

**NEW ISSUE
SERIAL BONDS****RATING:** Standard & Poor's:

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Board of Education, assuming compliance by the Board of Education with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

\$6,102,000**SCHOOL BONDS**

**THE BOARD OF EDUCATION OF THE
BOROUGH OF WOODLAND PARK, IN THE
COUNTY OF PASSAIC, NEW JERSEY
(formerly West Paterson Board of Education)
(Book-Entry Only) (Bank-Qualified)
(Callable)**

Dated: April 15, 2010**Due: April 15, as shown below**

The School Bonds (the "Bonds") of The Board of Education of the Borough of Woodland Park, in the County of Passaic, New Jersey (the "Board of Education" or "School District"), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of \$1,000 or any integral multiple thereof. See "BOOK-ENTRY ONLY SYSTEM" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on April 15 of each of the years set forth below, and interest on the Bonds is payable on each April 15 and October 15, commencing October 15, 2010, in each year until maturity or prior redemption.

The Bonds are subject to redemption prior to their stated maturities at the prices, at the times and in the manner described herein. See "PRIOR REDEMPTION" herein.

The Bonds are general obligations of the Board of Education and are secured by a pledge of the full faith and credit of the Board of Education for the payment of the principal thereof and the interest thereon, and unless paid from other sources, the Bonds and the interest thereon are payable from *ad valorem* taxes levied upon all the taxable real property within the School District, without limitation as to rate or amount. The Bonds are also secured under the provisions of the New Jersey School Bond Reserve Act, P.L.1980, c. 72, as amended.

MATURITY SCHEDULE, INTEREST RATES AND YIELDS OR PRICES

<u>Year</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Year</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
2011	\$ 25,000	%	%	2021	\$375,000	%	%
2012	25,000			2022	390,000		
2013	50,000			2023	410,000		
2014	75,000			2024	430,000		
2015	75,000			2025	455,000		
2016	75,000			2026	475,000		
2017	100,000			2027	490,000		
2018	325,000			2028	520,000		
2019	340,000			2029	535,000		
2020	360,000			2030	572,000		

(plus accrued interest from April 15, 2010)

The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about April 22, 2010.

**ELECTRONIC BIDS VIA PARITY AND
SEALED PROPOSALS WILL BE RECEIVED
UNTIL 11:00 A.M. ON APRIL 13, 2010
AT THE WOODLAND PARK BOARD OF EDUCATION
ADMINISTRATIVE OFFICES
853 MCBRIDE AVENUE
WOODLAND PARK, NEW JERSEY 07424**

**THE BOARD OF EDUCATION OF THE BOROUGH OF WOODLAND PARK
853 MCBRIDE AVENUE
WOODLAND PARK, NEW JERSEY 07424**

MEMBERS OF THE BOARD OF EDUCATION

Steven Fazio	President
Ida Renne	Vice President
William Depsee	
Tara Hayek	
Marian Jordan	
Francie Keating	
Jo-Anne Mitchell	
Ronald Pascrell	
Maryanne Swinarsky	

SCHOOL OFFICIALS

SUPERINTENDENT OF SCHOOLS
Scott E. Rixford

SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
Thomas DiFluri

CUSTODIAN OF SCHOOL MONIES
Ann Purzycki

ADVISORS AND CONSULTANTS

INDEPENDENT AUDITOR
James Cerullo
Ferraioli, Wielkott, Cerullo & Cuva, P.A.
Pompton Lakes, New Jersey

COUNSEL TO THE BOARD
Peter A. Tucci, Jr.
Hackensack, New Jersey

BOND COUNSEL
Rogut McCarthy LLC
Cranford, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations, with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Board. The information contained herein has been provided by the Board and other sources deemed reliable by the Board; however, no representation or warranty is made as to its accuracy or completeness, and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself by the Board. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, ordinances, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein and copies of which may be inspected at the offices of the Board during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

TABLE OF CONTENTS

	<u>Page</u>
Introduction	1
Description of the Bonds	1
Prior Redemption	1
Authorization for the Bonds	2
Purpose of Issue and Use of Proceeds	2
Market Protection	2
No Default	2
Security for the Bonds	2
School Bond Reserve Act (N.J.S.A. 18A:56-17 <u>et seq</u>)	3
Book-Entry Only System	3
The School District and the Board	5
The State's Role in Public Education	5
Structure of School Districts in New Jersey	5
Summary of Certain Provisions for the Protection of School Debt	7
Summary of State Aid to School Districts	9
Summary of Federal Aid to School Districts	11
Municipal Finance - Financial Regulation of Counties and Municipalities	11
Financial Statements	14
Statement of Litigation	14
Tax Matters	14
Qualified Tax-Exempt Obligations	15
Documents Accompanying Delivery of the Bonds	15
Legality for Investment	16
Preparation of Official Statement	17
Rating	17
Underwriting	17
Secondary Market Disclosure	17
Approval of Official Statement	18
Additional Information	19
Miscellaneous	19
Appendices:	
Description and General Information of The Board of Education of the Borough of Woodland Park	A
Description of the Borough of Woodland Park Together With Certain Economic and Debt Information	B
Financial Statements of The Board of Education of the Borough of Woodland Park in the County of Passaic, New Jersey for the Year Ended June 30, 2009	C
Proposed Form of Bond Counsel Opinion	D

**OFFICIAL STATEMENT
OF
THE BOARD OF EDUCATION OF THE BOROUGH OF WOODLAND PARK
(formerly known as West Paterson Board of Education)
IN THE COUNTY OF PASSAIC
NEW JERSEY
RELATING TO
\$6,102,000 SCHOOL BONDS**

INTRODUCTION

This Official Statement (the "Official Statement"), which includes the cover page hereof and the Appendices attached hereto, is furnished by The Board of Education of the Borough of Woodland Park (the "Board" when referring to the governing body and the "School District" when referring to the geographical area governed thereby), in the County of Passaic (the "County"), a public body corporate and public school district of the State of New Jersey (the "State"), to provide certain information in connection with the sale and issuance of its \$6,102,000 School Bonds (the "Bonds"). This Official Statement has been executed by and on behalf of the Board by the School Business Administrator/Board Secretary. This Preliminary Official Statement is "deemed final," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to a) completion with certain pricing and other information to be made available by the successful bidder for the Bonds, and b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

DESCRIPTION OF THE BONDS

The Bonds shall be dated and shall bear interest from April 15, 2010 and will mature on April 15 in each year as set forth on the cover hereof. Interest on the Bonds is payable semi-annually commencing October 15, 2010, and thereafter on each April 15 and October 15 (each, an "Interest Payment Date") until maturity or prior redemption at the respective interest rates set forth on the cover page hereof. Principal of and interest on the Bonds will be paid to The Depository Trust Company, New York, New York ("DTC"), by the School Business Administrator/Board Secretary, acting as "Bond Registrar/Paying Agent." Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of the last business day of the month preceding the month in which such Interest Payment Date occurs (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of the Bonds and in the principal amount of such maturity. The Bonds will be issued in book-entry form only. Investors may purchase beneficial interests in the Bonds in the denomination of \$1,000 or any integral multiple thereof. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Paying Agent directly to Cede & Co. (or any successor or assign), as nominee for DTC. Disbursement of such payments to the participants of DTC is the responsibility of DTC. Disbursement of such payments to the beneficial owners is the responsibility of the DTC participants. See "BOOK-ENTRY ONLY SYSTEM" below.

PRIOR REDEMPTION

The Bonds maturing on or before April 15, 2020 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after April 15, 2021 are subject to redemption at the option of the Board prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after April 15, 2020, upon notice as hereinafter set forth at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Board determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Board, and within any maturity, by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar/Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond of \$5,000.

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Bond Registrar/Paying Agent at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Such mailing is not a condition precedent to redemption, and the failure to mail or to receive any redemption notice will not affect the validity of the redemption proceedings. If any Bond subject to redemption is a part of a greater principal amount of the Bonds not to be redeemed, such entire amount shall be surrendered to the Bond Registrar/Paying Agent and, for that portion of the Bonds not to be redeemed, a new Bond shall be issued in the name of the registered owner in an amount equal to the principal amount of the Bond surrendered less the amount to be redeemed.

AUTHORIZATION FOR THE BONDS

The Bonds are authorized and are issued pursuant to Title 18A, Chapter 24 of the New Jersey Statutes. The Bonds have also been authorized and issued pursuant to (i) a proposal adopted by the Board on August 13, 2009, and approved by the affirmative vote of a majority of the legally qualified voters present and voting at a special School District election held on September 29, 2009, and (ii) a resolution adopted by the Board on March 18, 2010 setting forth the terms of the offering and sale of the Bonds.

On February 18, 2010, the Board received the approval of the Local Finance Board (the "Local Finance Board") in the Division of Local Government Services in the New Jersey Department of Community Affairs to issue the Bonds with a maturity schedule that does not conform with N.J.S.A. 18A:24-6. Such statute requires that no annual principal installment exceed by more than 100% the amount of the smallest prior installment. The Local Finance Board permitted the Board to use a maturity schedule with low principal installments in the early years in order to levelize the Board's total outstanding debt service over the life of the Bonds.

PURPOSE OF ISSUE AND USE OF PROCEEDS

The proceeds of the Bonds will be used to finance the construction of additions and renovations at the Memorial Middle School, Beatrice Gilmore Elementary School and the Charles Olbon Elementary School, including acquisition and installation of furnishings and equipment and site work (the "Project"). The total cost of the Project, \$8,956,315, will be funded in part, through the issuance of the Bonds and, in part, by a grant in the amount of \$2,853,557 to be received from the State of New Jersey pursuant to The Educational Facilities Construction and Financing Act, P.L. 2000 c.72, as amended.

MARKET PROTECTION

The Board does not expect to issue any additional bonds or school promissory notes during the remainder of 2010.

NO DEFAULT

The Board has never defaulted in the payment of any bonds or notes, nor are any payments of principal of or interest on the Board's indebtedness past due.

SECURITY FOR THE BONDS

The Bonds are valid and legally binding general obligations of the Board, and the Board has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable property within the School District without limitation as to rate or amount. The Bonds are additionally secured by the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Board is subject to applicable provisions of Federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Bonds or imposing other constraints upon enforcement of the payment of the Bonds insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality, school district or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board.

SCHOOL BOND RESERVE ACT (N.J.S.A. 18A:56-17 et seq.)

All school bonds are secured by the School Bond Reserve established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72), approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act"). The amendments to the School Bond Reserve Act provide that the Fund will be divided into two School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1-1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued prior to July 1, 2003 (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account equal to 1% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued on or after July 1, 2003 (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the Reserve at the required levels, the State agrees that the State Treasurer shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the fund to provide liquidity to the State unless the Old School Bond Reserve Account and New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefitted by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the district, county or municipality and shall not obligate the State to make, nor entitle the district, county, or municipality to receive any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

There have not been any required withdrawals from the School Bond Reserve since its establishment. The School Bond Reserve Act does not contain a covenant by the State to refrain from repealing, revoking, rescinding, modifying or amending the provisions of such Act.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each year of maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic

computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

THE SCHOOL DISTRICT AND THE BOARD

The Board is a nine (9) member board with members elected for staggered three (3) year terms. Pursuant to State statute, the Board appoints a Superintendent and School Business Administrator/Board Secretary.

