Equipment purchases			-	
Total expenditures	<u>2,020,806</u>	-	<u>2,020,806</u>	-
Excess of revenues over expenditures	<u>\$ 109,413</u>	-	<u>109,413</u>	-

Additional project information:

Project number	N/A
Grant date	2/4/04
Bond authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	1,978,162
Additional authorized cost	152,057
Revised authorized cost	2,130,219
Percentage increase over original cost	8%
Percentage completion	100%
Original target completion date	12/31/04
Revised target completion date	9/1/07

BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Renovations to Library/Media Center
From Inception and for the Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources				
School Construction Corporation Grant	\$ 501,033		501,033	
Federal sources				
Small Cities Public Facilities Grant	400,000		400,000	
Bond proceeds and transfers				
Borough of Woodbine	<u>673,447</u>		<u>673,447</u>	
Total revenue	<u>1,574,480</u>	<u>-</u>	<u>1,574,480</u>	<u>-</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	85,585		85,585	
Land and improvements			-	
Construction services	1,438,888		1,438,888	
Equipment purchases			-	
Total expenditures	<u>1,524,473</u>	<u>-</u>	<u>1,524,473</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ 50,007</u>	<u>-</u>	<u>50,007</u>	<u>-</u>

Additional project information:

Project number	N/A
Grant date	2/4/04
Bond authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	1,003,430
Additional authorized cost	571,050
Revised authorized cost	1,574,480
Percentage increase over original cost	36%
Percentage completion	100%
Original target completion date	12/31/04
Revised target completion date	9/1/07

BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Various Improvements & Renovations Including Solar Panels
From Inception and for the Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources				
School Construction Corporation Grant			-	
Federal sources				
Small Cities Public Facilities Grant			-	
Bond proceeds and transfers				
Borough of Woodbine	3,682,000		3,682,000	3,682,000
Miscellaneous	44,583		44,583	
Total revenue	<u>3,726,583</u>	<u>-</u>	<u>3,726,583</u>	<u>3,682,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	231,560	1,496	233,056	367,175
Land and improvements			-	
Construction services	2,725,664	505,265	3,230,929	3,212,051
Legal Services	18,221		18,221	22,921
Other Objects	48,717	145	48,862	79,853
Transfer to Debt Service	-	50,975	50,975	-
Total expenditures	<u>3,024,162</u>	<u>557,881</u>	<u>3,582,043</u>	<u>3,682,000</u>
Excess of revenues over expenditures	<u>\$ 702,421</u>	<u>(557,881)</u>	<u>144,540</u>	<u>-</u>

Additional project information:

Project number	N/A
Grant date	N/A
Bond authorization date	12/8/2009
Bond authorized	3,682,000
Bonds issued	3,682,000
Original authorized cost	3,682,000
Additional authorized cost	-
Revised authorized cost	3,682,000
Percentage increase over original cost	0%
Percentage completion	97%
Original target completion date	
Revised target completion date	

BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Building Upgrades and Boiler Project
From Inception and for the Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources				
School Construction Corporation Grant	\$ 307,536		307,536	307,536
Federal sources				
Small Cities Public Facilities Grant	220,277		220,277	220,277
Bond proceeds and transfers				
Borough of Woodbine			-	
Miscellaneous			-	
Total revenue	527,813	-	527,813	527,813
Expenditures and Other Financing Uses				
Purchased professional and technical services	24,447	669	25,116	33,264
Land and improvements			-	
Construction services	442,624	29,391	472,015	476,399
Legal Services	1,250		1,250	2,459
Other Objects	13,196	410	13,606	15,691
Total expenditures	481,517	30,470	511,987	527,813
Excess of revenues over expenditures	\$ 46,296	(30,470)	15,826	-

Additional project information:

Project number	5840-050-09-2001-G02B
Grant date	12/8/2009
Bond authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	527,813
Additional authorized cost	-
Revised authorized cost	527,813
Percentage increase over original cost	0%
Percentage completion	97%
Original target completion date	
Revised target completion date	

BOROUGH OF WOODBINE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Building Upgrades and Boiler Project
From Inception and for the Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources				
School Construction Corporation Grant	\$ 1,781,472		1,781,472	1,781,472
Federal sources				
Small Cities Public Facilities Grant	1,276,004		1,276,004	1,276,004
Bond proceeds and transfers				
Borough of Woodbine			-	
Miscellaneous			-	
Total revenue	3,057,476	-	3,057,476	3,057,476
Expenditures and Other Financing Uses				
Purchased professional and technical services	44,229	6,981	51,210	238,107
Land and improvements			-	
Construction services	642,665	163,764	806,429	2,777,913
Legal Services	-	29,360	29,360	26,456
Other Objects	32,746	6,151	38,897	15,000
Total expenditures	719,640	206,256	925,896	3,057,476
Excess of revenues over expenditures	\$ 2,337,836	(206,256)	2,131,580	-

Additional project information:

Project number	5840-050-09-3000
Grant date	
Bond authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	3,057,476
Additional authorized cost	-
Revised authorized cost	3,057,476
Percentage increase over original cost	0%
Percentage completion	30%
Original target completion date	
Revised target completion date	

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PROPRIETARY FUNDS

Enterprise 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 food service operations for students in a the school district.

Latchkey Fund - This fund provides for the operations of the child care program offered by the District.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Non-major Enterprise Funds
Combining Statement of Net Assets
June 30, 2012

G-1

	<u>Food Service</u>	<u>Latchkey</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 1,620	9,323	10,943
Accounts Receivable:			
State	102		102
Federal	5,997		5,997
Other	1,061		1,061
Inventories	9,813		9,813
Total Current Assets	<u>18,593</u>	<u>9,323</u>	<u>27,916</u>
Fixed Assets:			
Equipment	98,879		98,879
Accumulated depreciation	(81,038)		(81,038)
Total fixed assets	<u>17,841</u>	<u>-</u>	<u>17,841</u>
Total assets	<u>36,434</u>	<u>9,323</u>	<u>45,757</u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Accounts payable	19,907		19,907
Interfund payable	40,478	13,594	54,072
Total current liabilities	<u>60,385</u>	<u>13,594</u>	<u>73,979</u>
Total Liabilities	<u>60,385</u>	<u>13,594</u>	<u>73,979</u>
Net Assets:			
Invested in Capital - net of related debt	17,841		17,841
Unrestricted	(41,792)	(4,271)	(46,063)
Total fund equity	<u>(23,951)</u>	<u>(4,271)</u>	<u>(28,222)</u>
Total liabilities and fund equity	<u>\$ 36,434</u>	<u>9,323</u>	<u>45,757</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Non-major Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year ended June 30, 2012

