

**Comprehensive Annual  
Financial Report**

**of the**

**City of North Wildwood Board of Education**

**NORTH WILDWOOD, NEW JERSEY**

**For the Year Ended June 30, 2010**

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## **INTRODUCTORY SECTION**

# North Wildwood Board Of Education

1201 Atlantic Avenue  
North Wildwood, N.J. 08260  
(609) 729-4649

November 19, 2010

Honorable President and  
Members of the Board of Education  
City of North Wildwood School District  
County of Cape May, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the City of North Wildwood Board of Education for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the New Jersey OMB Circular 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:** The City of North Wildwood Board of Education is an independent reporting entity within the criteria adopted by the GASB Statement No. 14 as established by NCGA Statement No. 3. All funds of the District are included in this report. The City of North Wildwood Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K - 8. These include regular, vocational as well as special education for handicapped students. The District completed the 2009-2010 fiscal year with an average daily enrollment of 317. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009-10	317.0	2.26%
2008-09	310.0	-1.90%
2007-08	316.0	6.76%
2006-07	296.0	-11.93%
2005-06	336.1	-7.36%
2004-05	362.8	-4.30%
2003-04	379.1	-6.00%
2002-03	403.3	-0.05%
2001-02	403.5	3.73%
2000-01	389.0	-7.36%

2. **ECONOMIC CONDITION AND OUTLOOK:** Our city continues to experience an increase of tourists and an extended tourist year with festivals, parades and other additional activities. The community continues to grow with an influx of new housing, renovations and additions to property.
3. **MAJOR INITIATIVES:** The District provides instructional programs for pre-kindergarten through eighth grade, which are supplemented with programs including library, technology, art, music, applied technology, computers, gifted and talented, and basic skills.

The District continues to focus on New Jersey's Core Curriculum Content Standards and Cross-Content and to align school programs with the benchmarks identified in the Standards. Language Arts/Literacy, Mathematics, Science, Health and Physical Education, Visual and Performing Arts, Social Studies and World Languages are reviewed as part of the multi-year curriculum review. The District has expanded the technology curriculum and instruction to include the elementary grades to meet the new Technology Literacy Standard. These important standards have both curricular and financial support to anticipate student success on the state's NJ ASK and GEPA assessment tests.

The District continues to focus on supportive programs to increase student involvement and motivation. The District is a member of the Cape Atlantic Athletic League for extracurricular offerings and to provide students with the opportunity to experience interaction outside the barrier island.

Community and parental involvement are a primary focus of the Board and staff. The District joined with the city government and service agencies to provide community service projects for students. The District supported the local Home and School Association's initiatives to increase educational opportunities for students and create more parental involvement.

We have a high commitment to our five-year technology plan, we purchased additional computers for instructional purposes and an additional portable lab for more flexible classroom use. Upgrading of the computer network and in-house teacher training are critical components to maintaining staff and student use and value for technology

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 accounting principles generally accepted in the United States of America (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 is also 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 periodically to determine the adequacy of the internal control structure, including that portion related to state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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 as of June 30, 2010.

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

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

8. **DEBT ADMINISTRATION:** At June 30, 2010, the District's outstanding debt issues included \$1,506,000.00 of general obligation bonds.

9. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. 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 1980 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 funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

11. **OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the basic financial statements and 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.

12. **ACKNOWLEDGMENTS:**

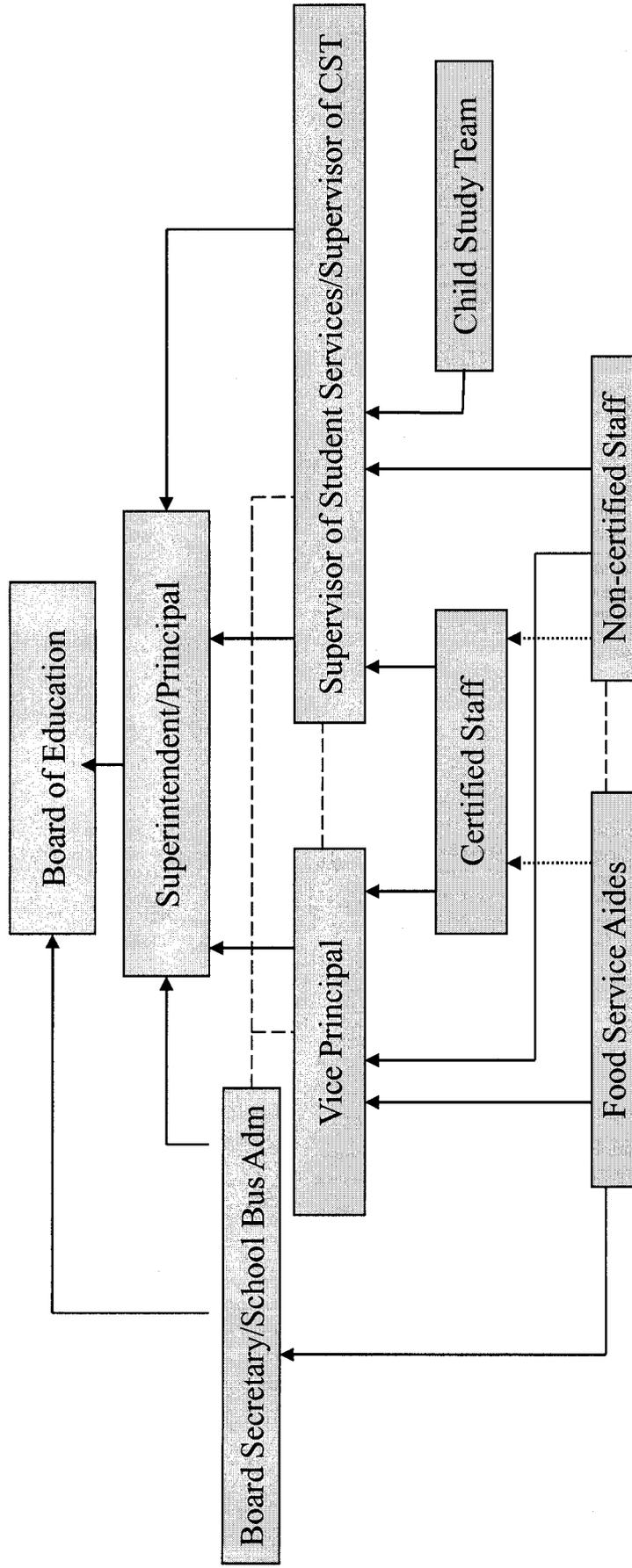
We would like to express our appreciation to the members of the City of North Wildwood Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could have not been accomplished without the efficient and dedicated services of our financial and accounting personnel.

Respectfully submitted,

Michael Buccialia  
Superintendent

John J. Hansen  
Board Secretary/Business Administrator

# Organizational Chart North Wildwood School District



Each employee in the district is responsible to the Board through the Superintendent. All personnel shall refer matters requiring administrative action to the administrative officer immediately in charge of the area in which the problem arises. Administrative officers shall refer such matters to the next higher authority, when necessary. All employees shall have the right to appeal any decision made by an administrative officer to the next higher authority and through appropriate successive steps to the Board.

Revised 7/06

**CITY OF NORTH WILDWOOD BOARD OF EDUCATION  
NORTH WILDWOOD, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2010**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
David MacDonald, President	2013
Via Zampirri, Vice President	2012
Charles Burns	2011
Scott McCracken	2012
Ronald Golden	2013
Michael Brown, Sr.	2011
Laura Stefankiewicz	2012
James Perlof	2011
Linda Williams	2013
David Delconte	2013

**Other Officials**

Michael Buccialia, Superintendent  
John Hansen, Business Administrator/Board Secretary  
Ross Versaggi, Treasurer  
Peter M. Tourison, Solicitor

**CITY OF NORTH WILDWOOD BOARD OF EDUCATION  
Consultants and Advisors**

**Audit Firm**

Ford, Scott & Associates, L.L.C.  
Certified Public Accountants  
1535 Wesley Avenue  
Ocean City, NJ 08226

**Attorney**

Peter M. Tourison  
3823 Bayshore Road  
P.O. Box 766  
North Cape May, NJ 08204

**Official Depositories**

Crest Savings Bank  
5<sup>th</sup> and New Jersey Avenues  
North Wildwood, NJ 08260

Municipal Investors Service, Corp.  
113 King Street  
Armonk, NY 10504

PNC Bank  
1300 New Jersey Avenue  
North Wildwood, NJ 08260

**FINANCIAL SECTION**



# F O R D - S C O T T

& A S S O C I A T E S , L . L . C .

C E R T I F I E D P U B L I C A C C O U N T A N T S

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

PHONE 609.399.6333 • FAX 609.399.3710

## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
City of North Wildwood School District  
County of Cape May, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the City of North Wildwood School District, in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of North Wildwood Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the City of North Wildwood Board of Education, in the County of Cape May, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2010 on our consideration of the City of North Wildwood Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information as listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The accompanying schedules of expenditures of state financial assistance are presented for purposes of additional analysis as required by Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of 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.

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

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**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**November 19, 2010**

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED**

The discussion and analysis of North Wildwood School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- In total, net assets increased \$412,697.23, which represents a 7 percent increase from 2009.
- General revenues accounted for \$8,537,993.60 in revenue or 93 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$641,689.52 or 7 percent of total revenues of \$9,230,328.38.
- The School District had \$8,691,040.32 in expenses; only \$582,740.59 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$8,537,917.15 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$8,316,690.45 in revenues and \$8,169,864.68 in expenditures. The General Fund's fund balance increased \$146,826.23 from 2009.

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

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

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

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

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

Enterprise Fund

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

**Notes to the Financial Statements**

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

**The School District as a Whole**

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

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

Table 1 provides a summary of the School District's net assets for 2010 and 2009.

**Table 1  
Net Assets**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Current and Other Assets	\$ 2,410,039.82	\$ 2,157,825.33
Capital Assets	<u>5,890,274.66</u>	<u>5,685,363.49</u>
Total Assets	<u>8,300,314.48</u>	<u>7,843,188.82</u>
<b>Liabilities</b>		
Long-Term Liabilities	1,709,299.98	1,791,046.30
Other Liabilities	<u>517,350.02</u>	<u>391,175.27</u>
Total Liabilities	<u>2,226,650.00</u>	<u>2,182,221.57</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	4,384,274.66	4,034,363.49
Restricted	1,666,062.68	680,627.01
Unrestricted	<u>23,327.14</u>	<u>945,976.75</u>
Total Net Assets	<u>\$ 6,073,664.48</u>	<u>\$ 5,660,967.25</u>

The District's combined net assets were \$6,073,664.48 on June 30, 2010. This was an increase of 7 percent from the prior year.

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

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

Table 2 shows changes in net assets for fiscal year 2010 and 2009.

**Table 2  
Changes in Net Assets**

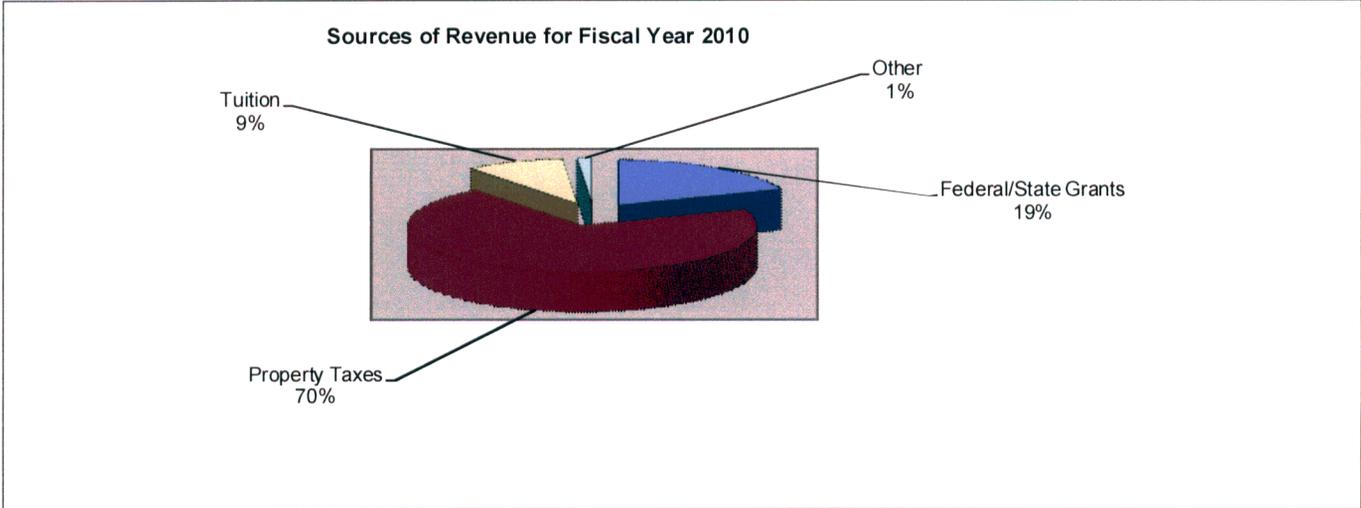
	2010	2009
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 50,645.26	\$ 51,971.26
Operating Grants and Contributions	641,689.52	574,112.97
Capital Grants and Contributions	-	2,720.92
General Revenues:		
Property Taxes	6,413,740.00	6,430,567.98
Grants and Entitlements	1,167,681.87	1,392,606.33
Other	956,571.73	799,756.09
<b>Total Revenues</b>	<b>9,230,328.38</b>	<b>9,251,735.55</b>
 <b>Program Expenses</b>		
Instruction	4,210,184.96	4,042,357.87
Support Services:		
Pupils and Instructional Staff	3,018,394.15	2,732,839.26
General and School Administration	523,016.21	473,444.27
Business and Other Support Services	694,323.48	665,686.54
Pupil Transportation	168,028.98	145,044.04
Interest on Debt	77,092.54	81,567.54
Food Service	126,590.83	108,219.84
<b>Total Expenses</b>	<b>8,817,631.15</b>	<b>8,249,159.36</b>
<b>Increase in Net Assets</b>	<b>\$ 412,697.23</b>	<b>\$ 1,002,576.19</b>

**Governmental Activities**

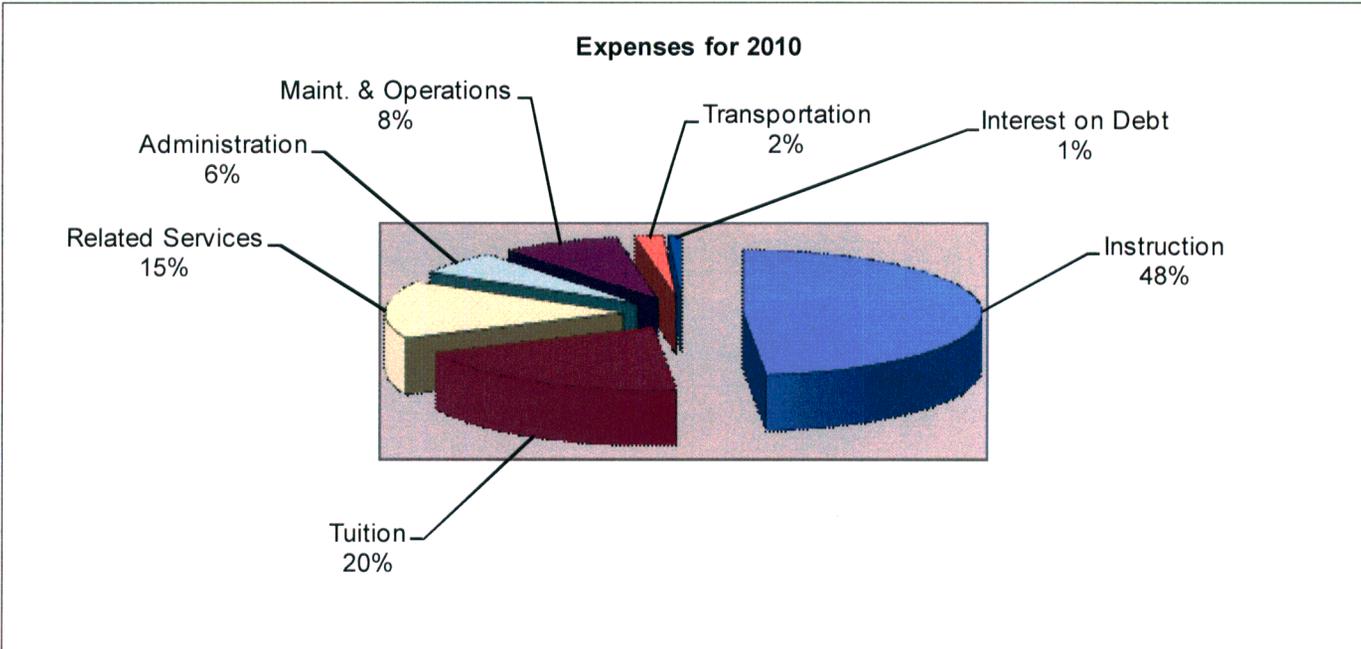
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 70 percent of revenues for governmental activities for the North Wildwood District for the fiscal year 2010. The District's total revenues were \$9,120,657.74 for the year ended June 30, 2010. Federal, state, and local grants accounted for another 19 percent of revenue.

