

**SCHOOL DISTRICT
OF
WOODBURY HEIGHTS**

**Woodbury Heights Board of Education
Woodbury Heights, New Jersey**

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

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Comprehensive Annual

Financial Report

of the

Woodbury Heights Board of Education

Woodbury Heights, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

***Woodbury Heights School District
Board of Education
Central Office***

Introductory Section

Woodbury Heights Elementary School District

100 Academy Avenue
Woodbury Heights, NJ 08097

Stephen E. Derkoski
Chief School Administrator

Gateway Business Services
Scott D. Henry
Board Secretary/School Bus. Admin.

November 16, 2012

Honorable President and
Members of the Board of Education
Woodbury Heights School District
County of Gloucester
Woodbury Heights, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Woodbury Heights School District (District) for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are 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 principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity and Its Services

Woodbury Heights School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Woodbury Heights Board of Education and its school constitute the District's reporting entity.

1. Reporting Entity and Its Services (Concluded)

Woodbury Heights School District is an independent entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Woodbury Heights Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education for gifted and handicapped youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 216 students, which is 5 students less than the previous year's enrollment. The following details the changes in the student enrollment and the growth of the District over the last five years.

Average Daily Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	217.7	(1.22%)
2010-11	220.4	(6.29%)
2009-10	235.2	0.08%
2008-09	235.0	0.68%
2007-08	233.4	(4.34%)

2. Economic Condition and Outlook

The Borough of Woodbury Heights is experiencing a period of minimal development and little expansion. That trend is expected to continue through the short term. The Borough is also experiencing a period of moderate housing sales. The state and national economy are reflected in the employment base of the area. Municipal leaders are working diligently with Gloucester County Office of Economic Development to replace lost businesses and commercial ratables.

3. Major Initiatives

A. Current Year Accomplishments

Two District challenge objectives are in place as follows: (1) speculative writing performance task, and (2) comprehension (analyzing text) performance task. Our intent is to provide continued emphasis on student achievement and implementation of the New Jersey Core Curriculum Content Standards.

The District is committed to continuing to advance its technology plan. The following technologies continue to be upgraded during the 2011-12 school year: (1) the use of a web-based student data system; (2) the purchase of web-based curricular programs for student use; (3) the use of a LCD projector for student instruction and dissemination of information to parents and the public; (4) student use of multi-media programs for instructional purposes; (5) continuing to develop the District's web page; (6) development of teacher web pages; and (7) the purchase and installation of several smartboards for instructional use.

B. Future and Continuing Projects

The Board continues to focus its efforts on reducing costs to the District and community by increasing shared services. The District employs a single administrator who is an interim administrator. In this fiscal year, the District continued to contract with Gateway Regional High School to provide business office services. We continue to share many auxiliary services in purchasing, food service, child study team/social work, and curriculum coordination with the Gateway Regional sending districts. These coordinated efforts allow the District to provide comprehensive services while realizing significant financial benefits. Joint purchasing of goods and services is utilized whenever possible to benefit from quantity discounts.

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 are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of 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's 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. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of 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 Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD & A). This letter of transmittal is designed to complement the MD & A and should be read in connection with it. The District's MD & A can be found immediately following the report of the independent auditors.

8. 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 maintains liquid cash funds on deposit 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. 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.

9. Risk Management

The Board carries various forms of insurance, including, but not limited to, general liability, hazard and theft insurance on property and contents, and fidelity bonds through the Gloucester, Salem, and Cumberland Joint Insurance Fund. Now, in the twelfth year of operation, the JIF is performing very well, meeting and exceeding expectations.

10. Other Information

A. Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ball, Buckley and Seher, LLP, are the appointed District auditors. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules is 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.

11. Acknowledgements

We would like to express our appreciation to the members of the Woodbury Heights School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office.

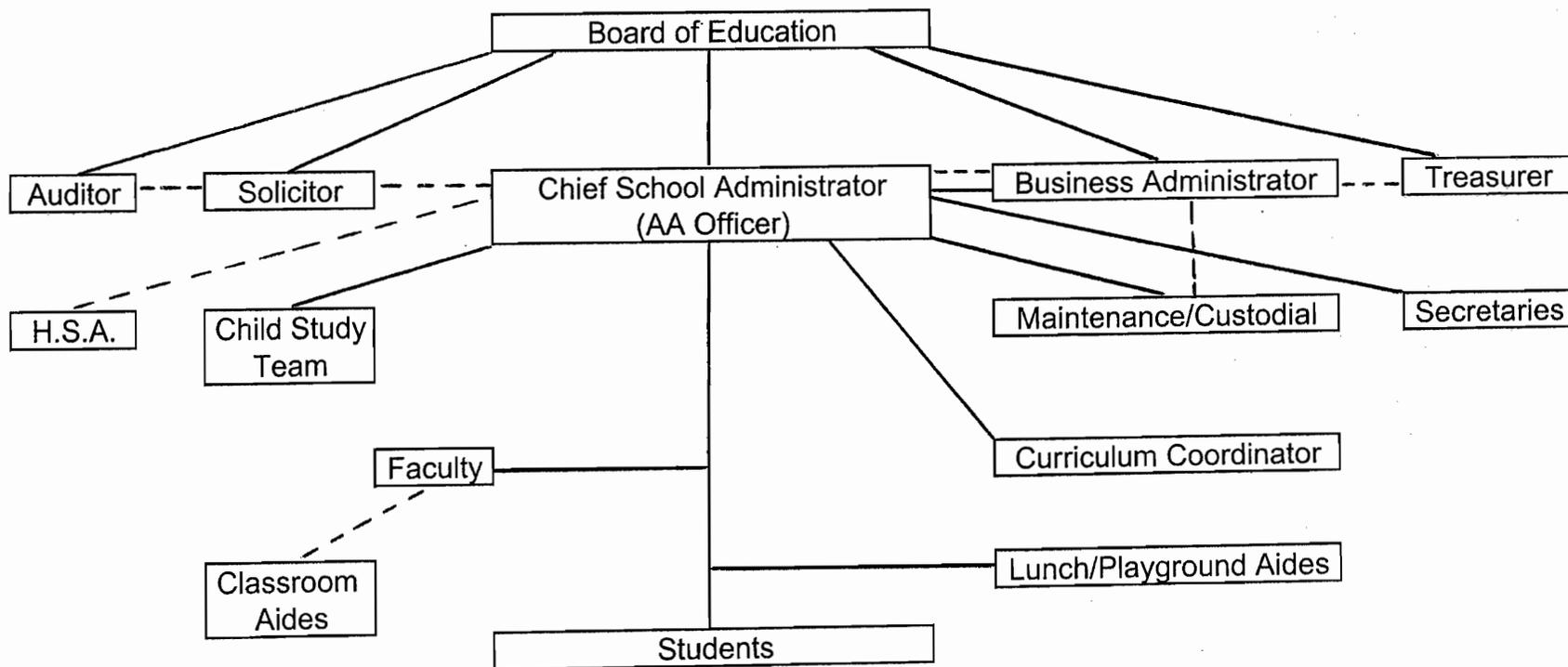
Respectfully submitted,

Stephen Derkoski
Chief School Administrator

Scott D. Henry
Gateway Business Services

**WOODBURY HEIGHTS BOARD OF EDUCATION
WOODBURY HEIGHTS, NEW JERSEY**

ORGANIZATIONAL CHART
JUNE 30, 2012



Direct Responsibility _____
Cooperative Responsibility - - - - -

**WOODBURY HEIGHTS BOARD OF EDUCATION
WOODBURY HEIGHTS, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

Term
Expires

Members of the Board of Education

Robert Truhan, Jr., President	2014
Margaret Hubert, Vice President	2013
Jean Cusack	2014
Victoria Holmstrom	2014
Laurie Troccoli	2013
Kathleen Smith	2012
Jane Van Zandt	2012

Other Officials

Stephen Derkoski, Chief School Administrator
Scott D. Henry, School Business Administrator/
Board Secretary
Charles J. Owens, Treasurer
Joseph Betley, Esquire, Solicitor

**WOODBURY HEIGHTS BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

Ball, Buckley and Seher, LLP
1301 North Broad Street
Woodbury, New Jersey 08096

Attorney

Joseph Betley, Esquire
Capehart & Scatchard, P.A.
8000 Midlantic Drive
Suite 300
Mount Laurel, New Jersey 08054

Official Depository

1st Colonial National Bank
321 Broadway
Westville, New Jersey 08093

and

New Jersey Cash Management

Financial Section

**UNQUALIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED
BY REQUIRED SUPPLEMENTARY INFORMATION AND SUPPLEMENTARY
SCHEDULE OF FEDERAL AND STATE AWARDS AND OTHER
SUPPLEMENTARY INFORMATION - GOVERNMENTAL ENTITY**

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Borough of Woodbury Heights School District
County of Gloucester
Woodbury Heights, 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 Woodbury Heights School District, County of Gloucester, State of New Jersey, as of and for the fiscal 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 Board of Education of the Borough of Woodbury Heights School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that We plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Woodbury Heights School District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2012 on our consideration of the Board of Education of the Borough of Woodbury Heights School District'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's discussion and analysis and budgetary comparison information on pages 10 through 21 and 51 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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.

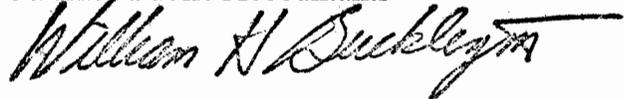
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Borough of Woodbury Heights School District's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants



William H. Buckley, III
Licensed Public School Accountant No. 86

November 16, 2012

Required Supplementary Information - Part I

**BOROUGH OF WOODBURY HEIGHTS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2012**

This section of the Borough of Woodbury Heights School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2011-12) and the prior year (2010-11) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2011-12 fiscal year include the following:

- Net assets for governmental and business-type activities were \$1,005,015.71 and \$15,558.11, respectively.
- Net assets for governmental activities increased by \$579,432.41 and net assets for business-type activities decreased by \$7,521.14 from July 1, 2011 to June 30, 2012.
- The general fund, fund balance as of June 30, 2012 was \$485,842.85, an increase of \$291,204.27 when compared with the beginning balance as of July 1, 2011 of \$194,638.58.

Overview of the Financial Statements

The financial section of the annual report consists of four parts - Independent Auditor's Report, Required Supplementary Information which includes the Management's Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental Information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the district-wide statements.
- The governmental funds statements tell us how basic services such as regular and special education were financed in short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table 1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Table 1
Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	Statement of net assets	Balance sheet	Statement of net assets	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses, and changes in fund net assets Statement of cash flows	Statement of changes in fiduciary net assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - are a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities* - The District charges fees to customers to help it cover the costs of certain services it provides. The District's Child Care Program (Project Safekeep) is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds - focusing on the most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE.

Net Assets. The District's net assets for the fiscal years ended June 30, 2011 and 2012 are reflected in Table 2.

**Table 2
Net Assets**

	2012			2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 569,363.66	\$ 15,664.21	\$ 585,027.87	\$ 702,254.15	\$ 23,088.07	\$ 725,342.22
Capital assets, net	892,333.55	0.00	892,333.55	543,388.60	0.00	543,388.60
Total assets	1,461,697.21	15,664.21	1,477,361.42	1,245,642.75	23,088.07	1,268,730.82
Liabilities:						
Current and other liabilities	36,119.60	106.10	36,225.70	371,723.73	8.82	371,732.55
Long-term liabilities:						
Due within one year	33,782.30	0.00	33,782.30	26,215.14	0.00	26,215.14
Due in more than one year	386,779.60	0.00	386,779.60	422,120.58	0.00	422,120.58
Total liabilities	456,681.50	106.10	456,787.60	820,059.45	8.82	820,068.27
Net assets:						
Invested in capital assets, net of related debt	513,539.98	0.00	513,539.98	138,379.89	0.00	138,379.89
Restricted for:						
Capital projects	288,406.05	0.00	288,406.05	140,741.63	0.00	140,741.63
Other purposes	3,460.63	0.00	3,460.63	2,832.00	0.00	2,832.00
Unrestricted	199,609.05	15,558.11	215,167.16	143,629.78	23,079.25	166,709.03
Total net assets	\$ 1,005,015.71	\$ 15,558.11	\$ 1,020,573.82	\$ 425,583.30	\$ 23,079.25	\$ 448,662.55

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$728,899.34 (operating grants and contributions - \$687,454.61 and charges for services \$41,444.73).
- General revenues, special items, extraordinary items, and transfers amounted to \$3,642,201.82.
- Net expenditures were \$3,070,290.55.
- Total District revenues and beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net assets of \$1,020,573.82 as of June 30, 2012.
- Revenues (\$3,642,201.82) plus beginning assets (\$448,662.55) less net expenditures (\$3,070,290.55) equals net assets of \$1,020,573.82.

Change in Net Assets. Net assets for governmental type activities increased and business-type activities decreased from June 30, 2011 to June 30, 2012 as reflected in Table 3.

Table 3
Changes in Net Assets

	2012			2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 0.00	\$ 41,444.73	\$ 41,444.73	\$ 0.00	\$ 33,053.50	\$ 33,053.50
Operating grants and contributions	687,454.61	0.00	687,454.61	733,149.47	0.00	733,149.47
General revenues:						
Property taxes	2,299,254.00	0.00	2,299,254.00	2,220,314.00	0.00	2,220,314.00
Grants and entitlements	982,233.50	0.00	982,233.50	1,161,123.80	0.00	1,161,123.80
Tuition	21,459.72	0.00	21,459.72	0.00	0.00	0.00
Miscellaneous	339,254.60	0.00	339,254.60	(199,400.44)	0.00	(199,400.44)
Total revenues	4,329,656.43	41,444.73	4,371,101.16	3,915,186.83	33,053.50	3,948,240.33
Expenses:						
Program expenses:						
Instruction	1,809,277.72	0.00	1,809,277.72	1,885,698.23	0.00	1,885,698.23
Tuition	215,054.00	0.00	215,054.00	306,900.15	0.00	306,900.15
Student and instruction related services	461,772.50	0.00	461,772.50	482,256.92	0.00	482,256.92
General administration	194,056.78	0.00	194,056.78	211,979.64	0.00	211,979.64
School administration services	50,143.75	0.00	50,143.75	48,269.98	0.00	48,269.98
Central services	76,345.00	0.00	76,345.00	74,883.10	0.00	74,883.10
Plant operations and maintenance	180,567.33	0.00	180,567.33	173,644.20	0.00	173,644.20
Pupil transportation	91,678.55	0.00	91,678.55	121,187.80	0.00	121,187.80
Unallocated benefits	618,683.72	0.00	618,683.72	596,046.48	0.00	596,046.48
Interest on long-term debt	14,636.69	0.00	14,636.69	5,462.79	0.00	5,462.79
Unallocated depreciation	38,007.98	0.00	38,007.98	41,460.17	0.00	41,460.17
Enterprise operation	0.00	48,965.87	48,965.87	0.00	34,764.16	34,764.16
Total expenses	3,750,224.02	48,965.87	3,799,189.89	3,947,789.46	34,764.16	3,982,553.62
Increase (decrease) in net assets	\$ 579,432.41	\$ (7,521.14)	\$ 571,911.27	\$ (32,602.63)	\$ (1,710.66)	\$ (34,313.29)

Total revenues for the District were \$4,371,101.16. Governmental funding was the source of 38.20% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$2,299,254.00 provided 52.60% of revenues.

Other miscellaneous revenues of \$360,714.32 (net of asset items) represent 8.25% of the District revenues. Miscellaneous revenue was primarily provided from interest, tuition, and fixed assets/construction contract adjustments.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$2,024,331.72 (53.98%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$553,451.05 (14.76%) of total expenditures. Total expenditures exceeded revenues for governmental activities, decreasing net assets \$579,432.41 from the beginning balance at July 1, 2011.

Activity Descriptions

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

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt involve the transactions associated with the payment of interest and other related charges to the debt of the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$537,832.18. At June 30, 2011 the fund balance was \$335,375.21.

All governmental funds had total revenues of \$4,000,081.00 and total expenditures of \$3,797,624.03.

GENERAL FUND BUDGETING HIGHLIGHTS

The 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.

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 6 including pupil transportation activities and capital outlay projects.

