

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
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# INTRODUCTORY SECTION

**WOODLYNNE SCHOOL DISTRICT**

**Woodlynne Elementary School**

131 Elm Ave.  
Woodlynne, NJ 08107  
Phone: 856-962-8822  
Fax: 856-962-0191

**Board of Education**

801 Preston Ave., Suite C  
Somerdale, NJ 08083  
Phone: 856-882-1190  
Fax: 856-784-1094

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November 25, 2013

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

Dear Board Members:

The comprehensive annual financial report of the Woodlynne School District for the fiscal year ending June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, management's discussion and analysis, the District's organizational chart and a list of principal officials. The financial section includes the basic statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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

The district provided a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for handicapped youngsters. The Woodlynne Public School completed the 2012-2013 fiscal year with an enrollment of 420. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2003-2004	448.4	2.61%
2004-2005	488.0	8.83%
2005-2006	481.6	-1.31%
2006-2007	467.6	2.91%
2007-2008	373.0	-20.23%
2008-2009	437.7	17.34%
2009-2010	428.7	-2.05%
2010-2011	429.7	.23%
2011-2012	454.3	5.72%
2012-2013	420.0	-7.48%

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

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

The district is increasing its emphasis on parent involvement through activities designed to bring parents into the building for positive experiences. Parent Teaching is planned which will provide parents with home activities and support activities for their children. The district will be translating more of its written communications into languages spoken by parents in the home to ensure information is fully understood. The district recognizes the importance of parental involvement in the successful education of the child. To better accommodate and improve the communication needs of our community, we make use of the language abilities of our staff. Translators, for those parents whose primary language is Spanish, has helped to improve our communication ability. Letters are also translated into Spanish when necessary.

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

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

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

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

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

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

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

9. **OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the single Audit Act of 1996 and the related OB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor’s report, related specifically to the single audit is included in the single audit section of this report.

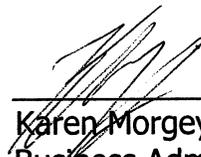
10. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Woodlyne School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our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

Respectfully submitted,



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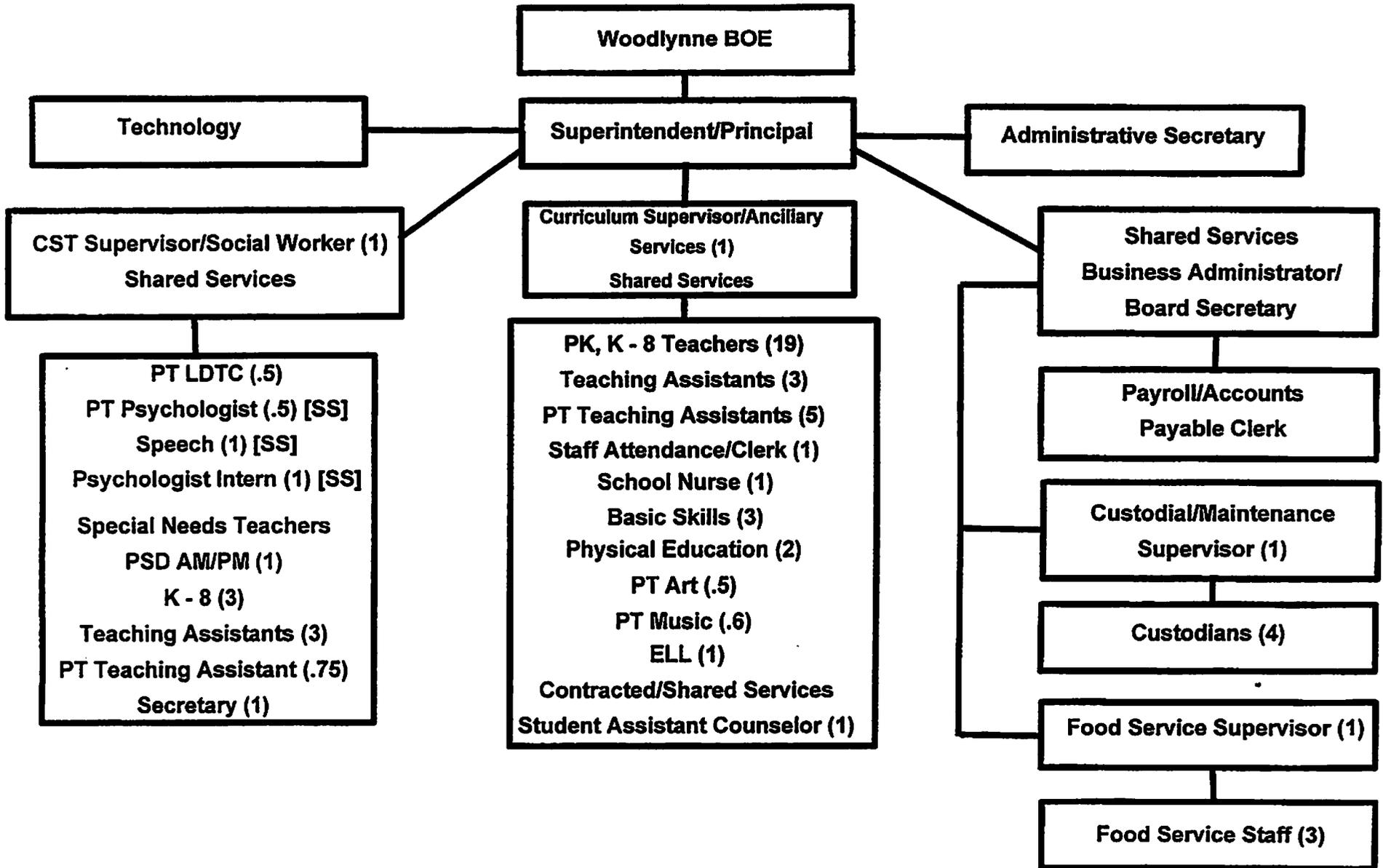
Ronnie Tarchichi  
Superintendent



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Karen Morgey  
Business Administrator/Board Secretary

# Woodlynne Public School Organizational Chart



# Woodlynne School District

## Woodlynne, New Jersey

### Roster of Officials June 30, 2013

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Heidemarie Wood – President	2014
Christine Sanford - Vice President	2015
Catherine Chukwueke	2015
Anthony Delmar	2013
Joseph Idiong	2015
Sharon Vogel	2014

### Consultants and Advisors

#### **Architect**

The Gibson Tarquini Group  
764 Cuthbert Boulevard  
Cherry Hill, NJ 08002

#### **Audit Firm**

Bowman & Company, LLP  
601 White Horse Road  
Voorhees, NJ 08043-2493

#### **Solicitor**

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

#### **Official Depository**

TD Bank  
1130 White Horse Pike  
Oaklyn, NJ 08107

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Woodlynne School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Woodlynne School District in the County of Camden, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Woodlynne School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

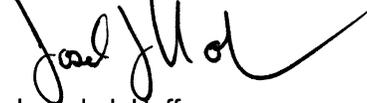
**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2013 on our consideration of the Borough of Woodlynne School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Woodlynne School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
November 22, 2013

**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**

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Woodlynne School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 22, 2013.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Borough of Woodlynne School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodlynne School District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

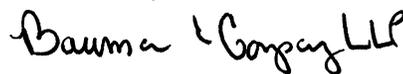
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Woodlynne School District's financial statements are free from 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 Administration and Finance, Department of Education, State of New Jersey.

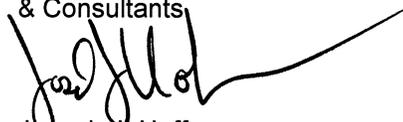
**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
November 22, 2013

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

## **BOROUGH OF WOODLYNNE SCHOOL DISTRICT**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited)

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As management of the Borough of Woodlynne School District, we offer readers of the Borough of Woodlynne School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Woodlynne School District for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the Borough of Woodlynne School District's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Borough of Woodlynne School District's financial performance.

### **Financial Highlights**

- The assets of the Borough of Woodlynne School District exceeded its liabilities at the close of the most recent fiscal year by \$3,494,723.31. (net position).
- The Borough of Woodlynne School District's total net position increased by \$221,057.47.
- As of the close of the current fiscal year, the Borough of Woodlynne School District's governmental funds reported combined ending fund balances of \$842,693.77, an increase of \$234,410.06, in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a deficit of \$111,195.72.
- The Borough of Woodlynne School District does not have any debt.

### **Overview of the Financial Statements**

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

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

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

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

## BOROUGH OF WOODLYNNE SCHOOL DISTRICT

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited) (Cont'd)

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited) (Cont'd)

**District-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Borough of Woodlynne School District, assets exceeded liabilities by \$3,494,723.31, at the close of the most recent fiscal year.

The largest portion of the Borough of Woodlynne School District's net position (77 percent) reflects its investment in capital assets (i.e., land, buildings, equipment), less any related debt used to acquire those assets that are still outstanding. There was no outstanding debt at year end. The Borough of Woodlynne School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending.

<b>BOROUGH OF WOODLYNNE SCHOOL DISTRICT'S NET POSITION</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$ 999,671	\$ 1,504,871	\$ 72,169	\$ 71,565	\$ 1,071,840	\$ 1,576,436
Capital Assets	2,677,518	2,659,140	15,816	17,274	2,693,334	2,676,413
<b>Total Assets</b>	<b>3,677,189</b>	<b>4,164,011</b>	<b>87,985</b>	<b>88,839</b>	<b>3,765,174</b>	<b>4,252,849</b>
Long-term Liabilities Outstanding	98,217	82,596			98,217	82,596
Other Liabilities	156,977	896,587	15,256		172,233	896,587
<b>Total Liabilities</b>	<b>255,194</b>	<b>979,184</b>	<b>15,256</b>	<b>-</b>	<b>270,450</b>	<b>979,184</b>
Net Investment in Capital Assets	2,677,518	2,659,140	15,816	17,274	2,693,334	2,676,413
Restricted	926,176	567,675			926,176	567,675
Unrestricted	(181,700)	(41,988)	56,913	71,565	(124,787)	29,577
<b>Total Net Position</b>	<b>\$ 3,421,994</b>	<b>\$ 3,184,827</b>	<b>\$ 72,729</b>	<b>\$ 88,839</b>	<b>\$ 3,494,723</b>	<b>\$ 3,273,666</b>

The portion of the Borough of Woodlynne School District's net position (26.5 percent) represents resources that are subject to external restrictions on how they may be used.

There was a decrease of \$16,109.56 in the overall net position for the Borough of Woodlynne School District's business-type activities.

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited) (Cont'd)

**Governmental Activities** Governmental activities increased the Borough of Woodlynne School District's net position by \$237,167.03. Key elements of this increase are as follows:

<b>BOROUGH OF WOODLYNNE SCHOOL DISTRICT'S CHANGES IN NET POSITION</b>						
	Governmental		Business-Type		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 17,073	\$ 96,489	\$ 14,603	\$ 21,448		\$ 117,937
Operating Grants and Contributions	1,188,847	1,237,179	197,924	206,167	1,386,771	1,443,347
<b>General Revenues:</b>						
Property Taxes	1,933,205	1,895,299			1,933,205	1,895,299
Grants and Contributions Restricted and not Restricted to Programs	6,910,932	6,850,903			6,910,932	6,850,903
Other	18,682	25,717			18,682	25,717
<b>Total Revenues</b>	<b>10,068,739</b>	<b>10,105,587</b>	<b>212,527</b>	<b>227,615</b>	<b>10,249,590</b>	<b>10,333,203</b>
<b>Expenses:</b>						
Instruction	2,658,593	2,631,971			2,658,593	2,631,971
Support Services	7,127,578	7,290,741			7,127,578	7,290,741
Other	1,300	1,300			1,300	1,300
Food Services			228,637	218,579	228,637	218,579
<b>Total Expenses</b>	<b>9,787,471</b>	<b>9,924,013</b>	<b>228,637</b>	<b>218,579</b>	<b>10,016,108</b>	<b>10,142,591</b>
Increase in Net Position before Transfers	281,268	181,575	(16,110)	9,037	265,158	190,611
Transfers	(44,101)				(44,101)	
<b>Increase in Net Position</b>	<b>237,167</b>	<b>181,575</b>	<b>(16,110)</b>	<b>9,037</b>	<b>221,057</b>	<b>190,611</b>
Net Position, July 1	3,184,827	3,003,253	88,839	79,802	3,273,666	3,083,055
<b>Net Position, June 30</b>	<b>\$ 3,421,994</b>	<b>\$ 3,184,827</b>	<b>\$ 72,729</b>	<b>\$ 88,839</b>	<b>\$ 3,494,723</b>	<b>\$ 3,273,666</b>

- *Property taxes* increased by \$37,906. (2.00 percent) during the year. This revenue support remained fairly constant.
- *Other revenues* decreased by \$7,035. This decrease was mainly due to a decrease in refunds of prior year revenue.
- Business-Type Activities decreased the Borough of Woodlynne School District's net position by \$16,110.

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited) (Cont'd)

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**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the Borough of Woodlynne School District's governmental funds reported combining ending fund balances of \$842,693.77, an increase of \$234,410.06, in comparison with the prior year.

Of the combined ending fund balances of \$842,693.77, unassigned fund balance represented a deficit of \$123,550.92. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed (1) to be used to off-set future tax increases \$371,343.61, (2) to be used for future capital projects \$554,832.69, and (3) assigned to liquidate contracts and purchase orders of the prior period \$3,600.00 or off-set future tax increases \$36,468.39.

The general fund is the main operating fund of the Borough of Woodlynne School District. At the end of the current fiscal year, unassigned fund balance of the general fund was a deficit of \$111,195.72, while total fund balance was \$855,048.97.

- The fund balance of the Borough of Woodlynne School District's general fund increased by \$255,772.96, during the current fiscal year

The special revenue fund had a deficit at the end of the current fiscal year in the amount of \$12,355.20. The deficit was result of not receiving the 19<sup>th</sup> and 20<sup>th</sup> state aid payment for the Preschool Education Program until July, 2013.

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

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

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

Unrestricted net position consisted of \$72,729.08, for the food service program. Other factors concerning the finances of these funds have already been addressed in the discussion of the Borough of Woodlynne School District's business-type activities.

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2013  
 (Unaudited) (Cont'd)

**General Fund Budgetary Highlights**

During the course of the 2013 fiscal year, the Borough of Woodlynne School District modified its general fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances.

The final budgetary basis revenue actual was \$9,427,322.94. The original budgeted estimate was \$8,841,800.00.

During fiscal year 2013, the Borough of Woodlynne School District budgeted \$1,933,205.00 and \$6,886,730.00 for property taxes (local tax levy) and state aid revenues, respectively. The Borough of Woodlynne School District also received \$38,773.73 of Federal Aid and \$163,497.93 and \$352,868.00 in state reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The final budgetary basis expenditures were \$9,096,384.58, compared to the estimate of \$9,400,293.40.

The Borough of Woodlynne School District's expenditures also include the reimbursed TPAF Social Security Aid and T.P.A.F. Pension Contributions of \$163,497.93 and \$352,868.00, respectively.

**Capital Asset and Debt Administration**

**Capital Assets** - The Borough of Woodlynne School District's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounts to \$2,693,333.38. (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and equipment.

At the end of the fiscal year 2012, the Borough of Woodlynne School District had \$2,676,413.43 invested in land, land improvements, buildings and improvements and equipment.

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

- The Borough of Woodlynne School District expended \$124,934.25 in the current fiscal year for capital purposes.

<b>BOROUGH OF WOODLYNNE SCHOOL DISTRICT'S CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)</b>							
	Governmental <u>Activities</u>		Business-Type <u>Activities</u>		<u>Total</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
Land	\$ 2,589	\$ 2,589			\$ 2,589	\$ 2,589	
Construction in Progress	-	-			-	-	
Land Improvements	3,258	4,308			3,258	4,308	
Building Improvements	2,638,162	2,614,447			2,638,162	2,614,447	
Equipment	33,509	37,795	\$ 15,816	\$ 17,274	49,325	55,069	
<b>Total</b>	<b>\$ 2,677,518</b>	<b>\$ 2,659,140</b>	<b>\$ 15,816</b>	<b>\$ 17,274</b>	<b>\$ 2,693,334</b>	<b>\$ 2,676,413</b>	

Additional information on the Borough of Woodlynne School District's capital assets can be found in Note 6.