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**Governmental Activities (Continued)**



The total cost of all program and services was \$8,691,040.32. Instruction comprises 48 percent of District expenses.



**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**Business-Type Activities**

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

- Food service expenses exceeded revenues by \$16,920.19.
- Charges for services represent \$50,645.26 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast was \$58,948.93.

**Governmental Activities**

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

**Table 3**

	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>
Instruction	\$ 4,210,184.96	\$ 3,725,892.32	\$ 4,042,357.87	\$ 3,635,138.76
Support Services:				
Pupils and Instructional Staff	3,018,394.15	2,919,946.20	2,732,839.26	2,620,185.88
General and School Administration	523,016.21	523,016.21	473,444.27	473,444.27
Maintenance of Facilities	694,323.48	694,323.48	665,686.54	665,686.54
Pupil Transportation	168,028.98	168,028.98	145,044.04	145,044.04
Interest and Fiscal Charges	77,092.54	77,092.54	81,567.54	81,567.54
Total Expenses	<u>\$ 8,691,040.32</u>	<u>\$ 8,108,299.73</u>	<u>\$ 8,140,939.52</u>	<u>\$ 7,621,067.03</u>

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

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

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

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

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**Governmental Activities (Continued)**

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and unallocated depreciation.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$9,120,657.74 and expenditures were \$8,974,697.81. The net change in fund balance for the year was most significant in the General Fund, an increase of \$146,825.77.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2009</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 7,373,481.28	80.84%	\$ 139,451.62	1.93%
State Sources	1,398,241.19	15.33%	(219,340.40)	-13.56%
Federal Sources	348,935.27	3.83%	56,758.96	19.43%
Total	<u>\$ 9,120,657.74</u>	100.00%	<u>\$ (23,129.82)</u>	-0.25%

State revenues decreased by \$219,340.40. The decrease in state revenue can be attributed to the changes in state aid. Federal revenues increased by \$56,758.96. Local revenues increased by \$139,451.62 mainly due to prior year tuition adjustments.

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

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

The following schedule represents a summary of general fund, special revenue fund, capital projects, and debt service fund expenditures for the fiscal year ended June 30, 2010, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2008</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 3,116,383.27	34.72%	\$ 108,180.88	3.60%
Undistributed Expenditures	5,345,959.47	59.57%	427,717.29	8.70%
Capital Outlay	278,095.49	3.10%	(33,835.21)	-10.85%
Special Schools	9,141.44	0.10%	(13,195.03)	-59.07%
Charter Schools	3,025.60	0.03%	(45,855.40)	-93.81%
Debt Service	222,092.54	2.47%	(1,475.00)	-0.66%
<b>Total</b>	<b>\$ 8,974,697.81</b>	<b>100.00%</b>	<b>\$ 441,537.53</b>	<b>-152.10%</b>

Changes in expenditures were the results of varying factors.

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Some of these revisions bear notation:

- The regular programs undistributed supplies increased due to a purchase of additional educational supplies.
- Tuition to the special services school district was less than anticipated due to decreased enrollment and tuition adjustments.
- Health benefits increased more than originally anticipated.

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**Capital Assets**

At the end of the fiscal year 2010, the School District had 5,890,274.66 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2010 balances compared to 2009.

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

	<u>2010</u>	<u>2009</u>
Land	\$ 474,000.00	\$ 474,000.00
Building and Building Improvements	5,225,123.07	5,076,097.05
Machinery and Equipment	191,151.59	135,266.44
Total	<u>\$ 5,890,274.66</u>	<u>\$ 5,685,363.49</u>

Overall capital assets increased \$204,911.17 from fiscal year 2009 to fiscal year 2010. The increase in capital assets is due primarily to depreciation being lower than additions to capital assets. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2010, the School District had \$1,859,299.98 of outstanding debt. Of this amount, \$353,299.98 is for compensated absences; and \$1,506,000.00 of serial bonds for school construction.

**Table 5  
Outstanding Debt at June 30,**

	<u>2010</u>	<u>2009</u>
Compensated Absences	\$ 353,299.98	\$ 285,046.30
1999 General Obligation Bonds	1,506,000.00	1,651,000.00
Total	<u>\$ 1,859,299.98</u>	<u>\$ 1,936,046.30</u>

At June 30, 2010, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule J-13.

**For the Future**

The North Wildwood School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the recent enrollment decline of the District; however, if property values continue to grow the property tax rate should continue to decrease. The state's reliance on maximum appropriation of fund surplus for use in tax relief may jeopardize that stabilization in the future. The decrease in enrollment may also cause a decrease in state funding. In conclusion, the North Wildwood School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**NORTH WILDWOOD SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED (CONTINUED)**

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact John J. Hansen, Business Administrator/Board Secretary at City of North Wildwood Board of Education, 1201 Atlantic Avenue, North Wildwood, NJ 08260, (609) 729-4649.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2010**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,370,306.98	\$ 24,958.07	\$ 1,395,265.05
Receivables, Net	348,027.00	6,113.11	354,140.11
Internal Balances	(6,951.67)	11,816.14	4,864.47
Restricted Assets:			
Cash Reserve Account	48,794.29		48,794.29
Maintenance Reserve Account	364,979.19		364,979.19
Tuition Reserve Account	241,996.71		241,996.71
Capital Assets, Net (Note 5)	5,890,274.66	-	5,890,274.66
Total Assets	8,257,427.16	42,887.32	8,300,314.48
<b>LIABILITIES</b>			
Accounts Payable	40,417.46	-	40,417.46
Accrued Interest Payable	24,000.00		24,000.00
Payable to State Government	104,911.18		104,911.18
Deferred Revenue	198,021.38		198,021.38
Noncurrent Liabilities (Note 6)			
Due Within One Year	150,000.00		150,000.00
Due Beyond One Year	1,709,299.98		1,709,299.98
Total Liabilities	2,226,650.00	-	2,226,650.00
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	4,384,274.66	-	4,384,274.66
Restricted for:			
Capital Projects	48,794.29		48,794.29
Debt Service	(24,000.00)		(24,000.00)
Other Purposes	1,641,268.39		1,641,268.39
Unrestricted	(19,560.18)	42,887.32	23,327.14
Total Net Assets	\$ 6,030,777.16	\$ 42,887.32	\$ 6,073,664.48

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2010**

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 2,706,992.32	\$ -	\$ -	\$ -	\$ (2,706,992.32)	\$ -	\$ (2,706,992.32)
Special Education	1,125,527.37	-	484,292.64	-	(641,234.73)	-	(641,234.73)
Other Special Instruction	377,665.27	-	-	-	(377,665.27)	-	(377,665.27)
<b>Support Services:</b>							
Tuition	1,717,877.20	-	98,447.95	-	(1,717,877.20)	-	(1,717,877.20)
Student & Instruction Related Services	1,300,516.95	-	-	-	(1,202,069.00)	-	(1,202,069.00)
School Administrative Services	69,838.58	-	-	-	(69,838.58)	-	(69,838.58)
Other Administrative Services	453,177.63	-	-	-	(453,177.63)	-	(453,177.63)
Plant Operation and Maintenance	694,323.48	-	-	-	(694,323.48)	-	(694,323.48)
Pupil Transportation	168,028.98	-	-	-	(168,028.98)	-	(168,028.98)
Interest on Long-Term Debt	77,092.54	-	-	-	(77,092.54)	-	(77,092.54)
<b>Total Governmental Activities</b>	<b>8,691,040.32</b>	<b>-</b>	<b>582,740.59</b>	<b>-</b>	<b>(8,108,299.73)</b>	<b>-</b>	<b>(8,108,299.73)</b>
<b>Business-Type Activities:</b>							
Food Service	126,590.83	50,645.26	58,948.93	-	(16,996.64)	(16,996.64)	(16,996.64)
<b>Total Business-Type Activities</b>	<b>126,590.83</b>	<b>50,645.26</b>	<b>58,948.93</b>	<b>-</b>	<b>(16,996.64)</b>	<b>(16,996.64)</b>	<b>(16,996.64)</b>
<b>Total Primary Government</b>	<b>\$ 8,817,631.15</b>	<b>\$ 50,645.26</b>	<b>\$ 641,689.52</b>	<b>\$ -</b>	<b>\$ (8,108,299.73)</b>	<b>\$ (16,996.64)</b>	<b>\$ (8,125,296.37)</b>

**General Revenues:**

**Taxes:**

Property Taxes, Levied for General Purposes, Net

Taxes Levied for Debt Service

Federal and State Aid not Restricted

Tuition Received

Interest Earnings

Miscellaneous Income

Transfers

\$ 6,413,740.00	\$ -	\$ 6,413,740.00
1,167,681.87	-	1,167,681.87
832,520.00	76.45	832,520.00
8,279.16	-	8,355.61
115,696.12	-	115,696.12

**Total General Revenues, Special Items, Extraordinary Items and Transfers**

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

8,537,917.15	76.45	8,537,993.60
429,617.42	(16,920.19)	412,697.23
5,601,159.74	59,807.51	5,660,967.25
<b>\$ 6,030,777.16</b>	<b>\$ 42,887.32</b>	<b>\$ 6,073,664.48</b>

## **FUND FINANCIAL STATEMENTS**

The individual fund financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2010**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 1,353,544.03	\$ 16,762.95	\$ -	\$ -	\$ -	\$ 1,370,306.98
Due from Other Funds	53,237.31					53,237.31
Receivables from Other Governments	20,748.00	327,279.00				348,027.00
Restricted Cash & Cash Equivalents	655,770.19					655,770.19
<b>Total Assets</b>	<u>\$ 2,083,299.53</u>	<u>\$ 344,041.95</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,427,341.48</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 19,551.80	\$ 20,865.66	\$ -	\$ -	\$ -	\$ 40,417.46
Due to Other Funds	11,816.14	48,372.84				60,188.98
Payable to Other Governments		104,911.18				104,911.18
Deferred Revenue	10,804.31	187,217.07				198,021.38
<b>Total Liabilities</b>	<u>42,172.25</u>	<u>361,366.75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403,539.00</u>
Fund Balances:						
Reserved for:						
Encumbrances	191,806.20					191,806.20
Excess Surplus	424,151.04					424,151.04
Excess Surplus - Designated for						
Subsequent Year's Expenditures	435,660.00					435,660.00
Capital Reserve Account	48,794.29					48,794.29
Tuition Reserve	241,996.76					241,996.76
Maintenance Reserve	364,979.19					364,979.19
Unreserved, Reported in:						
General Fund - Designated for						
Subsequent Year's Expenditures	158,552.00					158,552.00
General Fund	175,187.80					175,187.80
Special Revenue Fund		(17,324.80)				(17,324.80)
Capital Projects Fund						-
Debt Service Fund				-		-
<b>Total Fund Balances</b>	<u>2,041,127.28</u>	<u>(17,324.80)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,023,802.48</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,083,299.53</u>	<u>\$ 344,041.95</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The cost of the assets is \$7,821,960.38 and the accumulated depreciation is \$1,931,685.72.

5,890,274.66

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

(1,859,299.98)

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

(24,000.00)

Net assets of governmental activities

\$ 6,030,777.16

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2010**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 6,191,647.00	\$ -	\$ -	\$ 222,093.00	\$ 6,413,740.00
Tuition	832,520.00				832,520.00
Interest	8,279.16				8,279.16
Restricted Miscellaneous	11,454.62				11,454.62
Miscellaneous	104,241.50	3,246.00			107,487.50
Total Local Sources	7,148,142.28	3,246.00	-	222,093.00	7,373,481.28
State Sources	1,168,548.17	229,693.02			1,398,241.19
Federal Sources		348,935.27			348,935.27
Total Revenues	<u>8,316,690.45</u>	<u>581,874.29</u>	<u>-</u>	<u>222,093.00</u>	<u>9,120,657.74</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	1,981,817.97				1,981,817.97
Special Education Instruction	373,199.05	484,292.64			857,491.69
Other Special Instruction	277,073.61				277,073.61
Support Services:					
Tuition	1,714,851.60				1,714,851.60
Student & Instruction Related Serv.	898,357.72	98,447.95			996,805.67
School Administrative Services	54,046.36				54,046.36
Other Administrative Services	350,865.89				350,865.89
Plant Operation and Maintenance	576,647.39				576,647.39
Pupil Transportation	168,028.98				168,028.98
Employee Benefits	1,484,713.58				1,484,713.58
Transfer to Charter Schools	3,025.60				3,025.60
Special Schools	9,141.44				9,141.44
Capital Outlay	278,095.49				278,095.49
Debt Service				222,092.54	222,092.54
Total Expenditures	<u>8,169,864.68</u>	<u>582,740.59</u>	<u>-</u>	<u>222,092.54</u>	<u>8,974,697.81</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>146,825.77</u>	<u>(866.30)</u>	<u>-</u>	<u>0.46</u>	<u>145,959.93</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer out	-			(0.46)	(0.46)
Transfer in	0.46				0.46
Total Other Financing Sources and Uses	<u>0.46</u>	<u>-</u>	<u>-</u>	<u>(0.46)</u>	<u>-</u>
Net Changes in Fund Balance	146,826.23	(866.30)	-	0.00	145,959.93
Fund Balance - July 1	1,894,301.05	(16,458.50)	-	-	1,877,842.55
Fund Balance - June 30	<u>\$ 2,041,127.28</u>	<u>\$ (17,324.80)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,023,802.48</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2010**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 145,959.93

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

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

	Depreciation expense	\$ (115,948.32)	
	Capital Outlays	<u>320,859.49</u>	
			204,911.17

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of activities. 145,000.00

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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+). (68,253.68)

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation. 2,000.00

Change in Net Assets of Governmental Activities \$ 429,617.42

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Assets**  
**June 30, 2010**

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 24,958.07	\$ 24,958.07
Interfund Accounts Receivable	11,816.14	11,816.14
Accounts Receivable	6,113.11	6,113.11
Total Current Assets	<u>42,887.32</u>	<u>42,887.32</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	2,089.00	2,089.00
Less: Accumulated Depreciation	<u>(2,089.00)</u>	<u>(2,089.00)</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 42,887.32</u>	<u>\$ 42,887.32</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ -	\$ -
Total Current Liabilities	<u>-</u>	<u>-</u>
Noncurrent Liabilities:		
None	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		
Invested in Capital Assets Net of Related Debt	-	-
Unrestricted	42,887.32	42,887.32
Total Net Assets	<u>\$ 42,887.32</u>	<u>\$ 42,887.32</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2010**