Table 4 presents a summary of Governmental Fund revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Table 4
Comparison of Revenues

	2012	2011	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Local sources:				
Local tax levy	\$ 2,299,254.00	\$ 2,220,314.00	\$ 78,940.00	3.56%
Tuition	21,459.72	0.00	21,459.72	100.00%
Miscellaneous	9,733.53	60,101.42	(50,367.89)	-83.80%
Government sources:				
State sources	1,489,887.63	1,682,146.65	(192,259.02)	-11.43%
Federal sources	179,746.12	212,126.62	(32,380.50)	-15.26%
Total	<u>\$ 4,000,081.00</u>	<u>\$ 4,174,688.69</u>	<u>\$ (174,607.69)</u>	<u>-4.18%</u>

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One of the primary sources of funding for the District is received from local property taxes and accounted for 57.48% of total revenues. State aid accounted for 37.25% of total revenues.

Total governmental fund revenues decreased by \$174,607.69, or 4.18% from the previous year. The major components of this decrease were the reduction of ARRA aid and the reduction of a prior year capital projects state aid revenue.

Table 5 presents a summary of governmental fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Table 5
Comparison of Expenditures

	2012	2011	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Instruction:				
Regular	\$ 1,367,300.98	\$ 1,433,766.83	\$ (66,465.85)	-4.64%
Special education	277,619.70	314,714.01	(37,094.31)	-11.79%
Other	140,179.53	137,217.39	2,962.14	2.16%
Support services:				
Tuition	215,054.00	306,900.15	(91,846.15)	-29.93%
Student and instruction related services	461,772.50	482,256.92	(20,484.42)	-4.25%
General administration	192,941.03	211,979.64	(19,038.61)	-8.98%
School administration	50,143.75	48,269.98	1,873.77	3.88%
Central services	76,345.00	74,883.10	1,461.90	1.95%
Plant operations and maintenance	180,240.00	173,644.20	6,595.80	3.80%
Pupil transportation	91,678.55	121,187.80	(29,509.25)	-24.35%
Unallocated benefits	368,560.57	370,125.48	(1,564.91)	-0.42%
TPAF and FICA reimbursements	250,068.79	225,921.00	24,147.79	10.69%
Capital outlay	91,185.27	516,568.08	(425,382.81)	-82.35%
Debt service	34,534.36	0.00	34,534.36	100.00%
Total	<u>\$ 3,797,624.03</u>	<u>\$ 4,417,434.58</u>	<u>\$ (619,810.55)</u>	<u>-14.03%</u>

Total governmental fund expenditures decreased \$619,810.55 or 14.03% from the previous year. This decrease was primarily due to the reduction of capital projects in the current year.

The District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

During the course of fiscal year 2012 the District modified the general fund budget as needed to ensure no line item was projected to be over-expended.

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$34,534.36, of which \$34,534.00 in funding was provided by the local tax levy and \$0.36 was transferred from general fund balance.

PROJECT SAFEKEEP ENTERPRISE FUND

The Project Safekeep Fund had net assets of \$15,558.11 as of June 30, 2012. This reflects a decrease of \$7,521.14 from June 30, 2011.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are individual items purchased, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2012, the District had capital assets allocated to governmental activities with a book value of \$892,333.55. This consists of a broad range of capital assets, including land, buildings, and equipment. Total depreciation expense for the year was \$69,843.71.

Table 6 summarizes capital assets.

Table 6
Capital Assets (Net of Depreciation)
At June 30, 2012 and 2011

	2012			2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land, site, and site improvements	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Building and improvements	781,598.99	0.00	781,598.99	243,404.05	0.00	243,404.05
Furniture and equipment	110,734.56	0.00	110,734.56	41,410.88	0.00	41,410.88
Construction in progress	0.00	0.00	0.00	258,573.67	0.00	258,573.67
Total	<u>\$ 892,333.55</u>	<u>\$ 0.00</u>	<u>\$ 892,333.55</u>	<u>\$ 543,388.60</u>	<u>\$ 0.00</u>	<u>\$ 543,388.60</u>

Long-Term Obligations

At year-end, the District had \$357,516.00 in general obligation bonds outstanding, a decrease of \$20,000.00 from last year - as shown below. The District does not anticipate incurring any new long-term debt at this time.

The District also had a \$41,768.33 liability for compensated absences allocated to governmental activities. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table 7 summarizes long-term obligations.

Table 7
Long-Term Obligations
At June 30, 2012 and 2011

	2012			2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Roofing and HVAC project bonds	\$ 357,516.00	\$ 0.00	\$ 357,516.00	\$ 377,516.00	\$ 0.00	\$ 377,516.00
Obligations under capital lease	21,277.57	0.00	21,277.57	27,492.71	0.00	27,492.71
Compensated absences	41,768.33	0.00	41,768.33	43,327.01	0.00	43,327.01
Total	\$ 420,561.90	\$ 0.00	\$ 420,561.90	\$ 448,335.72	\$ 0.00	\$ 448,335.72

For the Future

Woodbury Heights Elementary School is set primarily in a residential community, with little availability for growth. This trend is expected to continue. The School District will continue to provide a full range of educational services appropriate to grade levels K through 6. These will continue to include regular, as well as special services for gifted and handicapped students. The District will continue to look for the most cost efficient and effective manner to provide the services for its students. The sharing of many auxiliary services and joint purchasing of goods and services will be utilized to reduce costs to the District and community while still maintaining a high level of educational services to the students.

In conclusion, the Woodbury Heights Elementary School District has committed itself to academic and 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 challenge of the future.

Contacting the School District's Financial 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 Scott D. Henry, School Business Administrator/Board Secretary at Gateway Business Services, 775 Tanyard Road, Woodbury Heights, NJ 08097.

Basic Financial Statements

District-Wide Financial Statements

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 461,829.37	\$ 15,664.21	\$ 477,493.58
Receivables, net	107,529.29	0.00	107,529.29
Restricted assets:			
Cash and cash equivalents	5.00	0.00	5.00
Depreciable capital assets, net	892,333.55	0.00	892,333.55
Total assets	<u>1,461,697.21</u>	<u>15,664.21</u>	<u>1,477,361.42</u>
LIABILITIES:			
Accrued interest	4,588.12	0.00	4,588.12
Accounts payable	13,494.48	106.10	13,600.58
Payable to state government	17,937.00	0.00	17,937.00
Deferred revenue	100.00	0.00	100.00
Noncurrent liabilities:			
Due within one year	33,782.30	0.00	33,782.30
Due beyond one year	386,779.60	0.00	386,779.60
Total liabilities	<u>456,681.50</u>	<u>106.10</u>	<u>456,787.60</u>
NET ASSETS:			
Invested in capital assets, net of related debt	513,539.98	0.00	513,539.98
Restricted for:			
Capital projects	288,406.05	0.00	288,406.05
Other purposes	3,460.63	0.00	3,460.63
Unrestricted	199,609.05	15,558.11	215,167.16
Total net assets	<u>\$ 1,005,015.71</u>	<u>\$ 15,558.11</u>	<u>\$ 1,020,573.82</u>

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
 Statement of Activities
 For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue And Changes In Net Assets		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 1,391,478.49	\$ 0.00	\$ 315,788.34	\$ 0.00	\$ (1,075,690.15)	\$ 0.00	\$ (1,075,690.15)
Special education	277,619.70	0.00	0.00	0.00	(277,619.70)	0.00	(277,619.70)
Other instruction	140,179.53	0.00	0.00	0.00	(140,179.53)	0.00	(140,179.53)
Support services:							
Tuition	215,054.00	0.00	0.00	0.00	(215,054.00)	0.00	(215,054.00)
Student and instruction related services	461,772.50	0.00	121,543.12	0.00	(340,229.38)	0.00	(340,229.38)
General administration	194,056.78	0.00	0.00	0.00	(194,056.78)	0.00	(194,056.78)
School administrative services	50,143.75	0.00	0.00	0.00	(50,143.75)	0.00	(50,143.75)
Central services	76,345.00	0.00	0.00	0.00	(76,345.00)	0.00	(76,345.00)
Plant operations and maintenance	180,567.33	0.00	0.00	0.00	(180,567.33)	0.00	(180,567.33)
Pupil transportation	91,678.55	0.00	0.00	0.00	(91,678.55)	0.00	(91,678.55)
Unallocated benefits	618,683.72	0.00	250,123.15	0.00	(368,560.57)	0.00	(368,560.57)
Interest on long-term debt	14,636.69	0.00	0.00	0.00	(14,636.69)	0.00	(14,636.69)
Unallocated depreciation	38,007.98	0.00	0.00	0.00	(38,007.98)	0.00	(38,007.98)
Total governmental activities	<u>3,750,224.02</u>	<u>0.00</u>	<u>687,454.61</u>	<u>0.00</u>	<u>(3,062,769.41)</u>	<u>0.00</u>	<u>(3,062,769.41)</u>
Business-type activities:							
Latchkey	48,965.87	41,444.73	0.00	0.00	0.00	(7,521.14)	(7,521.14)
Total business-type activities	<u>48,965.87</u>	<u>41,444.73</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(7,521.14)</u>	<u>(7,521.14)</u>
Total primary government	<u>\$ 3,799,189.89</u>	<u>\$ 41,444.73</u>	<u>\$ 687,454.61</u>	<u>\$ 0.00</u>	<u>(3,062,769.41)</u>	<u>(7,521.14)</u>	<u>(3,070,290.55)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					2,299,254.00	0.00	2,299,254.00
Federal and state aid not restricted					982,233.50	0.00	982,233.50
Tuition					21,459.72	0.00	21,459.72
Investment earnings					6,261.82	0.00	6,261.82
Miscellaneous income					3,471.71	0.00	3,471.71
Fixed asset adjustments					98,078.69	0.00	98,078.69
Construction contracts and retained percentages due contractors paid					229,883.70	0.00	229,883.70
Long-term debt:							
Compensated absences					1,558.68	0.00	1,558.68
Total general revenues, special items, extraordinary items, and transfers					<u>3,642,201.82</u>	<u>0.00</u>	<u>3,642,201.82</u>
Change in net assets					579,432.41	(7,521.14)	571,911.27
Net assets - beginning					425,583.30	23,079.25	448,662.55
Net assets - ending					<u>\$ 1,005,015.71</u>	<u>\$ 15,558.11</u>	<u>\$ 1,020,573.82</u>

The accompanying notes to financial statements are an integral part of this statement.

Fund Financial Statements

WOODBURY HEIGHTS SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 409,840.04	\$ 0.00	\$ 51,989.33	\$ 0.00	\$ 461,829.37
Interfund accounts receivable	67,077.38	0.00	0.00	0.00	67,077.38
Receivables from other governments	21,049.71	89,038.00	0.00	0.00	110,087.71
Restricted cash and cash equivalents	5.00	0.00	0.00	0.00	5.00
Total assets	\$ 497,972.13	\$ 89,038.00	\$ 51,989.33	\$ 0.00	\$ 638,999.46
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 9,470.86	\$ 4,023.62	\$ 0.00	\$ 0.00	\$ 13,494.48
Interfund accounts payable	2,558.42	67,077.38	0.00	0.00	69,635.80
Payable to state government	0.00	17,937.00	0.00	0.00	17,937.00
Deferred revenue	100.00	0.00	0.00	0.00	100.00
Total liabilities	12,129.28	89,038.00	0.00	0.00	101,167.28
Fund balances:					
Restricted for:					
Excess surplus - current year	236,416.72	0.00	0.00	0.00	236,416.72
Capital reserve account	5.00	0.00	0.00	0.00	5.00
Capital projects fund	0.00	0.00	51,989.33	0.00	51,989.33
Assigned to:					
Designated by the BOE for subsequent year's expenditures	75,000.00	0.00	0.00	0.00	75,000.00
Other purposes	3,460.63	0.00	0.00	0.00	3,460.63
Unassigned:					
General fund	170,960.50	0.00	0.00	0.00	170,960.50
Total fund balances	485,842.85	0.00	51,989.33	0.00	537,832.18
Total liabilities and fund balances	\$ 497,972.13	\$ 89,038.00	\$ 51,989.33	\$ 0.00	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,971,876.89 and the accumulated depreciation is \$1,079,543.34. 892,333.55

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5) (420,561.90)

Interest on long-term debt in the statement of activities is accrued, regardless of when due (4,588.12)

\$ 1,005,015.71

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 2,264,720.00	\$ 0.00	\$ 0.00	\$ 34,534.00	\$ 2,299,254.00
Tuition	21,459.72	0.00	0.00	0.00	21,459.72
Miscellaneous	9,733.53	0.00	0.00	0.00	9,733.53
Total local sources	<u>2,295,913.25</u>	<u>0.00</u>	<u>0.00</u>	<u>34,534.00</u>	<u>2,330,447.25</u>
State sources	1,197,587.29	292,300.34	0.00	0.00	1,489,887.63
Federal sources	34,715.00	145,031.12	0.00	0.00	179,746.12
Total revenues	<u>3,528,215.54</u>	<u>437,331.46</u>	<u>0.00</u>	<u>34,534.00</u>	<u>4,000,081.00</u>
EXPENDITURES:					
Current:					
Regular instruction	1,051,512.64	315,788.34	0.00	0.00	1,367,300.98
Special education instruction	277,619.70	0.00	0.00	0.00	277,619.70
Other instruction	140,179.53	0.00	0.00	0.00	140,179.53
Support services and undistributed costs:					
Tuition	215,054.00	0.00	0.00	0.00	215,054.00
Student and instruction related services	340,229.38	121,543.12	0.00	0.00	461,772.50
General administration	192,941.03	0.00	0.00	0.00	192,941.03
School administrative services	50,143.75	0.00	0.00	0.00	50,143.75
Central services	76,345.00	0.00	0.00	0.00	76,345.00
Plant operations and maintenance	180,240.00	0.00	0.00	0.00	180,240.00
Pupil transportation	91,678.55	0.00	0.00	0.00	91,678.55
Employee benefits	618,629.36	0.00	0.00	0.00	618,629.36
Debt service:					
Principal	0.00	0.00	0.00	20,000.00	20,000.00
Interest	0.00	0.00	0.00	14,534.36	14,534.36
Capital outlay	2,437.97	0.00	88,747.30	0.00	91,185.27
Total expenditures	<u>3,237,010.91</u>	<u>437,331.46</u>	<u>88,747.30</u>	<u>34,534.36</u>	<u>3,797,624.03</u>
Excess (deficiency) of revenues over (under) expenditures	291,204.63	0.00	(88,747.30)	(0.36)	202,456.97
Other financing sources (uses):					
Transfers in	0.00	0.00	0.00	0.36	0.36
Transfers out	(0.36)	0.00	0.00	0.00	(0.36)
Net change in fund balances	291,204.27	0.00	(88,747.30)	0.00	202,456.97
Fund balance - July 1	<u>194,638.58</u>	<u>0.00</u>	<u>140,736.63</u>	<u>0.00</u>	<u>335,375.21</u>
Fund balance - June 30	<u>\$ 485,842.85</u>	<u>\$ 0.00</u>	<u>\$ 51,989.33</u>	<u>\$ 0.00</u>	<u>\$ 537,832.18</u>

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
For the Fiscal Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2)	\$	202,456.97
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, 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	\$ (69,843.71)		
Appraisal adjustments	98,078.69		
Capital outlays	<u>320,709.97</u>		348,944.95

Repayment of bond principal 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.

Bond principal	20,000.00		
Capital lease	<u>6,215.14</u>		26,215.14

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.

1,558.68

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

256.67

Change in net assets of governmental activities	\$	<u><u>579,432.41</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

		Business-Type Activities - Enterprise Funds
		Funds
ASSETS:		
Current assets:		
Cash and cash equivalents		\$ 15,664.21
	Total current assets	15,664.21
Noncurrent assets:		
Equipment		2,664.73
Less: accumulated depreciation		(2,664.73)
	Total noncurrent assets	0.00
	Total assets	\$ 15,664.21
LIABILITIES:		
Current liabilities:		
Accounts payable		\$ 106.10
	Total current liabilities	106.10
	Total liabilities	\$ 106.10
NET ASSETS:		
Unrestricted		15,558.11
	Total net assets	\$ 15,558.11

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds
OPERATING REVENUES:	
Local sources:	
Project safekeep fees	\$ 41,444.73
Total operating revenues	41,444.73
OPERATING EXPENSES:	
Salaries and benefits	37,049.04
Supplies and materials	11,916.83
Total operating expenses	48,965.87
Operating income (loss)/change in net assets	(7,521.14)
Total net assets - beginning	23,079.25
Total net assets - ending	\$ 15,558.11

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 41,444.73
Payments to employees	(37,049.04)
Payments to suppliers	(11,819.55)
Net cash provided by (used for) operating activities	(7,423.86)
Net increase (decrease) in cash and cash equivalents	(7,423.86)
Balances - beginning of year	23,088.07
Balances - end of year	\$ 15,664.21
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (7,521.14)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Increase/(decrease) in accounts payable	97.28
Total adjustments	97.28
Net cash provided by (used for) operating activities	\$ (7,423.86)

The accompanying notes to financial statements are an integral part of this statement.