The School District is a Type II school district without a board of school estimate and provides a full range of educational services appropriate to kindergarten (K) through grade eight (8), including regular and special education programs. The School District is coterminous with the boundaries of the Borough of Woodland Park (the "Borough"), in the County of Passaic. The School District provides education to its students through one (1) middle school and two (2) elementary schools.

THE STATE'S ROLE IN PUBLIC EDUCATION

The Constitution of the State of New Jersey provides that the maintenance and the support of a thorough and efficient system of free public schools for the instruction of all children between the ages of 5 and 18 years is a legislative responsibility. Below is a summary of the role of the State.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department") which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that have the effect of law and that are binding upon school districts, to acquire land and other property and to decide appeals from decisions of the Commissioner (as hereinafter defined) on matters of school law or State Board regulations.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been adopted by a board of school estimate or by the voters.

A County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Commissioner with the approval of the State Board. The County Superintendent is the local representative of the Commissioner. The County Superintendent is responsible for the daily supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body, takes office. School districts are principally categorized in the following categories:

- (1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate, which board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, approves all fiscal matters;

- (2) Type II, in which the registered voters in a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters, or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the district and the president of and one member of the board of education, approves all fiscal matters;
- (3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters in the school district elect members of the board of education and vote upon all fiscal matters. Regional school districts may be “All Purpose Regional School Districts” or “Limited Purpose Regional School Districts”;
- (4) State operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;
- (5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of chosen freeholders of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the county executive or the director of the board of chosen freeholders of the county, which approves all fiscal matters; and
- (6) County special service school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of chosen freeholders of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of chosen freeholders and a fifth member being the freeholder-director of the board of chosen freeholders, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district.

The School District is a Type II school district without a board of school estimate.

Under the Uniform Services and Consolidation Act, the Executive County Superintendent is required to eliminate and has, as of July 1, 2009, eliminated certain non-operating school districts and to recommend consolidation of existing school districts to eliminate districts through the establishment or enlargement of regional school districts, subject to voter approval.

School Budget Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year’s operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or Board. If the Board disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes if such certified budget is less than or equal to the maximum thorough and efficient education budget (the “T&E budget”) and may appeal to the Commissioner if such certified budget amount is in excess of the maximum T&E budget. *See* “SUMMARY OF STATE AID TO SCHOOL DISTRICTS” HEREIN.

In a Type II district, the elected Board develops the budget proposal and, at or after a public hearing, submits it for voter approval. Debt service provisions are not subject to public referendum. If approved, the budget goes into effect. If defeated, the governing bodies of the constituent municipalities must develop the school budget by May 19 of each year. Should the governing bodies be unable to do so, the Commissioner establishes the local school budget.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts that are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate on an annual cash basis budget. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the Board or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State Constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the district has adequately implemented within the budget the Core Curriculum Content Standards required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (as amended and partially repealed), first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitations was known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 (the "QEA") (now repealed), also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (the "CEIFA"), as amended by P.L. 2004, c. 73, effective July 1, 2004, which followed QEA, also limited the annual increase in a school district's net budget by a spending growth limitation. The CEIFA limited the amount school districts can increase their annual current expenses and capital outlay budgets, defined as a school district's Spending Growth Limitation. Generally, budgets could increase either 2.5% or the consumer price index, whichever is greater. Amendments to the CEIFA lowered the budget cap to 2.5% from 3%. Budgets can also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceed \$40,000 per pupil. Waivers are available from the Commissioner based on increasing enrollments and other fairly narrow grounds or by limited approval of the voters at the annual school election. Parts of the CEIFA have been found to be unconstitutional. *See* "SUMMARY OF STATE AID TO SCHOOL DISTRICTS" herein.

P.L. 2007, c. 62, effective April 3, 2007 (the "New Cap Law"), further provides limitations on a school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by 4% over the prior year's tax levy. *See* "SUMMARY OF STATE AID TO SCHOOL DISTRICTS" herein. The New Cap Law provides for certain adjustments to the tax levy cap for specific circumstances relating to enrollment increases, reductions in State aid, health care cost increases and for certain other extraordinary cost increases that must be approved by the Commissioner.

Although the New Cap Law allows for certain adjustments to the tax levy cap, the bill also grants discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges for sending districts. The Commissioner will have the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in the fiscal year 2009 through 2012.

The New Cap Law is deemed to supersede the prior limitations on the amount school districts can increase their annual current expenses and capital outlay budgets known as a school district's spending growth limitation amount (the "Spending Growth Limitation") created by the CEIFA, as amended by P.L. 2004, c. 73, effective July 1, 2004. However, the New Cap Law is in effect only through fiscal year 2012 and would have to be extended by legislation if it is to continue. Otherwise, the Spending Growth Limitations on the general fund and capital outlay budget would be in effect.

Debt service on bonds, such as the Bonds, is not limited either by the Spending Growth Limitations or the 4% cap on the tax levy increase imposed by the New Cap Law.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a Board (and approved by a board of school estimate in a Type I school district), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Annual Audit (N.J.S.A. 18A:23-1 et seq.)

Every Board is required to provide an annual audit of the school district's accounts and financial transactions. A licensed public school accountant must perform the audit no later than four (4) months after the end of the school fiscal year. The audit, in conformity with statutory requirements, must be filed with the Board and the Commissioner. Additionally, the audit must be summarized and discussed a regular public meeting of the local Board within thirty (30) days following receipt of the annual audit by such Board.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts may not capitalize interest on temporary notes, but must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five years except for certain energy-saving equipment which may be leased for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, 2000 N.J. Laws c. 72, repealed the authorization to enter into facilities leases in excess of five years. The payment of rent on an equipment lease and on a five year and under facilities lease is treated as a current expense and within the school district's Spending Growth Limitation. Under CEIFA, lease purchase payments on leases in excess of five years issued under prior law, are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's Spending Growth Limitation on the General Fund.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a pre-kindergarten (Pre-K) through grade eight (8) school district, the School District can borrow up to 3% of the average equalized valuation of taxable property in the School District. As of December 31, 2009, the School District's debt as a percentage of average equalized valuation was .56%. The School District has not exceeded its 3% debt limit. See "APPENDIX A - Debt Limit of the School District."

Exceptions to Debt Limitation

A Type II school district, (other than a regional district), may also utilize its constituent municipality's remaining statutory borrowing power (i.e. the excess of 3.5% of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). The School District has not utilized the Borough's borrowing margin. A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

Investment of School Funds

Investment of funds by New Jersey school districts is governed by State statute. Pursuant to N.J.S.A. 18A:20-37, school districts are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"); (2) U.S. Government money market mutual funds; (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular school district or municipalities or counties within which the school district is located; (5) bonds or other obligations having a maturity of 397 days or less approved by the Division of Investment of the State Department of the Treasury; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities and repurchase agreements fully collateralized by securities set forth in (1) and (3) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above. School districts are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in Government Obligations, Federal Government Agency obligations, certain short-term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving Government Obligations and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Board has no investments in derivatives.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State of New Jersey (the "Court") ruled in Robinson v. Cahill, that the existing method of financing school costs principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the State Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., 1975 N.J. Laws c. 212 (the "Public School Education Act") (as amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in Abbott v. Burke that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

The legislative response to Abbott v. Burke, was the passage of the Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., 1990 N.J. Laws c. 52 ("QEA") (now repealed). The QEA established a new formula for the distribution of State aid for public education, beginning with the 1991-92 fiscal year. The QEA provided a formula that took into account property values and personal income to determine a school district's capacity to raise money for public education. A budgetary limitation, or "CAP" on expenditures, was also provided in the law. The "CAP" was intended to control the growth in local property taxes. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

On July 12, 1994, the Court declared the school aid formula under QEA unconstitutional on several grounds as it was applied to the 28 special needs school districts (the "Abbott Districts") in the ongoing litigation commonly known as Abbott v. Burke II. No specific remediation was ordered, but the Court ultimately held that the State Legislature and the Governor were required to have a new funding formula in effect by December 31, 1996 so that any new formula would be implemented during the 1997-98 fiscal period and thereafter.

In keeping with the Court's deadline, the Governor signed into law on December 20, 1996 the Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., 1996 N.J. Laws c. 138 (CEIFA). CEIFA departed from other funding formulas adopted in the State by defining what constitutes a "thorough and efficient" education, which is what the Constitution of the State of New Jersey requires every public school student to receive. CEIFA further established the costs to provide each student with an education that is "thorough and efficient."

In defining what constitutes a "thorough" education, the State Board adopted a set of Core Curriculum Content Standards (the "Core Curriculum Content Standards"). The purpose of the Core Curriculum Content Standards is to provide all students with the knowledge and skills that will enable them to be productive citizens when they graduate from any State high school, regardless of the school's location or socioeconomic condition. CEIFA provides State funding assistance in the form of Core Curriculum Content Standards Aid based on a school district's financial ability to raise sufficient tax revenue for its students to achieve the Core Curriculum Content Standards.

On May 14, 1997, the Court held that CEIFA was unconstitutional as applied to the Abbott Districts because (1) its funding provisions fail to assure that students in such districts will receive a thorough and efficient education and (2) supplemental programs to increase student performance in such districts have neither been adequately identified nor funded. The Court recognized the Core Curriculum Content Standards as a valid means of identifying what is a "thorough and efficient" education under the State constitution, but found that the State did not adequately determine or provide the adequate funding level to allow those standards to be met in the Abbott Districts. CEIFA was not held unconstitutional as applied to the non-special needs districts. The School District is not a special needs district. To bridge the gap between Abbott Districts and non-special needs districts, the Court ordered the parity remedy, designed as an interim remedy whereby the State would provide parity aid and supplemental funding to Abbott Districts. The CEIFA has not been used to calculate State aid for public schools since the 2001-02 school year.

Pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the "EFCFA"), which became law on July 18, 2000, the State provides aid to school facilities projects. Under the EFCFA, the State provides 100% State funding for school facilities projects undertaken by Abbott Districts; for non-Abbott Districts, the State provides aid in an amount equal to the greater of the district aid percentage or forty percent (40%) times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of the aid is established prior to the authorization of the project.

The School Funding Reform Act of 2008

The School Funding Reform Act of 2008 (the "SFRA") was signed into law in January 2008 and is a five-year product of the State's latest effort to craft a redesigned school funding formula that satisfies the constitutional standard. While the SFRA maintains the Core Curriculum Content Standards established by the CEIFA, it repeals the provisions of the CEIFA which established State Aid formulas for programs to support the Core Curriculum Content Standards and has established new formulas. Essentially, the SFRA provides State aid to school districts while also requiring certain levels of local funding. It is a weighted school funding formula which identifies a base cost associated with the education of an elementary pupil without any particular special needs. Once the per-pupil amount is identified, the amount is increased to reflect factors that increase the cost of education, such as (i) grade level, and whether the pupil is (ii) an at-risk pupil (eligible for free or reduced-price lunch), (iii) a Limited English Proficiency ("LEP") pupil, or (iv) a special education student of mild, moderate or severe classification.

The formula is further comprised of several funding mechanisms, the central component being the Adequacy Budget, a wealth equalized budget based on the school district's ability to provide funding through local resources. The Adequacy Report establishes the base pupil cost necessary to provide the thorough and efficient education for an elementary student. Such amount will be adjusted to reflect the differing cost of education a student at the middle and high school levels and various other factors as set forth in the SFRA. Based upon the school district's property and personal income wealth, a local share of such adequacy budget is determined. State aid will be provided for that portion of the adequacy budget which cannot be supported locally. The SFRA guarantees a minimum two percent (2%) increase in State aid for each school district.