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales	\$ 50,645.26	\$ 50,645.26
Total Operating Revenue	<u>50,645.26</u>	<u>50,645.26</u>
Operating Expenses:		
Cost of Sales	82,268.76	82,268.76
Salaries	27,882.43	27,882.43
Employee Benefits	14,339.64	14,339.64
General Supplies	2,100.00	2,100.00
Total Operating Expenses	<u>126,590.83</u>	<u>126,590.83</u>
Operating Income (Loss)	<u>(75,945.57)</u>	<u>(75,945.57)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Breakfast Program	339.30	339.30
State School Lunch Program	2,189.76	2,189.76
Federal Sources:		
National School Breakfast Program	5,817.84	5,817.84
National School Lunch Program	50,602.03	50,602.03
Interest and Investment Income	76.45	76.45
Total Nonoperating Revenues (Expenses)	<u>59,025.38</u>	<u>59,025.38</u>
Income (Loss) before Contributions & Transfers	<u>(16,920.19)</u>	<u>(16,920.19)</u>
Transfers In (Out)	<u>-</u>	<u>-</u>
Changes in Net Assets	(16,920.19)	(16,920.19)
Total Net Assets - Beginning	<u>59,807.51</u>	<u>59,807.51</u>
Total Net Assets - Ending	<u>\$ 42,887.32</u>	<u>\$ 42,887.32</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2010**

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 50,645.26	\$ 50,645.26
Payments to Employees	(27,882.43)	(27,882.43)
Payments for Employee Benefits	(14,339.64)	(14,339.64)
Payments for Supplies	(87,313.68)	(87,313.68)
Net Cash Provided by (Used for) Operating Activities	(78,890.49)	(78,890.49)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	2,451.16	2,451.16
Federal Sources	54,404.24	54,404.24
Operating Subsidies and Transfers to Other Funds	40,532.14	40,532.14
Net Cash Provided by (Used for) Noncapital Financing Activities	97,387.54	97,387.54
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest and Dividends	76.45	76.45
Net Cash Provided by (Used for) Investing Activities	76.45	76.45
Net Increase (Decrease) in Cash and Cash Equivalents	18,573.50	18,573.50
Balance - Beginning of Year	6,384.57	6,384.57
Balance - End of Year	\$ 24,958.07	\$ 24,958.07
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (75,945.57)	\$ (75,945.57)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:		
Increase (Decrease) in Accounts Payable	(2,944.92)	(2,944.92)
Total Adjustments	(2,944.92)	(2,944.92)
Net Cash Provided by (Used for) Operating Activities	\$ (78,890.49)	\$ (78,890.49)

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Net Assets**  
**June 30, 2010**

	Unemployment Compensation	Private Purpose Scholarship Fund	Agency Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,831.68	\$ 853.86	\$ 14,578.42
Total Assets	3,831.68	853.86	14,578.42
<b>LIABILITIES</b>			
Accounts Payable	2,161.65		
Interfund Payable			4,864.47
Payable to Student Groups			9,670.45
Payroll Deductions and Withholdings			43.50
Total Liabilities	2,161.65	-	\$ 14,578.42
<b>NET ASSETS</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 1,670.03		
Reserved for Scholarships		\$ 853.86	

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2010**

	Unemployment Compensation	Private Purpose Scholarship Fund
<b>ADDITIONS</b>		
Contributions	\$ 5,273.35	\$ -
Board Contribution	6,010.63	
Total Contributions	11,283.98	-
Investment Earnings:		
Interest		4.56
Less: Investment Expense		
Net Investment Earnings	-	4.56
Total Additions	11,283.98	4.56
<b>DEDUCTIONS</b>		
Unemployment Claims	8,535.38	
Scholarship Awards		500.00
Total Deductions	8,535.38	500.00
Changes in Net Assets	2,748.60	(495.44)
Net Assets - Beginning of the Year	(1,078.57)	1,349.30
Net Assets (Deficit) - End of the Year	\$ 1,670.03	\$ 853.86

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

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

The financial statements of the Board of Education (Board) of City of North Wildwood School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**A. Reporting Entity**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-8. The District operates a combined elementary and middle school located in the City of North Wildwood.

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

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

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

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

**Basis of Presentation**

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

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

**Basis of Presentation - Continued**

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**Governmental Funds**

The District reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

**Basis of Presentation - Continued**

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Proprietary Funds

The District reports the following proprietary fund:

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

The District's Enterprise Fund is comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

Fiduciary Funds

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

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

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains the Scholarship Fund as a Nonexpendable Trust Fund.

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

**Measurement Focus and Basis of Accounting**

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

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

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

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

**C. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

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

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

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

**D. Encumbrance Accounting**

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

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

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

**E. Assets, Liabilities and Equity**

**Cash, Cash Equivalents and Investments**

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

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

Cash, Cash Equivalents and Investments - Continued

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

Capital Assets

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

All reported capital assets except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

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

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

Deferred Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

Revenues – Exchange and Nonexchange Transactions

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

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

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

Management Estimates

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

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

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk, however the State of New Jersey imposes certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1.

Deposits

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2010, the carrying amount of the District's deposits (cash and cash equivalents) was \$2,070,299.20 and the bank balance was \$2,201,068.35.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

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

As of June 30, 2010, the District's bank balance was exposed to custodial credit risk as follows:

		<u>Cash and Cash Equivalents</u>
Insured	\$	351,352.11
Uninsured and collateral held by pledging bank's trust department not in the District's name		1,849,716.24
Uninsured		-
	\$	<u><u>2,201,068.35</u></u>

Bank balances of cash amounted to \$2,201,068.35 as of June 30, 2010 of which \$351,352.11 was FDIC insured. Bank balances in excess of the insured amounts that are collateralized in accordance with the Governmental Deposit Protection Act (GUDPA) adopted by the State of New Jersey were \$1,849,716.24 as of June 30, 2010, \$0.00 was uninsured and uncollateralized

Investments

The District had no investments at June 30, 2010.

**NOTE 3 – RECEIVABLES**

Receivables at June 30, 2010, consisted of interfunds receivable and intergovernmental receivables. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>		<u>Government Wide Financial Statements</u>
State and Federal Aid	\$ 348,027.00	\$	354,140.11
Interfund	53,237.31		4,864.47
Gross Receivables	<u>401,264.31</u>		<u>359,004.58</u>
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$ 401,264.31</u></u>	\$	<u><u>359,004.58</u></u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**NOTE 4 – INTERFUND TRANSFERS AND BALANCES**

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

The following interfund balances remained on the fund financial statements at June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 53,237.31	\$ 11,816.14
Special Revenue Fund		48,372.84
Food Service Enterprise Fund	11,816.14	
Trust and Agency Fund		4,864.47
Total	\$ 65,053.45	\$ 65,053.45

The general fund receivable is comprised of two interfunds. The first one is due from the special revenue fund in the amount of \$48,372.84 which is a result of the general fund's loan to cover the special revenue fund's cash deficit. The second one of \$4,864.47 is a result of the interest and other miscellaneous items that are due from the payroll agency such as voided checks. The general fund interfund payable consists of \$11,816.14 that is due to the food service account as a result of payments for food service costs.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 474,000.00	\$ -	\$ -	\$ 474,000.00
Total capital assets not being depreciated	<u>474,000.00</u>	<u>-</u>	<u>-</u>	<u>474,000.00</u>
Capital assets being depreciated:				
Buildings and improvements	6,622,180.85	249,439.58		6,871,620.43
Machinery & Equipment	410,268.04	71,419.91	(5,348.00)	476,339.95
Total capital assets being depreciated at historical cost	<u>7,032,448.89</u>	<u>320,859.49</u>	<u>(5,348.00)</u>	<u>7,347,960.38</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,546,083.81)	(100,413.56)		(1,646,497.37)
Equipment	(275,001.59)	(15,534.76)	5,348.00	(285,188.35)
Total capital assets being depreciated, net of accumulated depreciation	<u>5,211,363.49</u>	<u>204,911.17</u>	<u>-</u>	<u>5,416,274.66</u>
Governmental activity capital assets, net	<u>\$ 5,685,363.49</u>	<u>\$ 204,911.17</u>	<u>\$ -</u>	<u>\$ 5,890,274.66</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 2,089.00	\$ -	\$ -	\$ 2,089.00
Less accumulated depreciation	(2,089.00)			(2,089.00)
Enterprise Fund capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense is charged to governmental functions as follows:

Regular Instruction	\$ 50,721.73
Special Education	21,948.98
Other Special Instruction	7,091.29
Student & Instruction Related Service	25,511.78
School Administrative Services	1,383.24
Business & Other Support Services	8,979.90
Special Schools	311.40
	<u>\$ 115,948.32</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**NOTE 6 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2010 are as follows:

	Balance June 30, 2009	Issues or Additions	Payments or Expenditures	Balance June 30, 2010	Amounts Due Within One Year
Compensated Absences	\$ 285,046.30	\$ 68,253.68	\$	\$ 353,299.98	\$ -
Bonds Payable	<u>1,651,000.00</u>	<u></u>	<u>145,000.00</u>	<u>1,506,000.00</u>	<u>150,000.00</u>
	<u>\$ 1,936,046.30</u>	<u>\$ 68,253.68</u>	<u>\$ 145,000.00</u>	<u>\$ 1,859,299.98</u>	<u>\$ 150,000.00</u>

Compensated absences and capital leases have been liquidated in the General Fund.

Bonds Payable

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

At June 30, 2010, bonds payable consisted of the following issues:

\$2,821,000.00 General Improvement Bonds, dated January 1, 1999, due in annual installments through February 2, 2019, bearing interest at varying rates. The balance remaining as of June 30, 2010 is \$1,506,000.00.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$ 150,000.00	\$ 70,386.26	\$ 220,386.26
2012	155,000.00	63,448.76	218,448.76
2013	155,000.00	56,280.00	211,280.00
2014	160,000.00	49,111.26	209,111.26
2015	165,000.00	41,711.26	206,711.26
2016-2019	<u>721,000.00</u>	<u>86,860.00</u>	<u>807,860.00</u>
	<u>\$ 1,506,000.00</u>	<u>\$ 367,797.54</u>	<u>\$ 1,873,797.54</u>

Capital Leases

As of June 30, 2010, the Board had no capital lease obligations.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**NOTE 7 – ECONOMIC DEPENDENCY**

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

**NOTE 8 – PENSION PLANS**

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

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2010.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**NOTE 8 – PENSION PLANS - Continued**

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

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

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

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS and TPAF provides for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 62,345.00	100%	\$ -
6/30/2009	53,772.69	100%	-
6/30/2008	36,745.60	80%	9,186.40

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**NOTE 8 – PENSION PLANS - Continued**

Three Year Trend Information for TPAF (Paid on behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 210,172.00	100%	\$ -
6/30/2009	212,353.00	100%	-
6/30/2008	444,738.00	100%	-

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$210,172.00 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$239,114.87 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund- based statements as revenues and expenditures in accordance with GASB Statement No. 24.

**NOTE 9 – POST-RETIREMENT BENEFITS**

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

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of \$1.38 billion for fiscal year 2009 and \$3.22 million for fiscal year 2008.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2010  
 (CONTINUED)**

**NOTE 10 – COMPENSATED ABSENCES**

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010, no liability existed for compensated absences in the Food Service Enterprise Fund.

**NOTE 11 – DEFERRED COMPENSATION**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by various third-party service organizations, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

**NOTE 12 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by City of North Wildwood Board of Education on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in a capital reserve by appropriating funds in the general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

Beginning balance, July 1, 2009	\$ 46,545.06
Interest earnings	249.23
Deposits - Budgeted	2,000.00
Budgeted Withdrawals	<u>-</u>
Ending balance, June 30, 2010	<u><u>\$ 48,794.29</u></u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**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.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amounts Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$ 6,010.63	\$ 5,273.35	\$ 8,535.38	\$ 1,670.03
2008-2009		11,110.29	12,404.61	(1,078.57)
2007-2008		12,981.03	12,953.82	215.75

**NOTE 14 – CONTINGENT LIABILITIES**

Federal and State Grants

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

**NOTE 15 – FUND BALANCE APPROPRIATED**

General Fund - Of the \$2,041,127.28 General Fund fund balance at June 30, 2010, \$241,996.76 has been legally reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); \$859,811.04 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$435,660.00 of the excess surplus is appropriated and included as anticipated revenue for the year ending June 30, 2010; \$48,794.29 has been reserved in the Capital Reserve Account; \$364,979.19 has been reserved in the Maintenance Reserve Account; \$158,552.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and \$175,187.80 is unreserved and undesignated.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010  
(CONTINUED)**

**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 years' budget. The excess fund balance at June 30, 2010 was \$424,151.04. The excess fund balance at June 30, 2009 was \$435,660.07.

**NOTE 17 – DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$17,324.80 in the Special Revenue Fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). P.L. 2008, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry. i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the Special revenue fund in the GAAP fund statements of \$17,324.80 is equal to the last state aid payment for that fund.