WOODBURY HEIGHTS SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

		Agency Fund
ASSETS:		
Cash and cash equivalents	\$	26,505.97
Interfund accounts receivable		2,588.47
	Total assets	\$ 29,094.44
LIABILITIES:		
Due to student groups	\$	9,871.41
Interfund accounts payable		30.05
Payroll deductions and withholdings		19,192.98
	Total liabilities	29,094.44
	Total liabilities and fund balances	\$ 29,094.44

The accompanying notes to financial statements are an integral part of this statement.

Notes To The Financial Statements

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Woodbury Heights School District (District) have been prepared in conformity with generally accepted accounting principles (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/Component Units

The Woodbury Heights School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 7 members elected to three-year terms. The purpose of the District is to educate students in grades K - 6. The District had an approximate enrollment at June 30, 2012 of 216 students.

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 the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate "fund types" as follows:

Governmental Funds

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

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 the 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 from state and federal government (other than major capital projects, debt service, or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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 acquisitions, construction, and improvement programs.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of net income, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Concluded)

Proprietary Funds (Concluded)

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

The District's enterprise funds are comprised of a latchkey program entitled "Project Safekeep".

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

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

Project safekeep fund:
Equipment - 10 years

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.

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.

D. Measurement Focus

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

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus (Concluded)

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

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days after fiscal year end.

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

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting (Concluded)

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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 two June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3 includes all amendments to the adopted budget, if any.

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Encumbrances

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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.

H. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased at 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.

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.

I. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Payable

Tuition charges for the fiscal years 2011-12 and 2010-11 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Inventories

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

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

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

L. Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

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

M. Short-Term Interfund Receivables/Payables

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

N. Capital Assets

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

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

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

- Land and improvements - 10-20 years (governmental activities)
- Buildings and improvements - 20-50 years (governmental activities)
- Machinery and equipment - 5-10 years (governmental and business-type activities)

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the 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 recorded for in the period in which such services are rendered or in which such events take place.

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

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

P. Deferred Revenue

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

Q. Accrued Liabilities and Long-Term Obligations

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

R. Net Assets

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

The District applies restricted resources when an expense is incurred for purchases for which both restricted and unrestricted net assets are available.

S. Fund Balance

The District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The District's classifications, and policies for determining such classifications, are as follows:

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance (Concluded)

Nonspendable

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted

The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority, which, for the District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned

The assigned fund balance classification includes amounts that are constrained by the District’s *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned

The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the District to spend restricted fund balance first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

T. Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for the school age child care program.

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

U. Interfund Activity

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

V. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. Although the 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 (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2012, the District's bank balances of \$571,009.30 were exposed to custodial credit risk as follows:

Insurance	\$ 299,307.05
Uninsured and collateralized with securities held by pledging financial institutions	<u>271,702.25</u>
	<u>\$ 571,009.30</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2 - CASH AND CASH EQUIVALENTS (Concluded)

New Jersey Cash Management Fund

During the fiscal year, the District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2012, the District's deposits with the New Jersey Cash Management Fund were \$82,836.84.

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$1.00 in the 2000-01 capital outlay budget, which was certified for taxes and for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$	5.00
Interest earnings		-
Ending balance, June 30, 2012	\$	5.00

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects is \$481,000.00.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year-end for the District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Total
State	\$ 18,439.36	\$ -	\$ 18,439.36
Federal	-	89,038.00	89,038.00
Other	2,610.35	-	2,610.35
Total	\$ 21,049.71	\$ 89,038.00	\$ 110,087.71

WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - CAPITAL ASSETS

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

	Balance as of June 30, 2011	Additions	Disposals/ Adjustments	Balance as of June 30, 2012
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Construction in progress	258,573.67	318,631.00	577,204.67	0.00
Total capital assets, not being depreciated	<u>258,573.67</u>	<u>318,631.00</u>	<u>577,204.67</u>	<u>0.00</u>
Capital assets, being depreciated:				
Site and site improvements	15,802.11	0.00	0.00	15,802.11
Buildings and building improvements	1,094,006.14	0.00	(577,079.67)	1,671,085.81
Machinery and equipment	390,679.24	2,078.97	107,769.24	284,988.97
Total at historical cost	<u>1,500,487.49</u>	<u>2,078.97</u>	<u>(469,310.43)</u>	<u>1,971,876.89</u>
Less accumulated depreciation:				
Site and site improvements	(15,802.11)	0.00	0.00	(15,802.11)
Buildings and building improvements	(850,602.09)	(36,768.48)	2,116.25	(889,486.82)
Machinery and equipment	(349,268.36)	(33,075.23)	(208,089.18)	(174,254.41)
Total accumulated depreciation	<u>(1,215,672.56)</u>	<u>(69,843.71)</u>	<u>(205,972.93)</u>	<u>(1,079,543.34)</u>
Total capital assets, being depreciated, net	<u>284,814.93</u>	<u>(67,764.74)</u>	<u>(675,283.36)</u>	<u>892,333.55</u>
Governmental activities capital assets, net	<u>\$ 543,388.60</u>	<u>\$ 250,866.26</u>	<u>\$ (98,078.69)</u>	<u>\$ 892,333.55</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 2,664.73	\$ 0.00	\$ 0.00	\$ 2,664.73
Less accumulated depreciation	(2,664.73)	0.00	0.00	(2,664.73)
Business-type activities capital assets, net	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Depreciation expense in the amount of \$69,843.71 was charged to governmental functions as follows:

Regular Instruction	30,392.65
General Administration	1,115.75
Plant Operations and Maintenance	327.33
Unallocated	<u>\$ 38,007.98</u>
Total depreciation expense	<u>\$ 69,843.71</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 - GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	Principal Outstanding June 30, 2011	Additions	Reductions	Principal Outstanding June 30, 2012	Amounts Due Within One Year
Roofing and HVAC project general obligation bonds	\$ 377,516.00	\$ 0.00	\$ 20,000.00	\$ 357,516.00	\$ 20,000.00
Obligation under capital lease	27,492.71	0.00	6,215.14	21,277.57	6,634.61
Compensated absences payable	43,327.01	2,566.25	4,124.93	41,768.33	7,147.69
Total	<u>\$ 448,335.72</u>	<u>\$ 2,566.25</u>	<u>\$ 30,340.07</u>	<u>\$ 420,561.90</u>	<u>\$ 33,782.30</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 - GENERAL LONG-TERM DEBT (Concluded)

A. Bonds Payable

Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

On March 1, 2011, the District issued \$377,516.00 in general obligation bonds at 3.85% for a roofing and HVAC project. The final maturity of the bonds is 2026.

Principal and interest due on serial bonds outstanding is as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 20,000.00	\$ 13,764.36	\$ 33,764.36
2014	20,000.00	12,994.36	32,994.36
2015	20,000.00	12,224.36	32,224.36
2016	20,000.00	11,454.36	31,454.36
2017	20,000.00	10,684.36	30,684.36
2018-2022	130,000.00	39,946.80	169,946.80
2023-2026	<u>127,516.00</u>	<u>12,591.94</u>	<u>140,107.94</u>
	<u>\$ 357,516.00</u>	<u>\$ 113,660.54</u>	<u>\$ 471,176.54</u>

B. Bonds Authorized But Not Issued

As of June 30, 2012, the Board had no authorized but not issued bonds.

C. Capital Leases Payable

As of June 30, 2012, the District had a capital lease outstanding for the purchase of Apple personal computers, servers, and networking equipment. The capital lease has an original amount of \$30,242.04.

The following is a schedule of the future minimum lease payments under this lease and present value of the net minimum lease payments at June 30, 2012:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 6,634.61	\$ 925.90	\$ 7,560.51
2014	7,082.45	478.06	7,560.51
2015	<u>7,560.51</u>	<u>-</u>	<u>7,560.51</u>
	<u>\$ 21,277.57</u>	<u>\$ 1,403.96</u>	<u>\$ 22,681.53</u>

D. Interest Expense

No interest expense was capitalized during the fiscal year ending June 30, 2012. Interest expense totaling \$14,534.36 was paid by the debt service fund for the fiscal year ending June 30, 2012.

E. Compensated Absences

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7 - OPERATING LEASES

At June 30, 2012, the District had operating lease agreements in effect for copy machines. Future minimum lease payments are as follows:

Year Ending June 30	Amount
2013	\$ 5,412.36
2014	451.03
Total future minimum lease payments	\$ 5,863.39

Lease payments under operating leases for the fiscal year ended June 30, 2012 were \$5,412.36.

NOTE 8 - PENSION PLANS

Description of Plans

Substantially all of the District's employees participate in one of the following pension plans which have been established by state statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, Post Office Box 295, Trenton, New Jersey 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 - PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011 the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

Fiscal Year	Normal Contribution	Accrued Liability	Non- Contributory Life
2012	\$ 9,519.00	\$ 19,037.00	\$ 1,819.00
2011	9,815.00	15,639.00	1,933.00
2010	8,876.00	11,404.00	2,812.00
	Total Liability	Paid By District	
2012	\$ 30,375.00	\$ 30,375.00	
2011	27,387.00	27,387.00	
2010	23,092.00	23,092.00	

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. 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.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 - PENSION PLANS (Concluded)

Defined Contribution Retirement Program (DCRP) (Concluded)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The employee contributions along with the District's contribution of 3% for each pay are transmitted to Prudential Financial.

The District's contributions to the DCRP were as follows:

Fiscal Year	Total Liability	Paid By District
2012	\$ 6,540.49	\$ 6,540.49
2011	2,445.10	2,445.10
2010	-	-

NOTE 9 - POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 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 receiving 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 P.L. 1992, c. 126, which provides free health benefits to member 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 - ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$47,685.00 and \$95,859.00, respectively.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 11 - COMPENSATED ABSENCES

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

Twelve-month professional employees, custodians, and support staff are eligible for vacation based on contract schedules with a maximum of twenty days in a fiscal year. However, all vacation days must be taken within one year of the time credited.

By contract and state statute (N.J.S.A. 18A:30-3), instructional and non instructional employees may accrue sick time. The contracts provide that upon retirement with fifteen years or more of service, an employee is eligible to receive a reimbursement at \$65.00 per day of forty-five (45) percent of their unused, accumulated sick leave days.

In the district-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

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 proprietary fund types.

NOTE 12 - DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans 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 Investments
Siracusa
American Century

NOTE 13 - 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.

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies. No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2012 for the joint insurance pool. As of December 31, 2011, the fund had a projected surplus of \$1,744,387.00 of which the District has a proportionate share of \$27,570.00.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed at June 30, 2012:

Fund	Interfund Receivable	Interfund Payable
General fund	\$ 67,077.38	\$ 2,558.42
Special revenue fund	-	67,077.38
Trust and agency fund	2,588.47	30.05
	\$ 69,665.85	\$ 69,665.85

All interfunds were created as a result of short-term borrowings to cover cash flow needs in the various funds, as well as June 2012's interest earnings. These interfunds are expected to be liquidated within the next fiscal cycle. The fund financial interfunds were eliminated in the governmental-wide statements.

NOTE 15 - FUND BALANCE APPROPRIATED

The District has classified its fund balances with the following hierarchy:

Nonspendable

The District does not have any nonspendable funds.

Spendable

The District has classified the spendable fund balances as Restricted, Assigned, and Unassigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed.

Restricted

Capital reserve - As of June 30, 2012, the balance in the capital reserve account is \$5.00 which is restricted for future capital outlay expenditures for capital projects in the District's approved Long Range Facilities Plan.

Excess surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general 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 year's budget. The excess fund balance as of June 30, 2012 is \$236,416.72. Of this \$0.00 of excess fund balance, which was generated during 2010-11, has been restricted and designated for utilization in the 2012-13 budget.

Capital projects fund - On March 1, 2011, the District issued \$377,516.00 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey statutes, as amended and supplemented ("School Bond Law") and (ii) a resolution adopted by the Board. The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the District. The bond issuance was approved by the voters for a roofing and HVAC project. As of June 30, 2012, the restricted fund balance amount was \$51,989.33.

**WOODBURY HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 15 - FUND BALANCE APPROPRIATED (Concluded)

Assigned

Designated by the Board of Education for subsequent year's expenditures - The District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2013 \$75,000.00 of general fund balance at June 30, 2012.

Other purposes - As of June 30, 2012, the District had \$3,460.63 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Unassigned

This is the remainder of the District's equity in the governmental fund types. The total balance is \$170,960.50 as of June 30, 2012. This is comprised of \$170,960.50 in the general fund and \$0.00 in the debt service fund.

NOTE 16 - 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 year's budget. The excess fund balance at June 30, 2012 is \$236,416.72. The excess fund balance at June 30, 2011 was \$0.00.

NOTE 17 - CONTINGENT LIABILITIES

The Board is not involved in any claims or lawsuits incidental to its operations that will, in the opinion of the administration and legal counsel, have a material adverse effect on the financial position of the District.

NOTE 18 - SUBSEQUENT EVENTS

Subsequent events were evaluated through November 16, 2012, the date which the financial statements were available to be issued.