The Department of Education must provide an Adequacy Report every three (3) years addressing the weighted factors that comprise the Adequacy Budget and the various additional components of the SFRA: equalization aid, categorical aid, preschool aid, extraordinary aid, adjustment aid and education adequacy aid. Under the SFRA, the base per pupil amount for 2008-2009 was \$9,649 and will be adjusted by the Consumer Price Index ("CPI") for the next two years (2009-10 and 2010-11).

The constitutionality of the SFRA was challenged and was held to be constitutional by the Court on May 28, 2009.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Elementary and Secondary Education Act, as amended and restated by the No Child Left Behind Act of 2001, 20 U.S.C.A. § 6301 et seq., is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Federal aid is generally received in the form of block grants.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N. J. S. A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes subject to a number of exceptions. All bonds and notes issued by the Borough are general full faith and credit obligations.

The authorized bonded indebtedness of the Borough for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its average equalized valuation basis. The average for the last three years, of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of the Borough, as annually determined by the State Director of Taxation is \$1,817,223,312.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The Borough has not exceeded its statutory debt limit. As of December 31, 2009, the statutory net debt as a percentage of average equalized valuation was .80%. As noted above, the statutory limit is 3-1/2%.

The Borough may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Borough to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The Borough may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. A local unit's bond anticipation notes must mature within one year, but may be renewed or rolled over. Bond anticipation notes, including renewals, must mature and be paid no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. For bond ordinances adopted on or after February 3, 2003, notes may only be renewed beyond the third anniversary date of the original notes if a minimum payment equal to the first year's required principal payment on the bonds is paid to retire a portion of the notes on or before each subsequent anniversary date from funds other than the proceeds of bonds or notes. For bond ordinances adopted prior to February 3, 2003, the governing body may elect to make such minimum principal payment only when the notes are renewed beyond the third and fourth anniversary dates.

The Local Budget Law (N. J. S. A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. The Borough, which operates on a calendar year (January 1 to December 31), must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations among others, for certification.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as any anticipated revenue in the budget in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by the last day of that fiscal year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the Governing Body of the local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Additionally, new legislation constituting P.L. 2007, c.62, effective April 3, 2007, imposes a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for debt service and certain lease payments to county improvement authorities, increases to replace certain lost state aid, increases in certain pension contributions, increases in the reserve for uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The Local Finance Board may approve waivers for certain extraordinary costs identified by the statute, and voters may approve increases above 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the Borough to levy ad valorem taxes upon all taxable real property within the Borough to pay debt service on its bonds or notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income, where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Borough's Local School District and the County, the tax rate is struck by the Passaic County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June by the Borough's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year, are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00. These interest and penalties are the highest permitted under New Jersey statutes. If a delinquency is in excess of \$10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Borough must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the Passaic County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey, for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations, or with the permission of the Local Finance Board may be financed, generally over a three to five year period.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission.

FINANCIAL STATEMENTS

The financial statements of the Board for the year ended June 30, 2009, are presented in Appendix C to this Official Statement (the "Financial Statements"). The Financial Statements have been audited by Ferraioli, Wielkotz, Cerullo & Cuva, P.A., Pompton Lakes, New Jersey, an independent auditor (the "Auditor"), as stated in its report appearing in Appendix C to this Official Statement. *See* "APPENDIX C - Financial Statements of The Board of Education of the Borough of Woodland Park in the County of Passaic, New Jersey for the Year Ended June 30, 2009".

STATEMENT OF LITIGATION

There is at present no single action pending or threatened against the Board which would impose an undue financial burden on the Board. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Board is a party-defendant in certain lawsuits, none of a kind unusual for a school district of its size, and none of which, in the opinion of the Board Attorney, would materially and substantially impair the Board's ability to pay its bondholders. All of the Board's tort actions are being defended by municipal joint insurance funds (which provide pooled private insurance coverage and self-insurance coverage to its members).

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Board with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Board has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Board's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Board, in executing the Tax Certificate, will certify to the effect that the Board expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Board, assuming compliance by the Board with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. For other Federal tax information, see "TAX MATTERS - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Board has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code and has represented that it reasonably expects that, collectively, neither it nor its subordinate entities, if any, will issue more than \$30,000,000 of tax-exempt obligations during the current calendar year.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the Board shall furnish a certificate of the Board Attorney, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Board wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Board or adversely affect the power of the Board to enforce the collection of taxes or other revenues for the payment of its bonds, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Bonds will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Board, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Board has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, the Bonds and the interest thereon are payable from ad valorem taxes levied on all taxable real property in the School District, without limitation as to rate or amount.

Such firm has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See Appendix D, "Proposed Form of Bond Counsel Opinion."

Certificates of Board Officials

The original purchaser of the Bonds shall also receive a certificate dated as of the date of delivery of the Bonds and signed by the School Business Administrator/Board Secretary certifying that (a) as of the date of the Official Statement furnished by the Board in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Board is not guaranteed as to accuracy, completeness or fairness, such officer has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officer, since the date of said Official Statement and since the date of the sale of the Bonds, there have been no material transactions not in the ordinary course of affairs entered into by the Board and no material adverse change in the general affairs of the Board or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or which should have been supplied by, the successful bidder for the Bonds. In addition, the original purchaser of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, and a certificate dated as of the date of delivery of the Bonds, and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Board, nor the title of any of the said officers to their respective offices, is being contested.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Board, including the Bonds, and such Bonds are authorized security for any and all public deposits.

PREPARATION OF OFFICIAL STATEMENT

The Board hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm same to the purchasers of the Bonds, by certificates signed by the Board President and School Business Administrator/Board Secretary.

All other information has been obtained from sources that the Board considers to be reliable and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

The Auditor has participated in the preparation of this Official Statement on behalf of the Board, but has not independently verified the accuracy, completeness or fairness thereof and, accordingly, takes no responsibility and express no opinion with respect thereto.

Rogut McCarthy LLC has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

RATING

The Board has applied for a rating on the Bonds from Standard & Poor's U.S. Public Finance Ratings ("Standard & Poor's").

An explanation of the significance of such credit rating may be obtained from Standard & Poor's, 55 Water Street, New York, New York 10041. The Board furnished Standard & Poor's with certain information and materials concerning the Bonds and the Board. Generally, Standard & Poor's bases its ratings on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. The rating is not a recommendation to buy, sell or hold the Bonds and there can be no assurance that any such rating will be maintained for any given period of time or that such rating may not be raised, lowered or withdrawn entirely if, in Standard & Poor's judgment, circumstances so warrant. Any downward change in or withdrawal of any such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds have been purchased at a public sale from the Board for resale by the following purchasers (the "Underwriters").

SECONDARY MARKET DISCLOSURE

The Board has agreed, pursuant to a resolution adopted on March 18, 2010, to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12. Specifically, the Board will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than six months after the end of the Board's fiscal year (presently June 30), commencing with the report for the fiscal year ending June 30, 2010, provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, as prescribed by the MSRB, annual financial information with respect to the Board consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Board and (ii) certain financial information and operating data consisting of (a) the Board's debt and overlapping indebtedness, including a schedule of outstanding debt issued by the Board, (b) the Board's most recent adopted budget, (c) property valuation information, and (d) tax rate, levy and collection data. The audited financial statements will be prepared in accordance with generally accepted accounting principles, as modified by governmental accounting standards as may be required by New Jersey law in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax exempt status of the Bonds;
- (7) Modifications to the rights of Bondholders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution or sale of property which secures the repayment of the Bonds; and;
- (11) Rating changes.

(C) Provide or cause to be provided, in a timely manner, to the MSRB notice of a failure of the Board to provide required annual financial information on or before the date specified above.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Board fails to comply with the above-described undertaking, any Bondholder or beneficial owner of the Bonds may pursue an action for specific performance to enforce the rights of all Bondholders and beneficial owners with respect to such undertaking; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds or any liability by the Board for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Bondholders and beneficial owners of the Bonds.

The Board reserves the right to terminate its obligations to provide annual financial information and notice of material events, as set forth above, if and when the Board no longer remains an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

The undertaking may be amended by the Board from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements or change in law, or a change in identity, nature, type of operation or status of the Board, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interest of the Bondholders and the beneficial owners of the Bonds.

The Board has never failed to provide required annual financial information.

APPROVAL OF OFFICIAL STATEMENT

Prior to the delivery of the Bonds, the Board will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the School Business Administrator/Board Secretary to deliver a reasonable number of copies thereof in final form to the purchasers of the Bonds for their use in the sale, resale or distribution of the Bonds.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Thomas DiFluri, School Business Administrator/Board Secretary at 973-317-7721.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

THE BOARD OF EDUCATION OF THE BOROUGH OF WOODLAND PARK IN THE COUNTY OF PASSAIC, NEW JERSEY

By: /s/ _____
Thomas DiFluri
School Board Administrator/Board Secretary

Dated: _____

APPENDIX A

**DESCRIPTION AND GENERAL INFORMATION
OF THE BOARD OF EDUCATION
OF THE BOROUGH OF WOODLAND PARK**

TABLE OF CONTENTS

	<u>Page</u>
General	A-1
Board/Staff	A-1
Pupil Enrollments	A-1
Labor Relations	A-1
Pension	A-1
Description of Instructional Program and Facilities	A-2
Financial Operations	A-2
General, Special Revenue and Debt Service Funds Operations and Changes in Fund Balances	A-2
Fiscal 2010 Budget	A-3
Proposed Fiscal Year 2011 Budget	A-3
Budget History	A-3
Short-Term Debt	A-3
Long Term School Debt	A-3
Debt Limit of the School District	A-3
Debt Statement of the Board	A-3

BOARD OF EDUCATION OF THE BOROUGH OF WOODLAND PARK

General

The district was established in 1914. The district is a Type II (Grade K through 8) school district coterminous with the boundaries of the Borough.

Board/Staff

The Board is composed of nine members elected by the legally qualified voters in the district for three-year terms on a staggered basis. The President and Vice-President are chosen for one-year terms from among the members.

The Board is a policy making body and has the general responsibility for providing an education program, with the power to establish policies and supervise the public schools in the district, the responsibility to draw up the annual budget and present it to the legally registered voters in the district for approval and the power to appoint the Superintendent of Schools (the "Superintendent").

The Superintendent is the chief administrative officer of the district. The School Business Administrator/Board Secretary oversees the Board's business functions and reports through the Superintendent to the Board. There are approximately 107 certified teachers/staff and approximately 64 other administrative, secretarial and custodial workers.

Pupil Enrollments

The following table presents the historical pupil enrollments for the school years 2000-2001 through 2009-2010, and projection of public enrollment for the period 2010-2011:

PUPIL ENROLLMENTS

<u>School Year</u>	<u>Enrollment</u> (as of October 15)
2010-2011	1,127 (projected)
2009-2010	1,093
2008-2009	1,054
2007-2008	1,025
2006-2007	1,015
2005-2006	958
2004-2005	933
2003-2004	942
2002-2003	918
2001-2002	914
2000-2001	882

Source: Board of Education

Labor Relations

The Board currently has a contract with the Woodland Park Education Association expiring June 30, 2012 and a contract with the Principal's Association expiring on June 30, 2011.

Pension

The teachers and members of the professional staff are enrolled in the New Jersey Teachers Pension & Annuity Fund (TPAF). All other eligible board employees are enrolled in the Public Employees' Retirement System (PERS). Both TPAF and PERS are administered by the Division of Pensions, within the State Department of the Treasury.