**NOTE 18 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2010 through November 19, 2010, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 6,191,647.00	\$ -	\$ 6,191,647.00	\$ 6,191,647.00	\$ -
Other Local Government Units - Restricted	14,458.00		14,458.00	11,454.62	(3,003.38)
Tuition	832,520.00		832,520.00	832,520.00	-
Interest on Capital Reserve	2,000.00		2,000.00	2,249.23	249.23
Interest on Maintenance Reserve			-	4,517.54	4,517.54
Interest on Tuition Reserve			-	1,512.39	1,512.39
Miscellaneous	20,000.00		20,000.00	104,241.50	84,241.50
<b>Total Local Sources</b>	<u>7,060,625.00</u>	<u>-</u>	<u>7,060,625.00</u>	<u>7,148,142.28</u>	<u>87,517.28</u>
State Sources:					
Categorical Special Education Aid	138,149.00		138,149.00	138,149.00	-
Categorical Security Aid	45,156.00	(1,350.00)	43,806.00	43,806.00	-
Adjustment Aid	763,622.00	(267,268.00)	496,354.00	496,354.00	-
Categorical Transportation Aid	55,861.00	(19,551.00)	36,310.00	36,310.00	-
Extraordinary Aid	23,181.00		23,181.00	20,239.00	(2,942.00)
Additional State Aid			-	509.00	509.00
TPAF Pension (On-Behalf, Non-Budgeted)			-	210,172.00	210,172.00
Post-Retirement Medical Contributions			-	239,114.87	239,114.87
TPAF Social Security (Reimbursed-Non-Budgeted)			-	239,114.87	239,114.87
<b>Total State Sources</b>	<u>1,025,969.00</u>	<u>(288,169.00)</u>	<u>737,800.00</u>	<u>1,184,653.87</u>	<u>446,853.87</u>
<b>Total Revenues</b>	<u>8,086,594.00</u>	<u>(288,169.00)</u>	<u>7,798,425.00</u>	<u>8,332,796.15</u>	<u>534,371.15</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Kindergarten - Salaries of Teachers	131,000.00		131,000.00	129,484.57	1,515.43
Grades 1 - 5 Salaries of Teachers	995,100.00	(31,000.00)	964,100.00	956,021.94	8,078.06
Grades 6 - 8 Salaries of Teachers	660,100.00	(25,000.00)	635,100.00	618,522.94	16,577.06
Regular Programs - Home Instruction					
Salaries of Teachers	3,000.00		3,000.00		3,000.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	86,260.00		86,260.00	72,675.68	13,584.32
Purchased Professional Educational Services	2,100.00		2,100.00	1,725.00	375.00
Purchased Technical Services	500.00	900.00	1,400.00	300.00	1,100.00
Other Purchased Services (400-500 series)	36,791.63	(900.00)	35,891.63	29,724.83	6,166.80
General Supplies	151,212.31	58,862.95	210,075.26	153,496.91	56,578.35
Textbooks	20,000.00		20,000.00		20,000.00
Other Objects	21,000.00	600.00	21,600.00	19,866.10	1,733.90
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>2,107,063.94</u>	<u>3,462.95</u>	<u>2,110,526.89</u>	<u>1,981,817.97</u>	<u>128,708.92</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
Resource Room/Resource Center					
Salaries of Teachers	373,000.00		373,000.00	372,128.56	871.44
General Supplies	5,568.64		5,568.64	1,070.49	4,498.15
<b>Total Resource Room/Resource Center</b>	<u>378,568.64</u>	<u>-</u>	<u>378,568.64</u>	<u>373,199.05</u>	<u>5,369.59</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>378,568.64</u>	<u>-</u>	<u>378,568.64</u>	<u>373,199.05</u>	<u>5,369.59</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Basic Skills/Remedial - Instruction					
Salaries of Teachers	\$ 207,000.00	\$ -	\$ 207,000.00	\$ 187,291.40	\$ 19,708.60
General Supplies	2,000.00		2,000.00		2,000.00
Total Basic Skills/Remedial - Instruction	<u>209,000.00</u>	<u>-</u>	<u>209,000.00</u>	<u>187,291.40</u>	<u>21,708.60</u>
Bilingual Education - Instruction					
Salaries of Teachers	12,000.00		12,000.00	11,984.07	15.93
General Supplies	500.00		500.00		500.00
Total Bilingual Education - Instruction	<u>12,500.00</u>	<u>-</u>	<u>12,500.00</u>	<u>11,984.07</u>	<u>515.93</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	11,175.00	(250.00)	10,925.00	10,675.00	250.00
Purchased Services (300-500 series)	300.00	700.00	1,000.00	950.90	49.10
Supplies & Materials	3,000.00	(450.00)	2,550.00	2,456.43	93.57
Transfers to Cover Deficit	100.00	600.00	700.00	677.63	22.37
Total School-Spon. Cocurricular Activities - Inst.	<u>14,575.00</u>	<u>600.00</u>	<u>15,175.00</u>	<u>14,759.96</u>	<u>415.04</u>
School-Sponsored Athletics - Instruction					
Salaries	39,000.00		39,000.00	38,602.00	398.00
Purchased Services (300-500 series)	23,000.00		23,000.00	15,660.42	7,339.58
Supplies & Materials	8,000.00		8,000.00	6,151.76	1,848.24
Other Objects	3,000.00		3,000.00	2,624.00	376.00
Total School-Sponsored Athletics - Instruction	<u>73,000.00</u>	<u>-</u>	<u>73,000.00</u>	<u>63,038.18</u>	<u>9,961.82</u>
<b>TOTAL INSTRUCTION</b>	<u>2,794,707.58</u>	<u>4,062.95</u>	<u>2,798,770.53</u>	<u>2,632,090.63</u>	<u>166,679.90</u>
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	988,084.00		988,084.00	988,084.00	-
Tuition to Other LEAs Within the State-Special	161,872.00		161,872.00	161,872.00	-
Tuition to County Voc. School Dist. - Regular	266,838.00		266,838.00	266,837.50	0.50
Tuition to County Voc. School Dist. - Special	63,000.00		63,000.00	63,000.00	-
Tuition to CSSD & Regional Day Schools	249,794.00	(46,000.00)	203,794.00	157,318.50	46,475.50
Tuition to Private Schools for the Disabled - Within State	46,990.00		46,990.00	46,989.60	0.40
Tuition - State Facilities	30,750.00		30,750.00	30,750.00	-
Total Undistributed Expenditures - Instruction	<u>1,807,328.00</u>	<u>(46,000.00)</u>	<u>1,761,328.00</u>	<u>1,714,851.60</u>	<u>46,476.40</u>
Undistributed Expend. - Attend. & Social Worker					
Salaries	82,000.00		82,000.00	80,205.15	1,794.85
Other Purchased Services (400-500 series)	2,351.12		2,351.12	1,020.96	1,330.16
Supplies & Materials	2,000.00		2,000.00	2,000.00	-
Other Objects	5,000.00		5,000.00	2,555.00	2,445.00
Total Undist. Expend. - Attend. & Social Worker	<u>91,351.12</u>	<u>-</u>	<u>91,351.12</u>	<u>85,781.11</u>	<u>5,570.01</u>
Undistributed Expend. - Health Services					
Salaries	89,450.00		89,450.00	89,060.09	389.91
Purchased Professional and Technical Services	6,110.00		6,110.00	5,493.25	616.75
Other Purchased Services (400-500 series)	150.00		150.00	93.21	56.79
Supplies & Materials	3,000.00		3,000.00	830.13	2,169.87
Other Objects	110.00		110.00	85.00	25.00
Total Undistributed Expend. - Health Services	<u>98,820.00</u>	<u>-</u>	<u>98,820.00</u>	<u>95,561.68</u>	<u>3,258.32</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	\$ 75,300.00	\$ -	\$ 75,300.00	\$ 74,448.57	\$ 851.43
Purchased Professional - Educational Services	3,500.00	2,000.00	5,500.00	5,352.91	147.09
Supplies & Materials	2,000.00		2,000.00	1,244.50	755.50
Student - Related Services	<u>80,800.00</u>	<u>2,000.00</u>	<u>82,800.00</u>	<u>81,045.98</u>	<u>1,754.02</u>
Undist. Expend. - Other Support Serv. Students - Extra Services					
Salaries	7,000.00		7,000.00		7,000.00
Purchased Professional - Educational Services	90,000.00	(2,000.00)	88,000.00	78,293.88	9,706.12
Supplies & Materials	100.00		100.00		100.00
Student - Extra Services	<u>97,100.00</u>	<u>(2,000.00)</u>	<u>95,100.00</u>	<u>78,293.88</u>	<u>16,806.12</u>
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	105,000.00	(700.00)	104,300.00	101,891.79	2,408.21
Salaries of Secretarial and Clerical Assistants	12,825.00	700.00	13,525.00	13,512.62	12.38
Purchased Professional - Educational Services	23,500.00		23,500.00	18,599.00	4,901.00
Other Purchased Prof. And Tech. Services	2,641.45		2,641.45	637.00	2,004.45
Other Purchased Services (400-500 series)	1,723.50		1,723.50	935.88	787.62
Supplies & Materials	6,294.02		6,294.02	2,250.74	4,043.28
Undistributed Expenditures - Guidance	<u>151,983.97</u>	<u>-</u>	<u>151,983.97</u>	<u>137,827.03</u>	<u>14,156.94</u>
Undist Expenditures - Child Study Teams					
Salaries of Other Professional Staff	101,314.00		101,314.00	97,355.59	3,958.41
Salaries of Secretarial and Clerical Assistants	31,800.00		31,800.00	30,941.42	858.58
Purchased Professional - Education Services	80,300.00	1,350.00	81,650.00	79,617.22	2,032.78
Other Purchased Professional and Tech. Services	5,181.00		5,181.00	4,718.50	462.50
Misc Pur Serv (400-500 series O/than Resid Costs)	4,351.09		4,351.09	1,430.67	2,920.42
Supplies & Materials	7,000.00		7,000.00	2,368.67	4,631.33
Other Objects	1,000.00		1,000.00	369.39	630.61
Undist. Expend. - Other Support Serv. Students Spec.	<u>230,946.09</u>	<u>1,350.00</u>	<u>232,296.09</u>	<u>216,801.46</u>	<u>15,494.63</u>
Undist. Expend. - Improvement of Inst. Services					
Salary of Supervisor of Instruction	46,350.00	2,550.00	48,900.00	48,859.37	40.63
Salaries of Secretarial and Clerical Assistants	32,350.00	(500.00)	31,850.00	31,836.16	13.84
Other Purchased Services (400-500 series)	350.00	(100.00)	250.00	78.97	171.03
Supplies & Materials	1,500.00	(1,300.00)	200.00	180.02	19.98
Other Objects	589.00	(361.00)	228.00	119.00	109.00
Total Undist. Expend. - Improvement of Inst. Serv.	<u>81,139.00</u>	<u>289.00</u>	<u>81,428.00</u>	<u>81,073.52</u>	<u>354.48</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	67,900.00		67,900.00	62,785.25	5,114.75
Salaries of Technology Coordinators	36,100.00		36,100.00	35,672.28	427.72
Purchased Professional and Technical Services	1,000.00		1,000.00	633.00	367.00
Other Purchased Services (400-500 series)	4,551.09	600.00	5,151.09	3,920.80	1,230.29
Supplies & Materials	30,000.00	(7,950.00)	22,050.00	14,351.31	7,698.69
Other Objects	1,500.00	1,650.00	3,150.00	164.00	2,986.00
Total Undistributed Expenditures - Educational Media Services - School Library	<u>141,051.09</u>	<u>(5,700.00)</u>	<u>135,351.09</u>	<u>117,526.64</u>	<u>17,824.45</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	4,250.00		4,250.00	4,221.42	28.58
Purchased Professional - Education Services	500.00		500.00	225.00	275.00
Supplies & Materials	500.00	(200.00)	300.00		300.00
Total Undistributed Expenditures - Instructional Staff Training Services	<u>5,250.00</u>	<u>(200.00)</u>	<u>5,050.00</u>	<u>4,446.42</u>	<u>603.58</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 117,821.00	\$ 600.00	\$ 118,421.00	\$ 117,131.83	\$ 1,289.17
Legal Services	15,700.00		15,700.00	5,238.00	10,462.00
Audit Fees	20,500.00		20,500.00	19,800.00	700.00
Architectural and Engineering Services	3,500.00		3,500.00		3,500.00
Communications/Telephone -	14,000.00		14,000.00	11,425.61	2,574.39
BOE Other Purchased Services	3,249.50		3,249.50	49.50	3,200.00
Misc. Purch. Serv (400-500 series) Other than 530 & 585	22,351.10		22,351.10	21,515.90	835.20
General Supplies	10,006.25	(600.00)	9,406.25	4,342.32	5,063.93
BOE In-House Training/Meeting Supplies	951.09		951.09	235.95	715.14
Miscellaneous Expenditures	16,500.00		16,500.00	12,959.10	3,540.90
BOE Membership Dues and Fees	12,000.00		12,000.00	11,652.00	348.00
Other	691.78		691.78	684.78	7.00
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>237,270.72</b>	<b>-</b>	<b>237,270.72</b>	<b>205,034.99</b>	<b>32,235.73</b>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	35,595.00		35,595.00	35,595.00	-
Salaries of Secretarial and Clerical Assistants	12,360.00	50.00	12,410.00	12,409.10	0.90
Other Purchased Services (400-500 series)	2,100.00		2,100.00	1,842.34	257.66
Supplies & Materials	6,000.00	(50.00)	5,950.00	2,916.14	3,033.86
Other Objects	2,500.00		2,500.00	1,283.78	1,216.22
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>58,555.00</b>	<b>-</b>	<b>58,555.00</b>	<b>54,046.36</b>	<b>4,508.64</b>
Undist. Expend. - Central Services					
Salaries	103,000.00	11,000.00	114,000.00	113,428.96	571.04
Purchased Professional Services	35,415.00	(11,000.00)	24,415.00	17,725.20	6,689.80
Miscellaneous Purchased Service (400-500 Series)	2,551.12		2,551.12	1,134.41	1,416.71
Supplies and Materials	5,181.89		5,181.89	1,091.26	4,090.63
Miscellaneous Expenditures	4,000.00		4,000.00	3,021.08	978.92
<b>Total Undistributed Expenditures - Central Services</b>	<b>150,148.01</b>	<b>-</b>	<b>150,148.01</b>	<b>136,400.91</b>	<b>13,747.10</b>
Undist. Expend. - Admin. Info. Technology					
Purchased Technical Services	10,100.00		10,100.00	7,919.97	2,180.03
Supplies and Materials	5,400.00		5,400.00	1,510.02	3,889.98
Other Objects	26,800.00		26,800.00		26,800.00
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<b>42,300.00</b>	<b>-</b>	<b>42,300.00</b>	<b>9,429.99</b>	<b>32,870.01</b>
Undist. Expend. - Required Maint. School Fac.					
Salaries	29,300.00		29,300.00	25,943.71	3,356.29
Cleaning, Repair and Maintenance Service	55,782.94	(6,247.00)	49,535.94	39,193.36	10,342.58
General Supplies	5,865.13	203.70	6,068.83	3,808.63	2,260.20
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>90,948.07</b>	<b>(6,043.30)</b>	<b>84,904.77</b>	<b>68,945.70</b>	<b>15,959.07</b>
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	259,200.00		259,200.00	244,755.62	14,444.38
Purchased Professional and Technical Services	5,000.00	500.00	5,500.00	5,152.00	348.00
Cleaning, Repair, and Maintenance Services	45,719.58	10,745.91	56,465.49	49,782.76	6,682.73
Other Purchased Property Services	21,750.00	1,000.00	22,750.00	15,798.73	6,951.27
Insurance	14,000.00		14,000.00	14,000.00	-
Miscellaneous Purchased Services	200.00		200.00		200.00
General Supplies	28,862.17		28,862.17	26,695.67	2,166.50
Energy (Heat and Electricity)	97,500.00		97,500.00	74,197.12	23,302.88
Other Objects	416.00	100.00	516.00	492.00	24.00
Salaries of Non-Instructional Aids	22,010.00		22,010.00	21,583.75	426.25
Energy (Natural Gas)	100,000.00	(21,100.00)	78,900.00	35,244.14	43,655.86
<b>Total Undistributed Expenditures - Other Operations and Maintenance of Plant</b>	<b>594,657.75</b>	<b>(8,754.09)</b>	<b>585,903.66</b>	<b>487,701.79</b>	<b>98,201.87</b>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Security					
Salaries	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 19,999.90	\$ 0.10
Total Undistributed Expenditures - Security	20,000.00	-	20,000.00	19,999.90	0.10
Total Undistributed Expenditures					
Operations and Maintenance of Plant	705,605.82	(14,797.39)	690,808.43	576,647.39	114,161.04
Undist. Expend. - Student Transportation Serv.					
Management Fee - ESC & CTSA Trans Program	11,359.86		11,359.86	8,410.00	2,949.86
Contr Serv (Bet. Home & Sch) - Vendors	7,908.00	500.00	8,408.00	4,701.00	3,707.00
Contr. Serv. (Other than Home & School) - Vend	15,193.92	(500.00)	14,693.92	9,367.46	5,326.46
Contr. Serv. - (Bt. Home and School) - Joint Agrmt	42,766.00		42,766.00	23,493.52	19,272.48
Contr. Serv. - (Reg Students) - ESCs & CTSA	31,000.00		31,000.00	25,346.96	5,653.04
Contr. Serv. (Spc Ed. Students) - ESCs & CTSA	100,000.00	(5,000.00)	95,000.00	88,996.77	6,003.23
Contr. Serv. - Aid in Lieu of Payments - Non Pub	6,527.45		6,527.45	3,711.45	2,816.00
Contr. Serv. - Aid in Lieu of Payments - Charter	7,001.82		7,001.82	4,001.82	3,000.00
Total Undistributed Expenditures - Student Transportation Services	221,757.05	(5,000.00)	216,757.05	168,028.98	48,728.07
Unallocated Benefits					
Social Security Contribution	67,200.00	4,500.00	71,700.00	67,226.22	4,473.78
Other Retirement Contributions - Regular	64,300.00		64,300.00	62,345.00	1,955.00
Unemployment Compensation	8,000.00		8,000.00	4,858.39	3,141.61
Workmen's Compensation	35,000.00	(4,500.00)	30,500.00	29,894.00	606.00
Health Benefits	844,000.00	56,000.00	900,000.00	855,528.09	44,471.91
Tuition Reimbursement	18,850.00		18,850.00	14,000.01	4,849.99
Other Employee Benefits	1,725.00		1,725.00	1,575.00	150.00
Total Unallocated Benefits	1,039,075.00	56,000.00	1,095,075.00	1,035,426.71	59,648.29
TPAF (On-Behalf-Non-Budgeted)					
Post-Retirement Medical Contributions			-	210,172.00	(210,172.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	239,114.87	(239,114.87)
Total On-Behalf Contributions			-	449,286.87	(449,286.87)
Total Personal Services - Employee Benefits	1,039,075.00	56,000.00	1,095,075.00	1,484,713.58	(389,638.58)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>5,240,480.87</b>	<b>(14,058.39)</b>	<b>5,226,422.48</b>	<b>5,247,511.52</b>	<b>(21,089.04)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>8,035,188.45</b>	<b>(9,995.44)</b>	<b>8,025,193.01</b>	<b>7,879,602.15</b>	<b>145,590.86</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures - Instruction	76,164.00	17,000.00	93,164.00	76,596.93	16,567.07
Undist. Expend. - Required Maint. for School Fac.	5,000.00		5,000.00	1,487.75	3,512.25
Undist. Expend. - Security	2,500.00		2,500.00		2,500.00
Total Equipment	83,664.00	17,000.00	100,664.00	78,084.68	22,579.32
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	81,775.00		81,775.00	42,290.40	39,484.60
Construction Services	481,080.00		481,080.00	157,720.41	323,359.59
Total Facilities Acquisition and Constr. Serv	562,855.00	-	562,855.00	200,010.81	362,844.19
<b>TOTAL CAPITAL OUTLAY</b>	<b>646,519.00</b>	<b>17,000.00</b>	<b>663,519.00</b>	<b>278,095.49</b>	<b>385,423.51</b>
Summer School - Instruction					
Salaries of Teachers	7,500.00	900.00	8,400.00	8,350.00	50.00
Other Salaries for Instruction	1,500.00	(750.00)	750.00	750.00	-
General Supplies	200.00	(150.00)	50.00	41.44	8.56
Total Summer School - Instruction	9,200.00	-	9,200.00	9,141.44	58.56
<b>TOTAL SUMMER SCHOOL</b>	<b>9,200.00</b>	<b>-</b>	<b>9,200.00</b>	<b>9,141.44</b>	<b>58.56</b>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Transfer of Funds to Charter Schools	\$ 53,500.00	\$ -	\$ 53,500.00	\$ 3,025.60	\$ 50,474.40
<b>TOTAL EXPENDITURES</b>	<u>8,744,407.45</u>	<u>7,004.56</u>	<u>8,751,412.01</u>	<u>8,169,864.68</u>	<u>581,547.33</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(657,813.45)</u>	<u>(295,173.56)</u>	<u>(952,987.01)</u>	<u>162,931.47</u>	<u>1,115,918.48</u>
Other Financing Sources					
Operating Transfers Out:					
Transfer from Debt Service Fund	-	-	-	0.46	0.46
Transfer to Cover Deficit (Food Service)	<u>(40,000.00)</u>	<u>-</u>	<u>(40,000.00)</u>	<u>-</u>	<u>40,000.00</u>
<b>Total Other Financing Sources</b>	<u>(40,000.00)</u>	<u>-</u>	<u>(40,000.00)</u>	<u>0.46</u>	<u>40,000.46</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(697,813.45)</u>	<u>(295,173.56)</u>	<u>(992,987.01)</u>	<u>162,931.93</u>	<u>1,155,918.94</u>
Fund Balance July 1	<u>1,953,516.55</u>	<u>-</u>	<u>1,953,516.55</u>	<u>1,953,516.55</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1,255,703.10</u>	<u>\$ (295,173.56)</u>	<u>\$ 960,529.54</u>	<u>\$ 2,116,448.48</u>	<u>\$ 1,155,918.94</u>
Recapitulation:					
Reserve for Encumbrances				\$ 191,806.20	
Excess Surplus - Designated for Subsequent Year's Expenditures				435,660.00	
Reserve for Excess Surplus				424,151.04	
Capital Reserve				48,794.29	
Maintenance Reserve				364,979.19	
Tuition Reserve for 2011-2012				96,772.48	
Tuition Reserve for 2012-2013				63,711.89	
Tuition Reserve for 2013-2014				81,512.39	
Unreserved - Designated for Subsequent Year's Expenditures				158,552.00	
Unrestricted Fund Balance				<u>250,509.00</u>	
				2,116,448.48	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>75,321.20</u>	
				<u>\$ 2,041,127.28</u>	