Required Supplementary Information - Part II

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,264,720.00	\$ 0.00	\$ 2,264,720.00	\$ 2,264,720.00	\$ 0.00
Tuition	0.00	0.00	0.00	21,459.72	21,459.72
Unrestricted miscellaneous revenues	5,000.00	0.00	5,000.00	9,733.53	4,733.53
Total local sources	<u>2,269,720.00</u>	<u>0.00</u>	<u>2,269,720.00</u>	<u>2,295,913.25</u>	<u>26,193.25</u>
State sources:					
Equalization aid	796,458.00	0.00	796,458.00	828,218.00	31,760.00
Categorical special education aid	124,184.00	0.00	124,184.00	124,184.00	0.00
Extraordinary aid	0.00	0.00	0.00	5,990.00	5,990.00
Other state aids	0.00	0.00	0.00	1,426.50	1,426.50
On-behalf T.P.A.F. pension contributions (non-budgeted)	0.00	0.00	0.00	47,685.00	47,685.00
On-behalf TPAF - Post retirement medical (non-budgeted)	0.00	0.00	0.00	95,859.00	95,859.00
Reimbursed T.P.A.F. social security contributions (non-budgeted)	0.00	0.00	0.00	106,524.79	106,524.79
Total state sources	<u>920,642.00</u>	<u>0.00</u>	<u>920,642.00</u>	<u>1,209,887.29</u>	<u>289,245.29</u>
Federal sources:					
Education jobs fund	34,715.00	0.00	34,715.00	34,715.00	0.00
Total federal sources	<u>34,715.00</u>	<u>0.00</u>	<u>34,715.00</u>	<u>34,715.00</u>	<u>0.00</u>
Total revenues	<u>3,225,077.00</u>	<u>0.00</u>	<u>3,225,077.00</u>	<u>3,540,515.54</u>	<u>315,438.54</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 175,373.00	\$ 335.00	\$ 175,708.00	\$ 175,677.09	\$ 30.91
Grades 1-5	694,573.00	46,814.00	741,387.00	713,771.25	27,615.75
Grades 6-8	185,343.00	(50,082.13)	135,260.87	109,035.78	26,225.09
Home instruction:					
Salaries of teachers	1,000.00	509.00	1,509.00	1,508.34	0.66
Regular programs - undistributed instruction:					
Purchased professional - educational services	0.00	85.00	85.00	85.00	0.00
Purchased technical services	14,960.00	(2,435.00)	12,525.00	4,469.00	8,056.00
Other purchased services	580.00	12,973.36	13,553.36	12,972.87	580.49
General supplies	40,238.00	1,587.64	41,825.64	32,298.78	9,526.86
Other objects	5,685.00	0.00	5,685.00	1,694.53	3,990.47
Total regular programs	<u>1,117,752.00</u>	<u>9,786.87</u>	<u>1,127,538.87</u>	<u>1,051,512.64</u>	<u>76,026.23</u>
Resource room/resource center - instruction:					
Salaries of teachers	185,865.00	2,652.13	188,517.13	188,516.41	0.72
Other salaries for instruction	99,236.00	(1,215.00)	98,021.00	87,716.54	10,304.46
Purchased technical services	580.00	(13.00)	567.00	0.00	567.00
General supplies	1,443.00	0.00	1,443.00	1,386.75	56.25
Total resource room/resource center - instruction	<u>287,124.00</u>	<u>1,424.13</u>	<u>288,548.13</u>	<u>277,619.70</u>	<u>10,928.43</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Total special education	\$ 287,124.00	\$ 1,424.13	\$ 288,548.13	\$ 277,619.70	\$ 10,928.43
Basic skills/remedial - instruction:					
Salaries of teachers	132,185.00	0.00	132,185.00	131,510.57	674.43
Other purchased services	450.00	0.00	450.00	0.00	450.00
General supplies	132.00	0.00	132.00	56.18	75.82
Total basic skills/remedial - instruction	<u>132,767.00</u>	<u>0.00</u>	<u>132,767.00</u>	<u>131,566.75</u>	<u>1,200.25</u>
School sponsored cocurricular/extracurricular activities - instruction:					
Salaries	8,085.00	91.00	8,176.00	8,175.78	0.22
Purchased services	210.00	(91.00)	119.00	0.00	119.00
Supplies and materials	683.00	0.00	683.00	437.00	246.00
Total school sponsored cocurricular/extracurricular activities - instruction	<u>8,978.00</u>	<u>0.00</u>	<u>8,978.00</u>	<u>8,612.78</u>	<u>365.22</u>
Total instruction	<u>428,869.00</u>	<u>1,424.13</u>	<u>430,293.13</u>	<u>417,799.23</u>	<u>12,493.90</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state - regular	\$ 12,500.00	\$ (12,500.00)	\$ 0.00	\$ 0.00	\$ 0.00
Tuition to other LEA's within the state - special	122,017.00	12,500.00	134,517.00	123,048.92	11,468.08
Tuition to county special services and regional day schools	71,394.00	54.90	71,448.90	24,239.98	47,208.92
Tuition to private schools for the handicapped - special within the state	65,270.00	2,495.10	67,765.10	67,765.10	0.00
Total instruction	<u>271,181.00</u>	<u>2,550.00</u>	<u>273,731.00</u>	<u>215,054.00</u>	<u>58,677.00</u>
Attendance and social work services:					
Salaries	10,069.00	0.00	10,069.00	10,069.00	0.00
Purchased professional and technical services	250.00	0.00	250.00	0.00	250.00
Total attendance and social work services	<u>10,319.00</u>	<u>0.00</u>	<u>10,319.00</u>	<u>10,069.00</u>	<u>250.00</u>
Health services:					
Salaries	47,018.00	150.00	47,168.00	47,167.67	0.33
Purchased professional and technical services	1,500.00	161.00	1,661.00	1,661.00	0.00
Other purchased services	500.00	(36.00)	464.00	251.50	212.50
Supplies and materials	2,300.00	(275.00)	2,025.00	1,362.41	662.59
Total health services	<u>51,318.00</u>	<u>0.00</u>	<u>51,318.00</u>	<u>50,442.58</u>	<u>875.42</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Speech, OT, PT, and related services:					
Salaries	\$ 49,126.00	\$ 731.00	\$ 49,857.00	\$ 49,857.00	\$ 0.00
Purchased professional educational services	34,000.00	(630.00)	33,370.00	19,248.50	14,121.50
Supplies and materials	325.00	(101.00)	224.00	44.82	179.18
Total speech, OT, PT, and related services	<u>83,451.00</u>	<u>0.00</u>	<u>83,451.00</u>	<u>69,150.32</u>	<u>14,300.68</u>
Other support services - students - extraordinary services:					
Purchased professional educational services	25,500.00	860.00	26,360.00	26,357.76	2.24
Supplies and materials	2,000.00	(860.00)	1,140.00	740.72	399.28
Total other support services - students - extraordinary services	<u>27,500.00</u>	<u>0.00</u>	<u>27,500.00</u>	<u>27,098.48</u>	<u>401.52</u>
Guidance:					
Salaries of other professional staff	27,798.00	700.00	28,498.00	28,496.00	2.00
Purchased professional educational services	6,657.00	0.00	6,657.00	0.00	6,657.00
Other purchased professional and technical services	675.00	0.00	675.00	0.00	675.00
Other purchased services	225.00	0.00	225.00	0.00	225.00
Supplies and materials	365.00	0.00	365.00	226.08	138.92
Total guidance	<u>35,720.00</u>	<u>700.00</u>	<u>36,420.00</u>	<u>28,722.08</u>	<u>7,697.92</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Child study teams:					
Purchased professional educational services	\$ 79,114.00	\$ (700.00)	\$ 78,414.00	\$ 69,114.00	\$ 9,300.00
Total child study teams	<u>79,114.00</u>	<u>(700.00)</u>	<u>78,414.00</u>	<u>69,114.00</u>	<u>9,300.00</u>
Improvement of instruction services:					
Purchased professional educational services	29,139.00	2.00	29,141.00	29,141.00	0.00
Other purchased professional and technical services	<u>3,880.00</u>	<u>(2.00)</u>	<u>3,878.00</u>	<u>2,495.94</u>	<u>1,382.06</u>
Total improvement of instruction services	<u>33,019.00</u>	<u>0.00</u>	<u>33,019.00</u>	<u>31,636.94</u>	<u>1,382.06</u>
Educational media services/school library:					
Salaries	48,731.00	0.00	48,731.00	48,465.55	265.45
Purchased professional and technical services	975.00	0.00	975.00	0.00	975.00
Supplies and materials	<u>5,800.00</u>	<u>0.00</u>	<u>5,800.00</u>	<u>4,980.43</u>	<u>819.57</u>
Total educational media services/school library	<u>55,506.00</u>	<u>0.00</u>	<u>55,506.00</u>	<u>53,445.98</u>	<u>2,060.02</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Training services - instructional staff:					
Other purchased services	\$ 5,775.00	\$ (50.00)	\$ 5,725.00	\$ 550.00	\$ 5,175.00
Supplies and materials	625.00	(100.00)	525.00	0.00	525.00
Total training services - instructional staff	<u>6,400.00</u>	<u>(150.00)</u>	<u>6,250.00</u>	<u>550.00</u>	<u>5,700.00</u>
Support services - general administration:					
Salaries	42,775.00	100,050.00	142,825.00	142,323.95	501.05
Legal services	2,000.00	0.00	2,000.00	1,720.00	280.00
Audit fees	8,500.00	0.00	8,500.00	8,421.25	78.75
Other purchased professional services	126,700.00	(100,567.00)	26,133.00	24,325.00	1,808.00
Purchased technical services	585.00	(50.00)	535.00	75.00	460.00
Communications/telephone	17,400.00	(523.00)	16,877.00	8,616.75	8,260.25
BOE other purchased services	50.00	0.00	50.00	0.00	50.00
Other purchased services	7,880.00	(2,260.00)	5,620.00	3,604.25	2,015.75
General supplies	2,000.00	0.00	2,000.00	1,294.08	705.92
Miscellaneous expenditures	1,720.00	0.00	1,720.00	81.25	1,638.75
BOE membership dues and fees	3,100.00	0.00	3,100.00	2,479.50	620.50
Total support services - general administration	<u>212,710.00</u>	<u>(3,350.00)</u>	<u>209,360.00</u>	<u>192,941.03</u>	<u>16,418.97</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Support services - school administration:					
Salaries of secretarial and clerical assistants	\$ 48,736.00	\$ 450.00	\$ 49,186.00	\$ 48,736.10	\$ 449.90
Other purchased services	450.00	(450.00)	0.00	0.00	0.00
Supplies and materials	1,645.00	0.00	1,645.00	920.15	724.85
Other objects	0.00	567.00	567.00	487.50	79.50
Total support services - school administration	<u>50,831.00</u>	<u>567.00</u>	<u>51,398.00</u>	<u>50,143.75</u>	<u>1,254.25</u>
Central services:					
Purchased professional services	63,368.00	0.00	63,368.00	63,368.00	0.00
Purchased technical services	10,000.00	2,708.00	12,708.00	12,708.00	0.00
Supplies and materials	350.00	0.00	350.00	194.00	156.00
Other objects	0.00	75.00	75.00	75.00	0.00
Total central services	<u>73,718.00</u>	<u>2,783.00</u>	<u>76,501.00</u>	<u>76,345.00</u>	<u>156.00</u>
Required maintenance for school facilities:					
Salaries	9,723.00	(626.00)	9,097.00	8,364.72	732.28
Cleaning, repair, and maintenance services	10,000.00	2,500.00	12,500.00	12,077.62	422.38
General supplies	2,000.00	0.00	2,000.00	0.00	2,000.00
Total required maintenance for school facilities	<u>21,723.00</u>	<u>1,874.00</u>	<u>23,597.00</u>	<u>20,442.34</u>	<u>3,154.66</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Custodial services:					
Salaries	\$ 68,170.00	\$ 1,868.00	\$ 70,038.00	\$ 69,894.08	\$ 143.92
Purchased professional and technical services	6,500.00	(1,848.00)	4,652.00	438.26	4,213.74
Cleaning, repair, and maintenance services	1,500.00	603.00	2,103.00	2,103.00	0.00
Other purchased property services	7,500.00	1,003.00	8,503.00	7,902.80	600.20
Insurance	19,780.00	(3,500.00)	16,280.00	15,991.00	289.00
General supplies	20,480.00	282.00	20,762.00	19,126.40	1,635.60
Energy (electricity)	67,000.00	(5,000.00)	62,000.00	44,342.12	17,657.88
Miscellaneous expenses	500.00	(103.50)	396.50	0.00	396.50
Total custodial services	<u>191,430.00</u>	<u>(6,695.50)</u>	<u>184,734.50</u>	<u>159,797.66</u>	<u>24,936.84</u>
Student transportation services:					
Management fee - ESC transportation programs	0.00	6.00	6.00	6.00	0.00
Contracted services (special education) - joint agreements	93,000.00	0.00	93,000.00	89,020.55	3,979.45
Contracted services - aid in lieu of payments	2,000.00	694.00	2,694.00	2,652.00	42.00
Total student transportation services	<u>95,000.00</u>	<u>700.00</u>	<u>95,700.00</u>	<u>91,678.55</u>	<u>4,021.45</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

-09-

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Unallocated benefits:					
Social security contributions	\$ 30,800.00	\$ 11,896.00	\$ 42,696.00	\$ 42,695.93	\$ 0.07
Other retirement contributions - PERS	35,495.00	(1,600.00)	33,895.00	33,299.97	595.03
Unemployment compensation	11,000.00	0.00	11,000.00	5,117.87	5,882.13
Workmen's compensation	17,100.00	(1,445.00)	15,655.00	15,655.00	0.00
Health benefits	311,362.00	(9,551.00)	301,811.00	259,958.30	41,852.70
Tuition reimbursement	17,000.00	0.00	17,000.00	1,731.00	15,269.00
Other employee benefits	5,000.00	5,103.50	10,103.50	10,102.50	1.00
Total unallocated benefits	<u>427,757.00</u>	<u>4,403.50</u>	<u>432,160.50</u>	<u>368,560.57</u>	<u>63,599.93</u>
On-behalf T.P.A.F. pension contributions (non-budgeted)	0.00	0.00	0.00	47,685.00	(47,685.00)
On-behalf TPAF - Post retirement medical (non-budgeted)	0.00	0.00	0.00	95,859.00	(95,859.00)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	0.00	0.00	0.00	106,524.79	(106,524.79)
Total undistributed expenditures	<u>1,726,697.00</u>	<u>2,682.00</u>	<u>1,729,379.00</u>	<u>1,765,261.07</u>	<u>(35,882.07)</u>
Total expenditures - current expense	<u>3,273,318.00</u>	<u>13,893.00</u>	<u>3,287,211.00</u>	<u>3,234,572.94</u>	<u>52,638.06</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures - instruction	\$ 26,400.00	\$ (11,061.00)	\$ 15,339.00	\$ 2,078.97	\$ 13,260.03
Total equipment	<u>26,400.00</u>	<u>(11,061.00)</u>	<u>15,339.00</u>	<u>2,078.97</u>	<u>13,260.03</u>
Facilities acquisition and construction services					
Other objects	359.00	0.00	359.00	359.00	0.00
Total facilities acquisition and construction services	<u>359.00</u>	<u>0.00</u>	<u>359.00</u>	<u>359.00</u>	<u>0.00</u>
Total capital outlay	<u>26,759.00</u>	<u>(11,061.00)</u>	<u>15,698.00</u>	<u>2,437.97</u>	<u>13,260.03</u>
Total expenditures	<u>3,300,077.00</u>	<u>2,832.00</u>	<u>3,302,909.00</u>	<u>3,237,010.91</u>	<u>65,898.09</u>
Excess (deficiency) of revenues and expenditures	(75,000.00)	(2,832.00)	(77,832.00)	303,504.63	381,336.63
Other financing sources (uses):					
Transfers out	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(0.36)</u>	<u>(0.36)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(75,000.00)	(2,832.00)	(77,832.00)	303,504.27	381,336.27
Fund balances - July 1	<u>268,794.58</u>	<u>0.00</u>	<u>268,794.58</u>	<u>268,794.58</u>	<u>0.00</u>
Fund balances - June 30	<u>\$ 193,794.58</u>	<u>\$ (2,832.00)</u>	<u>\$ 190,962.58</u>	<u>\$ 572,298.85</u>	<u>\$ 381,336.27</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 5.00	
Excess surplus - current year				236,416.72	
Assigned fund balance:					
Year-end encumbrances				3,460.63	
Designated for subsequent year's expenditures				75,000.00	
Unassigned fund balance				<u>257,416.50</u>	
				572,298.85	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(86,456.00)</u>	
				<u>\$ 485,842.85</u>	
				<u>\$ 485,842.85</u>	

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual (Budgetary Basis)	Variance Final To Actual
REVENUES:					
State sources	\$ 0.00	\$ 307,088.93	\$ 307,088.93	\$ 292,300.34	\$ (14,788.59)
Federal sources	118,169.00	41,339.60	159,508.60	145,031.12	(14,477.48)
Total revenues	<u>118,169.00</u>	<u>348,428.53</u>	<u>466,597.53</u>	<u>437,331.46</u>	<u>(29,266.07)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	24,997.00	(1,519.00)	23,478.00	22,578.00	900.00
Purchased professional and technical services	0.00	259,282.93	259,282.93	244,464.35	14,818.58
Other purchased services	0.00	19,824.00	19,824.00	19,698.99	125.01
Tuition	88,587.00	(59,540.00)	29,047.00	29,047.00	0.00
General supplies	0.00	566.13	566.13	0.00	566.13
Total instruction	<u>113,584.00</u>	<u>218,614.06</u>	<u>332,198.06</u>	<u>315,788.34</u>	<u>16,409.72</u>
Support services:					
Employee benefits	0.00	4,006.62	4,006.62	3,868.62	138.00
Purchased educational services	0.00	76,974.00	76,974.00	76,974.00	0.00
Purchased professional and technical services	0.00	47,827.85	47,827.85	36,574.50	11,253.35
Other purchased services	0.00	2,498.00	2,498.00	2,136.00	362.00
Tuition	4,585.00	(2,595.00)	1,990.00	1,990.00	0.00
Supplies	0.00	1,103.00	1,103.00	0.00	1,103.00
Total support services	<u>4,585.00</u>	<u>129,814.47</u>	<u>134,399.47</u>	<u>121,543.12</u>	<u>12,856.35</u>
Total expenditures	<u>118,169.00</u>	<u>348,428.53</u>	<u>466,597.53</u>	<u>437,331.46</u>	<u>29,266.07</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Notes To The Required Supplementary Information

WOODBURY HEIGHTS SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note To Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

Note A - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 3,540,515.54	\$ 437,331.46
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is realized:		
2011-12	0.00	0.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements:		
2010-11	74,156.00	0.00
2011-12	(86,456.00)	0.00
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 3,528,215.54	\$ 437,331.46
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 3,237,010.91	\$ 437,331.46
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:		
School year 2011-12	0.00	0.00
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 3,237,010.91	\$ 437,331.46