## **BOROUGH OF WOODLYNNE SCHOOL DISTRICT**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
(Unaudited) (Cont'd)

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

### **Economic Factors and Next Year's Budget**

The Woodlynne School District area has been economically stable the last few years. Below are some economic factors being considered during our budget preparation:

- Without additional state aid or a new funding formula, taxes will continue to rise in order to cover the anticipated increases in salaries and health benefits. .
- Tuition costs, both for regular education and special education students, affect our budget planning greatly,
- Cash flow with the timing of receiving taxes, state aid, and grant monies create uncertain times at the end of each month and at the end of the year.
- Since there are no new tax ratable at this time in our constituent district, maintaining existing programs will be our main goal in order to give our students the best possible education.
- New educational programs will be considered. However, they may have to replace existing programs in order to maintain some economic balance.
- The Woodlynne Board of Education and district administration are committed to work within the boundary of the rules and regulations to provide a quality education to the residents of Woodlynne. Our standard operating procedures and our internal controls will ensure continual success in today's economic environment.

### **Requests for Information**

This financial report is designed to provide a general overview of the Borough of Woodlynne School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Karen Morgey, Business Administrator/Board Secretary at 801 Preston Ave., Suite C., Somerdale, NJ 08083.

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

## BOROUGH OF WOODLYNNE SCHOOL DISTRICT

Statement of Net Position  
June 30, 2013

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 420,354.01	\$ 49,207.33	\$ 469,561.34
Receivables, net	579,316.60	20,002.28	599,318.88
Inventory		2,959.97	2,959.97
Capital Assets, net (Note 6)	<u>2,677,517.63</u>	<u>15,815.75</u>	<u>2,693,333.38</u>
<b>Total Assets</b>	<u>3,677,188.24</u>	<u>87,985.33</u>	<u>3,765,173.57</u>
<b>LIABILITIES:</b>			
Accounts Payable	156,976.84	15,256.25	172,233.09
Noncurrent Liabilities (Note 7):			
Due beyond One Year	<u>98,217.17</u>		<u>98,217.17</u>
<b>Total Liabilities</b>	<u>255,194.01</u>	<u>15,256.25</u>	<u>270,450.26</u>
<b>NET POSITION:</b>			
Net investment in Capital Assets	2,677,517.63	15,815.75	2,693,333.38
Restricted for:			
Other Purposes	926,176.30		926,176.30
Unrestricted (Deficit)	<u>(181,699.70)</u>	<u>56,913.33</u>	<u>(124,786.37)</u>
<b>Total Net Position</b>	<u>\$ 3,421,994.23</u>	<u>\$ 72,729.08</u>	<u>\$ 3,494,723.31</u>

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,492,113.02	\$ 17,072.89			\$ (1,475,040.13)		\$ (1,475,040.13)
Special Education	933,687.22		\$ 568,244.78		(365,442.44)		(365,442.44)
Other Special Instruction	223,081.07				(223,081.07)		(223,081.07)
Other Instruction	9,711.00				(9,711.00)		(9,711.00)
Support Services:							
Tuition	3,277,590.32				(3,277,590.32)		(3,277,590.32)
Student and Instruction Related Services	676,294.41		104,236.58		(572,057.83)		(572,057.83)
School Administrative Services	147,439.54				(147,439.54)		(147,439.54)
General and Business Administrative Services	476,728.55				(476,728.55)		(476,728.55)
Plant Operations and Maintenance	448,534.40				(448,534.40)		(448,534.40)
Pupil Transportation	288,131.04				(288,131.04)		(288,131.04)
Unallocated Benefits	991,510.30				(991,510.30)		(991,510.30)
Reimbursed TPAF and Social Security	516,365.93		516,365.93				
Transfer to Charter School	282,906.00				(282,906.00)		(282,906.00)
Interest on Long Term Debt	22,079.00				(22,079.00)		(22,079.00)
Unallocated Depreciation	1,300.07				(1,300.07)		(1,300.07)
<b>Total Governmental Activities</b>	<b>9,787,471.87</b>	<b>17,072.89</b>	<b>1,188,847.29</b>	<b>-</b>	<b>(8,581,551.69)</b>	<b>-</b>	<b>(8,581,551.69)</b>
Business-Type Activities:							
Food Service	228,636.66	14,603.15	197,923.95			\$ (16,109.56)	(16,109.56)
<b>Total Primary Government</b>	<b>\$ 10,016,108.53</b>	<b>\$ 31,676.04</b>	<b>\$ 1,386,771.24</b>	<b>-</b>	<b>(8,581,551.69)</b>	<b>(16,109.56)</b>	<b>(8,597,661.25)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					1,933,205.00		1,933,205.00
Federal and State Aid not Restricted					6,910,932.33		6,910,932.33
Miscellaneous Income					18,682.39		18,682.39
Cancellation of Receivables					(44,101.00)		(44,101.00)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>8,818,718.72</b>		<b>8,818,718.72</b>
<b>Change in Net Position</b>					<b>237,167.03</b>	<b>(16,109.56)</b>	<b>221,057.47</b>
<b>Net Position -- July 1</b>					<b>3,184,827.20</b>	<b>88,838.64</b>	<b>3,273,665.84</b>
<b>Net Position -- June 30</b>					<b>\$ 3,421,994.23</b>	<b>\$ 72,729.08</b>	<b>\$ 3,494,723.31</b>

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

FUND FINANCIAL STATEMENTS

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 420,354.01				\$ 420,354.01
Receivables, net:					
Interfunds Receivable:					
Special Revenue Fund	149,380.51				149,380.51
Payroll Fund	39,540.13				39,540.13
Receivables from Other Governments:					
Local Municipality	322,200.82				322,200.82
State of NJ -- FICA	15,856.39				15,856.39
State of NJ -- Extraordinary Aid	46,493.00				46,493.00
Federal	580.00	\$ 137,116.26			137,696.26
Other Receivables	17,530.00				17,530.00
<b>Total Assets</b>	<b>\$ 1,011,934.86</b>	<b>\$ 137,116.26</b>	<b>-</b>	<b>-</b>	<b>\$ 1,149,051.12</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 98,244.85	\$ 90.95			\$ 98,335.80
Interfunds Payable:					
General Fund		149,380.51			149,380.51
Unemployment Fund	58,641.04				58,641.04
<b>Total Liabilities</b>	<b>156,885.89</b>	<b>149,471.46</b>	<b>-</b>	<b>-</b>	<b>306,357.35</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	554,832.69				554,832.69
Excess Surplus -- Designated for Subsequent Year's Expenditures	371,343.61				371,343.61
<b>Assigned:</b>					
Reserve for Encumbrances	3,600.00				3,600.00
Subsequent Year's Expenditures	36,468.39				36,468.39
Unassigned	(111,195.72)	(12,355.20)			(123,550.92)
<b>Total Fund Balances</b>	<b>855,048.97</b>	<b>(12,355.20)</b>	<b>-</b>	<b>-</b>	<b>842,693.77</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,011,934.86</b>	<b>\$ 137,116.26</b>	<b>-</b>	<b>-</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,691,834.91, and the accumulated depreciation is \$2,014,317.28. 2,677,517.63

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (98,217.17)

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

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

Net position of governmental activities \$ 3,421,994.23

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 1,933,205.00				\$ 1,933,205.00
Interest Earned on Capital Reserve Funds	42.54				42.54
Tuition	17,072.89				17,072.89
Miscellaneous	18,639.85				18,639.85
State Sources	7,388,524.53	\$ 142,481.00			7,531,005.53
Federal Sources	38,773.73	530,000.36			568,774.09
<b>Total Revenues</b>	<b>9,396,258.54</b>	<b>672,481.36</b>	-	-	<b>10,068,739.90</b>
<b>EXPENDITURES:</b>					
Regular Instruction	1,399,453.95				1,399,453.95
Special Education Instruction	344,079.54	589,607.68			933,687.22
Other Special Instruction	223,081.07				223,081.07
Other Instruction	9,711.00				9,711.00
Support Services and Undistributed Costs:					
Tuition	3,277,590.32				3,277,590.32
Student and Instruction Related Services	572,057.83	104,236.58			676,294.41
School Administrative Services	147,439.54				147,439.54
Other Administrative Services	453,551.74				453,551.74
Plant Operations and Maintenance	443,493.07				443,493.07
Pupil Transportation	288,131.04				288,131.04
Unallocated Benefits	991,510.30				991,510.30
Reimbursed TPAF Pension and Social Security	516,365.93				516,365.93
Transfer to Charter School	282,906.00				282,906.00
Capital Outlay	147,013.25				147,013.25
<b>Total Expenditures</b>	<b>9,096,384.58</b>	<b>693,844.26</b>	-	-	<b>9,790,228.84</b>
Excess (Deficiency) of Revenues over Expenditures	299,873.96	(21,362.90)	-	-	278,511.06
<b>OTHER FINANCING SOURCES (USES):</b>					
Cancellation of Receivables	(44,101.00)	-	-	-	(44,101.00)
<b>Total Other Financing Sources and Uses</b>	<b>(44,101.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(44,101.00)</b>
Net Change in Fund Balances	255,772.96	(21,362.90)			234,410.06
Fund Balance -- July 1	599,276.01	9,007.70			608,283.71
Fund Balance -- June 30	\$ 855,048.97	\$ (12,355.20)	-	-	\$ 842,693.77

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2013

Total Net Change in Fund Balances - Governmental Funds	\$	234,410.06
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(106,556.19)
Debt Service Assessment Charged to Capital Outlay		(22,079.00)
Capital Outlays		<u>147,013.25</u>
		18,378.06
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		-
<p>Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
		-
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)</p>		
		-
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		(15,621.09)
Change in Net Position of Governmental Activities		<u>\$ 237,167.03</u>

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Statement of Net Position  
Enterprise Funds  
June 30, 2013

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 49,207.33
Inventory	2,959.97
Accounts Receivable:	
State	360.87
Federal	10,736.23
Other	8,905.18
<b>Total Current Assets</b>	<b>72,169.58</b>
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	
Furniture, Machinery and Equipment	24,571.80
Less Accumulated Depreciation	(8,756.05)
<b>Total Noncurrent Assets</b>	<b>15,815.75</b>
<b>Total Assets</b>	<b>87,985.33</b>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	15,256.25
Noncurrent Liabilities:	
Compensated Absences Payable	-
<b>Total Liabilities</b>	<b>15,256.25</b>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	15,815.75
Unrestricted	56,913.33
<b>Total Net Position</b>	<b>\$ 72,729.08</b>

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Enterprise Funds  
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 8,987.60
School Breakfast Program	1,059.74
Special Milk Program	352.23
Daily Sales - Non-Reimbursable Programs	<u>4,203.58</u>
<b>Total Operating Revenues</b>	<u><b>14,603.15</b></u>
<b>OPERATING EXPENSES:</b>	
Salaries	72,522.80
Employee Benefits	203.68
Depreciation	1,458.11
Cost of Sales	76,514.15
Supplies	43,033.08
Purchased Professional/Technical Services	<u>34,904.84</u>
<b>Total Operating Expenses</b>	<u><b>228,636.66</b></u>
<b>Operating Income / (Loss)</b>	<u><b>(214,033.51)</b></u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	3,136.27
Federal Sources:	
National School Lunch Program	146,704.55
National School PB Lunch Program	2,933.94
National School Breakfast Program	28,305.71
National School After School Snack Program	4,372.68
National School Milk Program	594.85
Food Distribution Program	<u>11,875.95</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u><b>197,923.95</b></u>
<b>Change in Net Position</b>	<b>(16,109.56)</b>
<b>Net Position -- July 1</b>	<u><b>88,838.64</b></u>
<b>Net Position -- June 30</b>	<u><u><b>\$ 72,729.08</b></u></u>

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Statement of Cash Flows  
Enterprise Fund  
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 14,603.15
Payments to Management Company	(193,971.51)
Payments to Suppliers	(26,032.05)
Payments to Employees	(3,000.00)
Payments for Employee Benefits	<u>(203.68)</u>
Net Cash Provided by (used for) Operating Activities	<u>(208,604.09)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	2,932.55
Federal Sources	<u>194,564.87</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>197,497.42</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,106.67)
Cash and Cash Equivalents -- July 1	<u>60,314.00</u>
Cash and Equivalents -- June 30	<u>\$ 49,207.33</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (214,033.51)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	1,458.11
(Increase) Decrease in Accounts Receivable	(8,905.18)
(Increase) Decrease in Inventories	(2,379.76)
Increase (Decrease) in Accounts Payable	<u>15,256.25</u>
Total Adjustments	<u>5,429.42</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (208,604.09)</u>

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

	Trust Fund	Agency Funds	
	Unemployment Compensation <u>Trust</u>	Student Activity	Payroll
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 24,167.21	\$ 24,316.22	\$ 84,879.65
Accounts Receivable:			
Interfund Accounts Receivable:			
Due General Fund	58,641.04		
Due Payroll Fund	16,061.84		
Other Accounts Receivable			1,000.00
Total Investments	74,702.88	-	1,000.00
<b>Total Assets</b>	<b>98,870.09</b>	<b>\$ 24,316.22</b>	<b>\$ 85,879.65</b>
<b>LIABILITIES:</b>			
Accounts Payable		\$ 958.00	
Payroll Deductions Payable			\$ 30,277.68
Interfund Accounts Payable:			
Due Unemployment Fund			16,061.84
Due General Fund			39,540.13
Payable to Student Groups		23,358.22	
<b>Total Liabilities</b>	<b>-</b>	<b>\$ 24,316.22</b>	<b>\$ 85,879.65</b>
<b>NET POSITION:</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 98,870.09		

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2013

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions and Donations from Payroll Deductions Withheld	\$ 4,706.64
Employer Contributions	<u>49,817.83</u>
	54,524.47
Investment Earnings:	
Interest	<u>5.19</u>
Total Additions	<u>54,529.66</u>
DEDUCTIONS:	
Unemployment Claims	<u>10,979.58</u>
Change in Net Position	43,550.08
Net Position -- July 1	<u>55,320.01</u>
Net Position -- June 30	<u>\$ 98,870.09</u>

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2013

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Borough of Woodlynne School District (the "School District") have been prepared to conform 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 following is a summary of the more significant of these policies.

**Description of the Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K through 8 at its one school. The School District has an approximate enrollment at June 30, 2013 of 420.

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

**Component Units**

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, provide guidance that all entities associated with a primary government are potential component units, and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. In addition, GASB Statement No. 61 clarifies the manner in which component units are presented (discretely presented, blended, or included in the fiduciary fund financial statements).

Based on the aforementioned, the School District has determined that no component units exist for the fiscal year ended June 30, 2013.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - The School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

The governmental funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The proprietary fund is accounted for on an "economic resources" measurement focus. Accordingly, statement of revenues, expenses and changes in fund net position for the proprietary fund reports increases and decreases in total economic worth. The private-purpose trust fund is reported using the economic resources measurement focus.

**Governmental Funds** - Governmental funds are those through which most School District functions are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities, except those accounted for in the proprietary fund and fiduciary funds, are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the School District's major governmental funds:

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Fund Financial Statements (Cont'd)****Governmental Funds (Cont'd)**

**General Fund (Cont'd)** - Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2013 is considered to be attributable to Ed Jobs. Ed Jobs expenditures during the fiscal year ended June 30, 2013 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation.

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Proprietary Funds**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as non-operating revenues and expenses.