G-2

	<u>Food Service</u>	<u>Latchkey</u>	<u>Total</u>
OPERATING REVENUES:			
Local Sources:			
Daily sales	\$ 22,633		22,633
Special Functions	17,961		17,961
Latchkey program revenue		7,520	7,520
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	40,594	7,520	48,114
OPERATING EXPENSES:			
Salaries	44,458	8,467	52,925
Employee Benefits	19,532		19,532
Supplies & Materials	273		273
Direct Expenses	2,492		2,492
Management Fee	15,068		15,068
Miscellaneous	1,886		1,886
Cost of sales	72,517		72,517
Depreciation	2,881		2,881
	<hr/>	<hr/>	<hr/>
Total operating expenses	159,107	8,467	167,574
Operating (loss)	<u>(118,513)</u>	<u>(947)</u>	<u>(119,460)</u>
Nonoperating revenues:			
State sources			
State school lunch program	1,686		1,686
Federal sources			
National school lunch program	72,775		72,775
National school breakfast program	27,301		27,301
School snack program	4,993		4,993
Food Distribution program	8,804		8,804
Interest	14	11	25
Total nonoperating revenues	<hr/> 115,573	<hr/> 11	<hr/> 115,584
Net (loss)	(2,940)	(936)	(3,876)
Operating Transfers:			
Operating Transfer - General Fund	49,529		49,529
Retained earnings, July 1	(70,540)	(3,335)	(73,875)
	<hr/>	<hr/>	<hr/>
Retained earnings, June 30	<u>\$ (23,951)</u>	<u>(4,271)</u>	<u>(28,222)</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Fiscal Year ended June 30, 2012

G-3

	Food Service	Latchkey	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	41,606	7,520	49,126
Payments to employees	-	(5,764)	(5,764)
Payments to suppliers	(193,615)	-	(193,615)
Net cash (used) by operating activities	(152,009)	1,756	(150,253)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from state and federal reimbursements	107,319		107,319
Cash received from board subsidy	49,529		49,529
Net cash provided by noncapital financing activities	156,848	-	156,848
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payments on capital lease	(4,270)		(4,270)
Net cash (used) for capital and related financing activities	(4,270)	-	(4,270)
Cash flows from investing activities:			
Interest	14	11	25
Net cash provided by investing activities	14	11	25
Net increase/(decrease) in cash and cash equivalents	583	1,767	2,350
Cash and cash equivalents, July 1	1,037	7,556	8,593
Cash and cash equivalents, June 30	1,620	9,323	10,943
Reconciliation of operating income (loss) to net cash provided			
(used) by operating activities:			
Operating profit/(loss)	(118,513)	(947)	(119,460)
Adjustments to reconcile operating profit/(loss) to net cash provided by/			
(used for) operating activities			
Depreciation and net amortization	2,881		2,881
Decrease in Accounts Receivable	1,012		1,012
Federal commodities	8,804		8,804
(Increase) in inventories	(7,924)		(7,924)
Increase in interfund payable	(1,015)	2,703	1,688
(Decrease) in accounts payable	(37,254)		(37,254)
Total adjustments	(33,496)	2,703	(30,793)
Net cash provided by/(used for) operating activities	(152,009)	1,756	(150,253)

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FIDUCIARY FUNDS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

Scholarship Trust Fund -

This is an expendable trust fund used to pay scholarships for students of the District.

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.

Agency Funds -

This agency funds are used to account for the payroll transactions of the school district and student activity funds

BOROUGH OF WOODBINE SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Assets
June 30, 2012

H-1

	Expendable Trust	Agency		Total
	Scholarship	Student Activity	Payroll	
ASSETS:				
Cash and cash equivalents	\$ 2,332	1,201	20,500	24,033
Interfund receivable				-
Total Assets	<u>2,332</u>	<u>1,201</u>	<u>20,500</u>	<u>24,033</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Payroll deductions and withholdings			15,951	15,951
Interfund payable		1,026	4,549	5,575
Due to student groups		175		175
Total Liabilities	<u>-</u>	<u>1,201</u>	<u>20,500</u>	<u>21,701</u>
Equity:				
Net Assets				
Reserved - Expendable Trust	2,332			2,332
Total fund balances	<u>2,332</u>	<u>-</u>	<u>-</u>	<u>2,332</u>
Total liabilities and fund balances	<u>\$ 2,332</u>	<u>1,201</u>	<u>20,500</u>	<u>24,033</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Student Activity Agency Fund
Statement of Changes in Assets and Liabilities
for the Fiscal Year ended June 30, 2012

H-2

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ 542	21,579	20,920	1,201
Total assets	<u>542</u>	<u>21,579</u>	<u>20,920</u>	<u>1,201</u>
LIABILITIES:				
Due to Student groups	192	20,903	20,920	175
Due to Capital Fund	350	676		1,026
Total liabilities	<u>\$ 542</u>	<u>21,579</u>	<u>20,920</u>	<u>1,201</u>

-

**BOROUGH OF WOODBINE SCHOOL DISTRICT
 Scholarship Expendable Trust Fund
 Statement of Revenues, Expenditures
 and Changes in Fund Balances
 for the Fiscal Year ended June 30,**

H-3

2012

OPERATING REVENUES:

Local sources:	
Donations	\$ 1,670
Total operating revenues	1,670

OPERATING EXPENSES:

Scholarship payments	1,400
Total operating expenses	1,400
Net Income	270
Fund balances, July 1	2,062
Fund balances, June 30	\$ 2,332

BOROUGH OF WOODBINE SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2012

H-4

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ 5,255	2,570,163	2,554,918	20,500
Total assets	<u>5,255</u>	<u>2,570,163</u>	<u>2,554,918</u>	<u>20,500</u>
LIABILITIES:				
Payroll deductions and withholdings	5,253	1,080,787	1,070,089	15,951
Net Payroll	-	1,484,829	1,484,829	-
Interfund payable	2	4,547		4,549
Total liabilities	<u>\$ 5,255</u>	<u>2,570,163</u>	<u>2,554,918</u>	<u>20,500</u>