WOODBURY HEIGHTS SCHOOL DISTRICT
Budgetary Comparison Education Jobs Fund Supplementary Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Federal sources:					
Education jobs fund	\$ 34,715.00	\$	\$ 34,715.00	\$ 34,715.00	\$ 0.00
Total federal sources	<u>34,715.00</u>	<u>0.00</u>	<u>34,715.00</u>	<u>34,715.00</u>	<u>0.00</u>
Total revenues	<u>34,715.00</u>	<u>0.00</u>	<u>34,715.00</u>	<u>34,715.00</u>	<u>0.00</u>
EXPENDITURES:					
Education jobs fund:					
Unallocated benefits:					
Health benefits	34,715.00		34,715.00	34,715.00	0.00
Total education jobs fund	<u>34,715.00</u>	<u>0.00</u>	<u>34,715.00</u>	<u>34,715.00</u>	<u>0.00</u>
Total expenditures	<u>34,715.00</u>	<u>0.00</u>	<u>34,715.00</u>	<u>34,715.00</u>	<u>0.00</u>
Excess (deficiency) of revenues over (under) expenditures	0.00	0.00	0.00	0.00	0.00
Fund balances - July 1	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund balances - June 30	<u><u>\$ 0.00</u></u>				

Other Supplementary Information

WOODBURY HEIGHTS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	<u>Federal</u>	<u>State</u>	<u>Total</u>
REVENUES:			
Federal sources	\$ 145,031.12	\$ 0.00	\$ 145,031.12
State sources	0.00	292,300.34	292,300.34
Total revenues	<u>\$ 145,031.12</u>	<u>\$ 292,300.34</u>	<u>\$ 437,331.46</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 22,578.00	\$ 0.00	\$ 22,578.00
Purchased professional and technical services	0.00	244,464.35	244,464.35
Other purchased services	0.00	19,698.99	19,698.99
Tuition	29,047.00	0.00	29,047.00
Total instruction	<u>51,625.00</u>	<u>264,163.34</u>	<u>315,788.34</u>
Support services:			
Employee benefits	3,868.62	0.00	3,868.62
Purchased educational services	76,974.00	0.00	76,974.00
Purchased professional and technical services	8,437.50	28,137.00	36,574.50
Other purchased services	2,136.00	0.00	2,136.00
Tuition	1,990.00	0.00	1,990.00
Total support services	<u>93,406.12</u>	<u>28,137.00</u>	<u>121,543.12</u>
Total expenditures	<u>\$ 145,031.12</u>	<u>\$ 292,300.34</u>	<u>\$ 437,331.46</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Federal
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	I.D.E.A. - Part B Basic Regular Program	ARRA- I.D.E.A. - Part B Basic Regular Program	I.D.E.A. - Part B Preschool Incentive Program	Title I	Title II Part A	Total
REVENUES:						
Federal sources	\$ 106,021.00	\$ 8,437.50	\$ 1,990.00	\$ 17,166.72	\$ 11,415.90	\$ 145,031.12
Total revenues	<u>\$ 106,021.00</u>	<u>\$ 8,437.50</u>	<u>\$ 1,990.00</u>	<u>\$ 17,166.72</u>	<u>\$ 11,415.90</u>	<u>\$ 145,031.12</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$ 0.00	\$ 0.00	\$ 0.00	\$ 14,660.00	\$ 7,918.00	\$ 22,578.00
Tuition	29,047.00	0.00	0.00	0.00	0.00	29,047.00
Total instruction	<u>29,047.00</u>	<u>0.00</u>	<u>0.00</u>	<u>14,660.00</u>	<u>7,918.00</u>	<u>51,625.00</u>
Support services:						
Employee benefits	0.00	0.00	0.00	2,506.72	1,361.90	3,868.62
Purchased educational services	76,974.00	0.00	0.00	0.00	0.00	76,974.00
Purchased professional and technical services	0.00	8,437.50	0.00	0.00	0.00	8,437.50
Other purchased services	0.00	0.00	0.00	0.00	2,136.00	2,136.00
Tuition	0.00	0.00	1,990.00	0.00	0.00	1,990.00
Total support services	<u>76,974.00</u>	<u>8,437.50</u>	<u>1,990.00</u>	<u>2,506.72</u>	<u>3,497.90</u>	<u>93,406.12</u>
Total expenditures	<u>\$ 106,021.00</u>	<u>\$ 8,437.50</u>	<u>\$ 1,990.00</u>	<u>\$ 17,166.72</u>	<u>\$ 11,415.90</u>	<u>\$ 145,031.12</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - State
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Auxiliary Services			Handicapped Services			Total	
	Nonpublic Textbooks	Nonpublic Compensatory Education	Nonpublic Transportation	Nonpublic Examination and Classification	Nonpublic Corrective Speech	Nonpublic Supplementary Instruction		Nonpublic Nursing Aid
REVENUES:								
State sources	\$ 19,698.99	\$ 94,676.96	\$ 35,490.00	\$ 28,183.44	\$ 68,716.95	\$ 17,397.00	\$ 28,137.00	\$ 292,300.34
Total revenues	<u>\$ 19,698.99</u>	<u>\$ 94,676.96</u>	<u>\$ 35,490.00</u>	<u>\$ 28,183.44</u>	<u>\$ 68,716.95</u>	<u>\$ 17,397.00</u>	<u>\$ 28,137.00</u>	<u>\$ 292,300.34</u>
EXPENDITURES:								
Instruction:								
Purchased professional and technical services	\$ 0.00	\$ 94,676.96	\$ 35,490.00	\$ 28,183.44	\$ 68,716.95	\$ 17,397.00	\$ 0.00	\$ 244,464.35
Other purchased services	19,698.99	0.00	0.00	0.00	0.00	0.00	0.00	19,698.99
Total instruction	<u>19,698.99</u>	<u>94,676.96</u>	<u>35,490.00</u>	<u>28,183.44</u>	<u>68,716.95</u>	<u>17,397.00</u>	<u>0.00</u>	<u>264,163.34</u>
Support services:								
Purchased professional services	0.00	0.00	0.00	0.00	0.00	0.00	28,137.00	28,137.00
Total support services	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>28,137.00</u>	<u>28,137.00</u>
Total expenditures	<u>\$ 19,698.99</u>	<u>\$ 94,676.96</u>	<u>\$ 35,490.00</u>	<u>\$ 28,183.44</u>	<u>\$ 68,716.95</u>	<u>\$ 17,397.00</u>	<u>\$ 28,137.00</u>	<u>\$ 292,300.34</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2012

Project Title	Approval Date	Budgetary Appropriations	GAAP Expenditures To Date		Unexpended Appropriations June 30, 2012
			Prior Year	Current Year	
Roofing and HVAC project	09/14/10	\$ 629,194.00	\$ 488,457.37	\$ 88,747.30	\$ 51,989.33
		<u>\$ 629,194.00</u>	<u>\$ 488,457.37</u>	<u>\$ 88,747.30</u>	<u>\$ 51,989.33</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

REVENUES AND OTHER FINANCING SOURCES:	
State sources - SDA grant	\$ 0.00
Bond proceeds and transfers	<u>0.00</u>
Total revenues and other financing sources	<u>0.00</u>
EXPENDITURES AND OTHER FINANCING USES:	
Purchased professional and technical services	6,659.80
Construction services	<u>82,087.50</u>
Total expenditures and other financing uses	<u>88,747.30</u>
Excess (deficiency) of revenues over (under) expenditures	<u><u>\$ (88,747.30)</u></u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roofing and HVAC Project
From Inception and for the Fiscal Year Ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SDA grant	\$ 251,678.00	\$ 0.00	\$ 251,678.00	\$ 251,678.00
Bond proceeds and transfers	377,516.00	0.00	377,516.00	377,516.00
Total revenues and other financing sources	629,194.00	0.00	629,194.00	629,194.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	36,355.37	6,659.80	43,015.17	42,579.00
Construction services	452,102.00	82,087.50	534,189.50	586,615.00
Total expenditures and other financing uses	488,457.37	88,747.30	577,204.67	629,194.00
Excess (deficiency) of revenues over (under) expenditures	\$ 140,736.63	\$ (88,747.30)	\$ 51,989.33	\$ 0.00
ADDITIONAL PROJECT INFORMATION:				
Project number	050-10-1002, 5870-050-10-1001			
Grant date	09/07/10			
Bond authorization date	02/08/11			
Bonds authorized	\$ 377,516.00			
Bonds issued	\$ 377,516.00			
Original authorized cost	\$ 629,194.00			
Additional authorized cost	\$ 0.00			
Revised authorized cost	\$ 629,194.00			
Percentage increase over original authorized cost	0.00%			
Percentage of completion	91.74%			
Original target completion date	08/12/11			
Revised target completion date	06/30/13			

WOODBURY HEIGHTS SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Assets
June 30, 2012

	Agency		
	Student Activity	Payroll	Total
ASSETS:			
Cash and cash equivalents	\$ 9,871.41	\$ 16,634.56	\$ 26,505.97
Interfund accounts receivable	0.00	2,588.47	2,588.47
Total assets	\$ 9,871.41	\$ 19,223.03	\$ 29,094.44
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Payroll deductions and withholdings	\$ 0.00	\$ 19,192.98	\$ 19,192.98
Interfund accounts payable	0.00	30.05	30.05
Due to student groups	9,871.41	0.00	9,871.41
Total liabilities	9,871.41	19,223.03	29,094.44
Total liabilities and fund balances	\$ 9,871.41	\$ 19,223.03	\$ 29,094.44

WOODBURY HEIGHTS SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Balance June 30, 2012
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Woodbury Heights school fund	\$ 11,321.62	\$ 8,051.79	\$ 9,502.00	\$ 9,871.41
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursement
For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ 15,731.12	\$ 2,150,192.06	\$ 2,149,288.62	\$ 16,634.56
Interfund accounts receivable	2,537.50	(2,537.50)	(2,588.47)	2,588.47
	<u>\$ 18,268.62</u>	<u>\$ 2,147,654.56</u>	<u>\$ 2,146,700.15</u>	<u>\$ 19,223.03</u>
Total assets	<u>\$ 18,268.62</u>	<u>\$ 2,147,654.56</u>	<u>\$ 2,146,700.15</u>	<u>\$ 19,223.03</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 18,226.87	\$ 842,816.37	\$ 841,850.26	\$ 19,192.98
Net payroll	0.00	1,304,559.30	1,304,559.30	0.00
Interfund accounts payable	41.75	278.89	290.59	30.05
	<u>\$ 18,268.62</u>	<u>\$ 2,147,654.56</u>	<u>\$ 2,146,700.15</u>	<u>\$ 19,223.03</u>
Total liabilities	<u>\$ 18,268.62</u>	<u>\$ 2,147,654.56</u>	<u>\$ 2,146,700.15</u>	<u>\$ 19,223.03</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligation Under Capital Leases
June 30, 2012

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance	Retired	Balance
			Principal	Interest		July 1, 2011		June 30, 2012
Apple personal computers, servers and networking equipment	06/20/11	4 Years	\$ 27,492.71	\$ 2,749.33	6.55%	\$ 27,492.71	\$ 6,215.14	\$ 21,277.57
						<u>\$ 27,492.71</u>	<u>\$ 6,215.14</u>	<u>\$ 21,277.57</u>

**WOODBURY HEIGHTS SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Budget</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 34,534.00	\$ 0.00	\$ 34,534.00	\$ 34,534.00	\$ 0.00
Total local sources	<u>34,534.00</u>	<u>0.00</u>	<u>34,534.00</u>	<u>34,534.00</u>	<u>0.00</u>
Total revenues	<u>34,534.00</u>	<u>0.00</u>	<u>34,534.00</u>	<u>34,534.00</u>	<u>0.00</u>
EXPENDITURES:					
Regular debt service:					
Interest	14,534.00	0.00	14,534.00	14,534.36	(0.36)
Redemption of principal	20,000.00	0.00	20,000.00	20,000.00	0.00
Total regular debt service	<u>34,534.00</u>	<u>0.00</u>	<u>34,534.00</u>	<u>34,534.36</u>	<u>(0.36)</u>
Total expenditures	<u>34,534.00</u>	<u>0.00</u>	<u>34,534.00</u>	<u>34,534.36</u>	<u>(0.36)</u>
Excess (deficiency) of revenues over (under) expenditures	0.00	0.00	0.00	(0.36)	0.36
Other financing sources:					
Operating transfers in:					
Transfers in	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.36</u>	<u>(0.36)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	0.00	0.00	0.00	0.00	0.00
Fund balance - July 1	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Fund balance - June 30	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Statistical Section

Financial Trends - These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

WOODBURY HEIGHTS SCHOOL DISTRICT
Net Assets By Component
Last Nine Fiscal Years
Accrual Basis of Accounting

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:									
Invested in capital assets, net of related debt	\$ 513,539.98	\$ 138,379.89	\$ 326,275.10	\$ 304,751.34	\$ 382,050.95	\$ 338,829.04	\$ 367,302.75	\$ 263,350.66	\$ 231,551.35
Restricted	291,866.68	143,573.63	8,553.69	13,332.00	5,134.27	186,123.86	328,429.06	152,850.10	6,852.23
Unrestricted	199,609.05	143,629.78	123,357.14	153,442.45	147,725.69	171,935.98	80,111.82	56,665.68	222,239.59
Total governmental activities net assets	\$ 1,005,015.71	\$ 425,583.30	\$ 458,185.93	\$ 471,525.79	\$ 534,910.91	\$ 696,888.88	\$ 775,843.63	\$ 472,866.44	\$ 460,643.17
Business-type activities:									
Invested in capital assets, net of related debt	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Restricted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrestricted	15,558.11	23,079.25	24,789.91	48,367.49	51,272.35	55,654.68	44,547.96	38,133.90	43,428.89
Total business-type activities net assets	\$ 15,558.11	\$ 23,079.25	\$ 24,789.91	\$ 48,367.49	\$ 51,272.35	\$ 55,654.68	\$ 44,547.96	\$ 38,133.90	\$ 43,428.89
District-wide activities:									
Invested in capital assets, net of related debt	\$ 513,539.98	\$ 138,379.89	\$ 326,275.10	\$ 304,751.34	\$ 382,050.95	\$ 338,829.04	\$ 367,302.75	\$ 263,350.66	\$ 231,551.35
Restricted	291,866.68	143,573.63	8,553.69	13,332.00	5,134.27	186,123.86	328,429.06	152,850.10	6,852.23
Unrestricted	215,167.16	166,709.03	148,147.05	201,809.94	198,998.04	227,590.66	124,659.78	94,799.58	265,668.48
Total district-wide activities net assets	\$ 1,020,573.82	\$ 448,662.55	\$ 482,975.84	\$ 519,893.28	\$ 586,183.26	\$ 752,543.56	\$ 820,391.59	\$ 511,000.34	\$ 504,072.06

WOODBURY HEIGHTS SCHOOL DISTRICT
Changes In Net Assets
Last Nine Fiscal Years
Accrual Basis of Accounting