The School District maintains the following enterprise funds:

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Fund Financial Statements (Cont'd)****Fiduciary Funds**

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District maintains the following fiduciary funds:

***Agency Funds*** - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

***Private-Purpose Trust Funds*** - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

**Modified Accrual**

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e. both available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, and interest on investments. The School District considers all revenues, with the exception of the expenditure-driven grants, as available if they are collected within sixty (60) days after fiscal year-end. The expenditure driven grants are considered available if received within one fiscal year from the balance sheet date. Property tax revenue is recognized when taxes are received, except at fiscal year end when revenue is recognized for taxes received by the School District within sixty (60) days subsequent to fiscal year end. Expenditures are recognized in the accounting period in which the liability is incurred. However, exceptions include the amount of unmatured principal and interest on general long-term debt, compensated absences, claims and judgments and certain prepaids which are recognized when due / paid.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Basis of Accounting (Cont'd)****Modified Accrual (Cont'd)**

In applying the susceptible to accrual concept to revenues from federal and state sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the School District will receive any amounts; therefore, revenues are recognized based on the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In cases where monies are received and all eligibility requirements, including timing, have been satisfied, but the occurrence of expenditure has yet to happen, amounts are reported as unearned revenue. Conversely, where monies are received but eligibility requirements, including timing, have yet to be satisfied, such amounts are reported as deferred inflows of resources.

**Accrual**

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred.

**Revenue Recognition**

**Property Taxes** - Ad valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control (Cont'd)**

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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

**Cash, Cash Equivalents and Investments**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Cash, Cash Equivalents and Investments (Cont'd)**

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

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

**Inventories**

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

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

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

**Tuition Receivable**

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

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

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

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

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

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 15 Years
Buildings and Improvements	20 - 40 Years
Land Improvements	15 - 20 Years

The School District does not possess any infrastructure assets.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2013 and 2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

**Compensated Absences**

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. An expenditure is recognized in the governmental funds as payments come due each period, for

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

**Compensated Absences (Cont'd)** - example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

**Net Investment in Capital Assets** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

**Restricted** - Net position is 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.

**Unrestricted** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Fund Balance**

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance (cont'd)**

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

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

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

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

**Interfund Activity**

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

**Accounting Estimates**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011. The School District does not have any SCAs and therefore the adoption of GASBS 60 does not have any impact on the School District's financial statements.

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASBS 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This Statement is effective for periods beginning after June 15, 2012. The School District elected to early implement GASBS 61 effective for fiscal year 2013. The adoption of GASBS 61, however, does not have any impact on the School District's financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011. The adoption of GASBS 62 does not have any impact on the School District's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This Statement is effective for financial statements for periods beginning after December 15, 2011. The adoption of GASBS 63, however, does not have a material impact on the School District's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The School District elected to early implement GASBS 65 effective for fiscal year 2013.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2013, all of the School District's bank balances of \$1,187,557.62 were insured or collateralized.

**Note 3: CAPITAL RESERVE ACCOUNT**

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

**Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)**

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

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012		\$ 201,803.40
Increased by:		
Interest Earnings	\$ 42.54	
Deposits:		
June 11, 2013 Resolution	54,615.75	
June 13, 2013 Resolution	500,000.00	
		<u>554,658.29</u>
		756,461.69
Decreased by:		
Withdrawals:		
Budget Revenue	201,629.00	
		<u>201,629.00</u>
Total Withdrawals		<u>201,629.00</u>
Ending Balance, June 30, 2013		<u><u>\$ 554,832.69</u></u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2013 is \$9,613,351.00.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

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

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Intergovernmental	\$ 385,130.21	\$ 137,116.26	\$ 11,097.10		\$ 533,343.57
Other	17,530.00		8,905.18	\$ 1,000.00	27,435.18
	<u>\$ 402,660.21</u>	<u>\$ 137,116.26</u>	<u>\$ 20,002.28</u>	<u>\$ 1,000.00</u>	<u>\$ 560,778.75</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2013 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 2,245.93
Supplies	<u>714.04</u>
	<u>\$ 2,959.97</u>

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u> <u>and Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 2,589.00			\$ 2,589.00
Total Capital Assets, not being Depreciated	<u>2,589.00</u>	<u>-</u>	<u>-</u>	<u>2,589.00</u>
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	240,930.00	\$ 4,921.46	\$ (2,300.00)	243,551.46
Buildings and Improvements	4,271,461.66	120,012.79		4,391,474.45
Land Improvements	54,220.00			54,220.00
Total Capital Assets, being Depreciated	<u>4,566,611.66</u>	<u>124,934.25</u>	<u>(2,300.00)</u>	<u>4,689,245.91</u>
Total Capital Assets, Cost	<u>4,569,200.66</u>	<u>124,934.25</u>	<u>(2,300.00)</u>	<u>4,691,834.91</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(203,134.59)	(9,208.65)	2,300.00	(210,043.24)
Buildings and Improvements	(1,657,014.87)	(96,297.47)		(1,753,312.34)
Land Improvements	(49,911.63)	(1,050.07)		(50,961.70)
Total Accumulated Depreciation	<u>(1,910,061.09)</u>	<u>(106,556.19)</u>	<u>2,300.00</u>	<u>(2,014,317.28)</u>
Total Capital Assets, being Depreciated, Net	<u>2,656,550.57</u>	<u>18,378.06</u>	<u>-</u>	<u>2,674,928.63</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,659,139.57</u>	<u>\$ 18,378.06</u>	<u>-</u>	<u>\$ 2,677,517.63</u>
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 24,571.80			\$ 24,571.80
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(7,297.94)	(1,458.11)		(8,756.05)
Business-Type Activities Capital Assets, Net	<u>\$ 17,273.86</u>	<u>\$ (1,458.11)</u>	<u>-</u>	<u>\$ 15,815.75</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

Depreciation expense was charged to functions / programs of the School District as follows:

<b>Governmental Activities:</b>	
Instruction	\$ 77,037.98
General and Business Administrative Services	23,176.81
Plant Operations and Maintenance	5,041.33
Unallocated	<u>1,300.07</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 106,556.19</u>
 <b>Business-Type Activities:</b>	
Food Service	<u>\$ 1,458.11</u>
 Total Depreciation Expense - Business-Type Activities	 <u>\$ 1,458.11</u>

**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 82,596.08	#####	_____	\$ 98,217.17	_____
Governmental Activity Long-Term Liabilities	<u>\$ 82,596.08</u>	<u>#####</u>	<u>\$ -</u>	<u>\$ 98,217.17</u>	<u>\$ -</u>

**Bonds Authorized but not Issued** - As of June 30, 2013, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** - Compensated absences are liquidated by the fund from which the employees' salaries are paid.

**Note 8: OPERATING LEASES**

At June 30, 2013, the School District had an operating lease agreement in effect for a copy machine. The present value of the future minimum rental payments under the operating lease agreement are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2014	\$ 1,095.00
2015	1,095.00
2016	<u>638.75</u>
	<u>\$ 2,828.75</u>

Rental payments under operating leases for the fiscal year ended June 30, 2013 were \$1,095.00.

**Note 9: PENSION PLANS**

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

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

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

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

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

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

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

**Note 9: PENSION PLANS (CONT'D)****Public Employees' Retirement System (Cont'd)**

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Regular Pension Contributions</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Paid by School District</u>
2013	\$ 16,051.00	\$ 38,379.00	\$ 54,430.00	\$ 3,240.00	\$ 57,670.00
2012	21,274.00	42,549.00	63,823.00	4,066.00	67,889.00
2011	25,641.00	40,857.00	66,498.00	5,050.00	71,548.00

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are 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's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2013	\$ 835.13	\$ 835.13
2012	618.88	618.88
2011	-	-

**Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS (CONT'D)**

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2013, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$165,608.00 and \$187,260.00, respectively.

**Note 12: RISK MANAGEMENT**

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

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

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

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2013	\$ 49,817.83	\$ 4,706.64	\$ 5.19	\$ 10,979.58	\$98,870.09
2012	140,000.00	4,907.93	7.98	89,609.22	55,320.01
2011	129,383.00	5,463.03	56.15	138,843.33	13.32

**Joint Insurance Pool** - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

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

**Note 12: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool (Cont'd)** - Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the fiscal year ended June 30, 2013, which can be obtained from:

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

**Note 13: DEFERRED COMPENSATION**

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

Lincoln Invest  
Lincoln National  
Met Life  
AXA Equitable

**Note 14: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2013, the liability for compensated absences reported on the government-wide statement of net position was \$98,217.17 and there was no accrual for the proprietary fund.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 188,920.64	\$ 58,641.04
Special Revenue		149,380.51
Fiduciary	<u>74,702.88</u>	<u>55,601.97</u>
	<u>\$ 263,623.52</u>	<u>\$ 263,623.52</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2014, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Fiduciary Fund</u>
<b><u>Transfer Out:</u></b>		
General Fund		\$ 2,241.73
Special Revenue Fund	\$ 11,086.79	
Fiduciary		<u>4,706.64</u>
Total Transfers	<u>\$ 11,086.79</u>	<u>\$ 6,948.37</u>

**Note 16: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$12,355.20 in the special revenue fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$12,355.20 is equal to the June state aid payments.

**Note 17: UNRESTRICTED DEFICIT**

The Governmental Funds had a deficit in unrestricted net position of \$181,699.70 as of June 30, 2013. This deficit is attributable to the allocation of compensated absences balances in the amount of \$98,217.17 and a portion of the deficit in unassigned general fund balance caused by the delay of the 19th and 20<sup>th</sup> state aid payment.

**Note 18: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund -**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess fund balance at June 30, 2013 on a GAAP basis. However, \$371,343.61 of excess fund balance generated during 2011-2012 has been restricted and designated for utilization in the 2013-2014 Budget.

**For Capital Reserve Account** - As of June 30, 2013, the balance in the capital reserve account is \$554,832.69 of which \$500,000.00 has been designated for utilization in the 2013-14 Budget. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund -**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014 \$36,468.39 of general fund balance at June 30, 2013.

**Other Purposes** - As of June 30, 2013, the School District had \$3,600.00 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Note 18: FUND BALANCES (CONT'D)****UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2013, there was a (\$111,195.72) unassigned deficit.