Description of Instructional Program and Facilities

The school district currently operates on a kindergarten to 8th grade distribution. The school district is comprised of 3 school buildings. The Memorial School which serves students in grades 5-8, the Charles Olbon School and the Beatrice Gilmore School which serves grades K-4.

Residents of the Borough of Woodland Park attend high school at Passaic Valley Regional High School.

Financial Operations

The following table summarizes information on changes in financial resources and fund balance for fiscal years 2008 through 2009 for the totals of the General, Special Revenue and Debt Service funds. This summary should be used in conjunction with the tables from which it is derived. See Appendix C for a detailed presentation of the Board's financial statements for the years ended June 30, 2008 and 2009.

GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30,

	<u>2009</u>	<u>2008</u>
REVENUES		
Local Sources	\$12,373,216.91	\$11,793,204.71
State Sources	1,967,576.31	2,355,918.59
Federal Sources	<u>409,380.00</u>	<u>336,732.00</u>
Total Revenues	<u>14,750,173.22</u>	<u>14,485,855.30</u>
EXPENDITURES		
Current Expense	14,082,860.82	13,756,640.05
Capital Outlay	386,501.29	125,100.41
Transfer to Charter School	8,279.00	9,013.00
Debt Service	<u>208,515.00</u>	<u>209,530.63</u>
Total Expenditures	<u>14,686,156.11</u>	<u>14,100,284.09</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>64,017.11</u>	<u>385,571.21</u>
OTHER FINANCING SOURCES (USES)		
Transfers Out	<u>(43,330.73)</u>	<u>(33,652.09)</u>
Total Other Financing Sources and (Uses)	<u>(43,330.73)</u>	<u>(33,652.09)</u>
Net Change in Fund Balances	20,686.38	351,919.12
Fund Balance - July 1	<u>1,127,508.62</u>	<u>775,589.50</u>
Fund Balance - June 30	<u>\$1,148,195.00</u>	<u>\$1,127,508.62</u>

Fiscal 2010 Budget

The Board's fiscal 2010 budget budgeted \$14,610,178 general current expenses, capital outlay and debt service, including the following major categories of expenditures: \$4,630,596 for regular instruction, \$1,532,387 for special education, \$7,795,387 for support services and \$207,190 for debt service. The major sources of revenue in this budget are \$12,737,925 from the local tax levy, \$1,029,351 from various state sources, and \$170,000 from miscellaneous sources and \$249,034 from surplus.

Proposed Fiscal Year 2011 Budget

The Governor's proposed state budget for fiscal year 2010-2011 reduces state aid to New Jersey School Districts by over \$800 million. The Woodland Park Board of Education's aid was reduced by \$698,000.00 in the State's proposed budget.

Budget History

The Board of Education must submit its budget for voter approval. The results of the last five budget elections are as follows:

<u>Budget Year</u>	<u>Budget Category</u>	<u>Tax Levy Budget Amount</u>	<u>Election Result</u>
2009-2010	General Fund	12,616,735.00	Defeated
2008-2009	General Fund	12,083,920.00	Defeated
2007-2008	General Fund	11,510,000.00	Defeated
2006-2007	General Fund	10,761,322.00	Defeated
2005-2006	General Fund	10,143,731.00	Defeated

Short-Term Debt

The District has no outstanding short-term debt prior to the issuance of the Bonds.

Long Term School Debt

The District has outstanding bonds payable as of December 31, 2009 as follows:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Amount Outstanding</u>
School Bonds Series 2001	12/15/2001	4.375%-4.75%	12/15/2011	\$1,265,000.00

Debt Limit of the School District

The debt limitations of the Board are established pursuant to the provisions of N.J.S.A. 18A:24-19. The Board is permitted to incur debt up to 3% of the average equalized valuations of its constituent municipalities before requiring approval by state regulatory authorities. The Board's statutory debt percentage as of December 31, 2009 was .56%. The following is a summation of the Board's available borrowing margin as of December 31, 2009.

Debt Statement of the Board

Average Equalized Real Property Valuation (2007, 2008 and 2009)	1,817,223,312
District Analysis:	
Permitted Debt Limitation (3%)	54,516,699
Less: Net Debt Issued and Outstanding	<u>10,221,315</u>
Remaining District Borrowing Capacity	<u>44,295,384</u>

APPENDIX B

**DESCRIPTION OF
THE BOROUGH OF WOODLAND PARK
TOGETHER WITH
CERTAIN ECONOMIC AND DEBT INFORMATION**

APPENDIX B

TABLE OF CONTENTS

	<u>Page</u>
General Information	B-1
Type of Government	B-1
Borough Officials	B-2
Municipal Services	B-2
Wastewater Collection System	B-2
Water System	B-2
Transportation Facilities	B-3
Health Care Facilities	B-3
Library Facilities	B-3
Recreation Facilities	B-3
Shopping Facilities	B-3
Retirement Systems	B-3
Collective Bargaining Representation	B-3
New Construction and Housing Statistics	B-4
Major Employers	B-5
Major Real Property Taxpayers	B-5
Net Assessed Property Valuations	B-5
Levy and Collection of Taxes	B-6
Current Fund Revenue Sources	B-8
Current Fund Balances And Amounts Utilized in Succeeding Year's Budget	B-8
State Aid	B-8
Debt Information:	
Statutory Debt Information	B-9
Statutory Borrowing Power	B-10
Trend of Statutory Remaining Borrowing Power	B-10
Permanent Debt Issued and Outstanding	B-10
Direct and Overlapping Debt Issued and Outstanding	B-11
Debt Ratios	B-11

Borough of Woodland Park

General Information

The Borough of Woodland Park, about 3 square miles, was created in 1914 from the West Park section of Little Falls; the vote was 194 to 20 to approve the new borough. On November 4, 2008, in accordance with the petition and referendum provisions set forth in N.J.S.A. 40:43-4 to -7, the voters of West Paterson voted to change the Borough's name to Woodland Park by a vote of 2,136 to 2,111. All ordinances, contracts and liabilities adopted or incurred under the prior name are unaffected by the name change.

At the time it became a borough, Woodland Park was primarily a farming and dairy community. The Passaic River at that time was a clean, pleasant stream and became an attraction for amusement parks, recreation fields, hotels and a race track. A few wealthy silk industrialists from Paterson found the area attractive and located homes in the area. Idlewild Park, (now Singer Kearfoot) was one of the leading amusement parks and trolleys brought visitors up McBride Avenue for dancing, boating and picnicking.

The silent motion picture industry established itself in the Little Falls/Woodland Park area shortly after 1900. "The Great Train Robbery" was produced there in the "High Bridge" area.

Beginning in the 1950's, larger shopping centers began to appear, i.e., West Caldor Shopping Center, Great Eastern Mills and Lenox Plaza.

Today's Woodland Park is vastly different. Shopping centers continue to be developed along the Route 46 commercial area, The Bank of New York maintains a substantial corporate office within the Borough overlooking Interstate Route 80.

The residential make-up has also changed. During the late 1990's and early 2000's a significant amount of condominiums and townhouses were developed. The communities of Wedgewood Knolls and Garret Park Associates, to name two, contributed to the significant ratable growth during that period. K. Hovnanian has built Rolling Views Condominiums, a substantial development in the old quarry section of town. In addition, K. Hovnanian has sold over half of its Four Seasons 55 and over community, which when completed will be over 800 units.

Individual residences are generally smaller in size, with buildings and grounds well maintained. The recent average resale value of a single family residence has been in the \$375,000-\$550,000 area.

Streets are well maintained and clean. Solid waste is collected weekly by a private company under a contract with the Borough. Gas and electricity is provided by Public Service Electric and Gas Company. For sewage disposal, please refer to "Wastewater Collection System".

Type of Government

The Borough of Woodland Park operates under the Faulkner Act with a Mayor-Council form of Government consisting of a Mayor and six Council Persons, each of whom is elected by the voters. The Mayor's term is for a three year period and the Council members for a three year period with three Council positions being voted upon each year in which the Mayor is not elected. Appointments and committee member selections are made at the Annual Reorganization Meeting, generally held within the first week of January each year. Appointments and committee selections are made as provided for by statutes and ordinances governing these matters.

The Mayor and Council meets the first and third Wednesday of each month with the first Wednesday designated as the Mayor and Council work session and the third Wednesday as the regular meetings. Additional special meetings are called dependent on such circumstances that may arise and make them necessary. All meetings are open to the public in compliance with New Jersey's Sunshine Law. At the work sessions, the public's role is limited to that of an observer. At the regular meetings, citizens are given an opportunity to speak on matters of concern to them during a portion of the meeting for that purpose. On proposed ordinances the public also has an opportunity to be heard.

The executive power of the Borough is exercised by the Mayor. Administrative functions for implementing policies of the Borough are exercised by the administrator in conjunction with department heads. The primary committees follow specialized category lines with each committee consisting of a chairperson and two other Council members. These committees are: Police, Fire and Finance. Day to day functions are under the direction of the Municipal Administrator. Also present and available on a full time basis is the Tax Collector/Treasurer.

Borough Officials

Administrator/Municipal Clerk

Kevin V. Galland was appointed Administrator/Municipal Clerk on April 24, 2007.

Chief Financial Officer

Mr. Frederick Tomkins is the Borough's Chief Financial Officer. Mr. Tomkins was appointed for a four year term.

Municipal Services

Police Department

The Police Department, situated in the Municipal Center, has 26 personnel consisting of a Chief of Police, one Captain, three Lieutenants, five Sergeants, and sixteen Uniformed Officers.

Fire Department

The Fire Department, operated on a volunteer basis, consists of three companies and a Fire Prevention Bureau. The Fire Department's personnel consists of one Fire Chief, two Deputy Fire Chiefs, four Captains, four Lieutenants, and eighty firefighters. The Fire Prevention Bureau personnel includes four Fire Inspectors.

Ambulance Corps

The Ambulance Corps consists of twenty-three volunteers who operate two ambulances. All members are trained to use a defibrillator.

Department of Public Works

The twelve personnel, headed by a Superintendent and one Foremen, employed in the Department of Public Works (the "DPW") are responsible for maintaining Borough streets, buildings and grounds, including removal of snow, leaves and trash. The DPW also picks up paper and other recyclables from curbside.

Solid waste pick-up is twice a week on Mondays and Thursdays. Solid waste pick-up is handled by a private company under a four year contract, with the current contract expiring on April 30, 2012. The Borough's payment to the private company is raised through general taxation.

Wastewater Collection System

The Borough owns and operates the wastewater collection system to which all business and residential buildings must be connected. A sewer connection to the Passaic Valley Sewer Commissioners (the "PVSC") trunk interceptor line leading to the PVSC's sewage treatment plant in Newark is metered to ascertain the wastewater flow. The Borough pays an annual charge to the PVSC which is payable from the Borough's general fund.

Water System

The Borough operates its own water distribution system and water utility for part of the community. Water is purchased from the Passaic Valley Water Commission. The balance of the community is serviced by the Passaic Valley Water Commission and the New Jersey-American Water Company. The water utility billing by the Borough is based upon a standard minimum fee based upon the type of entity being served plus actual water consumption for the period. The Borough's rates are the lowest of the three entities which service the community.

Transportation Facilities

Transportation

Railroad transportation is provided by New Jersey Transit which is easily accessible at the Township of Little Falls, which is only a short distance away.

Two bus lines provide excellent service throughout the metropolitan area.