BOROUGH OF WOODBINE SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2012

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
Renovations Project	8/12/10	3,682,000	3/1/13	185,000	2.000%	\$ 3,682,000		170,000	3,512,000
			3/1/14	195,000	3.000%				
			3/1/15	205,000	3.000%				
			3/1/16	215,000	3.000%				
			3/1/17	220,000	3.000%				
			3/1/18	230,000	3.000%				
			3/1/19	245,000	3.000%				
			3/1/20	255,000	3.000%				
			3/1/21	260,000	3.000%				
			3/1/22	272,000	3.125%				
			3/1/23	295,000	3.250%				
			3/1/24	305,000	3.375%				
		3/1/25	310,000	3.500%					
		3/1/26	320,000	3.625%					
						\$ 3,682,000	-	170,000	3,512,000

BOROUGH OF WOODBINE SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations under Capital Leases
June 30, 2012

I-2

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2011	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2012
Food Steamer		15,584	\$ 2,559		2,559	-
Convection Oven		7,916	1,711		1,711	-
			\$ 4,270	-	4,270	-

**Borough of Woodbine School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Miscellaneous	173,641	-	173,641	122,676	(50,965)
	<u>173,641</u>		<u>173,641</u>	<u>122,676</u>	<u>(50,965)</u>
State Sources:					
Debt Service Aid Type II	170,383	-	170,383	170,383	-
Total - State Sources	<u>170,383</u>	<u>-</u>	<u>170,383</u>	<u>170,383</u>	<u>-</u>
Total Revenues	344,024	-	344,024	293,059	(50,965)
EXPENDITURES:					
Regular Debt Service:					
Interest	174,024	-	174,024	174,024	-
Redemption of Principal	170,000	-	170,000	170,000	-
Total Regular Debt Service	<u>344,024</u>	<u>-</u>	<u>344,024</u>	<u>344,024</u>	<u>-</u>
Total expenditures	344,024	-	344,024	344,024	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(50,965)	(50,965)
Other Financing Sources:					
Other financing source					
Transfer from General Capital		-		50,975	50,975
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	10	10
Fund Balance, July 1	-		-	-	-
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>		<u>-</u>	<u>10</u>	<u>10</u>

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Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. However, due to the change in the statistical requirements, information was unavailable for all 10 years.

BOROUGH OF WOODBINE BOARD OF EDUCATION
Net Assets by Component,
Last Nine Fiscal Years
Unaudited

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities									
Invested in capital assets, net of related debt	\$ 142,320	226,096	271,484	2,949,136	3,582,220	3,548,276	3,711,460	3,172,299	3,803,648
Restricted			(188,143)	(164,681)	(164,777)	(378,572)	66,335	742,490	231,298
Unrestricted	(363,657)	(290,734)	83,341	2,784,455	3,417,443	3,275,684	(470,221)	(402,339)	(689,541)
Total governmental activities net assets	(221,337)	(64,638)	83,341	2,784,455	3,417,443	3,275,684	3,307,573	3,512,449	3,345,405
Business-type activities									
Invested in capital assets, net of related debt	-	-	-	(63)	(76)	(496)	7,888	16,452	17,841
Restricted			(10,348)	1,508	(30,871)	(24,624)	(58,658)	(90,328)	(46,063)
Unrestricted	4,895	(13,074)	(10,348)	1,508	(30,871)	(24,624)	(58,658)	(90,328)	(46,063)
Total business-type activities net assets	4,895	(13,074)	(10,348)	1,445	(30,947)	(25,120)	(50,770)	(73,876)	(28,222)
District-wide									
Invested in capital assets, net of related debt	142,320	226,096	271,484	2,949,073	3,582,144	3,547,780	3,719,347	3,188,752	3,821,489
Restricted	-	-	(198,491)	-	-	105,980	66,335	742,490	231,298
Unrestricted	(358,762)	(303,808)	(198,491)	(163,173)	(195,648)	(403,196)	(528,879)	(492,668)	(735,604)
Total district net assets	\$ (216,442)	(77,712)	72,993	2,785,900	3,386,496	3,250,564	3,256,803	3,438,574	3,317,183

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. Based on this, only nine years of information is presented.

Source: CAFR Schedule A-1

BOROUGH OF WOODBINE BOARD OF EDUCATION
Changes in Net Assets,
Last Nine Fiscal Years
Unaudited

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities:									
Instruction:									
Regular	1,635,302	1,206,378	1,274,958	1,403,787	1,556,440	1,199,048	1,139,228	1,165,264	1,568,989
Special education	310,943	356,252	373,430	335,121	300,038	740,378	900,194	954,053	281,901
Other instruction	79,669	59,926	58,797	57,617	64,015	125,030	140,352	154,395	297,514
Support Services:									
Tuition	1,104,687	1,228,165	1,435,739	1,583,828	1,614,922	1,326,867	1,434,283	1,353,275	1,749,250
Student & instruction related services	476,482	532,774	206,561	366,775	395,127	872,454	892,445	973,631	766,941
General administrative services	193,690	184,494	192,968	127,684	315,888	293,214	255,227	276,476	332,223
School administrative services	189,483	351,339	290,014	298,419	100,377	69,271	72,425	74,124	208,911
Business administrative services	107,868								
Plant operations and maintenance	228,418	229,200	265,466	259,127	358,544	301,633	292,941	259,749	269,456
Pupil transportation	300,792	280,450	351,816	406,123	401,032	324,008	363,671	241,476	336,845
Unallocated Capital Outlay		517							68,954
Unallocated capital outlay									210,218
Interest on long-term debt									6,091,152
Total governmental activities expenses	4,627,334	4,429,495	4,449,749	4,838,481	5,106,383	5,251,902	5,490,766	5,452,443	
Business-type activities:									
Food service	155,572	152,296	160,609	169,807	185,124	182,891	202,339	173,207	159,107
Latchkey			13,729	5,316	8,187	8,203	6,516	8,556	8,467
Total business-type activities expenses	155,572	152,296	174,338	175,123	193,311	191,094	208,855	181,762	167,574
Total district expenses	4,782,906	4,581,791	4,624,087	5,013,604	5,299,694	5,442,996	5,699,621	5,634,206	6,258,726
Program Revenues									
Governmental activities:									
Operating grants and contributions	1,152,859	1,005,222	1,004,180	1,251,506	1,215,183	772,264	937,700	851,075	898,626
Capital grants and contributions		106,930	49,164	2,717,860			1,128,494	1,128,494	
Total governmental activities program revenues	1,152,859	1,112,152	1,053,344	3,969,366	1,215,183	772,264	937,700	2,079,568	898,626
Business-type activities:									
Charges for services:									
Food service	45,176	41,253	37,043	31,353	42,241	43,630	48,830	28,118	40,594
Latchkey			10,680	3,679	6,300	4,773	5,709	9,239	7,520
Operating grants and contributions	107,524	97,708	128,799	137,703	112,129	117,513	128,561	105,322	115,589
Total business-type activities program revenue	152,700	138,961	176,522	172,735	160,670	165,917	183,099	142,679	163,673
Total district program revenue	1,305,559	1,251,113	1,229,866	4,142,101	1,375,853	938,180	1,120,799	2,222,247	1,062,299
Net (Expense)/Revenue									
Governmental activities	(3,474,475)	(3,317,343)	(3,396,405)	(869,115)	(3,891,200)	(4,479,638)	(4,553,066)	(3,372,875)	(5,192,526)
Business-type activities	(2,872)	(13,335)	2,184	(2,388)	(32,641)	(25,177)	(25,756)	(39,083)	(3,901)
Total district-wide net expense	(3,477,347)	(3,330,678)	(3,394,221)	(871,503)	(3,923,841)	(4,504,815)	(4,578,822)	(3,411,958)	(5,196,427)