**Special Revenue Fund** - As of June 30, 2013, the fund balance of the special revenue fund was a deficit of \$12,355.20, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 16, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$12,355.20 is less than the last state aid payment.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,933,205.00		\$ 1,933,205.00	\$ 1,933,205.00	
Interest Earned on Capital Reserve Funds				42.54	\$ 42.54
Tuition				17,072.89	17,072.89
Unrestricted Miscellaneous Revenues	2,000.00		2,000.00	18,639.85	16,639.85
<b>Total - Local Sources</b>	<b>1,935,205.00</b>	<b>-</b>	<b>1,935,205.00</b>	<b>1,968,960.28</b>	<b>33,755.28</b>
State Sources:					
Equalization Aid	6,441,529.00		6,441,529.00	6,441,529.00	
Special Education Aid	341,479.00		341,479.00	341,479.00	
Security Aid	49,662.00		49,662.00	49,662.00	
Extraordinary Aid	30,000.00		30,000.00	46,493.00	16,493.00
Transportation Aid	24,060.00		24,060.00	24,060.00	
Reimbursed TPAF Social Security Contributions (non-budgeted)				163,497.93	163,497.93
On-behalf TPAF Pension Contributions (non-budgeted)				165,608.00	165,608.00
On-behalf TPAF Medical Contributions (non-budgeted)				187,260.00	187,260.00
<b>Total - State Sources</b>	<b>6,886,730.00</b>	<b>-</b>	<b>6,886,730.00</b>	<b>7,419,588.93</b>	<b>532,858.93</b>
Federal Sources:					
Medicaid Reimbursement	19,865.00		19,865.00	35,368.57	15,503.57
Medicaid Administrative Claiming Aid				2,825.16	2,825.16
Education Jobs Funds		\$ 580.00	580.00	580.00	-
<b>Total - Federal Sources</b>	<b>19,865.00</b>	<b>580.00</b>	<b>20,445.00</b>	<b>38,773.73</b>	<b>18,328.73</b>
<b>Total Revenues</b>	<b>8,841,800.00</b>	<b>580.00</b>	<b>8,842,380.00</b>	<b>9,427,322.94</b>	<b>584,942.94</b>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 133,489.00		\$ 133,489.00	\$ 113,535.83	\$ 19,953.17
Grades 1 - 5	737,862.00		737,862.00	686,835.90	51,026.10
Grades 6 - 8	488,376.00	\$ (2,061.52)	486,314.48	469,713.50	16,600.98
Regular Programs - Home Instruction:					
Salaries of Teachers	11,000.00	560.00	11,560.00	6,689.48	4,870.52
Purchased Professional/Educational Services	16,600.00	4,001.52	20,601.52	19,091.52	1,510.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	39,051.00	(4,925.00)	34,126.00	26,016.04	8,109.96
Purchased Professional/Educational Services	17,820.00	(475.00)	17,345.00	11,421.46	5,923.54
Other Purchased Services	27,600.00		27,600.00	18,549.70	9,050.30
General Supplies	58,786.37	(4,233.00)	54,553.37	46,968.97	7,584.40
Textbooks	2,000.00		2,000.00	631.55	1,368.45
<b>Total Regular Programs</b>	<b>1,532,584.37</b>	<b>(7,133.00)</b>	<b>1,525,451.37</b>	<b>1,399,453.95</b>	<b>125,997.42</b>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	153,219.00	7,588.00	160,807.00	160,415.00	392.00
Other Salaries for Instruction	58,399.00	6,632.00	65,031.00	64,601.50	429.50
Purchased Professional/Educational Services	3,690.00		3,690.00	3,320.00	370.00
General Supplies	8,310.95		8,310.95	5,811.24	2,499.71
Textbooks	3,200.00		3,200.00		3,200.00
<b>Total - Learning and/or Language Disabilities</b>	<b>226,818.95</b>	<b>14,220.00</b>	<b>241,038.95</b>	<b>234,147.74</b>	<b>6,891.21</b>
Resource Room/Center					
Salaries of Teachers	108,730.00		108,730.00	108,730.00	
General Supplies	1,730.00		1,730.00		1,730.00
Textbooks	900.00		900.00		900.00
<b>Total - Resource Room/Center</b>	<b>111,360.00</b>	<b>-</b>	<b>111,360.00</b>	<b>108,730.00</b>	<b>2,630.00</b>
Preschool Disabilities - Full Time:					
Purchased Professional/Educational Services	984.00		984.00	984.00	
Supplies and Materials	1,000.00		1,000.00	217.80	782.20
<b>Total - Preschool Disabilities - Full Time</b>	<b>1,984.00</b>	<b>-</b>	<b>1,984.00</b>	<b>1,201.80</b>	<b>782.20</b>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Basic Skills/Remedial					
Salaries of Teachers	\$ 163,080.00		\$ 163,080.00	\$ 163,080.00	
Total - Basic Skills/Remedial	<u>163,080.00</u>	<u>-</u>	<u>163,080.00</u>	<u>163,080.00</u>	<u>-</u>
Bilingual Education:					
Salaries of Teachers	116,890.00	\$ (10,507.00)	106,383.00	58,426.25	\$ 47,956.75
ESL Aid Salaries		2,700.00	2,700.00	1,500.00	1,200.00
General Supplies	1,800.00		1,800.00	74.82	1,725.18
Total - Bilingual Education	<u>118,690.00</u>	<u>(7,807.00)</u>	<u>110,883.00</u>	<u>60,001.07</u>	<u>50,881.93</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	17,836.00		17,836.00	9,711.00	8,125.00
Total - School Sponsored Cocurricular Activities - Instruction	<u>17,836.00</u>	<u>-</u>	<u>17,836.00</u>	<u>9,711.00</u>	<u>8,125.00</u>
Tuition to Other LEAs within State-Regular	2,159,534.00	(2,009.50)	2,157,524.50	2,153,884.12	3,640.38
Tuition to Other LEAs within State-Special	239,518.00	84,365.46	323,883.46	301,492.30	22,391.16
Tuition to County Voc. School Dist. - Regular	110,100.00		110,100.00	101,500.00	8,600.00
Tuition to CSSD & Reg. Day Schools	402,553.00	(125,578.77)	276,974.23	226,993.54	49,980.69
Tuition to Private School for the Handicapped- State	489,394.00	(15,000.00)	474,394.00	415,674.36	58,719.64
Tuition - State Facilities	78,046.00		78,046.00	78,046.00	
Total Undistributed Expenditures - Instruction	<u>3,479,145.00</u>	<u>(58,222.81)</u>	<u>3,420,922.19</u>	<u>3,277,590.32</u>	<u>143,331.87</u>
Total - Instruction	<u>5,651,498.32</u>	<u>(58,942.81)</u>	<u>5,592,555.51</u>	<u>5,253,915.88</u>	<u>338,639.63</u>
Attendance & Social Work					
Salaries	26,369.00	2,005.00	28,374.00	23,483.74	4,890.26
Purchased Professional and Technical Services	8,900.00		8,900.00	8,823.07	76.93
Other Purchased Services		500.00	500.00		500.00
Supplies and Materials	2,972.51	(700.00)	2,272.51	784.53	1,487.98
Total Attendance & Social Work	<u>38,241.51</u>	<u>1,805.00</u>	<u>40,046.51</u>	<u>33,091.34</u>	<u>6,955.17</u>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures:					
Health Services					
Salaries	\$ 64,443.00		\$ 64,443.00	\$ 64,443.00	
Purchased Professional and Technical Services	6,501.00	\$ (265.59)	6,235.41	4,368.50	\$ 1,866.91
Other Purchased Services	500.00	(500.00)			
Supplies and Materials	2,040.00	2,500.00	4,540.00	767.23	3,772.77
<b>Total Health Services</b>	<b>73,484.00</b>	<b>1,734.41</b>	<b>75,218.41</b>	<b>69,578.73</b>	<b>5,639.68</b>
Other Support Services-Students-Related Services:					
Salaries	83,290.00	(4,561.00)	78,729.00	70,922.24	7,806.76
Purchased Professional/Educational Services	98,950.00	19,250.00	118,200.00	113,761.27	4,438.73
Supplies and Materials	200.00		200.00	119.95	80.05
<b>Total - Other Support Services-Students-Related Services</b>	<b>182,440.00</b>	<b>14,689.00</b>	<b>197,129.00</b>	<b>184,803.46</b>	<b>12,325.54</b>
Other Support Services - Students - Regular					
Salaries of Other Professional Staff	86,558.00		86,558.00	82,518.20	4,039.80
Other Purchased Professional and Technical Services	1,000.00		1,000.00		1,000.00
Supplies and Materials	2,000.00		2,000.00	1,000.00	1,000.00
<b>Total Other Support Services - Students - Regular</b>	<b>89,558.00</b>		<b>89,558.00</b>	<b>83,518.20</b>	<b>6,039.80</b>
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	59,228.00		59,228.00	59,228.00	
Salaries of Secretarial/Clerical Assistants	27,595.00	349.68	27,944.68	27,319.06	625.62
Purchased Professional - Educational Services	104,690.00	(4,304.09)	100,385.91	100,385.83	0.08
Rental of Facilities - Special Ed		1,375.00	1,375.00	1,375.00	
Miscellaneous Purchased Services	2,100.00	1,461.00	3,561.00	3,561.00	
Supplies and Materials	1,100.00	310.00	1,410.00	619.67	790.33
<b>Total Other Support Services - Students - Special Services</b>	<b>194,713.00</b>	<b>(808.41)</b>	<b>193,904.59</b>	<b>192,488.56</b>	<b>1,416.03</b>
Improvement of Instruction/Other Support Services - Instructional Staff:					
Salaries of Other Professional Staff	10,288.00		10,288.00		10,288.00
Other Purchased Services	20,160.00		20,160.00	3,772.00	16,388.00
Supplies and Materials	6,060.00		6,060.00	237.00	5,823.00
<b>Total Improvement of Instruction/Other Support Services - Instructional Staff</b>	<b>36,508.00</b>	<b>-</b>	<b>36,508.00</b>	<b>4,009.00</b>	<b>32,499.00</b>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Educational Media Services/School Library:					
Supplies and Materials	\$ 1,060.00	\$ 1,484.00	\$ 2,544.00	\$ 2,543.54	\$ 0.46
Total Educational Media Services/School Library	1,060.00	1,484.00	2,544.00	2,543.54	0.46
Instructional Staff Training Services:					
Other Purchased Professional and Technical Services	3,000.00		3,000.00	2,025.00	975.00
Supplies and Materials	500.00		500.00		500.00
Total Instructional Staff Training Services	3,500.00	-	3,500.00	2,025.00	1,475.00
Support Services General Administration:					
Salaries	28,154.00	39,999.50	68,153.50	61,654.16	6,499.34
Legal Services	10,000.00	4,200.00	14,200.00	12,655.61	1,544.39
Audit Fees	23,000.00	(4,200.00)	18,800.00	18,800.00	
Other Purchased Professional Services	96,400.00	(31,300.00)	65,100.00	58,800.00	6,300.00
Purchased Technical Services	1,700.00	250.00	1,950.00	1,950.00	
Communications/Telephone	19,500.00	(250.00)	19,250.00	12,476.90	6,773.10
BOE Other Purchased Services	2,400.00		2,400.00	666.50	1,733.50
Other Purchased Services	23,105.00	(1,622.00)	21,483.00	16,801.54	4,681.46
General Supplies	3,060.00	542.00	3,602.00	3,552.50	49.50
Miscellaneous Expenditures	1,000.00		1,000.00	830.00	170.00
BOE Membership and Fees	4,300.00		4,300.00	4,061.25	238.75
Total Support Services General Administration	212,619.00	7,619.50	220,238.50	192,248.46	27,990.04
Support Services School Administration:					
Salaries of Principals/Assistant Principals	116,058.00	3,000.00	119,058.00	116,058.96	2,999.04
Salaries of Secretarial and Clerical Assistants	28,054.00		28,054.00	26,053.92	2,000.08
Other Purchased Services	3,800.00	(164.70)	3,635.30	1,923.92	1,711.38
Supplies and Materials	1,020.00	2,000.00	3,020.00	2,327.74	692.26
Other Objects	1,000.00	75.00	1,075.00	1,075.00	
Total Support Services School Administration	149,932.00	4,910.30	154,842.30	147,439.54	7,402.76
Support Services Central Services					
Purchased Professional Services	187,100.00	969.70	188,069.70	187,855.50	214.20
Total Support Services Central Services	187,100.00	969.70	188,069.70	187,855.50	214.20

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures (Cont'd):					
Administration Information Technology:					
Salaries	\$ 69,238.00	\$ (0.40)	\$ 69,237.60	\$ 69,237.60	
Other Purchased Services	4,600.00	49.70	4,649.70	4,210.18	\$ 439.52
<b>Total Administration Information Technology</b>	<b>73,838.00</b>	<b>49.30</b>	<b>73,887.30</b>	<b>73,447.78</b>	<b>439.52</b>
Allowable Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	52,266.00	(4,675.81)	47,590.19	35,173.37	12,416.82
General Supplies		9,478.02	9,478.02	9,478.02	
<b>Total - Allowable Maintenance for School Facilities</b>	<b>52,266.00</b>	<b>4,802.21</b>	<b>57,068.21</b>	<b>44,651.39</b>	<b>12,416.82</b>
Other Operation and Maintenance of Plant Services:					
Salaries	17,309.00	0.52	17,309.52	17,309.52	
Purchased Professional and Technical Services	3,264.00	60.00	3,324.00	3,323.70	0.30
Cleaning, Repair & Maintenance Services	244,404.00	979.08	245,383.08	244,991.35	391.73
Other Purchased Property Services	10,225.00	(1,039.60)	9,185.40	7,311.95	1,873.45
Insurance	16,000.00	527.00	16,527.00	16,527.00	
General Supplies	10,000.00	5,370.23	15,370.23	15,370.23	
Energy (Electricity)	73,000.00	(8,992.44)	64,007.56	53,246.71	10,760.85
Energy (Oil)	42,000.00		42,000.00	40,761.22	1,238.78
<b>Total - Other Operation and Maintenance of Plant Services</b>	<b>416,202.00</b>	<b>(3,095.21)</b>	<b>413,106.79</b>	<b>398,841.68</b>	<b>14,265.11</b>
<b>Total - Operation and Maintenance of Plant Services</b>	<b>468,468.00</b>	<b>1,707.00</b>	<b>470,175.00</b>	<b>443,493.07</b>	<b>26,681.93</b>
Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	8,150.00	4,000.00	12,150.00	12,029.28	120.72
Contracted Services (Regular Education) - Vendors		15,626.76	15,626.76	15,626.76	
Contract Services (Special Education Students) - ESCs and CTSA	240,000.00	1,592.19	241,592.19	236,855.35	4,736.84
Contracted Services - Aid in Lieu of Payments - Charter School	10,327.00	4,553.05	14,880.05	14,880.05	
Contracted Services - Aid in Lieu of Payments - Choice School	4,020.00	4,719.60	8,739.60	8,739.60	
<b>Total Student Transportation Services</b>	<b>262,497.00</b>	<b>30,491.60</b>	<b>292,988.60</b>	<b>288,131.04</b>	<b>4,857.56</b>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	\$ 141,333.57	\$ (4,609.00)	\$ 136,724.57	\$ 72,335.75	\$ 64,388.82
Other Retirement Contributions - Regular	71,133.00	(2,900.00)	68,233.00	58,505.13	9,727.87
Unemployment Compensation	100,000.00		100,000.00	49,817.83	50,182.17
Workers Compensation	63,429.00	(1,391.00)	62,038.00	36,956.00	25,082.00
Health Benefits	858,924.00	(56,142.60)	802,781.40	747,305.55	55,475.85
Tuition Reimbursements	6,000.00	9,750.00	15,750.00	12,834.60	2,915.40
Other Employee Benefits	20,930.00	30,326.00	51,256.00	13,755.44	37,500.56
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>1,261,749.57</b>	<b>(24,966.60)</b>	<b>1,236,782.97</b>	<b>991,510.30</b>	<b>245,272.67</b>
On-behalf TPAF Medical Contributions				187,260.00	(187,260.00)
On-behalf TPAF Pension Contributions				165,608.00	(165,608.00)
Reimbursed TPAF Social Security Contributions				163,497.93	(163,497.93)
<b>Total TPAF Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>516,365.93</b>	<b>(516,365.93)</b>
<b>Total Undistributed Expenses</b>	<b>3,235,708.08</b>	<b>39,684.80</b>	<b>3,275,392.88</b>	<b>3,412,549.45</b>	<b>(137,156.57)</b>
<b>Total Expenditures - Current Expense</b>	<b>8,887,206.40</b>	<b>(19,258.01)</b>	<b>8,867,948.39</b>	<b>8,666,465.33</b>	<b>201,483.06</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Undistributed Expenditures - Instruction		60,930.52	60,930.52	55,918.78	5,011.74
<b>Total Equipment</b>	<b>-</b>	<b>60,930.52</b>	<b>60,930.52</b>	<b>55,918.78</b>	<b>5,011.74</b>
Facilities Acquisition and Construction Services					
Architectural / Engineering Services	5,000.00		5,000.00	1,611.25	3,388.75
Construction Services	174,550.00	(60,930.52)	113,619.48	67,404.22	46,215.26
Assessment for Debt Service on SDA Funding	22,079.00		22,079.00	22,079.00	
<b>Total - Facilities Acquisition and Construction Services</b>	<b>201,629.00</b>	<b>(60,930.52)</b>	<b>140,698.48</b>	<b>91,094.47</b>	<b>49,604.01</b>
<b>Total Capital Outlay</b>	<b>201,629.00</b>	<b>-</b>	<b>201,629.00</b>	<b>147,013.25</b>	<b>54,615.75</b>
Transfer to Charter Schools	311,458.00	19,258.01	330,716.01	282,906.00	47,810.01
<b>Total Expenditures</b>	<b>9,400,293.40</b>	<b>-</b>	<b>9,400,293.40</b>	<b>9,096,384.58</b>	<b>303,908.82</b>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (558,493.40)	\$ 580.00	\$ (557,913.40)	\$ 330,938.36	\$ 888,851.76
Other Financing Sources (Uses):					
Cancellation of Accounts Receivable				(43,486.00)	(43,486.00)
Cancellation of Grants Receivable				(615.00)	(615.00)
Total - Other Financing Sources (Uses)	-	-	-	(44,101.00)	(44,101.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(558,493.40)	580.00	(557,913.40)	286,837.36	844,750.76
Fund Balances, July 1	1,216,479.41		1,216,479.41	1,216,479.41	
Fund Balances, June 30	\$ 657,986.01	\$ 580.00	\$ 658,566.01	\$ 1,503,316.77	\$ 844,750.76
<b>Recapitulation:</b>					
Restricted Fund Balance:					
Capital Reserve				\$ 54,832.69	
Capital Reserve -- Designated for Subsequent Year's Expenditures				500,000.00	
Excess Surplus -- Designated for Subsequent Year's Expenditures				371,343.61	
Excess Surplus				270,579.08	
Assigned Fund Balance:					
Reserve for Encumbrances				3,600.00	
Designated for Subsequent Year's Expenditures				36,468.39	
Unassigned Fund Balance				266,493.00	
				1,503,316.77	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(648,267.80)	
Fund Balance per Governmental Funds (GAAP)				\$ 855,048.97	

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule -- Education Jobs Funds  
 General Fund  
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources:					
Education Jobs Funds	-	\$ 580.00	\$ 580.00	\$ 580.00	-
<b>EXPENDITURES:</b>					
GENERAL CURRENT EXPENSE:					
Undistributed Expenditures:					
Unallocated Benefits - Employee Benefits	-	580.00	580.00	580.00	-
Health Benefits	-	-	-	-	-
Total Unallocated Benefits - Employee Benefits	-	580.00	580.00	580.00	-
Total Expenditures	-	580.00	580.00	580.00	-
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	-	-	-	-	-

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Preschool Education Aid	\$ 142,481.00		\$ 142,481.00	\$ 142,481.00	
Total - State Sources	<u>142,481.00</u>	<u>-</u>	<u>142,481.00</u>	<u>142,481.00</u>	<u>-</u>
Federal Sources:					
Title I	294,913.00	\$ 115,827.86	410,740.86	369,463.06	\$ (41,277.80)
Title II Part A	27,500.00	1,355.00	28,855.00	28,855.00	
Title III	12,842.00	(8,422.11)	4,419.89	4,419.89	
I.D.E.I.A., Part B Basic	163,072.00	(12,474.00)	150,598.00	142,670.85	(7,927.15)
I.D.E.I.A., Part B, Preschool Incentive		6,419.00	6,419.00	5,638.21	(780.79)
Total - Federal Sources	<u>498,327.00</u>	<u>102,705.75</u>	<u>601,032.75</u>	<u>551,047.01</u>	<u>(49,985.74)</u>
Total Revenues	<u>\$ 640,808.00</u>	<u>\$ 102,705.75</u>	<u>\$ 743,513.75</u>	<u>\$ 693,528.01</u>	<u>\$ (49,985.74)</u>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries	\$ 470,827.00	\$ (257,273.00)	\$ 213,554.00	\$ 189,734.86	\$ (23,819.14)
Salaries of Teachers	135,101.00	(3,454.00)	131,647.00	131,647.00	
Other Salaries for Instruction	20,329.00		20,329.00	20,329.00	
Purchased Professional - Technical Services		27,736.10	27,736.10	25,849.90	(1,886.20)
Other Purchased Services		143,098.00	143,098.00	142,563.00	(535.00)
General Supplies	2,000.00	95,412.11	97,412.11	79,438.92	(17,973.19)
	<u>628,257.00</u>	<u>5,519.21</u>	<u>633,776.21</u>	<u>589,562.68</u>	<u>(44,213.53)</u>
Total Instruction					
Support Services:					
Salaries		5,012.48	5,012.48	5,012.48	
Personal Services - Employee Benefits	12,551.00	50,488.00	63,039.00	61,596.24	(1,442.76)
Purchased Professional - Technical Services		36,107.65	36,107.65	34,395.65	(1,712.00)
Other Purchased Services		2,500.00	2,500.00	1,303.00	(1,197.00)
Supplies and Materials		3,078.41	3,078.41	1,657.96	(1,420.45)
	<u>12,551.00</u>	<u>97,186.54</u>	<u>109,737.54</u>	<u>103,965.33</u>	<u>(5,772.21)</u>
Total Support Services					
Facilities Acquisition and Construction Services:					
Building/Renovation	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 640,808.00</u>	<u>\$ 102,705.75</u>	<u>\$ 743,513.75</u>	<u>\$ 693,528.01</u>	<u>\$ (49,985.74)</u>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2013