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:									
Governmental activities:									
Instruction:									
Regular	\$ 1,391,478.49	\$ 1,433,766.83	\$ 1,396,780.99	\$ 1,391,427.74	\$ 1,354,913.04	\$ 1,372,907.63	\$ 1,365,076.59	\$ 1,323,231.96	\$ 1,313,857.98
Special education	277,619.70	314,714.01	296,012.05	285,630.21	288,694.46	232,054.71	209,510.88	202,846.85	164,258.28
Other instruction	140,179.53	137,217.39	135,262.26	124,959.78	136,636.36	115,776.05	105,864.18	113,791.71	97,446.12
Support services:									
Tuition	215,054.00	306,900.15	289,675.65	224,291.88	226,951.49	232,404.98	80,452.80	98,028.66	120,783.24
Student and instruction related services	461,772.50	482,256.92	504,149.61	407,064.21	393,474.08	316,275.62	337,956.01	367,979.43	373,972.25
General and business administrative services	194,056.78	211,979.64	187,803.87	198,572.30	198,632.17	196,446.90	184,086.33	231,720.32	236,717.06
School administrative services	50,143.75	48,269.98	46,005.92	45,024.90	46,953.34	46,424.64	45,078.30	44,574.57	45,093.16
Central services	76,345.00	74,883.10	70,556.27	66,031.38	64,184.62	62,867.71	62,742.74	0.00	0.00
Plant operations and maintenance	180,567.33	173,644.20	180,754.18	190,042.22	189,742.71	207,741.27	194,294.25	193,379.15	211,101.78
Pupil transportation	91,678.55	121,187.80	86,186.41	88,168.21	80,643.36	70,221.92	47,949.76	35,555.94	59,406.54
Unallocated benefits	618,683.72	596,046.48	597,103.48	577,448.82	797,649.82	763,940.43	629,607.50	566,050.22	540,087.44
Interest on long-term debt	14,636.69	5,462.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unallocated depreciation	38,007.98	41,460.17	42,381.48	40,380.37	45,638.22	34,811.55	34,493.92	29,842.14	25,406.27
Total governmental activities expenses	<u>3,750,224.02</u>	<u>3,947,789.46</u>	<u>3,832,672.17</u>	<u>3,639,042.02</u>	<u>3,824,113.67</u>	<u>3,651,873.41</u>	<u>3,297,113.26</u>	<u>3,207,000.95</u>	<u>3,188,130.12</u>
Business-type activities:									
Latchkey	48,965.87	34,764.16	53,643.48	37,622.56	41,175.93	24,386.08	22,858.14	41,551.63	24,715.99
Total business-type activities expenses	<u>48,965.87</u>	<u>34,764.16</u>	<u>53,643.48</u>	<u>37,622.56</u>	<u>41,175.93</u>	<u>24,386.08</u>	<u>22,858.14</u>	<u>41,551.63</u>	<u>24,715.99</u>
Total district expenses	<u>\$ 3,799,189.89</u>	<u>\$ 3,982,553.62</u>	<u>\$ 3,886,315.65</u>	<u>\$ 3,676,664.58</u>	<u>\$ 3,865,289.60</u>	<u>\$ 3,676,259.49</u>	<u>\$ 3,319,971.40</u>	<u>\$ 3,248,552.58</u>	<u>\$ 3,212,846.11</u>
Revenues:									
Governmental activities:									
Operating grants and contributions	\$ 687,454.61	\$ 733,149.47	\$ 710,098.93	\$ 651,276.62	\$ 838,693.01	\$ 819,290.21	\$ 686,059.67	\$ 636,905.34	\$ 670,024.31
Total governmental activities revenues	<u>687,454.61</u>	<u>733,149.47</u>	<u>710,098.93</u>	<u>651,276.62</u>	<u>838,693.01</u>	<u>819,290.21</u>	<u>686,059.67</u>	<u>636,905.34</u>	<u>670,024.31</u>
Business-type activities:									
Charges for services:									
Latchkey	41,444.73	33,053.50	30,065.90	34,717.70	36,793.60	35,492.80	29,272.20	36,256.64	27,636.24
Total business-type activities revenues	<u>41,444.73</u>	<u>33,053.50</u>	<u>30,065.90</u>	<u>34,717.70</u>	<u>36,793.60</u>	<u>35,492.80</u>	<u>29,272.20</u>	<u>36,256.64</u>	<u>27,636.24</u>
Total district revenues	<u>\$ 728,899.34</u>	<u>\$ 766,202.97</u>	<u>\$ 740,164.83</u>	<u>\$ 685,994.32</u>	<u>\$ 875,486.61</u>	<u>\$ 854,783.01</u>	<u>\$ 715,331.87</u>	<u>\$ 673,161.98</u>	<u>\$ 697,660.55</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Changes In Net Assets
Last Nine Fiscal Years
Accrual Basis of Accounting

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net (expenses)/revenues:									
Governmental activities	\$ (3,062,769.41)	\$ (3,214,639.99)	\$ (3,122,573.24)	\$ (2,987,765.40)	\$ (2,985,420.66)	\$ (2,832,583.20)	\$ (2,611,053.59)	\$ (2,570,095.61)	\$ (2,518,105.81)
Business-type activities	(7,521.14)	(1,710.66)	(23,577.58)	(2,904.86)	(4,382.33)	11,106.72	6,414.06	(5,294.99)	2,920.25
Total district-wide net expenses	<u>\$ (3,070,290.55)</u>	<u>\$ (3,216,350.65)</u>	<u>\$ (3,146,150.82)</u>	<u>\$ (2,990,670.26)</u>	<u>\$ (2,989,802.99)</u>	<u>\$ (2,821,476.48)</u>	<u>\$ (2,604,639.53)</u>	<u>\$ (2,575,390.60)</u>	<u>\$ (2,515,185.56)</u>
General revenues and other changes in net assets:									
Governmental activities:									
Property taxes levied for general purposes, net	\$ 2,299,254.00	\$ 2,220,314.00	\$ 2,016,745.00	\$ 1,919,233.00	\$ 1,740,439.00	\$ 1,740,438.96	\$ 1,844,810.00	\$ 1,598,749.00	\$ 1,651,657.00
Federal and state aid not restricted	982,233.50	1,161,123.80	1,063,928.00	1,002,608.00	1,039,940.00	971,020.10	1,048,861.40	975,747.00	944,206.00
Tuition	21,459.72	0.00	0.00	0.00	0.00	2,100.00	0.00	0.00	0.00
Investment earnings	6,261.82	4,287.36	1,568.46	2,092.38	15,325.12	29,750.96	19,904.73	2.00	1.00
Miscellaneous income	3,471.71	55,814.06	31,274.24	2,100.00	23,000.13	543.71	1,934.57	9,584.16	6,749.99
Fixed assets:									
Fixed asset transactions/contracts payable	327,962.39	(229,883.70)	0.00	0.00	0.00	5,047.44	0.00	0.00	(67,564.52)
Long-term debt:									
Capital leases	0.00	(27,492.71)	0.00	0.00	1,869.33	0.00	0.00	0.00	7,420.45
Compensated absences (increase) reduction	1,558.68	(2,125.45)	(4,282.32)	(1,653.10)	2,869.11	4,782.38	(1,479.92)	(1,763.28)	10,060.27
Total governmental activities	<u>3,642,201.82</u>	<u>3,182,037.36</u>	<u>3,109,233.38</u>	<u>2,924,380.28</u>	<u>2,823,442.69</u>	<u>2,753,683.55</u>	<u>2,914,030.78</u>	<u>2,582,318.88</u>	<u>2,552,530.19</u>
Business-type activities:									
Transfers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total business-type activities	<u>0.00</u>								
Total district-wide activities	<u>\$ 3,642,201.82</u>	<u>\$ 3,182,037.36</u>	<u>\$ 3,109,233.38</u>	<u>\$ 2,924,380.28</u>	<u>\$ 2,823,442.69</u>	<u>\$ 2,753,683.55</u>	<u>\$ 2,914,030.78</u>	<u>\$ 2,582,318.88</u>	<u>\$ 2,552,530.19</u>
Change in net assets:									
Governmental activities	\$ 579,432.41	\$ (32,602.63)	\$ (13,339.86)	\$ (63,385.12)	\$ (161,977.97)	\$ (78,899.65)	\$ 302,977.19	\$ 12,223.27	\$ 34,424.38
Business-type activities	(7,521.14)	(1,710.66)	(23,577.58)	(2,904.86)	(4,382.33)	11,106.72	6,414.06	(5,294.99)	2,920.25
Total district-wide	<u>\$ 571,911.27</u>	<u>\$ (34,313.29)</u>	<u>\$ (36,917.44)</u>	<u>\$ (66,289.98)</u>	<u>\$ (166,360.30)</u>	<u>\$ (67,792.93)</u>	<u>\$ 309,391.25</u>	<u>\$ 6,928.28</u>	<u>\$ 37,344.63</u>

WOODBURY HEIGHTS SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Nine Fiscal Years
Modified Accrual Basis of Accounting

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General fund:									
Reserved	\$ 0.00	\$ 0.00	\$ 8,553.69	\$ 13,332.00	\$ 5,134.27	\$ 186,123.86	\$ 382,859.98	\$ 187,224.72	\$ 153,806.86
Unreserved	0.00	0.00	164,558.70	153,442.45	182,991.83	171,935.98	68,598.53	63,728.77	114,959.39
Restricted	236,421.72	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assigned	78,460.63	77,832.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unassigned	170,960.50	116,801.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total general fund	<u>\$ 485,842.85</u>	<u>\$ 194,638.58</u>	<u>\$ 173,112.39</u>	<u>\$ 166,774.45</u>	<u>\$ 188,126.10</u>	<u>\$ 358,059.84</u>	<u>\$ 451,458.51</u>	<u>\$ 250,953.49</u>	<u>\$ 268,766.25</u>
All other governmental funds:									
Restricted:									
Capital projects fund	\$ 51,989.33	\$ 140,736.63	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total all other governmental funds	<u>\$ 51,989.33</u>	<u>\$ 140,736.63</u>	<u>\$ 0.00</u>						

Note: 2011 reflects the change to GASB 54.

WOODBURY HEIGHTS SCHOOL DISTRICT
Changes In Fund Balances - Governmental Funds
Last Nine Fiscal Years
Modified Accrual Basis of Accounting

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:									
Tax levy	\$ 2,299,254.00	\$ 2,220,314.00	\$ 2,016,745.00	\$ 1,919,233.00	\$ 1,740,439.00	\$ 1,740,438.96	\$ 1,844,810.00	\$ 1,598,749.00	\$ 1,651,657.00
Tuition	21,459.72	0.00	0.00	0.00	0.00	2,100.00	0.00	0.00	0.00
Interest earnings	6,261.82	4,287.36	1,568.46	2,092.38	15,325.12	0.00	1.00	2.00	1.00
Miscellaneous	3,471.71	55,814.06	31,274.24	2,100.00	23,000.13	30,294.67	21,838.30	9,584.16	6,749.99
State sources	1,489,887.63	1,430,468.65	1,440,703.53	1,524,188.34	1,760,065.94	1,639,543.82	1,633,032.72	1,541,697.27	1,501,563.78
Federal sources	179,746.12	212,126.62	333,323.40	129,696.28	118,567.07	147,711.39	101,888.35	70,955.07	112,666.53
Total revenues	4,000,081.00	3,923,010.69	3,823,614.63	3,577,310.00	3,657,397.26	3,560,088.84	3,601,570.37	3,220,987.50	3,272,638.30
Expenditures:									
Instruction:									
Regular instruction	1,367,300.98	1,433,766.83	1,396,780.99	1,391,427.74	1,354,913.04	1,372,907.63	1,365,076.59	1,323,231.96	1,313,857.98
Special education instruction	277,619.70	314,714.01	296,012.05	285,630.21	288,694.46	232,054.71	209,510.88	202,846.85	164,258.28
Other instruction	140,179.53	137,217.39	135,262.26	124,959.78	136,636.36	115,776.05	105,864.18	113,791.71	97,446.12
Support services:									
Tuition	215,054.00	306,900.15	289,675.65	224,291.88	226,951.49	232,404.98	80,452.80	98,028.66	120,783.24
Student and instruction related services	461,772.50	482,256.92	504,149.61	407,064.21	393,474.08	316,275.62	337,956.01	367,979.43	373,972.25
General administration	192,941.03	211,979.64	187,803.87	198,572.30	198,632.17	196,446.90	184,086.33	231,720.32	236,717.06
School administrative services	50,143.75	48,269.98	46,005.92	45,024.90	46,953.34	46,424.64	45,078.30	44,574.57	45,093.16
Central services	76,345.00	74,883.10	70,556.27	66,031.38	64,184.62	62,867.71	62,742.74	0.00	0.00
Plant operations and maintenance	180,240.00	173,644.20	180,754.18	190,042.22	189,742.71	207,741.27	194,294.25	193,379.15	211,101.78
Pupil transportation	91,678.55	121,187.80	86,186.41	88,168.21	80,643.36	70,221.92	47,949.76	35,555.94	59,406.54
Employee benefits	618,629.36	596,046.48	597,103.48	577,448.82	797,649.82	763,940.43	629,607.50	566,050.22	540,087.44
Capital outlay	91,185.27	28,110.71	26,986.00	0.00	48,855.55	39,425.65	138,446.01	61,641.45	18,603.41
Debt service:									
Principal	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest	14,534.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total expenditures	3,797,624.03	3,928,977.21	3,817,276.69	3,598,661.65	3,827,331.00	3,656,487.51	3,401,065.35	3,238,800.26	3,181,327.26
Excess (deficiency) of revenues over (under) expenditures	202,456.97	(5,966.52)	6,337.94	(21,351.65)	(169,933.74)	(96,398.67)	200,505.02	(17,812.76)	91,311.04
Other financing sources (uses):									
Transfers in	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers out	(0.36)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital leases (non-budgeted)	0.00	27,492.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net change in fund balances	\$ 202,456.97	\$ 21,526.19	\$ 6,337.94	\$ (21,351.65)	\$ (169,933.74)	\$ (96,398.67)	\$ 200,505.02	\$ (17,812.76)	\$ 91,311.04
Debt service as a percentage of noncapital expenditures	0.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Noncapital expenditures are total expenditures less capital outlay.

Central services and administrative information technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, central services and administrative information technology were combined in other support services as business and other support services.

Source: District records.

WOODBURY HEIGHTS SCHOOL DISTRICT
General Fund Other Local Revenue By Source
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

Fiscal Year Ended June 30	Tuition and Tuition Adjustments	Interest On Investments	Prior Year Voided Checks and Refunds	Homeless Tuition	Room Rental	Donations	Miscellaneous	Total
2012	\$ 0.00	\$ 6,261.82	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,471.71	\$ 9,733.53
2011	0.00	4,287.36	26,022.12	29,234.00	0.00	0.00	557.94	60,101.42
2010	0.00	1,568.46	0.00	0.00	0.00	0.00	31,274.24	32,842.70
2009	0.00	2,092.38	0.00	0.00	0.00	0.00	2,100.00	4,192.38
2008	4,300.00	15,325.12	0.00	0.00	0.00	2,728.00	15,972.13	38,325.25
2007	2,100.00	30,063.32	0.00	0.00	0.00	0.00	231.35	32,394.67
2006	0.00	19,904.73	0.00	0.00	0.00	0.00	1,934.57	21,839.30
2005	0.00	6,895.09	0.00	0.00	0.00	0.00	2,691.07	9,586.16
2004	0.00	2,007.73	0.00	0.00	100.00	805.10	3,838.16	6,750.99
2003	6,310.66	3,628.59	0.00	0.00	100.00	1,191.70	1,344.56	12,575.51

Source: District records.

WOODBURY HEIGHTS SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Vacant Land	Residential	Farm - Regular	Farm - Qualified	Commercial	Industrial	Apartments	Total Assessed Value	Less: Tax Exempt Property	Public Utilities*	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate**
2012	\$ 2,492,600.00	\$ 153,714,000.00	\$ 0.00	\$ 0.00	\$ 32,844,000.00	\$ 7,411,800.00	\$ 507,200.00	\$ 196,969,600.00	\$ 0.00	\$ 483,976.00	\$ 197,453,576.00	\$ 305,915,129.00	\$ 1.1430
2011	2,494,600.00	153,772,100.00	0.00	0.00	30,547,000.00	8,911,800.00	507,200.00	196,232,700.00	0.00	675,090.00	196,907,790.00	298,878,493.00	1.0760
2010	2,494,600.00	153,800,500.00	0.00	0.00	28,775,200.00	8,911,800.00	507,200.00	194,489,300.00	0.00	309,055.00	194,798,355.00	308,981,124.00	1.0110
2009	2,826,400.00	153,152,000.00	0.00	0.00	28,829,500.00	8,911,800.00	507,200.00	194,226,900.00	0.00	313,049.00	194,539,949.00	291,598,734.00	0.9410
2008	3,095,900.00	151,837,500.00	0.00	0.00	29,895,900.00	8,911,800.00	507,200.00	194,248,300.00	0.00	325,845.00	194,574,145.00	267,884,350.00	0.8940
2007	3,183,700.00	151,021,900.00	0.00	0.00	29,867,900.00	8,911,800.00	507,200.00	193,492,500.00	0.00	343,931.00	193,836,431.00	232,949,437.00	0.9250
2006	3,346,800.00	149,578,300.00	0.00	0.00	29,634,200.00	8,911,800.00	507,200.00	191,978,300.00	0.00	420,219.00	192,398,519.00	210,205,182.00	0.8950
2005	3,347,000.00	148,653,400.00	0.00	0.00	29,931,000.00	9,458,400.00	507,200.00	191,897,000.00	0.00	478,616.00	192,375,616.00	196,073,399.00	0.8450
2004	3,428,600.00	148,123,100.00	0.00	0.00	28,926,700.00	9,458,400.00	507,200.00	190,444,000.00	0.00	360,792.00	190,804,792.00	180,433,973.00	0.8420
2003	2,162,800.00	96,198,100.00	0.00	0.00	22,778,200.00	6,848,900.00	498,500.00	128,486,500.00	0.00	296,226.00	128,782,726.00	177,623,786.00	1.1390

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the county board of taxation requests treasury to order a reassessment.