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ -	\$ 5,669.47	\$ 5,669.47	\$ 3,246.00	\$ (2,423.47)
State Sources	236,191.00	(6,633.28)	229,557.72	225,342.91	(4,214.81)
Federal Sources	283,678.00	249,097.00	532,775.00	352,196.21	(180,578.79)
<b>Total Revenues</b>	<b>519,869.00</b>	<b>248,133.19</b>	<b>768,002.19</b>	<b>580,785.12</b>	<b>(187,217.07)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	169,860.00	73,084.51	242,944.51	235,787.74	7,156.77
Other Salaries for Instruction	76,500.00	(1.00)	76,499.00	74,041.81	2,457.19
Tuition	145,382.00	49,979.00	195,361.00	134,588.00	60,773.00
Purchased Professional - Educational Services	451.00	9,939.00	10,390.00	8,181.12	2,208.88
Other Purchased Services (400-500 series)	4,846.00	10.00	4,856.00	4,856.00	-
General Supplies	7,365.00	47,322.00	54,687.00	12,596.04	42,090.96
Textbooks	12,931.00	1,326.00	14,257.00	14,241.93	15.07
<b>Total Instruction</b>	<b>417,335.00</b>	<b>181,659.51</b>	<b>598,994.51</b>	<b>484,292.64</b>	<b>114,701.87</b>
Support Services:					
Salaries of Other Professional Staff	16,215.00	241.00	16,456.00	16,455.90	0.10
Other Salaries	900.00	29,933.68	30,833.68	7,866.09	22,967.59
Personal Services - Employee Benefits	31,823.00	29,881.00	61,704.00	56,868.49	4,835.51
Purchased Technical Services	18,310.00	7,059.00	25,369.00	6,251.59	19,117.41
Other Purchased Services (400-500 series)	23,930.00	7,752.00	31,682.00	7,599.17	24,082.83
Supplies & Materials	2,312.00	651.00	2,963.00	1,451.24	1,511.76
<b>Total Support Services</b>	<b>93,490.00</b>	<b>75,517.68</b>	<b>169,007.68</b>	<b>96,492.48</b>	<b>72,515.20</b>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES(cont'd):</b>					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	\$ 9,044.00	\$ (9,044.00)	\$ -	\$ -	\$ -
	<u>9,044.00</u>	<u>(9,044.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Facilities Acquisitions and Const. Services:					
Transfer to Charter Schools					
Other Financing Sources (Uses)					
Contribution to Whole School Reform	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>519,869.00</u>	<u>248,133.19</u>	<u>768,002.19</u>	<u>580,785.12</u>	<u>187,217.07</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2010**

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

		General Fund		Special Revenue Fund
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 8,332,796.15	[C-2]	\$ 580,785.12
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				1,955.47
Prior year final State Aid payment was delayed until July 2009 and is recorded as revenue in current year under GAAP.		59,215.50		16,458.50
Final State Aid payment was delayed until July 2010 is recorded as budgetary revenue but is not recognized under GAAP.		(75,321.20)		(17,324.80)
	[B-2]	\$ 8,316,690.45	[B-2]	\$ 581,874.29
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 8,169,864.68	[C-2]	\$ 580,785.12
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				1,955.47
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 8,169,864.68	[B-2]	\$ 582,740.59

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2010**

	Nonpublic Textbooks	Preschool Education Aid	Nonpublic Home Instruction	Chiarella Grant	Rebel Grant	Nonpublic Supplemental Instruction	Nonpublic Basic Skills
<b>REVENUES:</b>							
Local Sources	\$ -	\$ -	\$ -	\$ 2,000.00	\$ 1,246.00	\$ -	\$ -
State Sources	14,241.93	172,548.61	522.00			425.00	17,031.00
Federal Sources							
<b>Total Revenues</b>	<u>14,241.93</u>	<u>172,548.61</u>	<u>522.00</u>	<u>2,000.00</u>	<u>1,246.00</u>	<u>425.00</u>	<u>17,031.00</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers		105,189.16	522.00			425.00	14,933.36
Other Salaries for Instruction		50,619.45					
Tuition							
Purchased Professional - Educational Services							
Other Purchased Services (400-500 series)				2,000.00			
General Supplies							
Textbooks	14,241.93						
<b>Total Instruction</b>	<u>14,241.93</u>	<u>155,808.61</u>	<u>522.00</u>	<u>2,000.00</u>	<u>-</u>	<u>425.00</u>	<u>14,933.36</u>
<b>Support Services:</b>							
Salaries of Other Professional Staff					750.00		
Other Salaries							
Personal Services - Employee Benefits		16,740.00					1,142.40
Purchased Technical Services							
Other Purchased Services (400-500 series)					496.00		955.24
Supplies & Materials							
<b>Total Support Services</b>	<u>-</u>	<u>16,740.00</u>	<u>-</u>	<u>-</u>	<u>1,246.00</u>	<u>-</u>	<u>2,097.64</u>
<b>Facilities Acquisition and Constr. Services:</b>							
Instructional Equipment							
<b>Total Facilities Acquisition and Constr. Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Contribution to Charter Schools</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Outflows</b>	<u>14,241.93</u>	<u>172,548.61</u>	<u>522.00</u>	<u>2,000.00</u>	<u>1,246.00</u>	<u>425.00</u>	<u>17,031.00</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2010**

	Nonpublic Examination & Classification	Nonpublic Nursing	ARRA IDEA	IDEA Preschool	IDEA	Title IV
<b>REVENUES:</b>						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	3,667.47	16,906.90	32,956.02	4,856.00	152,990.53	1,488.00
Federal Sources						
<b>Total Revenues</b>	<b>3,667.47</b>	<b>16,906.90</b>	<b>32,956.02</b>	<b>4,856.00</b>	<b>152,990.53</b>	<b>1,488.00</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers			12,878.32		8,489.00	
Other Salaries for Instruction					134,588.00	
Tuition					8,181.12	
Purchased Professional - Educational Services				4,856.00		
Other Purchased Services (400-500 series)			10,561.04		35.00	
General Supplies						
Textbooks						
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>23,439.36</b>	<b>4,856.00</b>	<b>151,293.12</b>	<b>-</b>
Support Services:						
Salaries of Other Professional Staff		15,705.90				
Other Salaries	2,267.88		5,598.21			
Personal Services - Employee Benefits		1,201.00	3,918.45		1,697.41	1,488.00
Purchased Technical Services	1,399.59					
Other Purchased Services (400-500 series)						
Supplies & Materials						
<b>Total Support Services</b>	<b>3,667.47</b>	<b>16,906.90</b>	<b>9,516.66</b>	<b>-</b>	<b>1,697.41</b>	<b>1,488.00</b>
Facilities Acquisition and Constr. Services:						
Instructional Equipment						
<b>Total Facilities Acquisition and Constr. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Contribution to Charter Schools						
<b>Total Outflows</b>	<b>3,667.47</b>	<b>16,906.90</b>	<b>32,956.02</b>	<b>4,856.00</b>	<b>152,990.53</b>	<b>1,488.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2010**

	Title I	ARRA Title I	Title IIA	Totals 2010
<b>REVENUES:</b>				
Local Sources	\$ -	\$ -	\$ -	\$ 3,246.00
State Sources	102,739.52	41,454.07	15,712.07	225,342.91
Federal Sources	102,739.52	41,454.07	15,712.07	352,196.21
<b>Total Revenues</b>				<b>580,785.12</b>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers	77,572.95	34,119.25	5,081.06	235,787.74
Other Salaries for Instruction				74,041.81
Tuition				134,588.00
Purchased Professional - Educational Services				8,181.12
Other Purchased Services (400-500 series)				4,856.00
General Supplies				12,596.04
Textbooks				14,241.93
<b>Total Instruction</b>	<b>77,572.95</b>	<b>34,119.25</b>	<b>5,081.06</b>	<b>484,292.64</b>
<b>Support Services:</b>				
Salaries of Other Professional Staff				16,455.90
Other Salaries				7,866.09
Personal Services - Employee Benefits	24,834.41	7,334.82		56,868.49
Purchased Technical Services	250.00		3,114.00	6,251.59
Other Purchased Services (400-500 series)	82.16		7,517.01	7,599.17
Supplies & Materials				1,451.24
<b>Total Support Services</b>	<b>25,166.57</b>	<b>7,334.82</b>	<b>10,631.01</b>	<b>96,492.48</b>
<b>Facilities Acquisition and Constr. Services:</b>				
Instructional Equipment				-
<b>Total Facilities Acquisition and Constr. Services</b>				
Contribution to Charter Schools				-
<b>Total Outflows</b>	<b>102,739.52</b>	<b>41,454.07</b>	<b>15,712.07</b>	<b>580,785.12</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures and Other Financing Sources (Uses)</b>				

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2010**

	Total		
	Budgeted	Actual	Variance
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 105,465.00	\$ 105,189.16	\$ 275.84
Other Salaries for Instruction	50,620.00	50,619.45	0.55
Total Instruction	<u>156,085.00</u>	<u>155,808.61</u>	<u>276.39</u>
Support Services:			
Personal Services - Employee Benefits	16,740.00	16,740.00	-
Total Support Services	<u>16,740.00</u>	<u>16,740.00</u>	<u>-</u>
Contribution to Charter Schools			-
Total Expenditures	<u>\$ 172,825.00</u>	<u>\$ 172,548.61</u>	<u>\$ 276.39</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total revised 2009-10 Preschool Education Aid Allocation	\$ 164,585.00
Add: Actual ECPA/PEA Carryover June 30, 2009	11,005.85
Total Preschool Education Aid Funds Available for 2009/10 Budget	<u>175,590.85</u>
Less: 2008/09 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	(172,825.00)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2010	2,765.85
Add: June 30, 2010 Unexpended Preschool Education Aid	276.39
2009-10 Carryover – Preschool Education Aid/Preschool	<u>\$ 3,042.24</u>
2009-10 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2010-11	<u>\$ -</u>

## **CAPITAL PROJECTS FUND DETAIL STATEMENT**

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

## FIDUCIARY FUNDS DETAIL STATEMENTS

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

**Unemployment Compensation Fund** – This is an expendable trust fund used to pay unemployment compensation insurance claims.

**Scholarship Fund** – This is a non-expendable trust fund in which expenses are limited to amounts earned on trust principal.