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 9,427,322.94	\$ 693,528.01
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		316.25
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		(18,929.30)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2012.	617,203.40	9,921.60
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2013.	<u>(648,267.80)</u>	<u>(12,355.20)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 9,396,258.54</u>	<u>\$ 672,481.36</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 9,096,384.58	\$ 693,528.01
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>316.25</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 9,096,384.58</u>	<u>\$ 693,844.26</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2013

	<u>Total</u>	N.C.L.B.			I.D.E.I.A. Part B Basic 2012-2013	I.D.E.I.A. Part B PreSchool 2012-2013	Preschool Education Aid 2012-2013	
		Title I		Title II				Title III
		<u>2012-2013</u>	<u>2011-2012</u>	Part A <u>2012-2013</u>				<u>2011-2012</u>
<b>REVENUES:</b>								
Federal Sources	\$ 551,047.01	\$ 308,617.20	\$ 60,845.86	\$ 28,855.00	\$ 4,419.89	\$ 142,670.85	\$ 5,638.21	
State Sources	142,481.00						\$ 142,481.00	
Local Sources								
<b>Total Revenues</b>	<b>\$ 693,528.01</b>	<b>\$ 308,617.20</b>	<b>\$ 60,845.86</b>	<b>\$ 28,855.00</b>	<b>\$ 4,419.89</b>	<b>\$ 142,670.85</b>	<b>\$ 5,638.21</b>	<b>\$ 142,481.00</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries	\$ 189,734.86	\$ 160,310.86	\$ 21,196.00		\$ 3,038.00		\$ 5,190.00	
Salaries of Teachers	131,647.00			\$ 24,046.00			\$ 107,601.00	
Other Salaries for Instruction	20,329.00						20,329.00	
Purchased Professional - Technical Services	25,849.90	14,244.80	11,605.10					
Other Purchased Services	142,563.00				\$ 142,563.00			
General Supplies	79,438.92	69,068.75	8,087.10		124.01	107.85	51.21	
Other Objects	-						2,000.00	
<b>Total Instruction</b>	<b>589,562.68</b>	<b>243,624.41</b>	<b>40,888.20</b>	<b>24,046.00</b>	<b>3,162.01</b>	<b>142,670.85</b>	<b>5,241.21</b>	<b>129,930.00</b>
<b>Support Services:</b>								
Salaries	5,012.48		4,184.60		827.88			
Salaries of Supervisors of Instruction								
Personal Services - Employee Benefits	61,596.24	43,409.24		4,809.00	430.00		397.00	
Purchased Professional - Technical Services	34,395.65	19,701.00	14,694.65				12,551.00	
Other Purchased Services	1,303.00	1,303.00						
Travel								
Supplies and Materials	1,657.96	579.55	1,078.41					
<b>Total Support Services</b>	<b>103,965.33</b>	<b>64,992.79</b>	<b>19,957.66</b>	<b>4,809.00</b>	<b>1,257.88</b>	<b>-</b>	<b>397.00</b>	<b>12,551.00</b>
<b>Total Expenditures</b>	<b>\$ 693,528.01</b>	<b>\$ 308,617.20</b>	<b>\$ 60,845.86</b>	<b>\$ 28,855.00</b>	<b>\$ 4,419.89</b>	<b>\$ 142,670.85</b>	<b>\$ 5,638.21</b>	<b>\$ 142,481.00</b>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Special Revenue Fund  
Statement of Preschool Education Aid  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2013

<b>EXPENDITURES:</b>	<u>Budgeted</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Instruction:			
Salaries of Teachers	\$ 107,601.00	\$ 107,601.00	
Other Salaries for Instruction	20,329.00	20,329.00	
General Supplies	2,000.00	2,000.00	
Total Instruction	<u>129,930.00</u>	<u>129,930.00</u>	-
Support Services:			
Personal Services - Employee Benefits	<u>12,551.00</u>	<u>12,551.00</u>	
Total Support Services	<u>12,551.00</u>	<u>12,551.00</u>	-
Total Expenditures	<u>\$ 142,481.00</u>	<u>\$ 142,481.00</u>	-

**Calculation of Budget and Carryover**

Total Revised 2012-13 Preschool Education Aid Allocation	\$ 123,552.00
Add: Actual ECPA & Preschool Education Aid Carryover (June 30, 2012)	<u>18,929.30</u>
Total Preschool Education Aid Funds Available for 2012-13 Budget	142,481.30
Less: 2012-13 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(142,481.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2013	0.30
Less: Canceled to the General Fund	<u>0.30</u>
2012-13 Carryover - Preschool Education Aid	<u>\$ -</u>
2012-13 Preschool Education Aid Carryover Budgeted for Preschool Programs 2013-14	<u>\$ -</u>

PROPRIETARY FUNDS

## BOROUGH OF WOODLYNNE SCHOOL DISTRICT

Enterprise Fund  
 Combining Statement of Net Position  
 June 30, 2013

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 49,207.33
Inventory	2,959.97
Accounts Receivable:	
State	360.87
Federal	10,736.23
Other	8,905.18
	<u>8,905.18</u>
Total Current Assets	<u>72,169.58</u>
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	
Furniture, Machinery and Equipment	24,571.80
Less Accumulated Depreciation	<u>(8,756.05)</u>
Total Noncurrent Assets	<u>15,815.75</u>
Total Assets	<u>87,985.33</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	<u>15,256.25</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>-</u>
Total Liabilities	<u>15,256.25</u>
NET POSITION:	
Net Investment in Capital Assets	15,815.75
Unrestricted	<u>56,913.33</u>
Total Net Position	<u>\$ 72,729.08</u>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 8,987.60
School Breakfast Program	1,059.74
Special Milk Program	352.23
Daily Sales - Non-Reimbursable Programs	<u>4,203.58</u>
Total Operating Revenues	<u>14,603.15</u>
<b>OPERATING EXPENSES:</b>	
Salaries	72,522.80
Employee Benefits	203.68
Depreciation	1,458.11
Cost of Sales	76,514.15
Supplies	43,033.08
Purchased Professional/Technical Services	<u>34,904.84</u>
Total Operating Expenses	<u>228,636.66</u>
Operating Income / (Loss)	<u>(214,033.51)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	3,136.27
Federal Sources:	
National School Lunch Program	146,704.55
National School PB Lunch Program	2,933.94
National School Breakfast Program	28,305.71
National School After School Snack Program	4,372.68
National School Milk Program	594.85
Food Distribution Program	<u>11,875.95</u>
Total Nonoperating Revenues (Expenses)	<u>197,923.95</u>
Change in Net Position:	(16,109.56)
Net Position -- July 1	<u>88,838.64</u>
Net Position -- June 30	<u>\$ 72,729.08</u>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2013

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 14,603.15
Payments to Management Company	(193,971.51)
Payments to Suppliers	(26,032.05)
Payments to Employees	(3,000.00)
Payments for Employee Benefits	(203.68)
	(208,604.09)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	2,932.55
Federal Sources	194,564.87
	197,497.42
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	-
	-
Net Increase (Decrease) in Cash and Cash Equivalents	(11,106.67)
Cash and Cash Equivalents -- July 1	60,314.00
	60,314.00
Cash and Equivalents -- June 30	\$ 49,207.33
	49,207.33
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (214,033.51)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	1,458.11
(Increase) Decrease in Accounts Receivable	(8,905.18)
(Increase) Decrease in Inventories	(2,379.76)
Increase (Decrease) in Accounts Payable	15,256.25
	5,429.42
Total Adjustments	5,429.42
	5,429.42
Net Cash Provided by (used for) Operating Activities	\$ (208,604.09)
	(208,604.09)

## FIDUCIARY FUNDS

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2013

	<u>Trust Fund</u>	<u>Agency Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 24,167.21	\$ 24,316.22	\$ 84,879.65	\$ 133,363.08
Accounts Receivable:				
Interfund Accounts Receivable:				
Due General Fund	58,641.04			58,641.04
Due Payroll Fund	16,061.84			16,061.84
Other Accounts Receivable			1,000.00	1,000.00
Total Investments	<u>74,702.88</u>	<u>-</u>	<u>1,000.00</u>	<u>75,702.88</u>
 Total Assets	<u>98,870.09</u>	<u>\$ 24,316.22</u>	<u>\$ 85,879.65</u>	<u>209,065.96</u>
 <b>LIABILITIES:</b>				
Accounts Payable		\$ 958.00		958.00
Payroll Deductions Payable			\$ 30,277.68	30,277.68
Interfund Accounts Payable:				
Due Unemployment Fund			16,061.84	16,061.84
Due General Fund			39,540.13	39,540.13
Payable to Student Groups		<u>23,358.22</u>		<u>23,358.22</u>
 Total Liabilities	<u>-</u>	<u>\$ 24,316.22</u>	<u>\$ 85,879.65</u>	<u>110,195.87</u>
 <b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 98,870.09</u>			<u>\$ 98,870.09</u>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2013

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions and Donations from Payroll Deductions Withheld Employer Contributions	\$ 4,706.64 <u>49,817.83</u>
	54,524.47
Investment Earnings: Interest	<u>5.19</u>
Total Additions	<u>54,529.66</u>
DEDUCTIONS:	
Unemployment Claims	<u>10,979.58</u>
Change in Net Position	43,550.08
Net Position -- July 1	<u>55,320.01</u>
Net Position -- June 30	<u><u>\$ 98,870.09</u></u>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Fiduciary Funds  
Student Activity Agency Fund Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2013

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	<u>Balance</u> <u>June 30, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
ELEMENTARY SCHOOLS:				
Woodlynn Elementary School	<u>\$ 28,229.19</u>	<u>\$ 6,789.31</u>	<u>\$ 10,702.28</u>	<u>\$ 24,316.22</u>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 79,879.73	\$ 3,134,163.16	\$ 3,129,163.24	\$ 84,879.65
Accounts Receivable			(1,000.00)	1,000.00
<b>Total Assets</b>	<b><u>\$ 79,879.73</u></b>	<b><u>\$ 3,134,163.16</u></b>	<b><u>\$ 3,128,163.24</u></b>	<b><u>\$ 85,879.65</u></b>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 31,226.13	\$ 1,302,815.75	\$ 1,303,764.20	\$ 30,277.68
Net Payroll		1,824,277.19	1,824,277.19	
Interfund Accounts Payable:				
Due Unemployment Trust	11,355.20	4,706.64		16,061.84
Due General Fund	37,298.40	2,363.58	121.85	39,540.13
<b>Total Liabilities</b>	<b><u>\$ 79,879.73</u></b>	<b><u>\$ 3,134,163.16</u></b>	<b><u>\$ 3,128,163.24</u></b>	<b><u>\$ 85,879.65</u></b>

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30.									
	2013 (1)	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 2,677,517.63	\$ 2,659,139.57	\$ 2,745,541.80	\$ 2,835,637.14	\$ 2,939,164.53	\$ 3,029,145.92	\$ 2,997,936.42	\$ 2,995,254.18	\$ 2,972,855.88	\$ 2,839,026.13
Restricted	926,176.30	567,675.48	335,654.79	701,385.15	375,688.03	344,285.74	476,953.44	372,957.72	418,116.69	345,224.28
Unrestricted	(181,699.70)	(41,987.85)	(77,943.98)	(379,279.08)	115,536.55	87,817.29	166,693.52	(28,329.80)	(97,564.57)	75,127.08
<b>Total Governmental Activities Net Position</b>	<b>\$ 3,421,994.23</b>	<b>\$ 3,184,827.20</b>	<b>\$ 3,003,252.61</b>	<b>\$ 3,157,743.21</b>	<b>\$ 3,430,389.11</b>	<b>\$ 3,461,248.95</b>	<b>\$ 3,641,583.38</b>	<b>\$ 3,339,882.10</b>	<b>\$ 3,293,408.00</b>	<b>\$ 3,259,377.49</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 15,815.75	\$ 17,273.86	\$ 18,731.97	\$ 13,144.10	\$ 343.00	\$ 682.00	\$ 1,021.00	\$ 1,360.00	\$ 1,699.00	\$ 2,038.00
Unrestricted	56,913.33	71,564.78	61,069.96	41,663.05	21,573.11	26,835.68	30,413.69	34,043.53	9,277.32	45,901.80
<b>Total Business-type Activities Net Position</b>	<b>\$ 72,729.08</b>	<b>\$ 88,838.64</b>	<b>\$ 79,801.93</b>	<b>\$ 54,807.15</b>	<b>\$ 21,916.11</b>	<b>\$ 27,517.68</b>	<b>\$ 31,434.69</b>	<b>\$ 35,403.53</b>	<b>\$ 10,976.32</b>	<b>\$ 47,939.80</b>
<b>District-wide:</b>										
Net Investment in Capital Assets	\$ 2,693,333.38	\$ 2,676,413.43	\$ 2,764,273.77	\$ 2,848,781.24	\$ 2,939,507.53	\$ 3,029,827.92	\$ 2,998,957.42	\$ 2,996,614.18	\$ 2,974,554.88	\$ 2,841,064.13
Restricted	926,176.30	567,675.48	335,654.79	701,385.15	375,688.03	344,285.74	476,953.44	372,957.72	418,116.69	345,224.28
Unrestricted	(124,786.37)	29,576.93	(16,874.02)	(337,616.03)	137,109.66	114,652.97	197,107.21	5,713.73	(88,287.25)	121,028.88
<b>Total District-wide Net Position</b>	<b>\$ 3,494,723.31</b>	<b>\$ 3,273,665.84</b>	<b>\$ 3,083,054.54</b>	<b>\$ 3,212,550.36</b>	<b>\$ 3,452,305.22</b>	<b>\$ 3,488,766.63</b>	<b>\$ 3,673,018.07</b>	<b>\$ 3,375,285.63</b>	<b>\$ 3,304,384.32</b>	<b>\$ 3,307,317.29</b>

Source: Exhibit A-1

(1) In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed. See the notes to the financial statements.