BOROUGH OF WOODBINE BOARD OF EDUCATION
Changes in Net Assets,
Last Nine Fiscal Years
Unaudited

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, net	808,194	864,467	936,000	1,018,600	1,110,047	1,224,753	1,279,075	1,284,516	1,284,516
Unrestricted grants and contributions	2,455,145	2,586,882	2,586,133	2,553,572	2,836,801	3,122,039	3,302,323	3,219,153	3,213,645
Federal and State Aid Restricted for a Specific Purpose					519,755				407,109
Miscellaneous income	24,993	22,693	22,251	11,410	57,585	30,652	3,558	57,612	169,741
Transfers				(13,353)		(30,754)		(16,738)	(49,529)
Total governmental activities	3,288,332	3,474,042	3,544,384	3,570,229	4,524,188	4,346,691	4,584,956	4,544,543	5,025,482
Business-type activities:									
Investment earnings	35		542	828	249	250	106	40	25
Transfers		121		13,353		30,754		15,938	49,529
Total business-type activities	35	121	542	14,181	249	31,004	106	15,978	49,554
Total district-wide	3,288,367	3,474,163	3,544,926	3,584,410	4,524,437	4,377,695	4,585,062	4,560,521	5,075,036
Changes in Net Assets									
Governmental activities	(186,143)	156,699	147,979	2,701,114	632,988	(132,947)	31,890	1,171,668	(167,044)
Business-type activities	(2,837)	(13,214)	2,726	11,793	(32,392)	5,827	(25,650)	(23,106)	45,653
Total district	(188,980)	143,485	150,705	2,712,907	600,596	(127,121)	6,240	1,148,562	(121,391)

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. Based on this, only nine years of information is presented.

Source: CAFR Schedule A-2

BOROUGH OF WOODBINE BOARD OF EDUCATION
Fund Balances, Governmental Funds,
Last Nine Fiscal Years
Unaudited

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Restricted									
Committed									
Assigned								(231,611)	(421,219)
Unassigned									
Reserved	1,800	5,288	103,716	155,187	117,490	136,369	159,231		
Unreserved	(116,556)	(164,304)	(153,767)	(174,543)	(92,218)	(190,459)	(275,124)		
Total general fund	<u>(114,756)</u>	<u>(159,016)</u>	<u>(50,051)</u>	<u>(19,356)</u>	<u>25,272</u>	<u>(54,090)</u>	<u>(115,893)</u>	<u>(231,611)</u>	<u>(421,219)</u>
All Other Governmental Funds									
Restricted									
Capital Projects Fund			18,535	-	-	-	-	789,179	231,298
Reserved									
Unreserved, reported in:									
Special revenue fund	(14,283)	(14,282)	(14,282)	(14,282)	(19,614)	(31,128)	(31,254)	(45,839)	(45,839)
Capital projects fund			(18,306)	20,631	738	738	(61,642)		
Debt service fund									10
Total all other governmental funds	<u>(14,283)</u>	<u>(14,282)</u>	<u>(14,053)</u>	<u>6,349</u>	<u>(18,876)</u>	<u>(30,390)</u>	<u>(92,896)</u>	<u>743,340</u>	<u>185,469</u>

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. Based on this, only nine years of information is presented.

Source: CAFR Schedule B-1

BOROUGH OF WOODBINE BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Nine Fiscal Years
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues									
Tax Levy	808,194	864,467	936,000	1,018,600	1,110,047	1,224,753	1,279,075	1,284,516	1,284,516
Miscellaneous	24,993	22,693	22,251	11,410	57,585	30,652	3,558	57,612	47,065
Local Sources	15,993	121,799	70,043	1,002,298	532,274	10,544	15,903	14,990	140,818
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	3,980,249
Federal sources	596,950	471,754	451,637	1,276,739	401,512	437,670	1,014,100	1,061,163	570,989
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	5,973,637
Expenditures									
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	1,249,653
Special education instruction	250,756	302,133	306,649	269,360	240,392	563,501	702,939	700,118	207,839
Other instruction	64,248	50,929	48,962	46,876	52,488	95,160	104,374	112,301	269,919
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	1,347,094
Student & instruction related services	384,253	488,861	185,087	334,255	351,899	690,548	687,659	725,371	700,675
General administrative services	152,971	199,056	162,333	133,439	152,589	129,076	125,452	127,598	144,159
School administrative services	152,121	172,383	177,651	117,358	87,746	53,105	53,986	53,743	183,076
Central Services		106,190	74,949	106,103	100,585	109,592	77,275	94,946	100,867
Business administrative services	86,989								
Plant operations and maintenance	184,205	194,651	217,365	207,938	288,243	301,303	292,022	258,730	199,776
Pupil transportation	242,570	239,248	284,256	322,277	321,262	322,350	361,824	239,735	248,436
Unallocated employee benefits	675,654	633,420	633,003	746,728	764,695	655,319	700,408	886,127	921,178
Capital outlay	37,930	107,327	65,628	2,697,458	705,239	31,731	235,293	4,048,791	754,891
Debt service:									
Principal									170,000
Interest and other charges									174,024
Total Expenditures	4,414,819	4,630,244	4,488,743	7,488,498	5,719,968	5,201,215	5,805,647	9,585,593	6,671,587
Excess (Deficiency) of revenues over (under) expenditures	26,371	(44,050)	108,985	64,450	19,403	(51,507)	(282,992)	(2,944,743)	(697,950)
Other Financing Sources (Uses)									
Serial Bonds								3,682,000	(49,529)
Transfers				(13,353)		(30,754)		(16,738)	
Total other financing sources (uses)				(13,353)		(30,754)		3,665,262	(49,529)
Net change in fund balances	26,371	(44,050)	108,985	51,097	19,403	(82,261)	(282,992)	720,519	(747,479)
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	6%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Miscellaneous</u>	<u>Totals</u>
2003		24,993	24,993
2004	4,561	18,043	22,604
2005	8,829	13,031	21,860
2006	8,829	13,031	21,860
2007	7,310	4,100	11,410
2008	4,422	53,163	57,585
2009	564	30,088	30,652
2010	288	2,838	3,126
2011	538	8,830	9,368
2012	381	46,684	47,065