The Borough residents have quick and easy access to all parts of New Jersey and New York via U.S. No. 46 and No. 80, State Highway No. 3, Garden State Parkway and New Jersey Turnpike.

Health Care Facilities

Hospitalization and emergency room facilities are available at St. Joseph's Hospital of Wayne, St. Joseph's Hospital in Paterson and The Barnert Memorial Hospital in Paterson, all within approximately a ten to fifteen minute drive from the Borough.

Library Facilities

The Borough operates the Alfred H. Baumann Library (the "Library"), a 5,000 square foot library with a meeting room and kitchen facility. The Library is a member of the Passaic County Lending System, an electronic central library permitting the Library to borrow books and other documents from other libraries in the County.

Recreation Facilities

The Borough has a year round community recreation program. It is administered by a Recreation Commission appointed by the Mayor and Council.

Shopping Facilities

Major clothing and furniture department stores are situated in three shopping malls on State Routes 46 and 23, all within a five to ten minute drive. Within the Borough are food supermarkets and small to medium size merchants offering a wide variety of products.

RETIREMENT SYSTEMS

The Borough is enrolled in three retirement systems established by acts of the State Legislature. Benefits, contributions, means of funding and administration of the retirement systems are set by the State. The Division of Pensions within the Treasury Department of the State is the administrator of the systems with benefit and contribution levels set by the State. All full-time permanent or qualified employees who began employment after 1944 must enroll in one of two retirement systems, depending upon their employment status. Borough employees, employed or retired, are enrolled in either the Public Employees' Retirement System ("PERS"), or the Police and Firemen's Retirement System ("PFRS"), or if retired in the Consolidated Police and Firemen's Pension Fund ("CPFPPF"). Employee rates for contribution are normally determined by the rate applicable at the age of enrollment. The Borough is current in its payments to the retirement systems as well as the Federal Social Security System ("OASI").

COLLECTIVE BARGAINING REPRESENTATION

Certain Borough employees are represented by bargaining agents who are shown below together with termination dates of current contracts.

<u>Date</u> <u>Classification</u>	<u>Bargaining</u> <u>Representation</u>	<u>Termination</u> <u>Date</u>
Police	PBA Local 173	Dec. 31, 2008
Department of Public Works	West Paterson Public Works Employees	Dec. 31, 2012
Clerical Staff	IBEW Local 158	Dec. 31, 2009

Source: The Borough.

NEW CONSTRUCTION AND HOUSING STATISTICS

New Construction

<u>Year</u>	Total Building Permits
2009	33
2008	2
2007	119
2006	214
2005	1

Estimated Construction Costs

<u>Year</u>	Estimated Construction Costs
2009	\$6,121,256
2008	380,000
2007	16,355,250
2006	28,262,278
2005	137,500

Source: Borough of Woodland Park Building Department.

MAJOR EMPLOYERS

Employer

Bank of New York
Kohl's Department Store
PNC Bank
Pathmark
North Jersey Herald News

MAJOR REAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>2009 Assessed Valuation</u>
Rose Manor Estates	\$33,028,100
Bank of New York	17,350,000
Levco Route 46 Assoc.	15,286,300
G.O.P. 1, LLC	10,618,300
The Leeward Corporation	8,773,700
DDRM West Falls Plaza, LLC	7,529,000
G.O.P. 3, LLC c/o Mtn Development	7,000,000
G.O.P. 5, LLC c/o Mtn Development	7,000,000
Kearfott Guidance & Navigation Corp.	5,750,000
K. Hovnanian at Great Notch	5,060,000

Source: The Borough's Assessor and the Borough's tax duplicates for 2009.

NET ASSESSED PROPERTY VALUATIONS

Real Property Net Assessed Valuation by Classification

<u>Classification</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Residential	\$615,591,324	\$584,381,724	\$554,965,324	\$554,397,824	\$551,968,824
Apartment	34,127,000	34,127,000	37,277,000	37,277,000	36,392,800
Commercial	142,974,460	143,528,760	150,161,360	149,919,960	152,609,260
Industrial	33,674,000	34,306,600	35,076,600	35,320,500	37,815,200
Vacant Land	25,682,613	30,631,513	34,193,613	27,975,198	18,200,798
Farmland (Qualified)	<u>1,680</u>	<u>1,680</u>	<u>1,680</u>	<u>1,680</u>	<u>1,680</u>
SubTotal	852,051,077	826,977,277	811,675,577	804,892,162	796,988,562
Exempt Property	123,581,600	123,768,100	123,244,900	122,957,600	122,791,300
Public Utilities	<u>610,243</u>	<u>573,562</u>	<u>557,128</u>	<u>601,270</u>	<u>745,708</u>
Total	<u>\$976,242,920</u>	<u>\$951,318,939</u>	<u>\$935,477,605</u>	<u>\$928,451,032</u>	<u>\$920,525,570</u>

Net Assessed Property Valuations

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net Assessed Valuation:					
Real Property	\$852,051,077	\$826,977,277	\$811,675,577	\$804,892,162	\$796,988,562
Personal Tangible Property	<u>610,243</u>	<u>573,562</u>	<u>557,128</u>	<u>601,270</u>	<u>745,708</u>
Total	<u>\$852,661,320</u>	<u>\$827,550,839</u>	<u>\$812,232,705</u>	<u>\$805,493,432</u>	<u>\$797,734,270</u>

Source: County of Passaic Abstract of Ratables for years shown, and Borough's Tax Duplicates for years shown.

LEVY AND COLLECTION OF TAXES As of December 31 for Years Shown

The levy and collection of taxes are based upon a calendar year. The Borough is the political entity responsible for the levying and collection of taxes on all taxable real property within its borders, including the tax levies for the County and the School District.

Property taxes are based on an assessor's valuation of real property. The taxes for Municipal, Local School District, Regional High School, and County purposes are combined into one tax levy which is apportioned on the tax bill by rate and amount for taxpayer information only. Taxes levied for the purpose of the Local School District cover the current calendar year. Turnover of tax monies by the Borough to a school district are based on school needs and are generally made on a periodic basis throughout the year. The Borough remits 100% of the County taxes, payable quarterly on the 15th days of February, May, August and November.

Tax bills for the second half of the current year's tax levy, and an estimate based on 50% of the levy for the first half of the following year, are mailed annually in July and are due in quarterly installments on the first days of August, November, February and May. Delinquent payments are subject to an interest penalty of 8% on the first \$1,500 of delinquency and 18% on amount exceeding \$1,500. Unpaid taxes are subject to tax sale as of July 1 following the year of levy, in accordance with statutes of the State of New Jersey. Tax liens are subsequently subject to foreclosure proceedings in order to enforce tax collections or acquire title to property.

The last all-inclusive tax sale of unpaid delinquent taxes and assessments was held by the Borough on November 22, 2009.

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Passaic County Tax Board on or before the first day of April of the current tax year for review. The Passaic County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Passaic County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period.

Tax Rate Apportionment

(Per \$100 of Assessed Valuation)

<u>Year</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Tax Rate</u>
2009	1.159	1.154	1.494	.668	4.475
2008	1.054	1.108	1.473	.622	4.257
2007	1.009	1.029	1.429	.653	4.12
2006	.926	.975	1.322	.617	3.84
2005	.881	.862	1.285	.552	3.58

Source: Tax Duplicates

Tax Levy Apportionment

<u>Year</u>	<u>Municipal</u>	<u>County</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Total</u>
2009	\$9,879,468	\$9,837,698	\$12,737,925	\$5,694,942	\$38,150,033
2008	8,732,814	9,160,633	12,182,436	5,142,734	35,218,617
2007	8,093,768	8,337,792	11,116,091	5,126,571	32,674,222
2006	7,435,960	7,833,643	10,637,648	4,956,965	30,864,216
2005	7,027,996	6,872,238	10,248,528	4,402,878	28,551,640

Tax Collection Experience

<u>Year</u>	<u>Tax Levy(A)</u>	<u>Current Tax Levy Collected</u>		<u>Delinquent Taxes Collected</u>	<u>Total Taxes Collected</u>	
		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
2009(1)	\$38,530,498	\$37,881,598	98.32%	\$463,734	\$38,345,332	99.52%
2008	36,217,951	35,512,934	98.05	468,476	35,981,410	99.35
2007	34,577,757	33,926,548	98.12	577,187	34,503,735	99.79
2006	30,990,729	30,273,539	97.69	404,122	30,677,661	98.99
2005	28,613,721	28,238,887	98.69	336,618	28,575,505	99.87

(A) Includes added and omitted taxes.

(1) Unaudited

Source: The Borough's audited and unaudited financial statements.

Tax Title Liens and Delinquent Taxes

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percent of Tax Levy</u>
2009(1)	\$ -0-	\$494,694	\$494,694	1.28%
2008	10,495	485,602	496,097	1.37
2007	10,495	490,160	500,655	1.45
2006	10,495	601,941	612,436	1.98
2005	10,495	371,492	381,987	1.33

(1) Unaudited

Foreclosed Property

<u>Year</u>	<u>Balance December 31</u>
2009(1)	\$4,072,200
2008	4,072,200
2007	288,000
2006	288,000
2005	288,000

(1) Unaudited

CURRENT FUND REVENUE SOURCES

<u>Year</u>	<u>Budget Appropriation(2)</u>	<u>Revenue Surplus Appropriated</u>	<u>Miscellaneous Revenues Collected(3)</u>	<u>Delinquent Taxes Collected</u>	<u>Tax Levy Realized</u>	<u>Reserve for Uncollected Taxes</u>
2009(1)	\$14,139,220	\$1,150,000	\$2,711,465	\$463,734	\$37,881,598	\$731,000
2008	13,728,537	1,550,000	2,631,027	468,476	35,512,934	637,000
2007	12,425,656	960,000	2,982,030	577,187	33,926,548	539,000
2006	11,454,059	636,000	3,353,389	404,122	30,273,539	428,000
2005	9,971,953	800,000	2,592,254	336,618	28,238,887	428,000

(1) Unaudited

(2) Current year's budget increase is limited to the lesser of the Index Rate or 2.50% increase over immediately preceding year's final appropriations after giving effect to ratable growth or specified exemptions or emergencies.

(3) Miscellaneous revenues collected includes non-budget revenues collected.

Source: The Borough's audited and unaudited financial statements.

CURRENT FUND BALANCES AND AMOUNTS UTILIZED IN SUCCEEDING YEAR'S BUDGET

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Succeeding Year's Budget</u>	
		<u>Amount</u>	<u>Percent</u>
2009(1)	\$1,877,816	\$1,150,000(2)	61.24%
2008	1,369,127	1,150,000	84.00
2007	2,632,155	1,550,000	58.89
2006	1,316,396	960,000	72.93
2005	869,982	636,000	73.10

(1) Unaudited

(2) Budget, as introduced

STATE AID

<u>Year</u>	<u>Energy Receipts Tax Received</u>	<u>Consolidated Municipal Property Tax Relief</u>	<u>Other Aid Received</u>	<u>Total</u>
2009(1)	\$696,829	\$334,569	\$6,674	\$1,038,072
2008	647,581	403,490	6,674	1,057,745
2007	607,643	460,363	146,168	1,214,174
2006	575,965	492,041	374,728	1,442,734
2005	551,162	516,843	124,728	1,192,733
2004	532,524	535,482	224,728	1,292,734

(1) Unaudited

DEBT INFORMATION

General Information

The State has enacted certain laws and statutes regulating the authorization and issuance of debt by tax levying local governmental units of the State. The statutory gross debt must include all debt authorized plus all debt issued which remains outstanding. Debt which has been refunded, and payment for which is made from escrowed U.S. Treasury securities or other permitted investments, is considered outstanding under State statutes until such outstanding debt has matured or has been called for redemption. However, any debt which is self-supporting or which is payable from other sources or debt issued for refunding purposes may be deducted from the statutory gross debt to arrive at the amount of statutory net debt. The statutory net debt figure is the amount to determine if a local governmental unit is within the limit of its statutory borrowing power. The debt incurring capacity is limited by statute to 3.50% of a local governmental unit's statutory equalized valuation. The Borough's statutory net debt as of December 31, 2009 is .80%.