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 1,492,113.02	\$ 1,373,037.33	\$ 1,267,602.65	\$ 1,327,031.69	\$ 1,363,663.18	\$ 1,074,147.49	\$ 974,214.51	\$ 989,177.19	\$ 918,265.10	\$ 805,907.97
Special Education	933,687.22	942,972.14	1,184,655.21	1,295,783.12	1,210,002.20	1,373,965.50	1,275,031.25	1,235,628.34	1,454,073.33	1,214,554.78
Other Special Education	223,081.07	304,779.30	402,939.76	31,851.93	21,698.90	29,542.00	33,917.32	22,980.31	54,689.37	28,386.66
Other Instruction	9,711.00	11,182.45	13,572.00							
Support Services:										
Tuition	3,277,590.32	3,586,672.75	3,642,393.92	3,889,022.26	3,007,246.99	2,556,517.36	2,206,183.12	2,522,699.05	2,400,076.22	2,135,260.39
Student and Instruction Related Services	676,294.41	773,074.01	861,907.87	800,203.15	703,881.99	790,210.85	611,645.69	820,750.87	737,831.59	674,705.35
School Administrative Services	147,439.54	144,475.94	138,147.79	125,429.50	128,912.74	115,497.49	115,867.82	105,275.50	91,028.55	84,673.37
General and Business Administrative Services	476,728.55	464,663.23	460,783.71	470,343.22	491,993.10	484,980.42	357,402.12	389,155.22	385,471.55	357,885.38
Plant Operations and Maintenance	448,534.40	385,672.67	330,326.65	351,756.36	374,377.81	417,913.36	361,175.79	332,852.04	318,697.56	336,104.48
Pupil Transportation	288,131.04	232,894.37	234,165.39	240,853.33	315,337.97	294,634.82	241,163.17	252,411.71	243,711.30	259,005.98
Unallocated Benefits	1,507,876.23	1,438,644.31	1,327,915.95	1,274,154.62	1,106,970.11	1,168,772.19	1,183,190.14	1,035,665.04	897,069.95	859,661.74
Transfer to Charter School	282,906.00	248,556.00	286,270.00	271,960.00	327,604.82	224,497.00	134,911.00	88,635.00	68,746.87	64,438.00
Interest on Long-term Debt	22,079.00	16,088.00	27,664.00			3,062.50	8,312.50	13,562.50	18,812.50	24,062.50
Amortization of Bond Issuance Costs						3,666.66	3,666.67	3,666.67	3,666.67	3,666.67
Unallocated Depreciation	1,300.07	1,300.07	1,300.07	1,300.07	1,300.07	1,300.07	1,300.07	1,300.07	1,300.07	1,300.07
<b>Total Governmental Activities Expenses</b>	<u>9,787,471.87</u>	<u>9,924,012.57</u>	<u>10,179,644.97</u>	<u>10,079,689.25</u>	<u>9,052,989.88</u>	<u>8,538,707.71</u>	<u>7,507,981.17</u>	<u>7,813,759.51</u>	<u>7,593,440.63</u>	<u>6,849,613.34</u>
Business-type Activities:										
Food Service	228,636.66	218,578.75	210,285.75	190,462.20	194,041.85	187,010.61	188,241.16	191,002.29	210,011.62	167,726.69
Other										
<b>Total Business-type Activities Expense</b>	<u>228,636.66</u>	<u>218,578.75</u>	<u>210,285.75</u>	<u>190,462.20</u>	<u>194,041.85</u>	<u>187,010.61</u>	<u>188,241.16</u>	<u>191,002.29</u>	<u>210,011.62</u>	<u>167,726.69</u>
<b>Total District Expenses</b>	<u>\$ 10,016,108.53</u>	<u>\$ 10,142,591.32</u>	<u>\$ 10,389,930.72</u>	<u>\$ 10,270,151.45</u>	<u>\$ 9,247,031.73</u>	<u>\$ 8,725,718.32</u>	<u>\$ 7,696,222.33</u>	<u>\$ 8,004,761.80</u>	<u>\$ 7,803,452.25</u>	<u>\$ 7,017,340.03</u>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services	\$ 17,072.89	\$ 96,489.16	\$ 33,910.46							
Operating Grants and Contributions	1,188,847.29	1,237,179.42	1,550,276.83	\$ 1,382,279.51	\$ 1,047,563.37	\$ 1,878,678.11	\$ 1,649,281.91	\$ 1,752,880.92	\$ 1,789,523.89	\$ 1,680,813.49
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	<u>1,205,920.18</u>	<u>1,333,668.58</u>	<u>1,584,187.29</u>	<u>1,382,279.51</u>	<u>1,047,563.37</u>	<u>1,878,678.11</u>	<u>1,649,281.91</u>	<u>1,752,880.92</u>	<u>1,789,523.89</u>	<u>1,680,813.49</u>
Business-type activities:										
Charges for services										
Food service	14,603.15	21,448.23	19,205.80	18,499.05	24,487.30	27,933.20	34,781.11	38,365.90	20,252.20	15,646.50
Other										
Capital Grants and Contributions								27,000.00	27,000.00	
Operating Grants and Contributions	197,923.95	206,167.23	201,949.73	204,854.19	163,952.98	155,160.40	149,491.21	150,063.60	125,795.94	111,539.18
Total Business-type Activities Program Revenues	<u>212,527.10</u>	<u>227,615.46</u>	<u>221,155.53</u>	<u>223,353.24</u>	<u>188,440.28</u>	<u>183,093.60</u>	<u>184,272.32</u>	<u>215,429.50</u>	<u>173,048.14</u>	<u>127,185.68</u>
Total District Program Revenues	<u>\$ 1,418,447.28</u>	<u>\$ 1,561,284.04</u>	<u>\$ 1,805,342.82</u>	<u>\$ 1,605,632.75</u>	<u>\$ 1,236,003.65</u>	<u>\$ 2,061,771.71</u>	<u>\$ 1,833,554.23</u>	<u>\$ 1,968,310.42</u>	<u>\$ 1,962,572.03</u>	<u>\$ 1,807,999.17</u>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (8,581,551.69)	\$ (8,590,343.99)	\$ (8,595,457.68)	\$ (8,697,409.74)	\$ (8,005,426.51)	\$ (6,660,029.60)	\$ (5,858,699.26)	\$ (6,060,878.59)	\$ (5,803,916.74)	\$ (5,168,799.85)
Business-type Activities	<u>(16,109.56)</u>	<u>9,036.71</u>	<u>10,869.78</u>	<u>32,891.04</u>	<u>(5,601.57)</u>	<u>(3,917.01)</u>	<u>(3,968.84)</u>	<u>24,427.21</u>	<u>(36,963.48)</u>	<u>(40,541.01)</u>
Total District-wide Net Expense	<u>\$ (8,597,661.25)</u>	<u>\$ (8,581,307.28)</u>	<u>\$ (8,584,587.90)</u>	<u>\$ (8,664,518.70)</u>	<u>\$ (8,011,028.08)</u>	<u>\$ (6,663,946.61)</u>	<u>\$ (5,862,668.10)</u>	<u>\$ (6,036,451.38)</u>	<u>\$ (5,840,880.22)</u>	<u>\$ (5,209,340.86)</u>

(Continued)

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,933,205.00	\$ 1,895,299.00	\$ 1,858,137.00	\$ 1,786,670.00	\$ 1,777,195.00	\$ 1,732,728.00	\$ 1,685,318.00	\$ 1,638,383.00	\$ 1,474,633.00	\$ 1,177,927.00
Taxes Levied for Debt Service						24,597.00	25,824.00	27,051.00	28,278.00	29,503.00
Unrestricted Grants and Contributions	6,910,932.33	6,850,902.68	6,577,778.11	6,616,606.00	6,116,815.95	4,769,087.00	4,318,485.14	4,271,792.00	4,253,659.32	4,069,434.75
Restricted Grants and Contributions						77,653.00	76,696.00	88,699.00	91,768.91	76,629.70
Investment Earnings				7,272.42	8,379.15	31,748.01	43,335.58	31,807.73	10,041.31	4,923.12
Other	18,682.39	25,716.90	17,248.45	14,486.10	79,813.91	18,856.80	15,745.82	76,619.96	6,566.71	7,688.68
Cancellation of Project							(5,004.00)			
Cancellation of Receivable	(44,101.00)		(12,196.48)	(270.68)		(174,974.64)				
Transfers								(27,000.00)	(27,000.00)	(72,887.36)
<b>Total Governmental Activities</b>	<b>8,818,718.72</b>	<b>8,771,918.58</b>	<b>8,440,967.08</b>	<b>8,424,763.84</b>	<b>7,982,204.01</b>	<b>6,479,695.17</b>	<b>6,160,400.54</b>	<b>6,107,352.69</b>	<b>5,837,947.25</b>	<b>5,293,218.89</b>
Business-type Activities:										
Transfers										48,353.46
<b>Total Business-type Activities</b>	<b>-</b>	<b>-</b>	<b>14,125.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,353.46</b>
<b>Total District-wide</b>	<b>\$ 8,818,718.72</b>	<b>\$ 8,771,918.58</b>	<b>\$ 8,455,092.08</b>	<b>\$ 8,424,763.84</b>	<b>\$ 7,982,204.01</b>	<b>\$ 6,479,695.17</b>	<b>\$ 6,160,400.54</b>	<b>\$ 6,107,352.69</b>	<b>\$ 5,837,947.25</b>	<b>\$ 5,341,572.35</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 237,167.03	\$ 181,574.59	\$ (154,490.60)	\$ (272,645.90)	\$ (23,222.50)	\$ (180,334.43)	\$ 301,701.28	\$ 46,474.10	\$ 34,030.51	\$ 124,419.04
Business-type Activities	(16,109.56)	9,036.71	24,994.78	32,891.04	(5,601.57)	(3,917.01)	(3,968.84)	24,427.21	(36,963.48)	7,812.45
<b>Total District</b>	<b>\$ 221,057.47</b>	<b>\$ 190,611.30</b>	<b>\$ (129,495.82)</b>	<b>\$ (239,754.86)</b>	<b>\$ (28,824.07)</b>	<b>\$ (184,251.44)</b>	<b>\$ 297,732.44</b>	<b>\$ 70,901.31</b>	<b>\$ (2,932.97)</b>	<b>\$ 132,231.49</b>

Source: Exhibit A-2

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

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Restricted	\$ 926,176.30	\$ 261,518.68	\$ 60,542.73	\$ 692,377.45	\$ 282,787.94	\$ 281,382.23	\$ 441,143.50	\$ 229,456.08	\$ 285,680.17	\$ 153,303.51
Assigned	40,068.39	297,149.12	268,208.81							
Unassigned	<u>(111,195.72)</u>	<u>40,608.21</u>		<u>(304,702.39)</u>	<u>351,634.89</u>	<u>279,752.62</u>	<u>263,354.02</u>	<u>223,443.64</u>	<u>148,848.73</u>	<u>103,964.89</u>
Total General Fund	<u>\$ 855,048.97</u>	<u>\$ 599,276.01</u>	<u>\$ 328,751.54</u>	<u>\$ 387,675.06</u>	<u>\$ 634,422.83</u>	<u>\$ 561,134.85</u>	<u>\$ 704,497.52</u>	<u>\$ 452,899.72</u>	<u>\$ 434,528.90</u>	<u>\$ 257,268.40</u>
All Other Governmental Funds:										
Unassigned, Reported in:										
Special Revenue Fund	\$ (12,355.20)	\$ 9,007.70	\$ 6,903.25	\$ 9,007.70	\$ 9,861.20	\$ 43,467.89	\$ 37,997.42	\$ 49,290.64	\$ 49,210.02	\$ 161,267.61
Capital Projects Fund								5,004.00	5,004.00	168,050.47
Total All Other Governmental Funds	<u>\$ (12,355.20)</u>	<u>\$ 9,007.70</u>	<u>\$ 6,903.25</u>	<u>\$ 9,007.70</u>	<u>\$ 9,861.20</u>	<u>\$ 43,467.89</u>	<u>\$ 37,997.42</u>	<u>\$ 54,294.64</u>	<u>\$ 54,214.02</u>	<u>\$ 329,318.08</u>

(1) In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund Balance was changed. See the notes to the financial statements.

Source: Exhibit B-1

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

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues:</b>										
Tax Levy	\$ 1,933,205.00	\$ 1,895,299.00	\$ 1,858,137.00	\$ 1,786,670.00	\$ 1,777,195.00	\$ 1,757,325.00	\$ 1,711,142.00	\$ 1,665,434.00	\$ 1,502,911.00	\$ 1,207,430.00
Other Local Revenue	35,755.28	122,206.06	51,158.91	21,758.52	29,391.41	36,133.01	59,081.40	108,427.69	17,020.17	13,362.95
State Sources	7,531,005.53	7,087,949.81	7,006,447.58	5,886,979.63	6,494,637.37	5,990,354.33	5,395,201.50	5,245,652.50	5,210,700.80	5,059,480.27
Federal Sources	568,774.09	1,000,132.29	1,121,607.36	2,111,905.88	669,741.95	730,678.78	649,261.55	867,719.42	924,251.32	766,646.52
<b>Total Revenue</b>	<b>10,068,739.90</b>	<b>10,105,587.16</b>	<b>10,037,350.85</b>	<b>9,807,314.03</b>	<b>8,970,965.73</b>	<b>8,514,491.12</b>	<b>7,814,686.45</b>	<b>7,887,233.61</b>	<b>7,654,883.29</b>	<b>7,046,919.74</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	1,399,453.95	1,291,463.51	1,187,476.39	1,329,321.04	1,306,910.03	957,954.08	898,021.10	927,899.57	830,552.74	760,573.86
Special Education Instruction	933,687.22	942,972.14	1,184,655.21	1,295,783.12	1,210,332.04	1,373,965.50	1,275,031.25	1,235,628.34	1,454,073.33	1,214,554.78
Other Special Instruction	223,081.07	304,779.30	402,939.76	31,851.93	21,698.90	29,542.00	33,917.32	22,980.31	54,689.37	28,386.66
Other Instruction	9,711.00	11,182.45	13,572.00							
Support Services:										
Tuition	3,277,590.32	3,586,672.75	3,642,393.92	3,889,022.26	3,007,246.99	2,556,517.36	2,206,183.12	2,522,699.05	2,400,076.22	2,135,260.39
Student and Instruction Related Services	676,294.41	773,074.01	861,907.87	800,203.15	711,189.49	790,210.85	611,645.69	820,750.87	737,831.59	674,705.35
School Administrative Services	147,439.54	144,475.94	138,147.79	125,429.50	128,912.74	115,497.49	115,867.82	105,275.50	91,028.55	84,673.37
Other Administrative Services	453,551.74	443,359.64	439,632.31	449,297.86	471,909.74	428,600.38	401,526.02	386,223.29	330,721.03	307,781.78
Plant Operations and Maintenance	443,493.07	380,638.60	325,302.75	346,767.81	369,389.26	412,924.81	356,187.24	327,863.49	313,709.01	331,336.84
Pupil Transportation	288,131.04	232,894.37	234,165.39	240,853.33	315,337.97	294,634.82	241,163.17	252,411.71	243,711.30	259,005.98
Unallocated Benefits	1,507,876.23	1,438,644.31	1,327,915.95	1,274,154.62	1,106,970.11	1,168,772.19	1,183,190.14	1,035,665.04	897,069.85	859,661.74
Transfer to Charter School	282,906.00	248,556.00	286,270.00	271,960.00	327,604.82	224,497.00	134,911.00	88,635.00	68,746.87	64,438.00
Debt Service:										
Principal						100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Interest and Other Charges						5,250.00	10,500.00	15,750.00	21,000.00	26,250.00
Capital Outlay	147,013.25	34,245.22	41,803.00		12,584.00	19,042.20	6,238.00		182,104.44	2,126,217.62
<b>Total Expenditures</b>	<b>9,790,228.84</b>	<b>9,832,958.24</b>	<b>10,086,182.34</b>	<b>10,054,644.62</b>	<b>8,990,086.09</b>	<b>8,477,408.68</b>	<b>7,574,381.87</b>	<b>7,841,782.17</b>	<b>7,725,314.30</b>	<b>8,972,846.37</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	278,511.06	272,628.92	(48,831.49)	(247,330.59)	(19,120.36)	37,082.44	240,304.58	45,451.44	(70,431.01)	(1,925,926.63)
<b>Other Financing Sources (Uses):</b>										
Refund of Prior Year Revenue										(17,719.58)
Accounts Receivable/Payable Canceled						(174,974.64)			(412.15)	(6,814.32)
Cancellation of Pension Receivable			(7,080.76)							
Cancellation of Grant Receivable			(5,115.72)	(270.68)						
DEPA & TARA Funds					58,801.65					
Cancellation of Project							(5,004.00)			
Transfers In										
Transfers Out								(27,000.00)	(27,000.00)	(48,353.46)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(12,196.48)</b>	<b>(270.68)</b>	<b>58,801.65</b>	<b>(174,974.64)</b>	<b>(5,004.00)</b>	<b>(27,000.00)</b>	<b>(27,412.15)</b>	<b>(72,887.36)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 278,511.06</b>	<b>\$ 272,628.92</b>	<b>\$ (61,027.97)</b>	<b>\$ (247,601.27)</b>	<b>\$ 39,681.29</b>	<b>\$ (137,892.20)</b>	<b>\$ 235,300.58</b>	<b>\$ 18,451.44</b>	<b>\$ (97,843.16)</b>	<b>\$ (1,998,813.99)</b>
Debt Service as a Percentage of Noncapital Expenditures	-	-	-	-	-	1.2%	1.5%	1.5%	1.6%	1.8%