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

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

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2010**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,831.68	\$ 853.86	\$ 14,578.42	\$ 19,263.96
Total Assets	<u>3,831.68</u>	<u>853.86</u>	<u>14,578.42</u>	<u>19,263.96</u>
<b>LIABILITIES</b>				
Accounts Payable	2,161.65			2,161.65
Interfund Payable			4,864.47	4,864.47
Payable to Student Groups			9,670.45	9,670.45
Payroll Deductions & Withholdings			43.50	43.50
Total Liabilities	<u>2,161.65</u>	<u>-</u>	<u>14,578.42</u>	<u>16,740.07</u>
<b>NET ASSETS (DEFICIT)</b>				
Held in Trust for Unemployment Claims and Other Purposes (Deficit)	\$ <u>1,670.03</u>			1,670.03
Reserve for Scholarships		\$ <u>853.86</u>		853.86
Total Net Assets				<u>2,523.89</u>
Total Liabilities and Net Assets			\$ <u>19,263.96</u>	<u>19,263.96</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2010**

	Unemployment Compensation Trust	Private Purpose Trust	Totals
<b>ADDITIONS</b>			
Contributions:			
Plan Member	\$ 5,273.35	\$	\$ 5,273.35
Board Contribution	6,010.63		
Total Contributions	<u>11,283.98</u>	<u>-</u>	<u>5,273.35</u>
Investments Earnings:			
Interest		4.56	4.56
Net Investment Earnings	<u>-</u>	<u>4.56</u>	<u>4.56</u>
Total Additions	<u>11,283.98</u>	<u>4.56</u>	<u>5,277.91</u>
<b>DEDUCTIONS</b>			
Unemployment Claims	8,535.38		8,535.38
Scholarship Awards		500.00	500.00
Total Deductions	<u>8,535.38</u>	<u>500.00</u>	<u>9,035.38</u>
Change in Net Assets	2,748.60	(495.44)	2,253.16
Net Assets - Beginning of the Year	<u>(1,078.57)</u>	<u>1,349.30</u>	<u>270.73</u>
Net Assets (Deficit) - End of the Year	<u>\$ 1,670.03</u>	<u>\$ 853.86</u>	<u>\$ 2,523.89</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 As of June 30, 2010**

	<u>Balance July 1, 2009</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance June 30, 2010</u>
Margaret Mace School	\$ 9,359.70	\$	22,537.44	\$	22,226.69	\$	9,670.45
Total All Schools	<u>\$ 9,359.70</u>	<u>\$</u>	<u>22,537.44</u>	<u>\$</u>	<u>22,226.69</u>	<u>\$</u>	<u>9,670.45</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2010**

	<u>Balance</u> <u>July 1, 2009</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30, 2010</u>
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 116,550.42	\$	4,375,837.26	\$	4,487,479.71	\$	4,907.97
<b>Total Assets</b>	<u>\$ 116,550.42</u>	<u>\$</u>	<u>4,375,837.26</u>	<u>\$</u>	<u>4,487,479.71</u>	<u>\$</u>	<u>4,907.97</u>
<b>LIABILITIES:</b>							
Payroll Deductions & Withholdings	\$ 111,201.01	\$	4,375,427.63	\$	4,486,585.14	\$	43.50
Interfund Payable	5,349.41		409.63		894.57		4,864.47
<b>Total Liabilities</b>	<u>\$ 116,550.42</u>	<u>\$</u>	<u>4,375,837.26</u>	<u>\$</u>	<u>4,487,479.71</u>	<u>\$</u>	<u>4,907.97</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2010**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance June 30, 2009	Increased	Decreased	Balance 6/30/2010
			Date	Outstanding June 30, 2010	Amount	Interest Rate				
Construction and Renovation of Margaret Mace School	1/1/1999	\$ 2,821,000								
			2/1/2011	\$ 150,000		4.625%				
			2/1/2012	155,000		4.625%				
			2/1/2013	155,000		4.625%				
			2/1/2014	160,000		4.625%				
			2/1/2015	165,000		4.625%				
			2/1/2016	175,000		4.700%				
			2/1/2017	175,000		4.700%				
			2/1/2018	181,000		4.750%				
		2/1/2019	190,000		4.800%					
						\$ 1,651,000.00	\$ -	\$ 145,000.00	\$ 1,506,000.00	

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 222,093.00	\$ -	\$ 222,093.00	\$ 222,093.00	\$ -
Total Revenues	<u>222,093.00</u>	<u>-</u>	<u>222,093.00</u>	<u>222,093.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	77,093.00		77,093.00	77,092.54	0.46
Redemption of Principal	145,000.00		145,000.00	145,000.00	-
Total Regular Debt Service	<u>222,093.00</u>	<u>-</u>	<u>222,093.00</u>	<u>222,092.54</u>	<u>0.46</u>
Total Expenditures	<u>222,093.00</u>	<u>-</u>	<u>222,093.00</u>	<u>222,092.54</u>	<u>0.46</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.46</u>	<u>0.46</u>
Other Financing Sources(Uses):					
Operating Transfers Out:					
Transfer to General Fund			-	(0.46)	(0.46)
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1		-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATISTICAL SECTION**

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Net Assets by Component,**  
**Last Seven Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 1,006,801.35	\$ 2,014,169.73	\$ 2,940,808.65	\$ 3,439,821.43	\$ 3,681,164.42	\$ 4,034,363.49	\$ 4,384,274.66
Restricted	1,088,181.44	1,063,196.49	430,173.64	452,004.03	383,872.73	680,626.98	1,666,062.68
Unrestricted	(176,091.81)	(15,798.03)	975,560.64	357,139.89	578,303.63	886,169.27	(19,560.18)
<b>Total governmental activities net assets</b>	<b>\$ 1,918,890.98</b>	<b>\$ 3,061,568.19</b>	<b>\$ 4,346,542.93</b>	<b>\$ 4,248,965.35</b>	<b>\$ 4,643,340.78</b>	<b>\$ 5,601,159.74</b>	<b>\$ 6,030,777.16</b>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	\$ 348.66	\$ 158.84	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-
Unrestricted	17,767.65	9,209.12	18,959.42	5,972.87	15,050.28	59,807.51	42,887.32
<b>Total business-type activities net assets</b>	<b>\$ 18,116.31</b>	<b>\$ 9,367.96</b>	<b>\$ 18,959.42</b>	<b>\$ 5,972.87</b>	<b>\$ 15,050.28</b>	<b>\$ 59,807.51</b>	<b>\$ 42,887.32</b>
<b>District-wide</b>							
Invested in capital assets, net of related debt	\$ 1,007,150.01	\$ 2,014,328.57	\$ 2,940,808.65	\$ 3,439,821.43	\$ 3,681,164.42	\$ 4,034,363.49	\$ 4,384,274.66
Restricted	1,088,181.44	1,063,196.49	430,173.64	452,004.03	383,872.73	680,626.98	1,666,062.68
Unrestricted	(158,324.16)	(6,588.91)	994,520.06	363,112.76	593,353.91	945,976.78	23,327.14
<b>Total district net assets</b>	<b>\$ 1,937,007.29</b>	<b>\$ 3,070,936.15</b>	<b>\$ 4,365,502.35</b>	<b>\$ 4,254,938.22</b>	<b>\$ 4,658,391.06</b>	<b>\$ 5,660,967.25</b>	<b>\$ 6,073,664.48</b>

City of North Wildwood School District did not implement GASB 34 until the year ending June 30, 2004.  
Source: CAFR Schedule A-1

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Seven Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>							
Governmental activities:							
Instruction:							
Regular	\$ 3,182,771.04	\$ 3,136,509.35	\$ 3,031,862.95	\$ 3,310,578.40	\$ 2,625,156.59	\$ 2,607,917.30	\$ 2,706,992.32
Special education	388,426.03	386,467.44	561,567.66	606,938.66	1,373,585.02	1,055,869.68	1,125,527.37
Other instruction	156,162.52	142,151.81	245,966.98	293,481.46	223,126.42	378,570.89	377,665.27
Support Services:							
Tuition	1,203,146.05	1,533,789.54	1,755,492.80	2,139,839.40	1,611,681.45	1,463,720.30	1,717,877.20
Student & instruction related services	1,084,671.71	1,207,626.93	1,283,595.71	1,511,146.30	1,553,353.78	1,269,118.96	1,300,516.95
Other administrative services	315,783.95	420,500.92	462,685.09	472,696.18	441,237.21	406,039.29	453,177.63
School administrative services	192,485.52	100,300.61	60,053.30	66,900.23	68,693.60	67,404.98	69,838.58
Business administrative services	223,307.94	60,938.94	-	-	-	-	-
Plant operations and maintenance	573,094.17	592,222.75	547,397.01	637,913.19	647,930.23	665,686.54	694,323.48
Pupil transportation	111,612.09	146,282.08	162,717.95	182,557.91	189,170.36	145,044.04	168,028.98
Interest on long-term debt	110,705.06	103,904.55	91,855.51	93,823.80	87,811.28	81,567.54	77,092.54
Unallocated depreciation	81,635.29	2,491.00	-	-	-	-	-
Total governmental activities expenses	<u>7,623,801.37</u>	<u>7,833,185.92</u>	<u>8,203,194.96</u>	<u>9,315,875.53</u>	<u>8,821,745.94</u>	<u>8,140,939.52</u>	<u>8,691,040.32</u>
Business-type activities:							
Food service	129,738.70	127,071.47	118,505.93	139,947.07	132,785.90	108,219.84	126,590.83
Total business-type activities expenses	<u>129,738.70</u>	<u>127,071.47</u>	<u>118,505.93</u>	<u>139,947.07</u>	<u>132,785.90</u>	<u>108,219.84</u>	<u>126,590.83</u>
Total district expenses	<u>\$ 7,753,540.07</u>	<u>\$ 7,960,257.39</u>	<u>\$ 8,321,700.89</u>	<u>\$ 9,455,822.60</u>	<u>\$ 8,954,531.84</u>	<u>\$ 8,249,159.36</u>	<u>\$ 8,817,631.15</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Seven Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
Instruction (tuition)	\$ 506,537.00	\$ 670,393.00	\$ 704,353.00	\$ 891,849.00	\$ 609,830.75	\$ 742,639.33	\$ 832,520.00
Operating grants and contributions	969,279.59	1,782,411.77	1,286,086.14	930,292.83	881,204.62	517,151.57	582,740.59
Capital grants and contributions			13,374.53	13,960.75	15,761.63	2,720.92	-
Total governmental activities program revenues	<u>1,475,816.59</u>	<u>2,452,804.77</u>	<u>2,003,813.67</u>	<u>1,836,102.58</u>	<u>1,506,797.00</u>	<u>1,262,511.82</u>	<u>1,415,260.59</u>
Business-type activities:							
Charges for services:							
Food service	52,533.98	38,022.42	37,025.56	33,611.34	48,301.25	51,971.26	50,645.26
Operating grants and contributions	50,717.17	42,137.87	48,362.05	53,482.58	56,027.49	56,961.40	58,948.93
Total business-type activities program revenue	<u>103,251.15</u>	<u>80,160.29</u>	<u>85,387.61</u>	<u>87,093.92</u>	<u>104,328.74</u>	<u>108,932.66</u>	<u>109,594.19</u>
Total district program revenue	<u>\$ 1,579,067.74</u>	<u>\$ 2,532,965.06</u>	<u>\$ 2,089,201.28</u>	<u>\$ 1,923,196.50</u>	<u>\$ 1,611,125.74</u>	<u>\$ 1,371,444.48</u>	<u>\$ 1,524,854.78</u>
<b>Net (Expense)/Revenue</b>							
Governmental activities	\$ (6,147,984.78)	\$ (5,380,381.15)	\$ (6,199,381.29)	\$ (7,479,772.95)	\$ (7,314,948.94)	\$ (6,878,427.70)	\$ (7,275,779.73)
Business-type activities	(26,487.55)	(46,911.18)	(33,118.32)	(52,853.15)	(28,457.16)	712.82	(16,996.64)
Total district-wide net expense	<u>\$ (6,174,472.33)</u>	<u>\$ (5,427,292.33)</u>	<u>\$ (6,232,499.61)</u>	<u>\$ (7,532,626.10)</u>	<u>\$ (7,343,406.10)</u>	<u>\$ (6,877,714.88)</u>	<u>\$ (7,292,776.37)</u>

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Changes in Net Assets,**  
**Last Seven Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Property taxes levied for general purposes, net	\$ 5,531,452.00	\$ 5,250,589.00	\$ 5,536,977.00	\$ 5,817,655.00	\$ 6,141,962.72	\$ 6,206,999.98	\$ 6,191,647.00
Taxes levied for debt service	231,544.00	227,141.00	226,605.00	225,824.00	224,811.28	223,568.00	222,093.00
Unrestricted grants and contributions	1,121,809.70	157,032.66	614,670.00	1,269,107.18	1,285,155.40	1,392,606.33	1,167,681.87
Investment earnings	9,017.34	20,240.51	53,713.08	65,784.92	47,758.49	22,534.26	8,279.16
Miscellaneous income	4,349.22	5,615.10	6,467.24	43,668.61	47,143.07	34,538.09	115,696.12
Transfers	(36,691.14)	(38,142.56)	(42,698.92)	(39,844.34)	(37,506.59)	(44,000.00)	-
Total governmental activities	6,861,481.12	5,622,475.71	6,395,733.40	7,382,195.37	7,709,324.37	7,836,246.66	7,705,397.15
Business-type activities:							
Investment earnings	17.88	20.27	10.86	22.26	27.98	44.41	76.45
Transfers	36,691.14	38,142.56	42,698.92	39,844.34	37,506.59	44,000.00	-
Total business-type activities	36,709.02	38,162.83	42,709.78	39,866.60	37,534.57	44,044.41	76.45
Total district-wide	\$ 6,898,190.14	\$ 5,660,638.54	\$ 6,438,443.18	\$ 7,422,061.97	\$ 7,746,858.94	\$ 7,880,291.07	\$ 7,705,473.60
Changes in Net Assets							
Governmental activities	\$ 713,496.34	\$ 242,094.56	\$ 196,352.11	\$ (97,577.58)	\$ 394,375.43	\$ 957,818.96	\$ 429,617.42
Business-type activities	10,221.47	(8,748.35)	9,591.46	(12,986.55)	9,077.41	44,757.23	(16,920.19)
Total district	\$ 723,717.81	\$ 233,346.21	\$ 205,943.57	\$ (110,564.13)	\$ 403,452.84	\$ 1,002,576.19	\$ 412,697.23

City of North Wildwood School District did not implement GASB 34 until the year ending June 30, 2004.  
Source: CAFR Schedule A-2

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Seven Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit J-3

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$ 923,554.06	\$ 1,094,859.93	\$ 1,241,694.76	\$ 958,744.17	\$ 922,395.20	\$ 1,501,772.55	\$ 1,707,387.48
Unreserved	364,778.91	304,254.15	208,764.47	270,508.00	414,893.50	392,528.50	333,739.80
Total general fund	\$ 1,288,332.97	\$ 1,399,114.08	\$ 1,450,459.23	\$ 1,229,252.17	\$ 1,337,288.70	\$ 1,894,301.05	\$ 2,041,127.28
All Other Governmental Funds							
Reserved	\$ -	\$ -	\$ -	\$ 8,142.73	\$ -	\$ -	\$ -
Unreserved, reported in:							
Special revenue fund	(22,811.00)	(22,811.00)	(22,811.00)	(22,811.00)	(26,073.50)	(16,458.50)	(17,324.80)
Capital projects fund	16,943.45	10,086.18	10,086.18	1,943.45	-	-	-
Debt service fund	13.93	(0.13)	(0.13)	0.07	0.07	-	-
Total all other governmental funds	\$ (5,853.62)	\$ (12,724.95)	\$ (12,724.95)	\$ (12,724.75)	\$ (26,073.43)	\$ (16,458.50)	\$ (17,324.80)

City of North Wildwood School District did not implement GASB 34 until the year ending June 30, 2004.  
Source: CAFR Schedule B-1