STATUTORY DEBT INFORMATION

As of December 31, 2009

School Purpose:	
Bonds Issued	\$1,837,720
Notes Issued	24,003
Authorized/Unissued Debt	<u>8,956,538</u>
Total Gross Debt	10,818,261
Deductions	<u>10,818,261</u>
Net Debt for School Purposes	<u>0</u>
Self-Liquidating Purpose:	
Bonds Issued	932,000
Authorized not Issued	231,526
Loans	<u>948,969</u>
	2,112,495
Deduction	<u>2,112,495</u>
Net Self-Liquidating Purpose	<u>0</u>
Municipal Purpose:	
Bonds Issued	13,962,000
Wastewater Trust Loans	1,442,090
Notes Issued (1)	1,150,000
Authorized/Unissued Debt	<u>54,579</u>
Total Gross Debt	16,608,669
Deduction	<u>2,138,165</u>
Net Debt for Municipal Purpose	<u>14,470,504</u>
Total Gross Statutory Debt	29,539,425
Total Statutory Deductions	<u>15,068,921</u>
Total Net Statutory Debt	<u>\$14,470,504</u>

(1) Tax anticipation notes and emergency notes are not included.

STATUTORY BORROWING POWER
As of December 31, 2009

Statutory Equalized Valuation (1)	1,817,223,312
Statutory Borrowing Power (2)	63,602,816
Statutory Net Debt	<u>14,470,504</u>
Remaining Statutory Borrowing Power	<u>49,132,312</u>
Net Debt to Statutory Equalized Valuation	.80%

(1) Average of the immediately preceding three years (2009, 2008 and 2007) as calculated by State.

(2) 3 1/2% of the State's equalized valuation.

Source: The Borough.

TREND OF STATUTORY REMAINING BORROWING POWER
FOR YEARS ENDED DECEMBER 31, 2009 - 2005

<u>Year</u>	<u>Statutory Equalized Valuation(1)</u>	<u>Borrowing Capacity(2)</u>	<u>Bonds(3) Outstanding</u>	<u>Notes(3) Outstanding</u>	<u>Less Deductions</u>	<u>Net Debt Outstanding</u>	<u>Authorized Unissued Debt</u>	<u>Remaining Borrowing Power</u>
2009	\$1,817,223,312	\$63,602,816	\$17,285,059	\$1,150,000	\$4,250,660	\$14,184,399	\$286,105	\$49,132,312
2008	1,776,174,363	62,166,103	8,554,478	7,503,203	3,685,531	12,372,150	839,579	48,954,374
2007	1,638,328,848	57,341,510	9,203,188	5,863,076	3,142,858	11,923,406	748,579	44,669,525
2006	1,479,547,285	51,784,155	9,648,124	5,052,530	4,310,582	10,390,072	274,053	41,120,030
2005	1,322,992,667	46,304,743	10,003,360	3,304,400	4,542,680	8,765,080	832,073	36,707,590

(1) Average of the immediately preceding three years as calculated by the State.

(2) 3 1/2% of the statutory equalized valuation.

(3) Bonds Outstanding includes balance due on Wastewater Trust Loan.

Refer to "Permanent Debt Issued and Outstanding", and "Temporary Debt Issued and Outstanding.

Source: The Borough's audited financial statements for years shown.

PERMANENT DEBT ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2009

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
General Improvements	Various	Jul. 15, 2009	Jul. 15, 2027	\$9,500,000
Refunding Bonds	Various	Aug. 1, 2005	Aug. 1, 2017	1,735,000
General Improvements	4.30	Oct. 15, 2001	Oct. 15, 2016	2,727,000
Water Utility Improvements	4.375	Oct. 15, 2001	Oct. 15, 2015	<u>932,000</u>
Sub-total				14,894,000
Wastewater Treatment Trust Loans				<u>2,391,059</u>
Total Permanent Debt Issued and Outstanding				<u>\$17,285,059</u>

Source: The Borough.

**DIRECT AND OVERLAPPING DEBT
ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2009**

	<u>Direct Debt</u>	<u>Overlapping Debt</u>
Direct Debt:		
Bonds	\$13,962,000	
Notes	1,150,000	
Water Utility Bonds	932,000	
Wastewater Loans	2,391,059	
Authorized But Not Issued	286,105	
Overlapping Debt:		
School Districts		\$10,818,261
Passaic County (including Utilities Authority)	_____	<u>14,118,406</u>
Total Direct Debt:		
Gross	18,721,164	
Deductions	<u>4,250,660</u>	
Net	<u>\$14,470,504</u>	
Total Overlapping Debt:		
Gross		<u>24,936,667</u>
Deductions		<u>10,818,261</u>
Net		<u>\$14,118,406</u>

Source: The political entities shown.

DEBT RATIOS

	<u>Direct Debt</u>		<u>Overlapping Debt</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Per Capita (1)	1,704	1,317	2,270	1,285
Equalized Valuation	1.03%	.80%	1.37%	.78%

(1) 2000 Census 10,987

APPENDIX C

**FINANCIAL STATEMENTS OF THE BOARD OF EDUCATION OF THE
BOROUGH OF WOODLAND PARK IN THE COUNTY OF PASSAIC, NEW JERSEY
FOR THE YEAR ENDED JUNE 30, 2009**

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Woodland Park School District
County of Passaic, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Woodland Park School District, in the County of Passaic, State of New Jersey, as of and for the fiscal year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Woodland Park School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Woodland Park Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Woodland Park Board of Education, in the County of Passaic, State of New Jersey, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

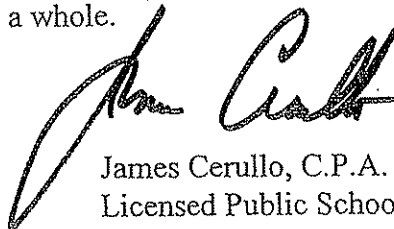
Honorable President and
Members of the Board of Education
Page 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2009 on our consideration of the Woodland Park Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

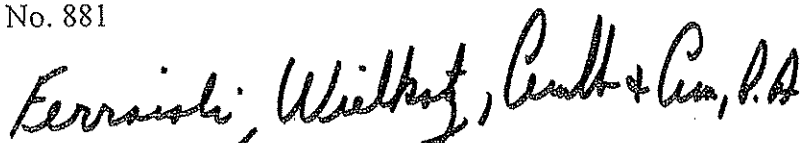
The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 19 and 52 through 57 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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



James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

August 31, 2009

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

As management of the Woodland Park Board of Education (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of Woodland Park Board of Education for the fiscal year ended June 30, 2009.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net assets increased \$381,473.82, which represents a 17.21% increase from 2008. Net assets of governmental activities increased \$365,204.22 while net assets of business-type activity increased by \$16,269.60. These variances are primarily the result of excess miscellaneous revenues and unexpended budget appropriations in 2008-09 and increased operating revenues of the business-type activities.
- General revenues accounted for \$14,341,638.27 in revenue or 96.03 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$592,500.42 or 3.97 percent of total revenues of \$14,928,558.61.
- The School District had \$12,381,241.30 in expenses related to governmental activities; only \$414,115.03 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$14,336,058.19 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Woodland Park Board of Education's basic financial statements. The Woodland Park Board of Education's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Woodland Park Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Woodland Park Board of Education's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Woodland Park Board of Education is improvement or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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.

Both of the district-wide financial statements distinguish functions of the Woodland Park Board of Education 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 Woodland Park Board of Education include instruction, support services and special schools. The business-type activities of the Woodland Park Board of Education include 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 Woodland Park Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Woodland Park Board of Education can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Woodland Park Board of Education maintains three 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, and debt service fund which are all considered to be major funds.

The Woodland Park Board of Education adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

The Woodland Park Board of Education maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Woodland Park Board of Education uses enterprise funds 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 information for the local district services operations.

Fiduciary Funds

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

WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)

USING THIS ANNUAL REPORT, (continued)

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net assets were \$2,598,510.56 at June 30, 2009 and \$2,217,036.74 at June 30, 2008. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2009 compared to 2008 (Table 1) and change in net assets (Table 2) of the School District.

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and Other Assets	\$1,416,686.34	\$1,331,313.78	\$56,803.93	\$31,590.65	\$1,473,490.27	\$1,362,904.4
Capital Assets	<u>3,188,743.46</u>	<u>2,944,208.77</u>	<u>1,911.00</u>	<u>2,161.00</u>	<u>3,190,654.46</u>	<u>2,946,369.7</u>
Total Assets	<u>4,605,429.80</u>	<u>4,275,522.55</u>	<u>58,714.93</u>	<u>33,751.65</u>	<u>4,664,144.73</u>	<u>4,309,274.2</u>
Other Liabilities	271,218.49	206,787.46	8,693.68	0.00	279,912.17	206,787.4
Long Term Liabilities	<u>1,785,722.00</u>	<u>1,885,450.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,785,722.00</u>	<u>1,885,450.0</u>
Total Liabilities	<u>2,056,940.49</u>	<u>2,092,237.46</u>	<u>8,693.68</u>	<u>0.00</u>	<u>2,065,634.17</u>	<u>2,092,237.4</u>
Net Assets						
Invested in Capital Assets-						
Net of Debt	1,778,743.46	1,394,208.77	1,911.00	2,161.00	1,780,654.46	1,396,369.7
Restricted	775,157.11	685,897.95			775,157.11	685,897.9
Unrestricted	<u>(5,411.26)</u>	<u>103,178.37</u>	<u>48,110.25</u>	<u>31,590.65</u>	<u>42,698.99</u>	<u>134,769.0</u>
Total Net Assets	<u>\$2,548,489.31</u>	<u>\$2,183,285.09</u>	<u>\$50,021.25</u>	<u>\$33,751.65</u>	<u>\$2,598,510.56</u>	<u>\$2,217,036.7</u>

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2009 compared to 2008.