Source: Municipal tax assessor.

*Taxable value of machinery, implements and equipment of telephone, telegraph and messenger system companies

**Tax rates are per \$100.

**WOODBURY HEIGHTS SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Valuation
Last Ten Fiscal Years**

Fiscal Year Ended June 30	District's Direct Rate			Overlapping Rates			Total Direct And Overlapping Tax Rate
	Basic Rate*	General Obligation Debt Service**	(From J-6) Total Direct School Tax Rate	Regional High School	Municipality	County	
2012	\$ 1.134	\$ 0.009	\$ 1.143	\$ 1.514	\$ 1.232	\$ 0.900	\$ 4.789
2011	1.076	0.000	1.076	1.447	1.206	0.897	4.626
2010	1.011	0.000	1.011	1.423	1.151	0.938	4.523
2009	0.941	0.000	0.941	1.355	1.075	0.888	4.259
2008	0.894	0.000	0.894	1.311	0.976	0.819	4.000
2007	0.925	0.000	0.925	1.234	0.881	0.764	3.804
2006	0.895	0.000	0.895	1.126	0.831	0.749	3.601
2005	0.845	0.000	0.845	1.017	0.800	0.681	3.343
2004	0.842	0.000	0.842	0.932	0.803	0.627	3.204
2003	1.139	0.000	1.139	1.283	0.963	0.915	4.300

Source: Municipal Tax Collector.

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudgeted year net budget by more than the spending growth limitation calculated as follows: the prebudgeted year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

*The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

**Rates for debt service are based on each year's requirements.

WOODBURY HEIGHTS SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2012		2003	
	Taxable Assessed Value	Percentage Of Total District Net Assessed Value	Taxable Assessed Value	Percentage Of Total District Net Assessed Value
Oak Valley Plaza, Inc.	\$ 13,433,200	6.80%	\$ 3,920,500	3.04%
Woodbury Heights Development Inc	4,510,000	2.28%	0	0.00%
WaWa, Inc.	3,049,000	1.54%	805,000	0.63%
Balducci Inc.	2,383,500	1.21%	0	0.00%
HCD Realty, LLC	2,188,800	1.11%	974,500	0.76%
Transcontinental Gas Pipeline Co.	2,081,900	1.05%	0	0.00%
Heights Plaza, LLC	1,934,600	0.98%	0	0.00%
Individual taxpayer 1	1,708,300	0.87%	0	0.00%
Individual taxpayer 2	1,543,200	0.78%	1,178,600	0.92%
McDonalds Corporation	1,510,500	0.76%	1,117,300	0.87%
The Giberty Partnership	0	0.00%	4,446,600	3.45%
Individual taxpayer 3	0	0.00%	1,184,000	0.92%
Individual taxpayer 4	0	0.00%	1,108,900	0.86%
SAI & SAI, LLC	0	0.00%	955,500	0.74%
Individual taxpayer 5	0	0.00%	874,000	0.68%
Total	\$ 34,343,000	17.39%	\$ 16,564,900	6.21%

Source: Municipal Tax Assessor.

WOODBURY HEIGHTS SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of the Levy*		Collections In Subsequent Year
		Current Amount	Percentage Of Levy	
2012	\$ 2,299,254.00	\$ 2,299,254.00	100.00%	\$ 0.00
2011	2,220,314.00	2,220,314.00	100.00%	0.00
2010	2,016,745.00	2,016,745.00	100.00%	0.00
2009	1,919,233.00	1,919,233.00	100.00%	0.00
2008	1,740,439.00	1,740,439.00	100.00%	0.00
2007	1,844,810.00	1,844,810.00	100.00%	0.00
2006	1,598,749.00	1,598,749.00	100.00%	0.00
2005	1,651,657.00	1,651,657.00	100.00%	0.00
2004	1,559,519.00	1,559,519.00	100.00%	0.00
2003	1,375,745.00	1,375,745.00	100.00%	0.00

Source: District records including the certificate and report of school taxes (A4F Form).

*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.

WOODBURY HEIGHTS SCHOOL DISTRICT
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Total District	Percentage Of Personal Income*	Per Capita*
	General Obligation Bonds	Capital Leases			
2012	\$ 357,516.00	\$ 21,277.57	\$ 378,793.57	Not Available	\$ Not Available
2011	377,516.00	27,492.71	405,008.71	0.32%	132
2010	0.00	0.00	0.00	0.00%	0
2009	0.00	0.00	0.00	0.00%	0
2008	0.00	0.00	0.00	0.00%	0
2007	0.00	1,869.33	1,869.33	0.00%	1
2006	0.00	1,869.33	1,869.33	0.00%	1
2005	0.00	11,031.85	11,031.85	0.01%	4
2004	0.00	18,452.30	18,452.30	0.02%	6
2003	0.00	25,872.75	25,872.75	0.03%	9

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

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

WOODBURY HEIGHTS SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Net General Bonded Debt Outstanding	Percentage Of Actual Taxable Value Of Property*	Per Capita**
2012	\$ 357,516.00	\$ 357,516.00	0.18%	\$ Not Available
2011	377,516.00	377,516.00	0.19%	123
2010	0.00	0.00	0.00%	0
2009	0.00	0.00	0.00%	0
2008	0.00	0.00	0.00%	0
2007	0.00	0.00	0.00%	0
2006	0.00	0.00	0.00%	0
2005	0.00	0.00	0.00%	0
2004	0.00	0.00	0.00%	0
2003	0.00	0.00	0.00%	0

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

*See Exhibit J-6 for property tax data.

**Population data can be found in Exhibit J-14.

WOODBURY HEIGHTS SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share Of Overlapping Debt
Debt repaid with property taxes:			
Municipality **	\$ 2,278,000.00	100.00%	\$ 2,278,000.00
County general obligation debt	280,798,408.13	1.01%	2,831,213.52
Regional high school district	6,905,000.00	28.32%	<u>1,955,398.92</u>
Subtotal - overlapping debt			7,064,612.44
District's direct debt			<u>405,008.71</u>
Total direct and overlapping debt			<u><u>\$ 7,469,621.15</u></u>

Source: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation.

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 municipality. 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.

*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 outstanding debt.

** As of December 31, 2011 since June 30, 2012 was not available.

WOODBURY HEIGHTS SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal debt margin calculation for fiscal year 2012:

Equalized valuation basis:	
2011	\$ 275,520,492.00
2010	302,921,735.00
2009	<u>294,101,467.00</u>
	<u>\$ 872,543,694.00</u>
Average equalized valuation of taxable property	\$ 290,847,898.00
Debt limit (2.5% of average equalized value)*	\$ 7,271,197.45
Total net debt applicable to limit	<u>357,516.00</u>
Legal debt margin	<u>\$ 6,913,681.45</u>

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 7,271,197.45	\$ 7,531,752.34	\$ 7,182,251.54	\$ 7,182,251.54	\$ 6,538,436.65	\$ 5,859,649.49	\$ 5,257,067.95	\$ 4,828,550.13	\$ 4,549,533.98	\$ 4,325,001.78
Total net debt applicable to limit	<u>357,516.00</u>	<u>377,516.00</u>	<u>0.00</u>							
Legal debt margin	<u>\$ 6,913,681.45</u>	<u>\$ 7,154,236.34</u>	<u>\$ 7,182,251.54</u>	<u>\$ 7,182,251.54</u>	<u>\$ 6,538,436.65</u>	<u>\$ 5,859,649.49</u>	<u>\$ 5,257,067.95</u>	<u>\$ 4,828,550.13</u>	<u>\$ 4,549,533.98</u>	<u>\$ 4,325,001.78</u>
Total net debt applicable to the limit as a percentage of debt limit	4.92%	5.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey, Department of Treasury, Division of Taxation.

*Limit set by N.J.S.A. 18A:24-19 for a K-6 district; other percentage limits would be applicable for other district types.

WOODBURY HEIGHTS SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population*	Personal Income**	Per Capita Personal Income***	Unemployment Rate****
2011	3,063	\$ Not Available	\$ Not Available	7.10%
2010	3,058	126,408,546.00	41,337.00	7.30%
2009	3,053	122,272,650.00	40,050.00	6.90%
2008	3,056	123,450,176.00	40,396.00	4.60%
2007	3,046	116,034,324.00	38,094.00	3.60%
2006	3,029	110,637,254.00	36,526.00	3.90%
2005	3,008	103,622,592.00	34,449.00	3.60%
2004	3,012	99,299,616.00	32,968.00	2.10%
2003	3,004	94,142,356.00	31,339.00	2.40%
2002	2,995	91,979,445.00	30,711.00	2.30%

*Population information provided by the New Jersey Department of Labor and Workforce Development.

**Personal income has been estimated based upon the municipal population and per capita personal income presented.

***Per capita personal income by municipality estimated based upon the 2000 census published by the U.S. Bureau of Economic Analysis.

****Unemployment data provided by the New Jersey Department of Labor and Workforce Development.

**WOODBURY HEIGHTS SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago**

Employer	2012		2003	
	Employees	Percentage Of Total Municipal Employment	Employees	Percentage Of Total Municipal Employment
Underwood Memorial Hospital	1,825	N/A	N/A	N/A
Kennedy Memorial Hospital	1,675	N/A	N/A	N/A
County of Gloucester	1,500	N/A	N/A	N/A
Washington Township School District	1,498	N/A	N/A	N/A
Rowan University	1,483	N/A	N/A	N/A
Missa Bay, L.L.C.	950	N/A	N/A	N/A
Monroe Township School District	792	N/A	N/A	N/A
U.S. Foodservices	725	N/A	N/A	N/A
Exxon Mobile Research & Development	700	N/A	N/A	N/A
Delaware Valley Wholesale Florist	500	N/A	N/A	N/A
Total	11,648	0.000%	0	0.000%

Source: Gloucester County Office of Economic Development and Employer Directly.

Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

N/A - Information not available

WOODBURY HEIGHTS SCHOOL DISTRICT
Full-Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Regular	20	20	20	20	20	20	19	20	17	17
Special education	3	3	3	3	3	2	2	3	3	3
Support services:										
General administration	0	0	0	1	1	1	1	1	1	1
School administrative services	2	2	2	2	2	2	2	2	2	2
Plant operations and maintenance	2	2	2	2	2	2	2	2	2	2
Other support services	1	1	1	1	1	1	1	4	4	4
Total	28	28	28	29	29	28	27	32	29	29

Source: District personnel records.

**WOODBURY HEIGHTS SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures*	Cost Per Pupil	Percentage Change	Teaching Staff**	Pupil/Teacher Ratio Elementary	Average Daily Enrollment***	Average Daily Attendance***	Percentage Change In Average Daily Enrollment	Student Attendance Percentage
2012	216	\$ 3,706,438.76	\$ 17,159	-2.78%	20	10.8:1	217.7	208.1	-1.23%	95.59%
2011	221	3,900,866.50	17,651	9.90%	20	11.05:1	220.4	210.3	-6.29%	95.42%
2010	236	3,790,290.69	16,061	7.56%	20	11.8:1	235.2	224.3	0.09%	95.37%
2009	241	3,598,661.65	14,932	-9.50%	20	12.1:1	235.0	224.3	0.69%	95.45%
2008	229	3,778,475.45	16,500	10.85%	20	11.5:1	233.4	223.7	-4.34%	95.84%
2007	243	3,617,061.86	14,885	9.04%	20	12.2:1	244.0	236.7	2.09%	97.01%
2006	239	3,262,619.34	13,651	9.56%	19	12.6:1	239.0	231.0	-6.97%	96.65%
2005	255	3,177,158.81	12,459	1.64%	20	12.8:1	256.9	246.9	1.66%	96.11%
2004	258	3,162,723.85	12,259	3.40%	17	15.2:1	252.7	243.5	-7.30%	96.36%
2003	264	3,130,009.61	11,856	16.70%	17	15.5:1	272.6	261.6	1.08%	95.96%

Source: District's records.

Note: Enrollment based on annual October district count.

*Operating expenditures equal total expenditures less debt service and capital outlay.

**Teaching staff includes only full-time equivalents of certified staff.

***Average daily enrollment and average daily attendance are obtained from the school register summary.

WOODBURY HEIGHTS SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
District buildings:										
Elementary:										
Woodbury Heights Elementary School (N/A):										
Square feet	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671	32,671
Capacity (students)	259	259	259	259	259	259	259	259	259	259
Enrollment	216	221	236	241	229	243	239	255	258	264

Number of schools at June 30, 2012:

 Elementary = 1

Source: District facilities office.

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October District count.

WOODBURY HEIGHTS SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance
 For School Facilities
 11-000-261-xxx

School Facilities*	Project Number	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Woodbury Heights Elementary School	N/A	\$ 20,442.34	\$ 18,489.00	\$ 19,831.38	\$ 20,189.84	\$ 18,345.98	\$ 19,170.00	\$ 15,516.70	\$ 15,597.81	\$ 21,669.61	\$ 19,635.66
Total school facilities		<u>20,442.34</u>	<u>18,489.00</u>	<u>19,831.38</u>	<u>20,189.84</u>	<u>18,345.98</u>	<u>19,170.00</u>	<u>15,516.70</u>	<u>15,597.81</u>	<u>21,669.61</u>	<u>19,635.66</u>
Grand total		<u>\$ 20,442.34</u>	<u>\$ 18,489.00</u>	<u>\$ 19,831.38</u>	<u>\$ 20,189.84</u>	<u>\$ 18,345.98</u>	<u>\$ 19,170.00</u>	<u>\$ 15,516.70</u>	<u>\$ 15,597.81</u>	<u>\$ 21,669.61</u>	<u>\$ 19,635.66</u>

*School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Source: District records.

WOODBURY HEIGHTS SCHOOL DISTRICT
Insurance Schedule
June 30, 2012
Unaudited

	<u>Coverage</u>	<u>GCSSDJIF Self Insured Retention</u>	<u>Deductible</u>
School package policy - Gloucester, Cumberland, Salem School Districts Joint Insurance Fund*:			
Property, Inland Marine and Automobile			
Physical Damages	\$ 150,000,000.00	\$ 250,000.00	\$ 500.00
General and Automobile Liability	10,000,000.00	250,000.00	None
Boiler and machinery	125,000,000.00	None	1,000.00
Crime	500,000.00	250,000.00	500.00
Educator's legal liability	10,000,000.00	100,000.00	None
Worker's compensation and employers' liability	Statutory	250,000.00	None
Pollution legal liability	3,000,000.00	None	25,000.00
* Excess and reinsurance carriers involved:			
Property and crime		SPELLJIF, Selective Ins. Co. of America Axis Surplus Insurance Company Westchester Surplus Lines Ins. Co. Alterra Excess & Surplus Ins. Co. Alliance Global Corporate & Specialty Marine Ins. Co. RSUI Indemnity Co.	
General liability, automobile liability, workers' compensation, educator's legal liability		SPELLJIF, Selective Ins. Co. of America	
* Group purchase of primary insurance coverage carrier array			
Boiler and machinery		Travelers Insurance Company	
Pollution legal liability		ACE American Ins. Co.	
Selective Insurance Company:			
Board secretary/business administrator	20,000.00	-	N/A
Treasurer of school monies	135,000.00	-	N/A

Source: District records.

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**

**(No Material Weaknesses Identified, No Significant Deficiencies Identified,
No Reportable Instances of Noncompliance or Other Matters Identified)**

Honorable President and
Members of the Board of Education
Borough of Woodbury Heights School District
County of Gloucester
Woodbury Heights, New Jersey

We have audited the financial statements of the Board of Education of the Borough of Woodbury Heights School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

The Board of Education of the Borough of Woodbury Heights School District is responsible for establishing and maintaining effective internal controls over financial reporting.