Source: District Records

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

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
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	0.708	180,544,076
2012	8,020,300	132,902,600	3,624,900	101,700	24,287,400	3,700,300	3,911,400	176,548,600	1,151,120	177,699,720	0.803	193,273,968

R = Revaluation

Source: County Abstract of Ratables & Municipal Tax Assessor

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

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	
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
2012	0.803		0.803	0.253	0.236	1.292

Source: District Records and Municipal Tax Collector

BOROUGH OF WOODBINE BOARD OF EDUCATION
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited

Taxpayer	2012				2003			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
DMA Investments, LLC	\$ 4,757,500	1	2.68%	1,847,000	2	3.29%		
Woodbine Manor Apts LTD Partnership	3,650,000	2	2.05%	1,824,000	3	3.25%		
Individual Property Owner #1	2,589,100	3	1.46%			0.00%		
Individual Property Owner #2	2,075,100	4	1.17%			0.00%		
Brandywine Associates, LLC	1,806,600	5	1.02%					
Forss & King Rental Properties	1,715,400	6	0.97%					
Individual Property Owner #3	1,651,900	7	0.93%			0.00%		
Special Services Asset Mgmt	1,501,200	8	0.84%			1.47%		
SCA Services of NJ	1,311,200	9	0.74%	825,000	5	1.47%		
Individual Property Owner #4	1,074,000	10	0.60%			0.00%		
Campark Liquors, Inc.				641,800	6	1.14%		
Carol-Lynn Resorts				2,261,000	1	4.03%		
Quinn-Woodbine R&L, LLC				920,000	4	1.64%		
Individual Property Owner #5				633,000	7	1.13%		
Gerald A. Barrett, Inc.				580,300	8	1.03%		
STAR Gas				469,000	9	0.84%		
Individual Property Owner #6				418,800	10	0.75%		
Totals	\$ 22,132,000		12.45%	10,419,900		18.56%		
	District Assessed Value		\$ 177,699,720	\$ 56,152,190				

Source: District CAFR & Municipal Tax Assessor

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

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	
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%	-
2012	1,284,516.00	1,284,516.00	100%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2003				-	0.00%	-
2004				-	0.00%	-
2005				-	0.00%	-
2006				-	0.00%	-
2007		14,089		14,089	0.01%	6
2008		18,901		18,901	0.02%	8
2009		14,621		14,621	0.01%	6
2010		9,626	500,000	509,626	0.43%	206
2011	3,682,000	4,270	307,536	3,993,806	3.42%	1,624
2012	3,512,000	-	-	3,512,000	3.01%	1,428

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

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2003	-	-	-	0.00%	\$ -
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	3,682,000	-	3,682,000	2.05%	1,497
2012	3,512,000	-	3,512,000	1.98%	1,428

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

BOROUGH OF WOODBINE BOARD OF EDUCATION
Direct and Overlapping Governmental Activities Debt,
As of June 30, 2012
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Borough of Woodbine - December 31, 2011	\$ 700,848	100.00%	700,848
Other Debt			
County of Cape May - December 31, 2011	\$ 25,284,000	0.39%	99,048
			799,896
School District Direct Debt			3,512,000
Total Direct and Overlapping Debt			4,311,896

Source: Borough of Woodbine Finance Officer
County of Cape May Finance Officer

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Borough of Stone Harbor. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

- a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011
Debt limit	\$ 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	\$ 5,359,639
Total net debt applicable to limit	-	-	-	-	-	-	3,682,000	3,682,000	3,682,000	3,512,000
Legal debt margin	\$ 1,967,648	\$ 2,166,118	\$ 2,437,429	\$ 2,896,834	\$ 3,443,587	\$ 4,175,402	\$ 1,117,402	\$ 1,521,980	\$ 1,654,935	\$ 1,847,639
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%	76.72%	70.75%	68.99%	65.53%

	2011	2010	2009
Equalized valuation basis	\$ 179,047,243	\$ 178,990,366	\$ 177,926,253
Average equalized valuation of taxable property	\$ 178,654,621		
Debt limit (3% of average) ^a	5,359,639		
Net bonded school debt	3,512,000		
Legal debt margin	\$ 1,847,639		

Source: Abstract of Rates and District Records.

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2003	2,651	-	-	10.7%
2004	2,608	-	-	8.2%
2005	2,565	-	-	7.5%
2006	2,523	-	-	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	117,415	47,498	12.4%
2011	2,459	116,798	47,498	12.4%
2012	2,459	116,798	47,498	12.9%

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Personal income provided by the US Dept. of Commerce, Bureau of Economic Analysis.
- c Per Capita information provided by the US Dept. of Commerce, Bureau of Economic Analysis.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

	2012				2003			
	Approximate Number of Employees	Rank	Percentage of Total Employment	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment	Percentage of Total Employment
Employer								
Woodbine Developmental Center	1,000 +	1	Not Available	Not Available	Not Available		Not Available	Not Available
Robinson Pallet	50 - 99	2	Not Available	Not Available	Not Available		Not Available	Not Available
Gentilini Ford	50 - 99	3	Not Available	Not Available	Not Available		Not Available	Not Available
Woodbine School District	38	4	Not Available	Not Available	Not Available		Not Available	Not Available
Borough of Woodbine	20 - 49	5	Not Available	Not Available	Not Available		Not Available	Not Available
NJ State Police	20 - 49	6	Not Available	Not Available	Not Available		Not Available	Not Available
Modern Gas	20 - 49	7	Not Available	Not Available	Not Available		Not Available	Not Available
Quality Electric & Alarms	20 - 49	8	Not Available	Not Available	Not Available		Not Available	Not Available
Cape May County MUA	20 - 49	9	Not Available	Not Available	Not Available		Not Available	Not Available
Alarm Systems	20 - 49	10	Not Available	Not Available	Not Available		Not Available	Not Available
Totals			Not Available	Not Available	-		Not Available	Not Available