Source: Exhibit B-2

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

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Interest Earned on Deposits	\$ 3,238.58	\$ 2,865.60	\$ 6,974.91	\$ 7,272.42	\$ 8,379.15	\$ 31,746.51	\$ 43,335.58	\$ 31,807.73	\$ 10,041.31	\$ 4,923.12
Refund of Prior Year Expenditures	742.82	10,333.51	7,999.60	1,221.94	20,796.72		10,758.00	65,489.49	5,908.74	7,613.15
ERATE	11,650.01	12,517.79	2,146.08	12,843.46						
Cancellation of Prior Year Outstanding Checks	2,291.31		126.35							
Prior Year Tuition Adjustments							3,369.00	10,263.00		
Miscellaneous Fees	<u>759.67</u>		<u>1.51</u>	<u>420.70</u>	<u>215.54</u>	<u>1.50</u>	<u>1,618.82</u>	<u>8.65</u>	<u>778.22</u>	<u>75.53</u>
Total Miscellaneous Revenues	<u>\$ 18,682.39</u>	<u>\$ 25,716.90</u>	<u>\$ 17,248.45</u>	<u>\$ 21,758.52</u>	<u>\$ 29,391.41</u>	<u>\$ 31,748.01</u>	<u>\$ 59,081.40</u>	<u>\$ 107,568.87</u>	<u>\$ 16,728.27</u>	<u>\$ 12,611.80</u>

Source: District Records

## Revenue Capacity Information

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

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

Year Ended <u>Dec. 31</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate (2)</u>
2013	\$ 437,100.00	\$ 60,530,800.00	-	\$ 5,277,100.00	-	\$ 579,600.00	\$ 66,824,600.00	\$ 84,670.00	\$ 66,909,270.00	\$ 6,434,300.00	\$ 71,570,121.00	\$ 6.601
2012	292,500.00	45,536,300.00	-	3,598,550.00	-	730,900.00	50,158,250.00	31,660.00	50,189,910.00	4,740,400.00	87,913,662.00	3.814
2011	292,500.00	45,554,200.00	-	3,678,050.00	-	730,900.00	50,255,650.00	24,963.00	50,280,613.00	4,740,400.00	100,601,467.00	3.732
2010	298,800.00	45,566,300.00	-	3,678,050.00	-	730,900.00	50,274,050.00	32,161.00	50,306,211.00	4,734,100.00	104,002,918.00	3.622
2009	298,800.00	45,579,400.00	-	3,747,550.00	-	730,900.00	50,356,650.00	32,246.00	50,388,896.00	4,734,100.00	106,824,032.00	3.536
2008	298,800.00	45,579,400.00	-	3,782,550.00	-	730,900.00	50,391,650.00	32,104.00	50,423,754.00	4,734,100.00	100,285,906.00	3.504
2007	298,800.00	45,584,000.00	-	3,793,650.00	-	730,900.00	50,407,350.00	30,695.00	50,438,045.00	4,734,100.00	86,693,099.00	3.438
2006	311,300.00	45,452,600.00	-	3,793,650.00	-	730,900.00	50,288,450.00	35,194.00	50,323,644.00	4,788,300.00	73,240,640.00	3.354
2005	298,800.00	45,579,500.00	-	3,695,050.00	-	730,900.00	50,304,250.00	46,302.00	50,350,552.00	4,721,600.00	63,190,954.00	3.146
2004	298,800.00	45,648,300.00	-	3,695,050.00	-	730,900.00	50,373,050.00	51,178.00	50,424,228.00	4,656,900.00	63,270,367.00	2.687

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

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

Source: Camden County Board of Taxation

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

*Unaudited*


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Year Ended Dec. 31	District Direct Rate					Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	Borough of <u>Woodlynne</u>	Camden <u>County</u>	
2013	\$ 2.975		\$ 2.975	\$ 2.734	\$ 0.892	\$ 6.601
2012	3.814		3.814	3.493	1.353	8.660
2011	3.732		3.732	3.376	1.430	8.538
2010	3.622		3.622	3.231	1.354	8.207
2009	3.536		3.536	3.013	1.317	7.866
2008	3.455	\$ 0.049	3.504	2.877	1.269	7.650
2007	3.386	0.052	3.438	2.475	1.212	7.125
2006	3.300	0.054	3.354	2.387	1.183	6.924
2005	3.087	0.059	3.146	2.387	1.044	6.577
2004	2.621	0.066	2.687	2.252	1.044	5.983

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	2013			2004		
	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>
Advance Auto	\$ 725,000.00	1	1.08%			
ABC Supply	703,000.00	2	1.05%			
Woodlynne Realty	428,000.00	3	0.64%			
BAJWA Bros./Merit	395,600.00	4	0.59%	199,000.00	7	0.39%
Sovereign Bank	350,000.00	5	0.52%	250,000.00	5	0.50%
Ferry Ave. LLC	314,900.00	6	0.47%			
Xpress Mart	279,800.00	7	0.42%			
Carollo/Penn Pizza Taxpayer	218,900.00	8	0.33%	168,300.00	8	0.33%
Le Associates	137,500.00	10	0.21%			
Mount Ephraim Ave. Associates				642,000.00	1	1.27%
Primax Properties				558,600.00	2	1.11%
Woodlynne Investors				308,800.00	3	0.61%
Albert Ferrali Group				254,000.00	4	0.50%
Taxpayer				235,000.00	6	0.47%
Taxpayer				156,300.00	9	0.31%
Taxpayer				128,000.00	10	0.25%
<b>Total</b>	<b>\$ 3,690,900.00</b>		<b>5.52%</b>	<b>\$ 2,900,000.00</b>		<b>5.75%</b>

Source: Municipal Tax Assessor

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

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<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2013	\$ 1,933,205.00	\$ 1,611,004.18	83.33%	\$ 322,200.82
2012	1,895,299.00	1,579,415.80	83.33%	315,883.20
2011	1,858,137.00	1,703,292.25	91.67%	154,844.75
2010	1,786,670.00	1,614,710.60	90.38%	171,959.40
2009	1,777,195.00	1,754,124.77	98.70%	23,070.23
2008	1,757,325.00	1,734,254.77	98.69%	23,070.23
2007	1,711,142.00	1,283,357.70	75.00%	427,784.30
2006	1,665,434.00	1,514,972.23	90.97%	150,461.77
2005	1,502,911.00	1,389,347.08	92.44%	113,563.92
2004	1,207,430.00	996,851.81	82.56%	210,578.19

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

Source: District Records

## Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	-	-	-	-	-	-	-	0.00%	-
2012	-	-	-	-	-	-	-	0.00%	-
2011	-	-	-	-	-	-	-	0.00%	-
2010	-	-	-	-	-	-	-	0.00%	-
2009	-	-	-	-	-	-	-	0.00%	-
2008	-	-	-	-	-	-	-	0.00%	-
2007	\$ 100,000.00	-	-	-	-	-	\$ 100,000.00	0.09%	\$ 36.90
2006	200,000.00	-	-	-	-	-	200,000.00	0.19%	73.56
2005	300,000.00	-	-	-	-	-	300,000.00	0.30%	109.65
2004	400,000.00	-	-	-	-	-	400,000.00	0.42%	145.72

## Sources:

(1) District Records

(2) Personal income has been estimated based upon the municipal population and per capita

(3) Per Capita personal income by county-estimated based upon the published 2000 Census through 2009 and the published 2010 Census from 2010

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2013	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2007	\$ 100,000.00	-	\$ 100,000.00	0.20%	\$ 36.90
2006	200,000.00	-	200,000.00	0.40%	73.56
2005	300,000.00	-	300,000.00	0.60%	109.65
2004	400,000.00	-	400,000.00	0.79%	145.72

**Sources:**

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2012  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Woodlynne Borough</u>
Municipal Debt: (1) Woodlynne Borough School District Borough of Woodlynne	\$ 402,000.00	\$ 112,705.89	\$ 289,294.11	\$ 289,294.11
	<u>402,000.00</u>	<u>112,705.89</u>	<u>289,294.11</u>	<u>289,294.11</u>
Overlapping Debt Apportioned to the Municipality: County of Camden: (2) General:				
Bonds	44,081,645.00	10,684,251.00 (3)	33,397,394.00	74,512.53 (5)
Loan Agreement	147,285,000.00		147,285,000.00	328,605.83 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>681,777,740.00</u>	<u>681,777,740.00 (4)</u>		
	<u>873,144,385.00</u>	<u>692,461,991.00</u>	<u>180,682,394.00</u>	<u>403,118.36</u>
	<u>\$ 873,546,385.00</u>	<u>\$ 692,574,696.89</u>	<u>\$ 180,971,688.11</u>	<u>\$ 692,412.47</u>

## Sources:

- (1) 2012 Annual Debt Statement
- (2) County's 2012 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Borough's share of the total 2012 Equalized Value, which is 0.223%.

The source for this computation was the 2012 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

**Legal Debt Margin Calculation for Fiscal Year 2012**

	Equalized valuation basis (1)
	2012 \$ 76,286,312
	2011 88,028,814
	2010 <u>100,588,335</u>
	<b>[A] \$ 264,903,461</b>
Average equalized valuation of taxable property	<b>[A/3] \$ 88,301,154</b>
Debt Limit (3% of average equalization value) (2)	\$ 2,649,035
Total Net Debt Applicable to Limit	<b>[C] -</b>
Legal Debt Margin	<b>[B-C] \$ 2,649,035</b>

	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt limit	\$ 2,649,034.61	\$ 2,927,243.00	\$ 3,115,254.00	\$ 3,111,903.00	\$ 2,935,191.00	\$ 2,599,017.00	\$ 2,228,676.00	\$ 1,956,998.00	\$ 1,777,466.00	\$ 1,682,418.00
Total net debt applicable to limit (3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000.00</u>	<u>200,000.00</u>	<u>300,000.00</u>	<u>400,000.00</u>
Legal debt margin	<u>\$ 2,649,034.61</u>	<u>\$ 2,927,243.00</u>	<u>\$ 3,115,254.00</u>	<u>\$ 3,111,903.00</u>	<u>\$ 2,935,191.00</u>	<u>\$ 2,599,017.00</u>	<u>\$ 2,128,676.00</u>	<u>\$ 1,756,998.00</u>	<u>\$ 1,477,466.00</u>	<u>\$ 1,282,418.00</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.49%	10.22%	16.88%	23.78%

Sources:

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

## Demographic and Economic Information

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

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

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2012	2,966	Unavailable	Unavailable	12.6%
2011	2,976	\$ 128,262,624.00	\$ 43,099.00	12.4%
2010	2,978	127,220,160.00	42,720.00	12.6%
2009	2,686	111,216,516.00	41,406.00	12.0%
2008	2,694	113,126,448.00	41,992.00	7.8%
2007	2,710	109,104,600.00	40,260.00	5.9%
2006	2,719	105,146,449.00	38,671.00	6.4%
2005	2,736	99,314,064.00	36,299.00	5.2%
2004	2,745	95,951,475.00	34,955.00	3.4%
2003	2,762	93,278,264.00	33,772.00	3.8%

## Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

<u>Employer</u>	<u>2013 (1)</u>			<u>2003 (1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Employer 1		1			1	
Employer 2		2			2	
Employer 3		3			3	
Employer 4		4			4	
Employer 5		5			5	
Employer 6		6			6	
Employer 7		7			7	
Employer 8		8			8	
Employer 9		9			9	
Employer 10		10			10	
	-			-		

(1) Unavailable  
 Source: Individual Employers

## Operating Information

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

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

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005 (1)</u>	<u>2004 (1)</u>
Instruction										
Regular	25.3	24.7	22.0	22	24	25	26	26	-	-
Special education	10.0	14.1	1.0	1	10	6	6	5	-	-
Other special education	2.6	2.3	1.0	1	5	3	4	5	-	-
Vocational								-	-	-
Other instruction	3.7		10.0	10	6	6	8	1	-	-
Nonpublic school programs								-	-	-
Adult/continuing education programs								-	-	-
Support Services:										
Tuition								-	-	-
Student & instruction related services	6.7	5.0	9.2	7	6	6	3	8	-	-
General administrative services	0.6	1.4	1.5	4	2	2	3	2	-	-
School administrative services	1.5	1.5	2.3	3	2	3	4	2	-	-
Business administrative services	0.8		1.3	2	2	2	2	2	-	-
Plant operations and maintenance	0.2	5.2	5.2	5	6	5	6	5	-	-
Pupil transportation								-	-	-
Special Schools								-	-	-
Food Service								-	-	-
Community Education and Recreation								-	-	-
<b>Total</b>	<u>51.4</u>	<u>54.2</u>	<u>53.5</u>	<u>55</u>	<u>62</u>	<u>57</u>	<u>60</u>	<u>55</u>	<u>-</u>	<u>-</u>

Source: District Records

(1) Detail Unavailable

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

Fiscal Year Ended June 30.	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2013	420	\$ 9,643,215.59	\$ 22,960.04	19.27%	33.4	12.6	n/a	420.0	392.4	-7.55%	93.43%
2012	509	9,798,713.02	19,250.91	0.79%	46.1	11.0	n/a	454.3	432.5	5.72%	95.20%
2011	513	9,798,713.02	19,100.81	-0.54%	40.1	12.8	n/a	429.7	406.3	0.23%	94.55%
2010	523	10,044,379.34	19,205.31	-3.35%	37.0	14.1	n/a	428.7	405.4	-2.05%	94.56%
2009	506	10,054,644.62	19,870.84	-2.83%	35.7	14.7	n/a	437.7	412.6	17.34%	94.26%
2008	439	8,977,502.09	20,449.89	26.57%	41.0	14.3	n/a	373.0	345.9	-20.23%	92.73%
2007	517	8,353,116.48	16,156.90	4.42%	32.6	15.8	n/a	467.6	442.9	-2.91%	94.72%
2006	482	7,457,643.87	15,472.29	-2.27%	37.4	12.9	n/a	481.6	442.8	-1.31%	91.94%
2005	488	7,726,032.17	15,832.03	-0.81%	37.0	12.6	n/a	488.0	451.5	8.83%	92.52%
2004	465	7,422,209.86	15,961.74	9.49%	37.0	12.6	n/a	448.4	416.1	2.61%	92.80%

Sources: District Records

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

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	Fiscal Year Ended June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Woodlynne Elementary (1927)										
Square Feet	50,674	50,674	50,674	50,674	50,674	50,674	50,674	50,674	50,674	50,674
Capacity (students)	540	540	540	540	540	540	540	540	540	540
Enrollment	420	509	513	523	506	439	517	482	488	465
Number of Schools at June 30, 2013										
Elementary = 1										
Middle School = 0										
High School = 0										
Other = 0										

Source: District Records

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

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Woodlynne Elementary School	n/a	\$ 44,651.39	\$ 57,003.89	\$ 68,827.04	\$ 53,813.27	\$ 82,722.65	\$ 86,901.48	\$ 63,035.24	\$ 39,290.91	\$ 34,239.50	\$ 49,573.12
Total School Facilities		<u>44,651.39</u>	<u>57,003.89</u>	<u>68,827.04</u>	<u>53,813.27</u>	<u>82,722.65</u>	<u>86,901.48</u>	<u>63,035.24</u>	<u>39,290.91</u>	<u>34,239.50</u>	<u>49,573.12</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 44,651.39</u>	<u>\$ 57,003.89</u>	<u>\$ 68,827.04</u>	<u>\$ 53,813.27</u>	<u>\$ 82,722.65</u>	<u>\$ 86,901.48</u>	<u>\$ 63,035.24</u>	<u>\$ 39,290.91</u>	<u>\$ 34,239.50</u>	<u>\$ 49,573.12</u>

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

Source: District Records

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Insurance Schedule  
 June 30, 2013  
*Unaudited*

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	<u>Coverage</u>	<u>Deductible</u>
Burlington County Insurance Pool Joint Insurance Fund:		
Property, Inland Marine and Auto Physical Damages	\$ 150,000,000.00	\$ 500.00
Boiler and Machinery	125,000,000.00	1,000.00
General and Auto Liability	10,000,000.00	
Workers Compensation	Statutory	
Crime Coverage	500,000.00	500.00
Educator's Legal Liability	10,000,000.00	
Pollution Legal Liability	3,000,000.00	25,000.00
Surety Bonds		
Treasurer of School Funds Bond	250,000.00	
School Business Administrator	50,000.00	

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND  
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on Compliance for Each Major Federal and State Program***

We have audited the Borough of Woodlynne School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2013. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Woodlynne School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Borough of Woodlynne School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance as findings number 2013-1, 2013-2 and 2013-3. Our opinion on each major federal and state program is not modified with respect to these matters.