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

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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board of Education of the Borough of Woodbury Heights School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board of Education of the Borough of Woodbury Heights School District's financial statements that is more than inconsequential will not be prevented or detected by the Board of Education of the Borough of Woodbury Heights School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Education of the Borough of Woodbury Heights School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We noted certain matters that we reported to the Board of Education of the Borough of Woodbury Heights School District in a separate report entitled Auditor's Management Report On Administrative Findings - Financial, Compliance, and Performance dated November 16, 2012.

Compliance and Other Matters

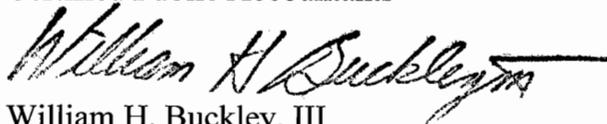
As part of obtaining reasonable assurance about whether the Board of Education of the Borough of Woodbury Heights School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. We noted certain matters that we reported to the Board of Education of the Borough of Woodbury Heights School District in a separate report entitled Auditor's Management Report on Administrative Findings - Financial, Compliance, and Performance dated November 16, 2012.

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

Respectfully submitted,

Ball, Buckley & Scher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants



William H. Buckley, III
Licensed Public School Accountant No. 86

November 16, 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 A-133 AND
NEW JERSEY OMB CIRCULAR 04-04**

**(Unqualified Opinion on Compliance; No Material Weaknesses
Or Significant Deficiencies in Internal Control Over Compliance Identified)**

Honorable President and
Members of the Board of Education
Borough of Woodbury Heights School District
County of Gloucester
Woodbury Heights, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Borough of Woodbury Heights School District, County of Gloucester, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2012. The Board of Education of the Borough of Woodbury Heights School District's major 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 state programs is the responsibility of the Board of Education of the Borough of Woodbury Heights School District's management. Our responsibility is to express an opinion on the Board of Education of the Borough of Woodbury Heights School District's compliance based on our audit.

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

In our opinion, the Board of Education of the Borough of Woodbury Heights School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

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

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 noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board of Education of the Borough of Woodbury Heights School District's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the Board of Education of the Borough of Woodbury Heights School District's internal control.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. The Board of Education of the Borough of Woodbury Heights School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education of the Borough of Woodbury Heights School District's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

Ball, Buckley & Seher, LLP

BALL, BUCKLEY & SEHER, LLP
Certified Public Accountants



William H. Buckley, III
Licensed Public School Accountant No. 86

November 16, 2012

WOODBURY HEIGHTS 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	Award Amount	Balance at June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012		
											Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education													
Passed-Through State Department													
of Education:													
General fund:													
Education jobs fund	84.410	ARRA587012	09/01/11-08/31/12	\$ 35,803.00	\$ 0.00	\$ 0.00	\$ 34,715.00	\$ 34,715.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total general fund					0.00	0.00	34,715.00	34,715.00	0.00	0.00	0.00	0.00	0.00
Special revenue fund:													
Title I	84.010A	NCLB587010	09/01/09-08/31/10	17,221.00	(2,727.00)	0.00	2,727.00	0.00	0.00	0.00	0.00	0.00	0.00
Title I	84.010A	NCLB587011	09/01/10-08/31/11	16,948.00	(4,157.39)	0.00	6,149.00	0.00	0.39	0.00	0.00	0.00	1,992.00
Title I	84.010A	NCLB587012	09/01/11-08/31/12	20,326.00	0.00	0.00	8,643.00	17,166.72	0.72	0.00	(8,523.00)	0.00	0.00
Title I - ARRA	84.389	ARRA587010	09/01/09-08/31/11	5,687.00	(5,019.26)	0.00	5,019.00	0.00	0.26	0.00	0.00	0.00	0.00
Title II - Part A	84.281	NCLB587010	09/01/09-08/31/10	12,381.00	(6,125.69)	0.00	6,125.69	0.00	0.00	0.00	0.00	0.00	0.00
Title II - Part A	84.281	NCLB587011	09/01/10-08/31/11	12,444.00	(5,179.46)	0.00	6,317.31	0.00	0.15	0.00	0.00	0.00	1,138.00
Title II - Part A	84.281	NCLB587012	09/01/11-08/31/12	11,638.00	0.00	0.00	6,087.00	11,415.90	0.90	0.00	(5,328.00)	0.00	0.00
Title II - Part D	84.281	NCLB587010	09/01/09-08/31/10	175.00	(115.80)	0.00	116.00	0.00	(0.20)	0.00	0.00	0.00	0.00
Title IV	84.188	NCLB587010	09/01/09-08/31/10	1,278.00	(49.67)	0.00	50.00	0.00	(0.33)	0.00	0.00	0.00	0.00
Title IV	84.188	NCLB587010	09/01/10-08/31/11	33.00	0.00	0.00	18.00	0.00	0.00	0.00	0.00	0.00	18.00
I.D.E.A. Part B, basic regular	84.027	IDEA587011	09/01/10-08/31/11	104,220.00	(26,638.00)	0.00	26,638.00	0.00	0.00	0.00	0.00	0.00	0.00
I.D.E.A. Part B, basic regular	84.027	IDEA587012	09/01/11-08/31/12	107,667.00	0.00	0.00	32,824.00	106,021.00	0.00	0.00	(73,197.00)	0.00	0.00
I.D.E.A. Part B, basic regular - ARRA	84.391	ARRA587010	09/01/09-08/31/11	129,634.00	(35,872.75)	0.00	44,306.00	8,437.50	4.25	0.00	0.00	0.00	0.00
I.D.E.A. Part B, preschool	84.027	IDEA587011	09/01/10-08/31/11	5,394.00	(2,098.00)	0.00	2,098.00	0.00	0.00	0.00	0.00	0.00	0.00
I.D.E.A. Part B, preschool	84.027	IDEA587012	09/01/11-08/31/12	5,402.00	0.00	0.00	0.00	1,990.00	0.00	0.00	(1,990.00)	0.00	0.00
I.D.E.A. Part B, preschool - ARRA	84.391	ARRA587010	09/01/09-08/31/11	4,690.00	(900.00)	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
Total special revenue fund					(88,883.02)	0.00	148,018.00	145,031.12	6.14	0.00	(89,038.00)	0.00	3,148.00
Total U.S. Department of Education					(88,883.02)	0.00	182,733.00	179,746.12	6.14	0.00	(89,038.00)	0.00	3,148.00
Total federal financial awards					\$ (88,883.02)	\$ 0.00	\$ 182,733.00	\$ 179,746.12	\$ 6.14	\$ 0.00	\$ (89,038.00)	\$ 0.00	\$ 3,148.00

WOODBURY HEIGHTS SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Balance at June 30, 2011						Balance at June 30, 2012				Memo		
			Award Amount	(Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
General fund:															
Equalization aid	11-495-034-5120-078	07/01/10-06/30/11	\$ 764,699.00	\$ (63,795.82)	\$ 0.00	\$ 0.00	\$ 63,795.82	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ -	\$ -
Equalization aid	12-495-034-5120-078	07/01/11-06/30/12	828,218.00	0.00	0.00	0.00	753,035.03	828,218.00	0.00	(75,182.97)	0.00	0.00	0.00	75,182.97	828,218.00
Special education categorical aid	11-495-034-5120-089	07/01/10-06/30/11	124,184.00	(10,360.18)	0.00	0.00	10,360.18	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Special education categorical aid	12-495-034-5120-089	07/01/11-06/30/12	124,184.00	0.00	0.00	0.00	112,910.97	124,184.00	0.00	(11,273.03)	0.00	0.00	0.00	11,273.03	124,184.00
Extraordinary aid	11-495-034-5120-044	07/01/10-06/30/11	11,738.00	(11,738.00)	0.00	0.00	11,738.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Extraordinary aid	12-100-034-5120-473	07/01/11-06/30/12	5,990.00	0.00	0.00	0.00	0.00	5,990.00	0.00	(5,990.00)	0.00	0.00	0.00	5,990.00	5,990.00
Reimbursement of nonpublic school transportation costs	-	07/01/11-06/30/12	1,426.50	0.00	0.00	0.00	0.00	1,426.50	0.00	(1,426.50)	0.00	0.00	0.00	1,426.50	1,426.50
Homeless tuition reimbursement	-	07/01/11-06/30/12	5,543.00	0.00	0.00	0.00	0.00	5,543.00	0.00	(5,543.00)	0.00	0.00	0.00	5,543.00	5,543.00
On-behalf T.P.A.F. pension contributions	12-495-034-5095-006	07/01/11-06/30/12	47,685.00	0.00	0.00	0.00	47,685.00	47,685.00	0.00	0.00	0.00	0.00	0.00	0.00	47,685.00
On-behalf post retirement medical contributions	12-495-034-5095-006	07/01/11-06/30/12	95,859.00	0.00	0.00	0.00	95,859.00	95,859.00	0.00	0.00	0.00	0.00	0.00	0.00	95,859.00
Reimbursed T.P.A.F. social security contributions	11-495-034-5095-002	07/01/10-06/30/11	114,084.00	(5,583.09)	0.00	0.00	5,583.09	0.00	0.00	0.00	0.00	0.00	-	-	
Reimbursed T.P.A.F. social security contributions	12-495-034-5095-002	07/01/11-06/30/12	106,524.79	0.00	0.00	0.00	101,044.93	106,524.79	0.00	(5,479.86)	0.00	0.00	0.00	5,479.86	106,524.79
Total general fund				<u>(91,477.09)</u>	<u>0.00</u>	<u>0.00</u>	<u>1,202,012.02</u>	<u>1,215,430.29</u>	<u>0.00</u>	<u>(104,895.36)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>104,895.36</u>	<u>1,215,430.29</u>
Special revenue fund:															
New Jersey nonpublic aid:															
Textbook aid	12-100-034-5120-064	07/01/11-06/30/12	19,699.00	0.00	0.00	0.00	19,699.00	19,698.99	0.01	0.00	0.00	0.00	0.00	0.00	19,698.99
Nursing aid	10-100-034-5120-070	07/01/09-06/30/10	29,722.00	0.00	231.60	0.00	0.00	0.00	231.60	0.00	0.00	0.00	0.00	-	-
Nursing aid	12-100-034-5120-070	07/01/11-06/30/12	28,137.00	0.00	0.00	0.00	28,137.00	28,137.00	0.00	0.00	0.00	0.00	0.00	0.00	28,137.00
Auxiliary services:															
Compensatory education	10-100-034-5120-067	07/01/09-06/30/10	116,123.00	0.00	93.00	0.00	0.00	0.00	93.00	0.00	0.00	0.00	0.00	-	-
Compensatory education	11-100-034-5120-067	07/01/10-06/30/11	85,402.00	0.00	2,187.28	0.00	0.00	0.00	2,187.28	0.00	0.00	0.00	0.00	-	-
Compensatory education	12-100-034-5120-067	07/01/11-06/30/12	102,285.00	0.00	0.00	0.00	102,285.00	94,676.96	(0.96)	0.00	0.00	7,609.00	0.00	94,676.96	
English as second language	10-100-034-5120-067	07/01/09-06/30/10	1,957.00	0.00	38.00	0.00	0.00	0.00	38.00	0.00	0.00	0.00	0.00	-	-
English as second language	11-100-034-5120-067	07/01/10-06/30/11	1,708.00	0.00	1,195.72	0.00	0.00	0.00	1,195.72	0.00	0.00	0.00	0.00	-	-
English as second language	12-100-034-5120-067	07/01/11-06/30/12	862.00	0.00	0.00	0.00	862.00	0.00	0.00	0.00	0.00	862.00	0.00	0.00	
Transportation	10-100-034-5120-067	07/01/09-06/30/10	42,570.00	0.00	2,758.44	0.00	0.00	0.00	2,758.44	0.00	0.00	0.00	0.00	-	-
Transportation	12-100-034-5120-067	07/01/11-06/30/12	35,490.00	0.00	0.00	0.00	35,490.00	35,490.00	0.00	0.00	0.00	0.00	0.00	0.00	35,490.00
Home instruction	11-100-034-5120-067	07/01/10-06/30/11	1,072.00	(1,072.00)	0.00	0.00	1,072.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Handicapped services:															
Supplementary instruction	10-100-034-5120-066	07/01/09-06/30/10	15,929.00	0.00	50.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00	0.00	-	-
Supplementary instruction	12-100-034-5120-066	07/01/11-06/30/12	17,397.00	0.00	0.00	0.00	17,397.00	17,397.00	0.00	0.00	0.00	0.00	0.00	0.00	17,397.00
Examination and classification	10-100-034-5120-066	07/01/09-06/30/10	41,853.00	0.00	72.00	0.00	0.00	0.00	72.00	0.00	0.00	0.00	0.00	-	-
Examination and classification	11-100-034-5120-066	07/01/10-06/30/11	46,560.00	0.00	1,115.00	0.00	0.00	0.00	1,115.00	0.00	0.00	0.00	0.00	-	-
Examination and classification	12-100-034-5120-066	07/01/11-06/30/12	28,184.00	0.00	0.00	0.00	28,184.00	28,183.44	0.56	0.00	0.00	0.00	0.00	0.00	28,183.44
Corrective speech	10-100-034-5120-066	07/01/09-06/30/10	75,324.00	0.00	126.91	0.00	0.00	0.00	126.91	0.00	0.00	0.00	0.00	-	-
Corrective speech	11-100-034-5120-066	07/01/10-06/30/11	70,331.00	0.00	3,051.00	0.00	0.00	0.00	3,051.00	0.00	0.00	0.00	0.00	-	-
Corrective speech	12-100-034-5120-066	07/01/11-06/30/12	75,035.00	0.00	0.00	0.00	75,035.00	68,716.95	0.05	0.00	0.00	6,318.00	0.00	68,716.95	
Total special revenue fund				<u>(1,072.00)</u>	<u>10,918.95</u>	<u>0.00</u>	<u>308,161.00</u>	<u>292,300.34</u>	<u>10,918.61</u>	<u>0.00</u>	<u>0.00</u>	<u>14,789.00</u>	<u>0.00</u>	<u>292,300.34</u>	
Total state financial assistance				<u>\$ (92,549.09)</u>	<u>\$ 10,918.95</u>	<u>\$ 0.00</u>	<u>\$ 1,510,173.02</u>	<u>\$ 1,507,730.63</u>	<u>\$ 10,918.61</u>	<u>\$ (104,895.36)</u>	<u>\$ 0.00</u>	<u>\$ 14,789.00</u>	<u>\$ 104,895.36</u>	<u>\$ 1,507,730.63</u>	

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

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 - RELATIONSHIP TO 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 the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. 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 special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$12,300.00) for the general fund and \$0.00 for the special revenue fund. See the Notes to Required Supplementary Information (Exhibit C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ 34,715.00	\$ 1,197,587.29	\$ 1,232,302.29
Special revenue fund	<u>145,031.12</u>	<u>292,300.34</u>	<u>437,331.46</u>
Total awards and financial assistance	<u>\$ 179,746.12</u>	<u>\$ 1,489,887.63</u>	<u>\$ 1,669,633.75</u>

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

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

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, 2012. 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.

NOTE 6 - MAJOR PROGRAMS

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

**WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards - No Federal Single Audit Required

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes _____ no
- 2) Significant deficiencies identified? _____ yes _____ none reported

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

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

Identification of major programs:

<u>CFDA Numbers(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs? _____

Auditee qualified as low-risk auditee? _____ yes _____ no

**WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2012**

Section I - Summary of Auditor's Results (Concluded)

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

_____ yes X no _____ N/A

Internal Control over major programs:

1) Material weakness(es) identified?

_____ yes X no

2) Significant deficiencies identified that were not considered to be material weaknesses?

_____ yes X none reported

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

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04?

_____ yes X no

Identification of major programs:

State Grant/Project Number

Name of State Program

12-495-034-5120-078

Equalization aid

12-495-034-5120-089

Special education categorical aid

**WOODBURY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2012**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

Finding 12-0

No Current Year Findings.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings to be reported by Section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

Federal and State Awards

Finding 12-0

No Current Year Findings or Questioned Costs.

**WOODBURY HEIGHTS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
JUNE 30, 2012**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular Letter 04-04.

Status of Prior Year Findings

Finding 11-0

There were no prior year audit findings.