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction:							
Regular instruction	20	21	18	22	23	22	21
Special education instruction	6	4	5	3	3	2	3
Other special education	2	2	1	3	1	1	-
Other Instruction	2	1	4	3	5	5	6
Support Services:							
Tuition	2	2					
Student & instruction related services	1	1	4	4	4	7	4
General administrative services	1	1	1	1	1	1	1
School administrative services	1	1	1				1
Technology services		1	1	1	1	1	1
Business administrative services	2	3	1	1	1	1	1
Plant operations and maintenance	-	-	3				
Total	<u>36</u>	<u>35</u>	<u>37</u>	<u>38</u>	<u>38</u>	<u>40</u>	<u>38</u>

Source: District Personnel Records

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

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				
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%
2012	211	5,572,672	26,411	2.89%	21	1:14	1:11	220	204	6.28%	92.73%

Source: District records

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Buildings</u>										
<u>Woodbine Elementary School</u>										
Square Feet	40,366	40,366	40,366	40,366	52,789	52,789	52,789	52,789	52,789	52,789
Capacity (students)	294	294	294	294	294	294	294	294	294	294
Enrollment	265	240	229	213	246	211	213	216	217	211

Number of Schools at June 30, 2012
 Elementary - 1

Source: District Records, ASSA

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

Undistributed Expenditures - Required Maintenance for School Facilities
11-000-261-XXX

School Facilities	Project # (s)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Woodbine Elementary School	N/A	17,863	15,194	23,182	51,571	54,966	38,208	20,105	30,455	14,737	16,092
Total School Facilities		17,863	15,194	23,182	51,571	54,966	38,208	20,105	30,455	14,737	16,092
Other Facilities											
Grand Total		17,863	15,194	23,182	51,571	54,966	38,208	20,105	30,455	14,737	16,092

Source: District Records

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

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 All Risk	\$
Property Valuation Blanket and Building Contents	11,706,700	1,000
Comprehensive Crime Coverage	250,000	1,000
General and Automobile Liability	1,000,000	
Workers' Compensation	2,000,000	
School Board Legal Liability	16,000,000	5,000
Pollution Legal Liability	1,000,000	5,000
NJ School Boards Association Insurance Group		
Blanket Position Bond		
Treasurer	155,000	
Board Secretary/Business Administrator	50,000	

Source: District Records

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Single Audit Section

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information 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 year ended June 30, 2012, which collectively comprises the District's basic financial statements, and have issued our report thereon dated November 30, 2012. 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 prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: 12-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodbine School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the requirements of the Division Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Woodbine School District in the separate *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 30, 2012.

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 and use of the audit committee, management, and the State of New Jersey, Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Glen J. Ortman

Glen J. Ortman, CPA
Licensed Public School Accountant
No. CS00853

Ford-Scott & Associates, LLC

Ford-Scott & Associates, LLC
Certified Public Accountants

November 30, 2012

**Report on Compliance With Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A133
And New Jersey Circular OMB 04-04**

Independent Auditor's Report

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

Compliance

We have audited the Borough of Woodbine Board of Education's compliance 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 Grants Compliance Supplement* that could have a direct and material effect on each of the Borough of Woodbine Board of Education's major federal and state programs for the year ended June 30, 2012. The 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 the Borough of Woodbine Board of Education's management. Our responsibility is to express an opinion on the 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB 04-04, *New Jersey State Grants Compliance Supplement*. Those standards, OMB Circular A-133 and New Jersey OMB 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 or 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 the Borough of Woodbine Board of Education's compliance with those requirements.

As described in items 12-2, 12-3 and 12-4 in the accompanying schedule of findings and questioned costs, the Borough of Woodbine Board of Education did not comply with the requirements regarding allowable costs that are applicable to its Title I Grants to Local Educational Agencies and special tests and provisions that are applicable to its General Fund State Aid cluster. Compliance with such requirements is necessary, in our opinion, for the Borough of Woodbine Board of Education to comply with the requirements applicable to the programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Borough of Woodbine Board of Education complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Borough of Woodbine Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Woodbine Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on compliance in accordance with OMB Circular A-133 and NJ OMB 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 the Board's internal control over compliance.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 12-2, 12-3 and 12-4 to be material weaknesses.

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 audit committee, management, Board of Education, the New Jersey State Department of Education (cognizant audit agency) and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Glen J. Ortman