The School District's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

Management of the Borough of Woodlynne School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

*A 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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

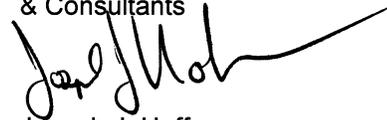
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 04-04-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



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

Voorhees, New Jersey  
November 22, 2013

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards - Schedule A  
 For the Fiscal Year Ended June 30, 2013

<u>Pass-through</u> Grantor/Program Title	CFDA Number	State Project Number	Award Amount	<u>Grant Period</u>	
				From	To
General Fund:					
U.S. Department of Education:					
Passed-through the State Department of Education:					
Education Jobs Fund	84.410A	N/A	\$ 580.00	8-10-10	9-30-12
U.S. Department of Health and Human Services:					
Passed-through the State Department of Education:					
Special Education--Medicaid Initiative	93.778	N/A	38,193.73	7-1-12	6-30-13
Special Education--Medicaid Initiative	93.778	N/A	28,347.48	7-1-11	6-30-12
Total General Fund					
Special Revenue Fund:					
U.S. Department of Education:					
Passed-through State Department of Education:					
N.C.L.B.:					
Title I	84.010	IASA540013	349,895.00	9-1-12	8-31-13
Title I	84.010	IASA540012	346,957.00	9-1-11	8-31-12
Title I SIA	84.010	IASA540011	37,803.00	9-1-10	8-31-11
Title II - Part A	84.367	IASA540013	28,855.00	9-1-12	8-31-13
Title II - Part A	84.367	IASA540012	32,353.00	9-1-11	8-31-12
Title III	84.365	IASA540011	25,557.00	9-1-10	8-31-11
Title III	84.365	IASA540012	19,189.00	9-1-11	8-31-12
I.D.E.I.A. Part B:					
Basic	84.027	FT540013	150,598.00	9-1-12	8-31-13
Basic	84.027	FT540012	185,361.00	9-1-11	8-31-12
Pre-School	84.173	PS540013	6,419.00	9-1-12	8-31-13
Pre-School	84.173	PS540012	6,488.00	9-1-11	8-31-12
Total Special Revenue Fund					
Enterprise Fund:					
U.S. Department of Agriculture:					
Food Distribution Program	10.555	Unavailable	11,875.95	7-1-12	6-30-13
Passed-through State Department of Education:					
National School Lunch Program	10.555	Unavailable	146,704.55	7-1-12	6-30-13
National School Lunch Program	10.555	Unavailable	148,819.61	7-1-11	6-30-12
National School PB Lunch Program	10.555	Unavailable	2,933.94	7-1-12	6-30-13
School Breakfast Program	10.553	Unavailable	28,305.71	7-1-12	6-30-13
School Breakfast Program	10.553	Unavailable	39,968.70	7-1-11	6-30-12
After School Snack Program	10.556	Unavailable	4,372.68	7-1-12	6-30-13
After School Snack Program	10.556	Unavailable	3,985.44	7-1-11	6-30-12
Special Milk Program	10.556	Unavailable	594.85	7-1-12	6-30-13
Special Milk Program	10.556	Unavailable	1,038.07	7-1-11	6-30-12
Total Enterprise Fund:					
Total Federal Financial Assistance					

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

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

Balance June 30, 2012	Carry-over Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013		
						Accounts Receivable	Unearned Revenue	Due to Grantor
				\$ 580.00		\$ (580.00)		
\$ (3,361.99)		\$ 38,193.73		38,193.73				
		3,361.99						
<u>(3,361.99)</u>	<u>-</u>	<u>41,555.72</u>	<u>-</u>	<u>38,773.73</u>	<u>-</u>	<u>(580.00)</u>	<u>-</u>	<u>-</u>
		238,955.00		308,617.20		(110,940.00)	\$ 41,277.80	
(78,372.14)		139,173.00	\$ 45.00	60,845.86				
(19,644.00)		19,644.00						
		28,778.00		28,855.00		(77.00)		
(9,022.00)		9,022.00						
(6,615.00)		6,615.00						
(5,308.11)		9,113.00	615.00	4,419.89				
		77,220.00		142,670.85		(73,378.00)	7,927.15	
(49,303.00)		49,303.00						
		3,712.00		5,638.21		(2,707.00)	780.79	
(1,527.00)		1,527.00						
<u>(169,791.25)</u>	<u>-</u>	<u>583,062.00</u>	<u>660.00</u>	<u>551,047.01</u>	<u>-</u>	<u>(187,102.00)</u>	<u>49,985.74</u>	<u>-</u>
		11,875.95		11,199.39			676.56	
		138,488.64		146,704.55		(8,215.91)		
(7,669.85)		7,669.85						
		2,753.10		2,933.94		(180.84)		
		26,278.53		28,305.71		(2,027.18)		
(2,684.31)		2,684.31						
		4,099.68		4,372.68		(273.00)		
(101.84)		101.84						
		555.55		594.85		(39.30)		
(57.42)		57.42						
<u>(10,513.42)</u>	<u>-</u>	<u>194,564.87</u>	<u>-</u>	<u>194,111.12</u>	<u>-</u>	<u>(\$10,736.23)</u>	<u>676.56</u>	<u>-</u>
<u>\$ (183,666.66)</u>	<u>-</u>	<u>\$ 819,182.59</u>	<u>\$ 660.00</u>	<u>\$ 783,931.86</u>	<u>-</u>	<u>\$ (198,418.23)</u>	<u>\$ 50,662.30</u>	<u>-</u>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance - Schedule B  
 For the Fiscal Year Ended June 30, 2013

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Award Amount</u>	<u>Grant Period</u>		<u>Balance at June 30, 2012</u>		<u>Carryover/ Walkover Amount</u>
			<u>From</u>	<u>To</u>	<u>Unearned Revenue/ Accounts Receivable</u>	<u>Due to Grantor</u>	
General Fund:							
State Department of Education:							
Equalization Aid	13-495-034-5120-078	\$ 6,441,529.00	7-1-12	6-30-13			
Equalization Aid	12-495-034-5120-078	6,209,518.00	7-1-11	6-30-12	\$ (586,783.09)		
Transportation Aid	13-495-034-5120-014	24,060.00	7-1-12	6-30-13			
Special Education Aid	13-495-034-5120-089	341,479.00	7-1-12	6-30-13			
Special Education Aid	12-495-034-5120-089	319,717.00	7-1-11	6-30-12	(30,212.41)		
Security Aid	13-495-034-5120-084	49,662.00	7-1-12	6-30-13			
Security Aid	12-495-034-5120-084	2,200.00	7-1-11	6-30-12	(207.90)		
Extraordinary Aid	13-100-034-5120-473	46,493.00	7-1-12	6-30-13			
Extraordinary Aid	12-100-034-5120-473	49,156.00	7-1-11	6-30-12	(49,156.00)		
Homeless Tuition Aid	12-495-034-5120-005	43,486.00	7-1-11	6-30-12	(43,486.00)		
T.P.A.F. Social Security Aid	13-495-034-5095-002	163,497.93	7-1-12	6-30-13			
T.P.A.F. Social Security Aid	12-495-034-5095-002	177,199.81	7-1-11	6-30-12	(8,787.89)		
<b>Total General Fund</b>					<b>(718,633.29)</b>	<b>-</b>	<b>-</b>
Special Revenue Fund:							
State Department of Education:							
Early Childhood Program Aid	07-495-034-5120-025	347,477.00	7-1-06	6-30-07	1.25		\$ (1.25)
Early Childhood Program Aid	08-495-034-5120-025	347,477.00	7-1-07	6-30-08	4,295.86		(4,295.86)
Preschool Education Aid	09-495-034-5120-086	90,681.00	7-1-08	6-30-09	14,632.19		(14,631.89)
Preschool Education Aid	13-495-034-5120-086	123,552.00	7-1-12	6-30-13			18,929.00
Preschool Education Aid	12-495-034-5120-086	99,216.00	7-1-11	6-30-12	(9,921.60)		
<b>Total Special Revenue Fund</b>					<b>9,007.70</b>	<b>-</b>	<b>-</b>
Enterprise Fund:							
State School Lunch Aid	13-100-010-3350-023	3,136.27	7-1-12	6-30-13			
State School Lunch Aid	12-100-010-3350-023	3,064.95	7-1-11	6-30-12	(157.15)		
<b>Total Enterprise Fund</b>					<b>(157.15)</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance</b>					<b>\$ (709,782.74)</b>	<b>-</b>	<b>-</b>

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

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

Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013			Memo	
				Accounts Receivable	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2013	Cumulative Total Expenditures
\$ 5,832,516.27		\$ 6,441,529.00		\$ (609,012.73)			\$ (609,012.73)	\$ 6,441,529.00
586,783.09								
21,785.25		24,060.00		(2,274.75)			(2,274.75)	24,060.00
309,193.96		341,479.00		(32,285.04)			(32,285.04)	341,479.00
30,212.41								
44,966.72		49,662.00		(4,695.28)			(4,695.28)	49,662.00
207.90								
49,156.00		46,493.00		(46,493.00)				46,493.00
	\$ 43,486.00							
147,641.54		163,497.93		(15,856.39)				163,497.93
8,787.89								
<u>7,031,251.03</u>	<u>43,486.00</u>	<u>7,066,720.93</u>	<u>-</u>	<u>(710,617.19)</u>	<u>-</u>	<u>-</u>	<u>(648,267.80)</u>	<u>7,066,720.93</u>
	(0.30)							
111,196.80		142,481.00		(12,355.20)			(12,355.20)	142,481.00
9,921.60								
<u>121,118.40</u>	<u>(0.30)</u>	<u>142,481.00</u>	<u>-</u>	<u>(12,355.20)</u>	<u>-</u>	<u>-</u>	<u>(12,355.20)</u>	<u>142,481.00</u>
2,775.40		3,136.27		(360.87)				3,136.27
157.15								
<u>2,932.55</u>	<u>-</u>	<u>3,136.27</u>	<u>-</u>	<u>(360.87)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,136.27</u>
<u>\$ 7,155,301.98</u>	<u>43,485.70</u>	<u>\$ 7,212,338.20</u>	<u>-</u>	<u>\$ (723,333.26)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ (660,623.00)</u>	<u>\$ 7,212,338.20</u>

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2013

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**Note 1: GENERAL**

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

**Note 2: BASIS OF ACCOUNTING**

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

**Note 3: RELATIONSHIP TO 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$31,064.40 for the general fund and \$21,046.65 for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$316.25 for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 38,773.73	\$ 7,388,524.53	\$ 7,427,298.26
Special Revenue	530,000.36	163,843.90	693,844.26
Food Service	194,111.12	3,136.27	197,247.39
Total Awards and Financial Assistance	<u>\$ 762,885.21</u>	<u>\$ 7,555,504.70</u>	<u>\$ 8,318,389.91</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2011-2012 and the cancellation of prior year grants receivable and appropriations.

**Note 6: OTHER**

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013.

**Note 7: MAJOR PROGRAMS**

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013**

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?      yes   x   no

Significant deficiency(ies) identified?      yes   x   none reported

Noncompliance material to financial statements noted?      yes   x   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?      yes   x   no

Significant deficiency(ies) identified?      yes   x   none reported

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

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

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.010	N.C.L.B. Title I

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

Auditee qualified as low-risk auditee?   x   yes      no

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2013**

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

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes  x  no

Significant deficiency(ies) identified? \_\_\_ yes  x  none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
13-495-034-5120-078	State Aid Public - Equalization Aid
13-495-034-5120-089	State Aid Public - Special Education Aid
13-495-034-5120-084	State Aid Public - Security Aid

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

Auditee qualified as low-risk auditee?  x  yes \_\_\_ no

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013

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***Section 2- Schedule of Financial Statement Findings***

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

None.

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

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

**Finding No. 2013-1**

**Information on the Federal Program**

U.S. Department of Education Passed Through the State Department of Education:  
Title I Part A (CFDA No. 84.010A)

**Criteria or Specific Requirement**

OMB Circular A-87, Attachment B, Section 8(h) (compensation for personal services), Cost Principles for State, Local and Indian Tribal Governments states that time and attendance records should be available for all personal services charged to the program.

**Condition**

The district did not have the required supporting documents to verify the activity of two staff members charged to the program. Additionally, the total salaries charged to the program that could not be verified.

**Questioned Costs**

\$6,762.26

**Context**

Two out of the eight individuals tested did not have the required time and attendance records.

**Effect**

The Title I Program may have been charged for salaries that were not related to the program.

**Cause**

Oversight by the responsible official.

**Recommendation**

That the District, maintain the required time and attendance records for all personal services that are charged to the Title I Program.

**View of Responsible Officials and Planned Corrective Action**

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013

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***Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)***

**Finding No. 2013-2**

**Information on the Federal Program**

U.S. Department of Education Passed Through the State Department of Education:  
Title I Part A (CFDA No. 84.010A)

**Criteria or Specific Requirement**

Beginning in the 2002-03 year, the Title I Program required that any teacher who is hired to teach a core academic subject be "highly qualified" as defined in 34 CFR section 200.56.

**Condition**

Documentation was not available to determine if the instructional staff met the "Highly Qualified Teacher" requirements.

**Questioned Costs**

N/A

**Context**

Documentation was not available for all eight of the individuals tested.

**Effect**

The personal charged to the Title I Program may not have been suitably qualified as defined by 34 CFR, section 200.56.

**Cause**

Oversight by the responsible official.

**Recommendation**

That the District maintain, documentation for all of the teachers whose salaries are charged to the Title I Program verifying that they meet the "highly qualified" requirements as defined in 34 CFR section 200.56.

**View of Responsible Officials and Planned Corrective Action**

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013

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***Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)***

**Finding No. 2013-3**

**Information on the Federal Program**

U.S. Department of Education Passed Through the State Department of Education:  
Title I Part A (CFDA No. 84.010A)

**Criteria or Specific Requirement**

The LEA is required to have approval to operate a school-wide program utilizing Title I funds and maintain records to demonstrate that at least 40 percent of the children enrolled in the school or residing in the school attendance area for the initial year of the school-wide program must be from low-income families.

**Condition**

The District used Title I funds to benefit the entire school during the summer of 2012 which supplanted state/local funds. The District was not approved to begin operating a Title I school-wide program until the beginning of the 2012-2013.

**Questioned Costs**

Unknown

**Context**

Title I Funds were expended for a program that may not have been approved.

**Effect**

Title I Program Funds were utilized without approval.

**Cause**

Oversight by the responsible official.

**Recommendation**

That Title I Program Funds only be expended for approved programs.

**View of Responsible Officials and Planned Corrective Action**

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

**BOROUGH OF WOODLYNNE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013

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

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

None.

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

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

**FINANCIAL STATEMENT FINDINGS**

N/A

**FEDERAL AWARDS**

N/A

**STATE FINANCIAL ASSISTANCE PROGRAMS**

N/A