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

Exhibit J-4

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Tax Levy	\$ 4,547,250	\$ 4,959,575	\$ 5,400,033	\$ 5,762,996	\$ 5,477,730	\$ 5,763,582	\$ 6,043,479	\$ 6,366,774	\$ 6,430,568	\$ 6,413,740
Tuition charges	359,483	412,788	456,806	506,537	670,393	704,353	891,849	609,831	742,639	852,520
Interest earnings	48,161	48,458	20,241	9,017	20,241	53,713	65,785	47,550	22,634	8,279
Miscellaneous	2,730	2,910	8,168	22,602	9,077	8,640	47,684	54,550	38,288	118,942
State sources	1,316,969	1,268,285	1,437,305	1,715,258	1,603,664	1,630,460	1,822,276	1,908,936	1,617,582	1,398,241
Federal sources	360,584	350,789	339,942	357,579	332,319	281,498	387,069	275,865	292,176	348,955
Total revenue	<u>6,065,177</u>	<u>7,042,814</u>	<u>7,652,435</u>	<u>8,373,989</u>	<u>8,113,423</u>	<u>8,442,248</u>	<u>9,258,142</u>	<u>9,263,714</u>	<u>9,143,788</u>	<u>9,120,658</u>
<b>Expenditures</b>										
Instruction:										
Regular instruction	2,168,919	2,226,332	2,307,107	2,458,610	2,500,903	2,325,304	2,506,593	1,937,246	1,955,512	1,981,818
Special education instruction	213,520	239,733	248,047	253,771	266,318	247,456	298,153	890,364	773,356	857,492
Other special education instruction	66,171	74,839	98,012	114,204	105,312	167,630	206,175	149,519	279,334	277,074
Support Services:										
Tuition	1,522,097	1,503,537	1,240,616	1,185,487	1,513,154	1,737,918	2,098,061	1,581,864	1,414,839	1,714,852
Student & instruction related services	778,742	824,440	882,207	857,843	1,008,480	1,106,666	1,189,110	1,184,531	1,016,225	996,806
General administrative services	239,725	257,826	278,629	242,512	355,096	354,697	381,855	366,063	351,060	350,866
School administrative services	93,094	109,691	128,716	137,160	53,808	49,806	52,816	54,843	54,417	54,046
Business administrative services	373,316	391,962	431,915	451,106	469,571	496,950	534,153	546,045	564,820	576,647
Plant operations and maintenance	178,850	225,218	194,788	111,612	146,282	162,718	182,958	189,170	145,044	168,029
Pupil transportation	915,809	900,518	1,069,080	1,196,029	1,246,174	1,310,084	1,604,175	1,660,696	1,371,736	1,484,714
Unallocated employee benefits	18,699	13,780	12,154	14,962	15,058	16,408	14,274	29,817	22,336	9,141
Special schools	-	821	-	17,659	20,636	17,574	41,778	17,313	48,881	3,026
Charter Schools	368,631	62,986	12,962	346,657	43,454	128,375	103,978	189,151	311,931	278,095
Capital outlay	95,000	100,000	110,000	120,000	120,000	125,000	130,000	135,000	140,000	145,000
Debt service:	126,811	122,418	117,793	112,705	107,155	101,605	95,824	89,811	83,568	77,093
Principal	7,159,385	7,054,100	7,132,037	7,778,492	7,971,371	8,348,202	9,439,505	9,121,434	8,533,160	8,974,698
Interest and other charges	(494,207)	(11,286)	520,399	595,496	142,052	94,044	(181,363)	142,281	610,627	145,960
Total Expenditures	<u>126,811</u>	<u>122,418</u>	<u>117,793</u>	<u>112,705</u>	<u>107,155</u>	<u>101,605</u>	<u>95,824</u>	<u>89,811</u>	<u>83,568</u>	<u>77,093</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>5,938,366</u>	<u>6,920,396</u>	<u>7,534,642</u>	<u>7,261,287</u>	<u>8,006,252</u>	<u>8,340,643</u>	<u>9,162,637</u>	<u>9,142,283</u>	<u>9,060,220</u>	<u>9,043,565</u>
<b>Other Financing Sources (Uses)</b>										
Transfers in	100,552	58,657	77,993	195,000	(38,143)	(42,699)	(39,844)	(37,507)	1	-
Transfers out	(137,296)	(92,886)	(110,422)	(231,861)	(38,143)	(42,699)	(39,844)	(37,507)	(44,001)	-
Cancellation of Receivable								(10,086)		
Total other financing sources (uses)	<u>(36,744)</u>	<u>(34,229)</u>	<u>(32,429)</u>	<u>(36,691)</u>	<u>(38,143)</u>	<u>(42,699)</u>	<u>(39,844)</u>	<u>(47,593)</u>	<u>(44,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ (530,951)</u>	<u>\$ (45,515)</u>	<u>\$ 487,969</u>	<u>\$ 558,805</u>	<u>\$ 103,910</u>	<u>\$ 51,345</u>	<u>\$ (221,207)</u>	<u>\$ 94,688</u>	<u>\$ 566,627</u>	<u>\$ 145,960</u>
Debt service as a percentage of noncapital expenditures	3.27%	3.18%	3.20%	3.13%	2.87%	2.76%	2.42%	2.52%	2.72%	2.55%

Source: CAFR Schedule B-2

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source,**  
**Last Ten Fiscal Years**  
 Unaudited

**Exhibit J-5**

Fiscal Year Ended June 30,	Interest on		Tuition Revenue	Rentals	Miscellaneous	Totals
	Investments					
2001	33,996.39		359,483.00	-	749.34	\$ 394,228.73
2002	45,776.89		412,788.00	-	2,910.00	461,474.89
2003	9,552.56		456,804.55	-	5,167.96	471,525.07
2004	9,017.34		506,537.00	-	-	515,554.34
2005	20,240.52		670,393.00	-	5,615.10	696,248.62
2006	53,713.08		704,353.00	-	6,467.24	764,533.32
2007	65,784.92		891,849.00	-	43,668.61	1,001,302.53
2008	47,758.49		609,830.75	-	54,549.83	712,139.07
2009	22,534.26		742,639.33	-	38,288.09	803,461.68
2010	19,733.78		832,520.00	-	107,487.50	959,741.28

Source: District Records

Exhibit J-6

CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	(Memo Only) Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2001 \$	7,482,800	\$ 481,464,348	\$ -	\$ -	\$ 132,410,050	\$ -	21,945,300	\$ 643,302,498	\$ 5,586,310	870,594	\$ 644,173,092	0.770	\$ 673,904,399
2002	7,287,008	500,653,033	-	-	134,282,050	-	18,326,700	660,548,791	6,481,110	782,246	661,331,037	0.818	756,327,960
2003	7,279,500	529,005,800	-	-	134,158,200	-	17,079,400	687,522,900	8,918,900	659,556	688,182,456	0.838	959,120,435
2004	19,703,200	572,310,400	-	-	123,290,800	-	15,288,900	730,593,300	9,004,700	491,174	731,084,474	0.750	1,284,741,304
2005	10,820,200	645,436,400	-	-	118,183,700	-	20,093,500	794,533,800	10,473,800	378,299	794,912,099	0.726	1,686,105,902
2006	179,405,150	2,698,835,000	-	-	434,694,900	-	79,092,200	3,392,027,250	8,980,600	723,217	3,392,750,467	0.178	2,101,638,353
2007	76,613,200	2,940,213,200	-	-	393,328,300	-	67,648,000	3,477,802,700	7,030,600	743,549	3,478,546,249	0.183	2,843,099,226
2008	69,472,400	3,042,451,375	-	-	354,785,300	-	63,952,100	3,477,802,700	3,933,300	796,315	3,478,599,015	0.183	3,151,513,752
2009	54,060,600	3,083,034,000	-	-	351,901,300	-	59,245,500	3,546,241,400	861,912	861,912	3,549,103,312	0.181	3,275,702,917
2010	58,190,200	3,047,917,100	-	-	339,914,300	-	57,494,500	3,503,516,100	837,778	837,778	3,504,353,878	0.186	3,091,959,519

Source: County Abstract of Rates & Municipal Tax Assessor

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	CITY OF NORTH WILDWOOD SCHOOL DISTRICT				Overlapping Rates				Total Direct and Overlapping Tax Rate	
	Basic Rate	General Obligation Debt Service	Total Direct		County General	County Open Space	County Other	Municipal Local Purpose		
2001	\$ 0.736	\$ 0.034	\$ 0.770	\$	0.378	0.011	0.031	\$	1.320	\$ 2.510
2002	0.784	0.034	0.818		0.378	0.013	0.035		1.316	2.560
2003	0.805	0.033	0.838		0.410	0.014	0.041		1.317	2.620
2004	0.718	0.032	0.750		0.445	0.018	0.052		1.315	2.580
2005	0.697	0.029	0.726		0.435	0.022	0.062		1.315	2.560
2006	0.149	0.029	0.178		0.105	0.007	0.018		0.392	0.700
2007	0.176	0.007	0.183		0.123	0.008	0.024		0.392	0.730
2008	0.177	0.006	0.183		0.135	0.009	0.026		0.432	0.785
2009	0.175	0.006	0.181		0.148	0.010	0.027		0.450	0.816
2010	0.180	0.006	0.186		0.152	0.009	0.026		0.472	0.845

Source: District Records and Municipal Tax Collector

Exhibit J-8

CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
Principal Property Tax Payers,  
Current Year and Nine Years Ago

Taxpayer	2010				2001			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
Youschak Properties, LLC	\$ 22,200,000	1	0.63%	\$ 2,279,800	3	0.35%		
Beach Creek Marina, INC	14,288,900	2	0.41%					
The Morey Org.	9,045,700	3	0.26%	2,117,200	4	0.33%		
Kings Inn, Inc	8,017,300	4	0.23%	3,584,000	2	0.56%		
Wyoming Properties, Inc	7,447,800	5	0.21%					
Sportland Investments	7,400,000	6	0.21%					
Hawaiian Beach Resort, LLC	7,318,100	7	0.21%					
Wildwood Grocery Owners, LLC	6,452,500	8	0.18%					
North Point Developers, LLC	5,305,000	9	0.15%					
Matador Motel, Inc	5,253,900	10	0.15%	1,740,000	7	0.27%		
Will & Bill Morey Enterprises, Inc.				6,625,800	1	1.03%		
Surf Song of NW, LLC				1,925,000	5	0.30%		
Vast, Inc				1,829,000	6	0.28%		
Great A & P Tea Company				1,700,000	8	0.26%		
W & C Florimont				1,532,600	9	0.24%		
H. Karavangelos				1,525,800	10	0.24%		
Totals	\$ 92,729,200		2.65%	\$ 24,859,200		3.86%		
			District Assessed Value			\$ 644,173,092		

Source: District CAFR & Municipal Tax Assessor

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$ 4,547,250.00	\$ 4,547,250.00	100%	\$ -
2002	4,959,575.00	4,959,575.00	100%	-
2003	5,400,033.00	5,400,033.00	100%	-
2004	5,762,996.00	5,762,996.00	100%	-
2005	5,477,730.00	5,477,730.00	100%	-
2006	5,763,582.00	5,763,582.00	100%	-
2007	6,043,479.00	6,043,479.00	100%	-
2008	6,366,774.00	6,366,774.00	100%	-
2009	6,430,567.98	6,430,567.98	100%	-
2010	6,413,740.00	6,413,740.00	100%	-

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2001	\$ 2,631,000	\$ -	\$ -	\$ -	\$ -	\$ 2,631,000	1.33%	\$ 34,990	
2002	2,531,000	-	-	-	-	2,531,000	1.42%	36,053	
2003	2,421,000	-	-	-	-	2,421,000	1.51%	36,492	
2004	2,301,000	-	-	-	-	2,301,000	1.68%	38,740	
2005	2,181,000	-	-	-	-	2,181,000	1.85%	40,316	
2006	2,056,000	-	-	-	-	2,056,000	2.06%	42,322	
2007	1,926,000	-	-	-	-	1,926,000	2.31%	44,575	
2008	1,791,000	-	-	-	-	1,791,000	2.57%	46,001	
2009	1,651,000	-	-	-	-	1,651,000	Not Available	Not Available	
2010	1,506,000	-	-	-	-	1,506,000	Not Available	Not Available	

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

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
 Ratios of Net General Bonded Debt Outstanding,  
 Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2001	\$ 2,631,000	\$ -	\$ 2,631,000	0.41%	\$ 34,990
2002	2,531,000	-	2,531,000	0.38%	36,053
2003	2,421,000	-	2,421,000	0.35%	36,492
2004	2,301,000	-	2,301,000	0.31%	38,740
2005	2,181,000	-	2,181,000	0.27%	40,316
2006	2,056,000	-	2,056,000	0.06%	42,322
2007	1,926,000	-	1,926,000	0.06%	44,575
2008	1,791,000	-	1,791,000	0.05%	46,001
2009	1,651,000	-	1,651,000	0.05%	Not Available
2010	1,506,000	-	1,506,000	0.04%	Not Available

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt,**  
**As of December 31, 2009**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
City of North Wildwood	\$ 53,939,571.05	100.00%	\$ 53,939,571.05
<b>Other Debt</b>			
Cape May County	38,684,000.00	6.54%	2,531,633.11
Cape May County MUA	102,075,841.00	6.54%	6,680,244.51
Cape May County Bridge Commission	15,605,000.00	6.54%	1,021,252.58
Subtotal, Overlapping Debt			64,172,701.24
<b>City of North Wildwood School District Direct Debt</b>			<u>1,506,000.00</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 65,678,701.24</u>

**Sources:**

Equalized value data used to estimate applicable percentages provided by the Cape May County Board of Taxation.  
 Debt outstanding data provided by each governmental unit.

CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

Exhibit J-13

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 19,328,335	\$ 20,361,008	\$ 23,117,580	\$ 25,992,451	\$ 30,888,057	\$ 47,225,668	\$ 62,827,329	\$ 78,315,457	\$ 91,160,385	\$ 94,715,589
Total net debt applicable to limit	2,631,000	2,531,000	2,421,000	2,301,000	2,181,000	2,056,000	1,926,000	1,791,000	1,791,000	1,506,000
Legal debt margin	\$ 16,697,335	\$ 17,830,008	\$ 20,696,580	\$ 23,691,451	\$ 28,707,057	\$ 45,169,668	\$ 60,901,329	\$ 76,524,457	\$ 89,369,385	\$ 93,209,589
Total net debt applicable to the limit as a percentage of debt limit	13.61%	12.43%	10.47%	8.85%	7.06%	4.35%	3.07%	2.29%	2.29%	1.59%

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 NJSA 18A:24-19.

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
Demographic and Economic Statistics,  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	4,898	\$ 171,381	\$ 34,990	16.3%
2002	4,887	176,191	36,053	18.7%
2003	4,856	177,205	36,492	19.3%
2004	4,769	184,751	38,740	13.7%
2005	4,752	191,582	40,316	11.0%
2006	4,818	203,907	42,322	11.5%
2007	4,872	217,169	44,575	11.0%
2008	4,843	222,783	46,001	13.4%
2009	4,822	Not Available	Not Available	18.7%
2010	Not Available	Not Available	Not Available	Not Available

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
Principal Employers,  
Current Year and Nine Years Ago**

**Exhibit J-15**

Employer	2010			2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
<b>This Information is not available for this district.</b>						
Totals	-		0.00%	-		0.00%

CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction:										
Regular instruction	37	38	38	38	38	38	38	36	37	
Special education instruction	7	7	7	7	7	7	7	7	7	
Other special education instruction							1	1	1	
Vocational education	8	8	8	8	8	8	8	6	6	
Other instruction	2	2	2	2	2	3	2	2	2	
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	7	7	7	7	7	7	7	8	7	
Student & instruction related services	2	2	2	2	2	2	2	1	1	
General administrative services	2	2	2	2	2	2	2	2	2	
School administrative services	3	3	3	3	3	3	3	3	3	
Business administrative services	6	6	6	6	6	6	7	7	7	
Plant operations and maintenance										
Pupil transportation	1	1	1	1	1	1	1	1	1	
Special schools										
Food Service										
Child Care										
<b>Total</b>	<b>75</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>77</b>	<b>77</b>	<b>74</b>	<b>74</b>	<b>-</b>

Source: District Personnel Records

CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
 Operating Statistics,  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio Elementary School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	400.0	\$ 6,568,943	\$ 16,422	9.04%	52	1:8	404.0	374.0	3.86%	92.57%
2002	411.0	6,768,697	16,469	0.28%	53	1:8	404.0	374.0	0.00%	92.57%
2003	387.0	6,891,282	17,807	8.12%	53	1:7	379.0	351.0	-6.19%	92.61%
2004	380.0	7,199,131	18,945	6.39%	53	1:7	363.0	335.0	-4.22%	92.29%
2005	342.0	7,700,762	22,517	18.85%	52	1:6	337.0	313.0	-7.16%	92.88%
2006	296.0	7,993,222	27,004	19.93%	51	1:6	310.0	289.0	-8.01%	93.23%
2007	315.5	9,109,703	28,874	6.92%	51	1:6	312.7	289.7	0.87%	92.64%
2008	307.5	8,707,471	28,317	-1.93%	51	1:6	337.4	313.1	7.90%	92.80%
2009	317.0	7,997,662	25,229	-10.90%	51	1:6	316.3	291.3	-6.25%	92.10%
2010	317.0	8,474,510	26,733	5.96%	51	1:6				

Source: District records, ASSA and Schedules J-12, J-14

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**School Building Information,**  
**Last Ten Fiscal Years**

Exhibit J-18

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>District Buildings</b>										
<b>Elementary</b>										
Margaret Mace School (1925)	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811	75,811
Square Feet	538	538	538	538	538	538	538	538	538	538
Capacity (students)	400	411	387	380	342	296	316	308	317	317
Enrollment										

Number of Schools at June 30, 2009

- Elementary - 1
- Middle - 0
- Other - 0

Source: District Records, ASSA

CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
 General Fund  
 Schedule of Required Maintenance for School Facilities,  
 Last Ten Fiscal Years  
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Margaret Mace School	N/A	\$ 46,061	\$ 52,414	\$ 56,420	\$ 68,025	\$ 71,027	\$ 63,031	\$ 68,931	\$ 67,613	\$ 55,392	\$ 58,586
Total School Facilities		46,061	52,414	56,420	68,025	71,027	63,031	68,931	67,613	55,392	58,586
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 46,061	\$ 52,414	\$ 56,420	\$ 68,025	\$ 71,027	\$ 63,031	\$ 68,931	\$ 67,613	\$ 55,392	\$ 58,586

Source: District Records

**CITY OF NORTH WILDWOOD SCHOOL DISTRICT**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2010**  
*(Unaudited)*

**Exhibit J-20**

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
ACCASBO JIF School Package Policy (1)	Property, Inland Marine and Auto Damage	\$ 150,000,000.00	\$ 500.00
	Boiler and Machinery	100,000,000.00	1,000.00
	Crime	500,000.00	500.00
	General and Automobile Liability	10,000,000.00	None
	Workers' Compensation	Statutory	None
	Educator's Legal Liability	10,000,000.00	None
	Pollution Legal Liability	3,000,000.00	25,000.00

Source: District Records

**SINGLE AUDIT SECTION**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## K-1 REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and  
Members of the Board of Education  
City of North Wildwood School District  
County of Cape May  
City of North Wildwood, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the City of North Wildwood School District, in the county of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements presented by the Division of Finance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of North Wildwood Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of North Wildwood Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of North Wildwood Board of Education'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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider be material weaknesses, as defined above.