Glen J. Ortman, CPA
Licensed Public School Accountant
No. CS00853

Ford-Scott & Associates, LLC

Ford-Scott & Associates, LLC
Certified Public Accountants

November 30, 2012

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BOROUGH OF WOODBINE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance 6/30/11	Carryover/Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments	Deferred Revenue 6/30/12	(Accounts Receivable) 6/30/12	Due to Grantor at 6/30/12
U.S. Department of Agriculture Passed-through State Department of Education:												
Enterprise Fund:												
Food Distribution Program	10.550	N/A	07/01/11-06/30/12	8,804			8,804	(8,804)				
National School Lunch Program	10.555	N/A	07/01/11-06/30/12	72,775			68,316	(72,775)			(4,459)	
National School Lunch Program	10.555	N/A	07/01/10-06/30/11	67,886	\$ (4,719)		4,719				(1,458)	
School Breakfast Program	10.553	N/A	07/01/11-06/30/12	27,301			25,843	(27,301)				
School Breakfast Program	10.553	N/A	07/01/10-06/30/11	24,680	(1,676)		1,676				(80)	
School Snack Program	10.555	N/A	07/01/11-06/30/12	4,993			4,913	(4,993)				
School Snack Program	10.555	N/A	07/01/10-06/30/11	4,296	(85)		85					
Total Enterprise Fund					(6,480)	-	114,356	(113,873)	-	-	(5,997)	-
U.S. Department of Education Passed-through State Department of Education:												
Special Revenue Fund:												
No Child Left Behind (N.C.L.B.):												
Title I	84.010	NCLB-12	09/01/11-08/31/12	188,193		49,647	188,193	(234,626)		3,214	(10,052)	
Title I, Carryover	84.010	NCLB-11	09/01/10-08/31/11	207,232	(95,113)	(43,807)	128,868					
Title I, Carryover	84.010	NCLB-10	09/01/09-08/31/10	219,224	5,840	(5,840)		(6)				
Title I - ARRA	84.389	NCLB-10	09/01/09-08/31/10	133,428	(87,596)		87,602					
Title I, SIA	84.377	NCLB-12	09/01/11-08/31/12	21,055	(9,142)	13,342	21,055	(16,622)		8,633	(11,959)	
Title I, SIA, Carryover	84.377	NCLB-11	09/01/10-08/31/11	27,667	(14,325)	(13,342)	15,708	(6,935)				
Title I, SIA, Carryover	84.388	NCLB-10	09/01/09-08/31/10	9,317	6,935			(31,571)				
Title I SIA - ARRA	84.377	NCLB-10	09/01/09-08/31/10	27,326		4,967	27,326			722		
Title II, Part A	84.281	NCLB-12	09/01/11-08/31/12	29,480	(11,434)	(4,715)	16,149					
Title II, Part A, Carryover	84.281	NCLB-11	09/01/10-08/31/11	28,386	(19,783)	(252)						
Title II, Part A, Carryover	84.281	NCLB-10	09/01/09-08/31/10	29,394	(4,377)							
Title II, Part A, Carryover	84.281	NCLB-09	09/01/08-08/31/09	479		(479)	479					
Title II, Part D	84.281	NCLB-11	09/01/10-08/31/11	2,181		479						
Title II, Part D	84.318X	NCLB-10	09/01/09-08/31/10	2,073	2,181			(2,660)				
Title II, Part D	84.186A	NCLB-10	09/01/07-08/31/08	2,073			2,073			2,073		
Title IV, Carryover	84.186A	NCLB-12	09/01/11-08/31/12	2,842	585			(585)				
IDEA Part B, Basic Regular	84.027	FT 12	09/01/09-08/31/10	93,204		2	93,204	(93,206)				
IDEA Part B, Basic Regular, Carryover	84.027	FT 10	09/01/11-08/31/12	97,749	2	(2)						
IDEA Part B, Basic Regular, Carryover	84.027	FT 11	09/01/09-08/31/10	95,980	(95,980)		95,980	(997)				
IDEA Part B, Basic Preschool	84.173	FT 11	09/01/10-08/31/11	997			997					
IDEA Part B, Basic Preschool, Carryover	84.173	FT 11	09/01/10-08/31/11	1,059	(1,059)		1,059					
IDEA Part B Basic - ARRA	84.391	FT 10	09/01/09-08/31/10	74,565	(6,167)		6,167					
Access Collaborative Equity Plus (ACE+)	84.318	100-034-5060-071	08/01/05-07/31/06	100,000	4,631							4,631

The Accompanying Notes to Schedules of Awards and 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, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance 6/30/11	Carryover/Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments	Deferred Revenue 6/30/12	(Accounts Receivable) 6/30/12	Due to Grantor at 6/30/12
Safe Schools Healthy Students	16.732	N/A	08/01/07-07/31/08	11,089	(973)	-	-	-	-	-	(973)	-
Safe Schools Healthy Students	16.732	N/A	08/01/06-07/31/07	57,803	(16,306)	-	-	-	-	-	(16,306)	-
21st Century Program	84.287c	07-EK09-H05	07/01/07-06/30/08	165,801	(33,102)	-	47,838	(14,736)	-	-	-	-
Talent 21 - ARRA	84.386A	10-100-034-5060-105-H300	04/01/10-09/15/11	-	-	-	-	-	-	-	-	-
U.S. Department of Agriculture Passed-through State Department of Education:												
New Jersey Fresh Fruit & Vegetables	10.582	N/A	07/01/10-06/30/11	9,761	2,565	-	1,596	(3,960)	-	201	-	-
Total Special Revenue Fund					(372,618)	-	734,294	(405,904)	-	14,843	(63,702)	4,631
General Fund												
Education Jobs Fund	84.410A		07/01/11-06/30/12	3,174	-	-	3,174	(3,174)	-	-	-	-
Total General Fund					-	-	3,174	(3,174)	-	-	-	-
Capital Projects Fund												
U.S. Department of Housing and Urban Development Passed-through State of New Jersey:												
Community Development Block Grant - Small Cities Public Facilities Grant	14.228	2010-02292-0602-00	01/01/10-12/31/12	489,402	-	-	-	(98,795)	-	-	(98,795)	-
Total Capital Projects Fund					-	-	-	(98,795)	-	-	(98,795)	-
Total Federal Financial Assistance					\$ (379,098)	-	851,824	(621,746)	-	14,843	(168,494)	4,631

The Accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

BOROUGH OF WOODBINE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2012

MEMO

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	(Accounts Receivable) Balance 6/30/11	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2012		Cumulative Total Expenditures	
									Deferred Revenue	Due to Grantor		
State Department of Education												
General Fund:												
Equalization Aid	495-034-5120-078	1,794,117	07/01/11-06/30/12			1,794,117	(1,794,117)				149,986	1,794,117
Special Education Categorical Aid	495-034-5120-083	111,835	07/01/11-06/30/12			111,835	(111,835)				9,360	111,835
Security Aid	495-034-5120-084	84,252	07/01/11-06/30/12			84,252	(84,252)				7,039	84,252
Adjustment Aid	495-034-5120-085	759,803	07/01/11-06/30/12			759,803	(759,803)				63,519	759,803
Transportation Aid	495-034-5120-014	173,414	07/01/11-06/30/12			173,414	(173,414)				14,493	173,414
Extraordinary Special Education Costs A	100-034-5120-473	4,000	07/01/11-06/30/12			4,000	(4,000)					4,000
Reimbursed Nonpublic Transportation A	N/A	2,262	07/01/10-06/30/11	(2,262)		2,262				(2,958)		2,262
Reimbursed TPAF	N/A	2,958	07/01/11-06/30/12									2,958
Social Security Contributions	495-034-5095-002	131,762	07/01/11-06/30/12	(773)		111,428	(131,762)			(20,334)		131,762
Reimbursed TPAF	495-034-5095-002	126,714	07/01/10-06/30/11			773						126,714
Social Security Contributions				(3,035)		3,041,884	(3,062,141)			(23,292)		3,191,117
Total General Fund												
Special Revenue Fund:												
Preschool Education Aid	495-034-5120-086	458,392	07/01/11-06/30/12		17,750	458,392	(459,719)	(10,188)	6,235		45,839	459,719
Preschool Education Aid	495-034-5120-086	458,392	07/01/10-06/30/11	17,750	(17,750)							458,392
Early Launch to Learning Initiative	495-034-5120-062	54,000	07/01/06-06/30/07	(3,001)						(3,001)		54,000
Garden State Distance Learning	N/A	1,000	07/01/07-06/30/08	448				(448)				1,000
PBSIS	N/A	4,500	09/01/05-06/30/06	(1,000)		1,000			1,000	(1,000)		4,500
Anti-Bullying Grant	N/A	1,100	07/01/11-06/30/12									-
Total Special Revenue Fund				14,197		459,392	(460,167)	(10,188)	7,235	(4,001)	45,839	977,611
Capital Projects Fund												
School Construction Corporation												
Building Upgrades & Boiler Project	5840-050-09-2001-G02B	307,536	Open	(266,269)			(17,754)			(284,023)		284,023
Building Upgrades & Boiler Project	5840-050-09-3000	1,781,472	Open	(401,827)			(120,177)			(522,004)		522,004
Total Capital Projects Fund				(668,096)			(137,931)			(806,027)		806,027
Debt Service Fund												
Debt Service Aid Type II	495-034-5120-017	170,383	07/01/11-06/30/12			170,383	(170,383)					170,383
Total Debt Service Fund						170,383	(170,383)					170,383
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	100-010-3360-067	1,686	07/01/11-06/30/12	(112)		1,584	(1,686)			(102)		1,686
State School Lunch Program	100-010-3360-067	1,510	07/01/10-06/30/11			112						1,510
Total Enterprise Fund				(112)		1,696	(1,686)			(102)		3,196
Total State Financial Assistance				\$ (657,046)		3,673,355	(3,832,308)	(10,188)	7,235	(833,422)	290,236	5,148,334

The Accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012**

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 \$148,330 for the general fund and (\$8,891) 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:

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012**

	<u>General fund</u>	<u>Special Revenue fund</u>	<u>Capital Projects fund</u>	<u>Debt Service fund</u>	<u>Food service fund</u>	<u>Total</u>
State Assistance:						
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 3,062,141	460,167	137,931	170,383	1,686	3,832,308
Difference – budget to "GAAP"						
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	222,594	45,839				268,433
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(244,397)	(45,839)				(290,236)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		1,297				1,297
On behalf payments recognized for GAAP purposes but not included on the Schedule of Expenditures of State Financial Assistance	170,133					170,133
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 3,210,471</u>	<u>461,464</u>	<u>137,931</u>	<u>170,383</u>	<u>1,686</u>	<u>3,981,935</u>

**BOROUGH OF WOODBINE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 3,174	405,904	98,795	113,873	621,746
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		13,116			13,116
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 3,174</u>	<u>419,020</u>	<u>98,795</u>	<u>113,873</u>	<u>634,862</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. 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, 2012.

**BOROUGH OF WOODBINE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued	Unqualified			
Internal control over financial reporting:				
• Material weakness(es) identified?	<u> X </u>	yes	<u> </u>	no
• Significant deficiency(ies) identified?	<u> </u>	yes	<u> X </u>	none reported
Noncompliance material to financial statements noted?	<u> </u>	yes	<u> X </u>	no

Federal Awards

Internal Control over major programs:				
• Material weakness(es) identified?	<u> X </u>	yes	<u> </u>	no
• Significant deficiency(ies) identified?	<u> </u>	yes	<u> </u>	none reported

Type of auditor's report issued on compliance for major programs Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	<u> X </u>	yes	<u> </u>	no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 & 84.389	Title I Grants to Local Educational Agencies/Title I ARRA
84.027 & 84.173	IDEA Part B Basic/IDEA Part B Preschool

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

Auditee qualified as low-risk auditee?	<u> </u>	yes	<u> X </u>	no
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**BOROUGH OF WOODBINE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING JUNE 30, 2012**

Part 2 – Schedule of Financial Statement Findings

Finding 12-1

Criteria:

The District is required to maintain an accurate and current list of capital assets.

Condition:

The District does not maintain the capital asset schedules on a regular basis.

Effect:

The District is unable to support the capital asset balances reported in the financial statements.

Recommendation:

That the District prepare and maintain a capital asset listing.

Response

The District will maintain the listing in accordance with the State of New Jersey requirements.

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

Federal

Finding 12-2

Federal Program:

84.010 Title I Grants to Local Educational Agencies

Criteria:

The District is required to have supporting documentation on file for all expenses charged to federal programs.

Condition:

The District was unable to provide a reconciliation of the salaries charged to the program to the supporting payroll registers.

Effect:

We were unable to trace the salaries charged to the program to proper supporting documentation.

Questioned Costs:

\$89,115

Recommendation:

That sufficient supporting documentation be maintained to permit the application of audit procedures on program expenditures.

Response

During 2012 the District received approval for a school-wide program. The staff charged to the program were changed and reclassifications made. It is not anticipated that this will occur in the future.

Finding 12-3

State Program:

495-034-5120-078 – Equalization Aid, 495-034-5120-083 – Special Education Aid, 495-034-5120-084 – Security Aid & 495-034-5120-085 – Adjustment Aid.

Criteria:

The District is required to ensure that sufficient balances are available in the budget prior to encumbering funds.

Condition:

The District had an overexpenditure in the General Fund in the amount of \$217,083.

Effect:

The District is not in compliance with the laws of the State of New Jersey.

Questioned Costs:

\$217,083

Recommendation:

That the District ensure sufficient funds are available prior to encumbering a purchase order.

Response

During the year there were unforeseen tuition charges which were not anticipated when the budget was prepared.

Finding 12-4

State Program:

495-034-5120-078 – Equalization Aid, 495-034-5120-083 – Special Education Aid, 495-034-5120-084 – Security Aid & 495-034-5120-085 – Adjustment Aid.

Criteria:

The District is required to obtain approval of all transfers between appropriation accounts by a 2/3 majority of the Board of Education.

Condition:

Several transfers were made during the fiscal year that were not included on the approved transfers list in the minute book of the Board of Education.

Effect:

The District is not in compliance with the laws of the State of New Jersey.

Questioned Costs:

Not applicable

Recommendation:

That the District ensure that all transfers are approved by a 2/3 majority of the Board of Education.

Response

The District will monitor all transfers to ensure that Board approval is obtained.

STATUS OF PRIOR YEAR FINDINGS

Finding 11-2

The District's internal account balances were not reconciled.

Current Status:

This finding was cleared in 2012.

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.

Current Status:

This finding was not cleared in 2012 however it was determined that it did not rise to the level of finding to be reported in the Comprehensive Annual Financial Report and has been included in the Auditor's Management Report.

Management Response:

Currently the District does not sufficient cash to liquidate the obligations.

Finding 11-4

The District overexpended two budget line items.

Current Status:

This finding was not cleared in 2012 and a similar finding has been included.

Management Response:

During the year there were unforeseen tuition charges which were not anticipated when the budget was prepared.