**Table 2
Changes in Net Assets
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			\$51,238.05	\$50,208.00	\$51,238.05	\$50,208.00
Operating Grants and						
Contributions	\$414,115.03	\$470,146.93	127,147.34	81,579.03	541,262.37	551,725.96
General Revenues:						
Taxes:						
Property taxes	12,182,436.00	11,594,531.00			12,182,436.00	11,594,531.00
Federal and State Aid not						
Restricted	1,962,841.28	2,222,503.66			1,962,841.28	2,222,503.66
Miscellaneous Income	190,780.91	198,673.71			190,780.91	198,673.71
Transfers			<u>43,330.73</u>	<u>33,652.09</u>	<u>43,330.73</u>	<u>33,652.09</u>
Total Revenues and Transfers	<u>14,750,173.22</u>	<u>14,485,855.30</u>	<u>221,716.12</u>	<u>165,439.12</u>	<u>14,971,889.34</u>	<u>14,651,294.42</u>

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Functions/Program Expenses						
Instruction:						
Regular	\$5,689,202.53	\$5,404,554.46			\$5,689,202.53	\$5,404,554.46
Special	1,526,332.33	1,483,192.01			1,526,332.33	1,483,192.01
Other Special Instruction	342,758.65	294,764.44			342,758.65	294,764.44
Support Services:						
Tuition	378,467.02	574,089.25			378,467.02	574,089.25
Student & Instruction Related Services	1,939,908.09	1,690,992.06			1,939,908.09	1,690,992.06
School Administrative Services	638,408.48	616,102.41			638,408.48	616,102.41
General Administrative Services	522,161.58	468,306.10			522,161.58	468,306.10
Central Services and Info. Tech.	304,514.83	266,096.49			304,514.83	266,096.49
Plant Operations and Maintenance	1,296,518.28	1,152,138.47			1,296,518.28	1,152,138.47
Pupil Transportation	526,523.58	498,235.82			526,523.58	498,235.82
Unallocated Benefits	969,330.28	1,291,303.66			969,330.28	1,291,303.66
Unallocated depreciation	130,973.77	124,847.81			130,973.77	124,847.81
Charter Schools	8,279.00	9,013.00			8,279.00	9,013.00
Interest on Long-Term Debt	68,259.85	74,284.48			68,259.85	74,284.48
Food Service			\$205,446.52	\$163,106.47	205,446.52	163,106.47
Transfers	<u>43,330.73</u>	<u>33,652.09</u>			<u>43,330.73</u>	<u>33,652.09</u>
Total Expenses and Transfers	<u>14,384,969.00</u>	<u>13,981,572.55</u>	<u>205,446.52</u>	<u>163,106.47</u>	<u>14,590,415.52</u>	<u>14,144,679.02</u>
Increase or (Decrease) in Net Assets	<u>\$365,204.22</u>	<u>\$504,282.75</u>	<u>\$16,269.60</u>	<u>\$2,332.65</u>	<u>\$381,473.82</u>	<u>\$506,615.40</u>

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$14,590,415.52. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$12,182,436.00 because some of the cost was paid by those who benefitted from the programs \$51,238.05, by other governments and organizations who subsidized certain programs with grants and contributions \$541,262.37, and by miscellaneous sources \$2,153,622.19.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund and the special revenue fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2009, the School District amended the budgets of these major governmental funds several times. The general fund was increased \$82,893.00 for construction services, purchased services and legal services, and the special revenue fund was increased by \$64,178.03 for increases in federal and state grants.

General Fund

The general fund actual revenue was \$14,173,015.19. That amount is \$923,673.19 above the final amended budget of \$13,249,342.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$929,058.28 for TPAF pension and social security reimbursements and \$5,385.09 for deficits in other anticipated revenues.

The actual expenditures of the general fund were \$14,106,856.81 including transfers which is \$195,605.81 above the final amended budget of \$13,911,251.00. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$929,058.28 for TPAF pension and social security reimbursements and \$732,231.47 of unexpended budgeted funds.

General fund had total revenues of \$14,173,015.19 and total expenditures of \$14,106,856.81 with an ending fund balance of \$1,231,282.73 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$414,115.03. That amount is \$14,488.00 less than the final amended budget of \$428,603.03.

The actual expenditures of the special revenue fund were \$414,115.03, which is \$14,488.00 less than the final amended budget of \$428,603.03.

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2009 the School District had \$6,741,628.82 invested in sites, buildings and equipment. Of this amount \$3,550,974.36 in depreciation has been taken over the years. We currently have a net book value of \$3,190,654.46. Total additions for the year were \$386,501.29, the majority of which was for various technology and maintenance equipment, and building improvements. Table 3 shows fiscal year 2009 balances compared to 2008.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land Improvements	\$7,312.50	\$10,237.50			\$7,312.50	\$10,237.50
Buildings and Improvements	3,049,698.91	2,796,329.99			3,049,698.91	2,796,329.99
Furniture, Equipment and Vehicles	<u>131,732.05</u>	<u>137,641.28</u>	<u>\$1,911.00</u>	<u>\$2,161.00</u>	<u>133,643.05</u>	<u>139,802.28</u>
	<u>\$3,188,743.46</u>	<u>\$2,944,208.77</u>	<u>\$1,911.00</u>	<u>\$2,161.00</u>	<u>\$3,190,654.46</u>	<u>\$2,946,369.77</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

Debt Administration

At June 30, 2009, the District had \$1,785,722.00 of outstanding debt. Of this amount, \$325,708.00 is for compensated absences, \$50,014.00 is for pension deferral and \$1,410,000.00 of serial bonds for school construction.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2009</u>	<u>2008</u>
2001 General Obligation	<u>\$1,410,000.00</u>	<u>\$1,550,000.00</u>
Total	<u>\$1,410,000.00</u>	<u>\$1,550,000.00</u>

**WOODLAND PARK BOARD OF EDUCATION
WOODLAND PARK, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

For the Future

Woodland Park is a mature developed community with the exception of one large scale age restricted project currently underway. It is comprised of a variety of single family, multifamily type homes with neighboring shopping areas; substantial office and light industrial space.

The 2000 census indicated that the borough had a population of 10,987 residents, virtually identical to the 1990 census. However, since 1995 the overall school district enrollment increased by 215 students. The increase in enrolment is probably due to turnover of the Borough's housing stock to families with school age children.

Despite the construction of additional space at Charles Olbon and Beatrice Gilmore Schools as the result of a referendum passed in 1998, all of the district's two elementary and one middle school are currently overcrowded. The current condition of the school's roofs and mechanical systems is poor and will be addressed with a comprehensive facility referendum scheduled for September 29, 2009.

In conclusion, the Woodland Park Public School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Thomas DiFluri, School Business Administrator/Board Secretary at Woodland Park Board of Education, 853 McBride Avenue, Woodland Park, NJ 07004.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	753,937.94	47,032.34	800,970.28
Receivables, net	212,747.40	9,771.59	222,518.99
Restricted Assets:			
Capital Reserve Account - Cash	450,001.00		450,001.00
Capital Assets, net :	3,188,743.46	1,911.00	3,190,654.46
Total Assets	<u>4,605,429.80</u>	<u>58,714.93</u>	<u>4,664,144.73</u>
 LIABILITIES			
Accounts Payable and Accrued Liabilities	263,718.49	8,693.68	272,412.17
Deposits Payable	7,500.00		7,500.00
Noncurrent Liabilities:			
Due within one year	145,000.00		145,000.00
Due beyond one year	1,640,722.00		1,640,722.00
Total Liabilities	<u>2,056,940.49</u>	<u>8,693.68</u>	<u>2,065,634.17</u>
 NET ASSETS			
Invested in Capital Assets, net of Related Debt	1,778,743.46	1,911.00	1,780,654.46
Restricted for:			
Capital Projects	450,001.00		450,001.00
Other Purposes	325,156.11		325,156.11
Unrestricted (Deficit)	(5,411.26)	48,110.25	42,698.99
Total Net Assets	<u>2,548,489.31</u>	<u>50,021.25</u>	<u>2,598,510.56</u>

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2009

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	4,787,876.21	901,326.32		386,624.03	(5,302,578.50)		(5,302,578.50)
Special Education	1,248,240.74	278,091.59			(1,526,332.33)		(1,526,332.33)
Other Special Instruction	279,835.64	62,923.01			(342,758.65)		(342,758.65)
Support services:							
Tuition	378,467.02	-			(378,467.02)		(378,467.02)
Student & Instruction Related Services	1,650,309.47	289,598.63		27,491.00	(1,912,417.10)		(1,912,417.10)
School Administrative Services	523,228.51	115,179.97			(638,408.48)		(638,408.48)
General Administrative Services	450,238.85	71,922.73			(522,161.58)		(522,161.58)
Plant Operations and Maintenance	1,158,233.49	138,284.79			(1,296,518.28)		(1,296,518.28)
Pupil Transportation	526,523.58	-			(526,523.58)		(526,523.58)
Central Services & Admin. Info. Technology	251,458.89	53,055.94			(304,514.83)		(304,514.83)
Unallocated Benefits	919,316.28	50,014.00			(969,330.28)		(969,330.28)
Charter Schools	8,279.00	-			(8,279.00)		(8,279.00)
Interest on Long-term Debt	68,259.85	-			(68,259.85)		(68,259.85)
Unallocated Depreciation	130,973.77	-			(130,973.77)		(130,973.77)
Total Governmental Activities	12,381,241.30	1,960,396.97	-	414,115.03	(13,927,523.24)	-	(13,927,523.24)
Business-type Activities:							
Food Service	205,446.52		51,238.05	127,147.34		(27,061.13)	(27,061.13)
Total Business-type Activities	205,446.52		51,238.05	127,147.34		(27,061.13)	(27,061.13)
Total Primary Government	12,586,687.82		51,238.05	541,262.37	(13,927,523.24)	(27,061.13)	(13,954,584.37)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					11,973,920.00		11,973,920.00
Taxes Levied for Debt Service					208,516.00		208,516.00
Federal and State Aid not Restricted					1,961,877.38		1,961,877.38
Federal and State Aid Special Revenue Fund Rev. in Excess of Exp.					963.90		963.90
Miscellaneous Income					190,780.91		190,780.91
Transfers					(43,330.73)	43,330.73	-
Total General Revenues, Special Items, Extraordinary Items and Transfers					14,292,727.46	43,330.73	14,336,058.19
Change in Net Assets					365,204.22	16,269.60	381,473.82
Net Assets—Beginning					2,183,285.09	33,751.65	2,217,036.74
Net Assets—Ending					2,548,489.31	50,021.25	2,598,510.56

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

FUND FINANCIAL STATEMENTS

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	779,376.67		2.27	779,378.94
Tax Levy	0.06			0.06
Receivables from Other Governments	172,480.34	40,267.00		212,747.34
Restricted Cash and Cash Equivalents	450,001.00			450,001.00
Total Assets	<u>1,401,858.07</u>	<u>40,267.00</u>	<u>2.27</u>	<u>1,442,127.34</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash Deficit		25,441.00		25,441.00
Accounts Payable	246,165.34	14,826.00		260,991.34
Deposits Payable	7,500.00			7,500.00
Payable to State Government				-
Deferred Revenue				-
Total Liabilities	<u>253,665.34</u>	<u>40,267.00</u>	<u>-</u>	<u>293,932.34</u>
Fund Balances:				
Reserved for:				
Capital Reserve Account	450,001.00			450,001.00
Excess Surplus	246,941.76			246,941.76
Excess Surplus -- Designated for Subsequent Year's Expenditures	78,214.35			78,214.35
Unreserved, Reported in:				
General Fund	373,035.62			373,035.62
Special Revenue Fund				-
Debt Service Fund			2.27	2.27
Total Fund Balances	<u>1,148,192.73</u>	<u>-</u>	<u>2.27</u>	<u>1,148,195.00</u>
Total Liabilities and Fund Balances	<u>1,401,858.07</u>	<u>40,267.00</u>	<u>2.27</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,737,878.82 and the accumulated depreciation is \$3,549,135.36. 3,188,743.46

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds. (2,727.15)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (1,785,722.00)