**Compliance and Other Matters**

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

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

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

---

**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**November 19, 2010**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## **K-2 REPORT ON COMPLIANCE WITH REQUIREMENTS THAT 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**

The Honorable President and  
Members of the Board of Education  
City of North Wildwood School District  
County of Cape May  
City of North Wildwood, New Jersey

### Compliance

We have audited the compliance of the Board of Education of the City of North Wildwood in the County of Cape May, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major state programs for the year ended June 30, 2010. The City of North Wildwood Board of Education'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 City of North Wildwood Board of Education's management. Our responsibility is to express an opinion on the City of North Wildwood Board of Education's compliance based on our audit.

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

In our opinion the City of North Wildwood Board of Education School District, in the County of Cape May, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2010.

## Internal Control Over Compliance

The management of the City of North Wildwood Board of Education School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the City of North Wildwood Board of Education'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 City of North Wildwood Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

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

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



**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**November 19, 2010**

CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2009	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) 6/30/10	Deferred Revenue 6/30/10	Due to Grantor at 6/30/10
<b>U.S. Department of Education</b>														
<b>Passed-Through State Department of Education:</b>														
Special Revenue Fund:														
Title I Cluster:														
Title I, Carryover						\$ 625.31	\$	\$	\$	\$	\$	\$	\$	\$ 625.31
Title I, Carryover	84.010	NCLB-368007	120,987	09/01/06	06/31/07	(17,800.66)		29,048.00	(102,739.52)	566.91		(6,081.00)	-	17,915.23
Title I, Carryover	84.010	NCLB-368009	105,432	09/01/08	08/31/09			63,129.00	(41,454.07)			(46,684.00)	7,073.48	
Title I, Carryover	84.010	NCLB-368010	109,813	09/01/09	08/31/10			29,509.00	(144,193.59)			(20,753.00)	8,807.93	
ARRA Title I	84.389	NCLB-368010	50,262	07/01/09	08/31/11									
Total Title I Cluster														
Special Education Cluster:														
ID.E.A. Part B, Basic Regular - Carryover	84.027	IDEA-368006	133,511	09/01/05	08/31/06	20.46								20.46
ID.E.A. Part B, Basic Regular - Carryover	84.027	IDEA-368007	163,376	09/01/06	08/31/07	727.36								727.36
ID.E.A. Part B, Basic Regular - Carryover	84.027	IDEA-368009	185,281	09/01/08	08/31/09	(28,056.40)		30,731.00		0.32		(6,567.00)		9,241.92
ID.E.A. Part B, Basic Regular - Carryover	84.027	IDEA-368010	176,247	09/01/09	08/31/10			115,625.00	(153,097.53)	107.00		(60,622.00)	23,256.47	
ID.E.A. Part B, Preschool - Carryover	84.027	IDEA-368009	4,994	09/01/08	08/31/09	(1,506.90)		1,856.00	(4,856.00)			(5,767.00)	922.00	349.10
ID.E.A. Part B, Preschool - Carryover	84.027	IDEA-368010	5,778	09/01/09	08/31/10			11.00	(32,956.02)			(104,260.00)	97,562.98	
ARRA ID.E.A. Part B	84.391	IDEA-368010	130,539	07/01/09	09/30/11			26,279.00				(4,711.00)	4,711.00	
ARRA ID.E.A. Preschool	84.392	IDEA-368010	4,711	07/01/09	09/30/11				(190,909.55)					
Total Special Education Cluster														
Title IV, Carryover	84.186	NCLB-368007	3,028	09/01/06	08/31/07	611.75								611.75
Title IV, Carryover	84.186	NCLB-368008	3,257	09/01/07	08/31/08	2,160.11								2,160.11
Title IV, Carryover	84.186	NCLB-368009	2,038	09/01/08	08/31/09			2,038.00						2,038.00
Title IV	84.186	NCLB-368010	1,992	09/01/09	08/31/10			547.00	(1,488.00)			(1,445.00)	504.00	
Title V, Carryover	84.298	NCLB-368007	790	09/01/06	08/31/07	64.35								64.35
Title II Part A (Class Size Reduction), Carryover	84.281	NCLB-368008	52,435	09/01/07	08/31/08	10,037.39								10,037.39
Title II Part A (Class Size Reduction), Carryover	84.281	NCLB-368009	54,223	09/01/08	08/31/09	22,982.21		14,781.00	(19,556)	10.56		(16,460.00)		54,223.21
Title II Part A (Class Size Reduction)	84.281	NCLB-368010	52,335	09/01/09	08/31/10				(15,701.51)	(10.56)		(52,335.00)	36,622.93	
Title II Part D, Carryover	84.281	NCLB-368007	534	09/01/06	08/31/07	78.00						(496.00)		78.00
Title II Part D, Carryover	84.281	NCLB-368009	1,098	09/01/08	08/31/09	367.00						(1,098.00)	1,098.00	863.00
Title II Part D	84.281	NCLB-368010	1,098	09/01/09	08/31/10									
Total Special Revenue Fund														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
School Breakfast Program	10.553	N/A	5,546	07/01/08	06/30/09	(351.40)		351.40	(5,817.84)			(697.88)		
School Breakfast Program	10.553	N/A	5,818	07/01/09	06/30/10			5,119.96						
National School Lunch Program	10.555	N/A	48,815	07/01/08	06/30/09	(3,487.46)		3,487.46	(50,602.03)			(5,156.61)		
National School Lunch Program	10.555	N/A	50,602	07/01/09	06/30/10			45,445.42						
Total Enterprise Fund														
Total Federal Financial Awards														
\$ (13,528.90) \$ - \$ 367,956.24 \$ (408,723.08) \$ 694.23 \$ - \$ (333,133.49) \$ 180,578.79 \$ 98,955.19														

CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year ended June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Due to Grantor	Carryover (W/rollover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Prior Year Balances	Balance at June 30, 2010		Cumulative Total Expenditures
			From	To							Deferred Revenue (Accts Receivable)	Due to Grantor 6/30/10	
MEMO													
Balance at June 30, 2009													
					\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>State Department of Education</b>													
<b>General Fund:</b>													
Categorical Special Education Aid	10-495-034-5120-088	138,149	07/01/09	06/30/10	\$	\$	\$	\$	\$	\$	\$	\$	138,149.00
Categorical Security Aid	10-495-034-5120-084	43,806	07/01/09	06/30/10			127,653.04	(138,149.00)					43,806.00
Adjustment Aid	10-495-034-5120-085	496,354	07/01/09	06/30/10			40,375.24	(43,806.00)					496,354.00
Categorical Transportation Aid	10-495-034-5120-014	36,310	07/01/09	06/30/10			439,203.60	(496,354.00)					36,310.00
Extraordinary Aid	20-239	20,239	07/01/09	06/30/10			32,065.92	(36,310.00)					20,239.00
Transportation Aid-Additional Aid-in-Lieu	09-495-034-5120-014	522	07/01/09	06/30/10			522.00	(522.00)					522.00
Transportation Aid-Additional Aid-in-Lieu	09-495-034-5120-014	502	07/01/09	06/30/10			239,114.87	(239,114.87)					502.00
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	238,115	07/01/09	06/30/10									238,114.87
<b>Total General Fund</b>							<b>878,934.67</b>	<b>(974,474.87)</b>			<b>(95,540.20)</b>		<b>974,936.87</b>
<b>Special Revenue Fund:</b>													
Early Childhood Program Aid	08-495-034-5120-025	302,439	07/01/07	06/30/08									302,439.96
Preschool Education Aid	10-100-034-5120-086	189,284	07/01/09	06/30/10		8,240.00	163,718.70	(172,548.61)					172,548.61
Preschool Education Aid	09-495-034-5120-086	164,585	07/01/08	06/30/09									161,819.19
Character Education	07-495-034-5120-053	4,000	07/01/06	06/30/07			777.45						3,222.55
Character Education	08-495-034-5120-053	4,000	07/01/07	06/30/08			395.12						3,604.88
N.J. Nonpublic Aid:													
Nursing	09-100-034-5120-070	23,315	07/01/08	06/30/09						(0.10)			23,314.90
Nursing	10-100-034-5120-070	16,967	07/01/09	06/30/10		0.10	16,907.00	(16,906.90)					16,906.90
Technology Aid	10-100-034-5120-373	14,257	07/01/09	06/30/10		218.10	14,257.00	(14,241.93)					14,241.93
Technology Aid	09-100-034-5120-373	10,640	07/01/08	06/30/09									10,419.61
Auxiliary Services:													
Speech	09-100-034-5120-067	930	07/01/08	06/30/09									930.00
Speech	10-100-034-5120-067	897	07/01/09	06/30/10			897.00	(897.00)					897.00
Speech	10-100-034-5120-067	522	07/01/09	06/30/10			522.00	(522.00)					522.00
Handicapped Services:													
Examination & Classification	10-100-034-5120-086	4,755	07/01/09	06/30/10			4,755.00	(3,667.47)					3,667.47
Supplemental Instruction	10-100-034-5120-086	1,835	07/01/09	06/30/10			1,832.00	(425.00)					425.00
Basic Skills	10-100-034-5120-066	19,578	07/01/09	06/30/10			19,578.00	(17,031.00)					17,031.00
Basic Skills	09-100-034-5120-066	24,883	07/01/08	06/30/09					(0.03)	(3,818.80)			21,064.20
<b>Total Special Revenue Fund</b>							<b>222,466.70</b>	<b>(225,342.91)</b>		<b>(4,987.00)</b>	<b>4,214.81</b>	<b>(17,324.80)</b>	<b>753,054.20</b>
<b>New Jersey Economic Development Authority:</b>													
<b>Capital Projects Fund:</b>													
Total Capital Projects Fund													
<b>State Department of Agriculture:</b>													
<b>Enterprise Fund:</b>													
National School Breakfast Program (State Share)	09-100-010-3360-096	345	07/01/08	06/30/09			21.40	(39.30)					344.70
National School Breakfast Program (State Share)	10-100-010-3360-096	339	07/01/09	06/30/10			288.60						339.30
National School Lunch Program (State Share)	09-100-010-3360-067	2,253	07/01/08	06/30/09			159.32	(218.12)					2,253.42
National School Lunch Program (State Share)	10-100-010-3360-067	2,190	07/01/09	06/30/10			1,971.64	(2,189.76)					2,189.76
<b>Total Enterprise Fund</b>							<b>2,451.16</b>	<b>(2,529.06)</b>					<b>5,127.18</b>
<b>Total State Financial Assistance</b>							<b>1,103,852.53</b>	<b>(1,202,346.84)</b>	<b>2.26</b>	<b>(4,987.00)</b>	<b>4,214.81</b>	<b>(112,885.00)</b>	<b>1,733,176.25</b>

**K-5 CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2010**

**Note 1: General**

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

**Note 2: Basis of Accounting**

The accompanying schedule of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) 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 (\$16,105.70) for the general fund and \$1,089.17 for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented in the following table:

	<u>Federal</u>	<u>State</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$	\$ 1,168,548.17	\$ (210,172.00)	\$ 958,376.17
Special Revenue Fund	348,935.27	229,693.02		578,628.29
Food Service Fund	<u>56,419.87</u>	<u>2,529.06</u>		<u>58,948.93</u>
	<u>\$ 405,355.14</u>	<u>\$ 1,400,770.25</u>	<u>\$ (210,172.00)</u>	<u>\$ 1,595,953.39</u>

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

**K-5 CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
JUNE 30, 2010  
(CONTINUED)**

**Note 4: Relationship to State Financial Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the related 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, 2010. 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, 2010.

**Note 6: Adjustments**

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year. In addition, local contributions are reflected as adjustments. The following adjustments were a result of final grant payments being rounded by the grantor, prior encumbrances being canceled and grantor cost disallowances from a prior period. The total adjustment was \$696.49.

**K-6 CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2010**

**I. SUMMARY OF AUDITORS RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unqualified Opinion
Internal control over financial reporting:	
1) Material weakness identified?	No
2) Significant Deficiencies?	None reported
Noncompliance material to basic financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
1) Material weakness identified?	N/A
2) Significant Deficiencies?	N/A
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	N/A
Identification of major programs:	N/A
Dollar threshold used to distinguish between type A and type B programs:	N/A
Auditee qualified as low-risk auditee?	N/A

**K-6 CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2010  
(CONTINUED)**

**I. SUMMARY OF AUDITORS RESULTS (CONTINUED)**

**State Awards**

Dollar threshold used to distinguish between type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	No
Internal Control over major programs:	
1) Material weakness identified?	No
2) Significant Deficiencies?	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 NJ OMB Circular Letter 04-04?	No

Identification of major programs:

**GMIS Numbers**

10-495-034-5120-089  
10-495-034-5120-084  
10-495-034-5120-085

**Name of State Program**

State Aid Public Cluster  
Categorical Special Education Aid  
Security Aid  
Adjustment Aid

**K-6 CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2010  
(CONTINUED)**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

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

Federal:

Not Applicable

State:

None

**K-7 CITY OF NORTH WILDWOOD SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2010**

**STATUS OF PRIOR YEAR FINDINGS**

The prior year finding has been corrected.

**Finding 2009-1:**

Per N.J.S.A. 18A:18A-4; every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids. The District did not properly advertise for bids for an electrical contract that was awarded that exceeded the bid threshold.

**Information on the Program:**

Categorical Special Education Aid #09-495-034-5120-089, Security Aid #09-495-034-5120-084, and Adjustment Aid #09-495-034-5120-085

**Criteria:**

Expenditures for services that will exceed the statutory bid threshold need to be properly advertised per *N.J.S.A.* 18A:18A-4.

**Condition:**

School Contracts Law was violated.

**Questioned Costs:**

A contract for electrical work was not properly bid.

**Context:**

There was no advertisement for bids.

**Effect:**

A violation of the statutes regarding advertising for bids for products or services.

**Cause:**

Unknown.

**Recommendations:**

Payments should not be made for similar goods and services that exceed the statutory threshold without advertising for competitive bidding.