Net assets of governmental activities 2,548,489.31

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	11,973,920.00		208,516.00	12,182,436.00
Miscellaneous	190,780.91			190,780.91
Total - Local Sources	12,164,700.91	-	208,516.00	12,373,216.91
State Sources	1,961,877.38	5,698.93	-	1,967,576.31
Federal Sources	-	409,380.00		409,380.00
Total Revenues	14,126,578.29	415,078.93	208,516.00	14,750,173.22
EXPENDITURES				
Current:				
Regular Instruction	4,401,252.18	386,624.03		4,787,876.21
Special Education Instruction	1,248,240.74			1,248,240.74
Other Special Instruction	279,835.64			279,835.64
Support Services and Undistributed Costs:				
Tuition	378,467.02			378,467.02
Student & Instruction Related Services	1,622,818.47	27,491.00		1,650,309.47
School Administrative Services	523,228.51			523,228.51
General Administrative Services	450,238.85			450,238.85
Central Services & Admin. Info. Technology	251,458.89			251,458.89
Plant Operations and Maintenance	1,158,233.49			1,158,233.49
Pupil Transportation	526,523.58			526,523.58
Unallocated Benefits	2,828,448.42			2,828,448.42
Capital Outlay	386,501.29			386,501.29
Transfer to Charter School	8,279.00			8,279.00
Debt Service:				
Principal			140,000.00	140,000.00
Interest and Other Charges			68,515.00	68,515.00
Total Expenditures	14,063,526.08	414,115.03	208,515.00	14,686,156.11
Excess (Deficiency) of Revenues Over Expenditures	63,052.21	963.90	1.00	64,017.11
OTHER FINANCING SOURCES (USES)				
Transfers out	(43,330.73)			(43,330.73)
Total other financing sources and (uses)	(43,330.73)	-	-	(43,330.73)
Net Change in Fund Balances	19,721.48	963.90	1.00	20,686.38
Fund Balance—July 1	1,128,471.25	(963.90)	1.27	1,127,508.62
Fund Balance—June 30	1,148,192.73		2.27	1,148,195.00

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

BOROUGH OF WOODLAND PARK 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, 2009

Total net change in fund balances - governmental funds (from B-2)	20,686.38
---	-----------

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

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

	Depreciation Expense	(141,966.60)	
	Depreciable Capital Outlays	<u>386,501.29</u>	244,534.69

Repayment of long-term debt is reported as 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.

In the current year, these amounts consist of:

Bond Principal	140,000.00
----------------	------------

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

Pension Deferral	(50,014.00)
------------------	-------------

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

	255.15
--	--------

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 (+).

Decrease in Compensated Absences Payable	9,742.00
--	----------

Change in net assets of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">365,204.22</div>
---	---

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	47,032.34	47,032.34
Accounts Receivable:		
State	461.88	461.88
Federal	9,309.71	9,309.71
Total Current Assets	<u>56,803.93</u>	<u>56,803.93</u>
Noncurrent Assets:		
Capital Assets:		
Equipment	3,750.00	3,750.00
Less Accumulated Depreciation	<u>(1,839.00)</u>	<u>(1,839.00)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>1,911.00</u>	<u>1,911.00</u>
Total Assets	<u><u>58,714.93</u></u>	<u><u>58,714.93</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>8,693.68</u>	<u>8,693.68</u>
Total Liabilities	<u>8,693.68</u>	<u>8,693.68</u>
NET ASSETS		
Invested in Capital Assets Net of Related Debt	1,911.00	1,911.00
Unrestricted	48,110.25	48,110.25
Total Net Assets	<u><u>50,021.25</u></u>	<u><u>50,021.25</u></u>

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	51,238.05	51,238.05
Total Operating Revenues	<u>51,238.05</u>	<u>51,238.05</u>
Operating Expenses:		
Cost of Sales	150,035.48	150,035.48
Salaries	53,330.73	53,330.73
Supplies and Materials	1,774.81	1,774.81
Miscellaneous Expense	55.50	55.50
Depreciation	250.00	250.00
Total Operating Expenses	<u>205,446.52</u>	<u>205,446.52</u>
Operating Income (Loss)	<u>(154,208.47)</u>	<u>(154,208.47)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	4,248.68	4,248.68
State School Breakfast Program	1,736.10	1,736.10
Federal Sources:		
National School Lunch Program	94,375.52	94,375.52
School Breakfast Program	26,787.04	26,787.04
Total Nonoperating Revenues (Expenses)	<u>127,147.34</u>	<u>127,147.34</u>
Income (Loss) Before Contributions & Transfers	<u>(27,061.13)</u>	<u>(27,061.13)</u>
Transfers In (Out)	<u>43,330.73</u>	<u>43,330.73</u>
Change in Net Assets	16,269.60	16,269.60
Total Net Assets—Beginning	<u>33,751.65</u>	<u>33,751.65</u>
Total Net Assets—Ending	<u><u>50,021.25</u></u>	<u><u>50,021.25</u></u>

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	51,238.05	51,238.05
Payments to Employees	(53,330.73)	(53,330.73)
Payments to Suppliers	(143,172.11)	(143,172.11)
Net Cash Provided by (Used for) Operating Activities	(145,264.79)	(145,264.79)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	5,748.82	5,748.82
Federal Sources	116,535.10	116,535.10
Operating Subsidies and Transfers to Other Funds	43,330.73	43,330.73
Net Cash Provided by (Used for) Non-Capital Financing Activities	165,614.65	165,614.65
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	20,349.86	20,349.86
Balances—Beginning of Year	26,682.48	26,682.48
Balances—End of Year	47,032.34	47,032.34
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(154,208.47)	(154,208.47)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities		
Depreciation and Net Amortization	250.00	250.00
Increase (Decrease) in Accounts Payable	8,693.68	8,693.68
Total Adjustments	8,943.68	8,943.68
Net Cash Provided by (Used for) Operating Activities	(145,264.79)	(145,264.79)

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	<u>Unemployment Compensation Trust Fund</u>	<u>Memorial Special Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	289,517.35	11,348.27	523,231.24
Total Assets	<u>289,517.35</u>	<u>11,348.27</u>	<u>523,231.24</u>
LIABILITIES			
Payable to Student Groups			26,966.33
Accrued Salaries and Wages			487,410.16
Payroll Deductions and Withholdings			8,854.75
Total Liabilities	<u>-</u>	<u>-</u>	<u>523,231.24</u>
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	<u>289,517.35</u>		
Reserved for Other Purposes		<u>11,348.27</u>	

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

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	<u>Unemployment Compensation Trust Fund</u>	<u>Memorial Special Trust Fund</u>
ADDITIONS		
Contributions:		
Plan Member	12,640.83	
Other	-	4,707.00
Total Contributions	<u>12,640.83</u>	<u>4,707.00</u>
 Total Additions	 <u>12,640.83</u>	 <u>4,707.00</u>
 DEDUCTIONS		
Quarterly Contribution Reports	2,254.03	-
Donations	-	6,852.50
Total Deductions	<u>2,254.03</u>	<u>6,852.50</u>
Change in Net Assets	10,386.80	(2,145.50)
Net Assets—Beginning of the Year	<u>279,130.55</u>	<u>13,493.77</u>
Net Assets—End of the Year	<u><u>289,517.35</u></u>	<u><u>11,348.27</u></u>

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education ("Board") of the Borough of Woodland Park School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Woodland Park School District is a Type II district located in the County of Passaic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

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

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Borough of Woodland Park School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

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

District-wide Financial Statements:

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. 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 Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

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

As required by the New Jersey State Department of Education, the Board 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.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

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

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

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

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

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did make material supplemental budgetary appropriations during the fiscal year. Surplus funds of \$82,893.00 was appropriated for the following budget accounts:

Capital Outlay - Construction Services	\$49,834.00
Purchased Professional Services	26,059.00
Legal Services	<u>7,000.00</u>
	<u>\$82,893.00</u>

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

E. Encumbrances:

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Encumbrances: (continued)

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

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

F. Cash, Cash Equivalents and Investments:

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

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

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

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

G. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets:

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

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

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

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

M. Deferred Revenue:

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

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

N. Accrued Liabilities and Long-term Obligations: (continued)

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 due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Fund Balance Reserves:

The Board reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, capital reserve and excess surplus.

P. Net Assets:

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

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Q. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

S. Allocation of Indirect Expenses:

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

T. Use of Estimates:

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2009, \$-0- of the District's bank balance of \$2,424,172.17 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES:

Receivables at June 30, 2009, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
Tax Levy	\$0.06		\$0.06
State Aid	172,480.34	\$461.88	172,942.22
Federal Aid	<u>40,267.00</u>	<u>9,309.71</u>	<u>49,576.71</u>
Gross Receivables	212,747.40	9,771.59	222,518.99
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$212,747.40</u>	<u>\$9,771.59</u>	<u>\$222,518.99</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY:

As of June 30, 2009 there were no interfund receivables or payables.

Interfund transfers for the year ended June 30, 2009 consisted of the following: \$43,330.73 from the general fund to the enterprise fund to provide resources to fund the salaries of the food service operations.

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	<u>Balance</u> <u>6/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/09</u>
Governmental Activities				
Capital Assets Being Depreciated				
Land Improvements	\$60,500.00			\$60,500.00
Buildings and Improvements	5,343,348.69	\$353,687.29		5,697,035.98
Furniture, Equipment and Vehicles	<u>961,405.84</u>	<u>32,814.00</u>	<u>\$(13,877.00)</u>	<u>980,342.84</u>
Total Capital Assets, Being Depreciated	<u>6,365,254.53</u>	<u>386,501.29</u>	<u>(13,877.00)</u>	<u>6,737,878.82</u>
Less Accumulated Depreciation:				
Land Improvements	(50,262.50)	(2,925.00)		(53,187.50)
Buildings and Improvements	(2,547,018.70)	(100,318.37)		(2,647,337.07)
Furniture, Equipment and Vehicles	<u>(823,764.56)</u>	<u>(38,723.23)</u>	<u>13,877.00</u>	<u>(848,610.79)</u>
Total Accumulated Depreciation	<u>(3,421,045.76)</u>	<u>(141,966.60)</u>	<u>13,877.00</u>	<u>(3,549,135.36)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,944,208.77</u>	<u>244,534.69</u>	<u>0.00</u>	<u>3,188,743.46</u>
Governmental Activities Capital Assets, Net	<u>\$2,944,208.77</u>	<u>\$244,534.69</u>	<u>\$0.00</u>	<u>\$3,188,743.46</u>
	<u>Balance</u> <u>6/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/09</u>
Business-Type Activity				
Furniture and Equipment	<u>\$3,750.00</u>	<u>\$0.00</u>	<u>\$</u>	<u>\$3,750.00</u>
Totals	<u>3,750.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,750.00</u>
Less Accumulated Depreciation				
Furniture and Equipment	<u>(1,589.00)</u>	<u>(250.00)</u>	<u></u>	<u>(1,839.00)</u>
Total Accumulated Depreciation	<u>(1,589.00)</u>	<u>(250.00)</u>	<u>0.00</u>	<u>(1,839.00)</u>
Business-Type Activity Capital Assets, Net	<u>\$2,161.00</u>	<u>(\$250.00)</u>	<u>\$0.00</u>	<u>\$1,911.00</u>

Depreciation expense was charged governmental functions as follows:

Plant Operations and Maintenance	\$4,317.53
Business and Other Support Services	6,675.30
Unallocated Depreciation	<u>130,973.77</u>
	<u>\$141,966.60</u>

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2009 were as follows:

	Balance <u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2009</u>	Amounts Due Within <u>One year</u>
Compensated Absences Payable	\$335,450.00	\$37,043.00	\$46,785.00	\$325,708.00	\$0.00
Pension Deferral		50,014.00		50,014.00	
Bonds Payable	<u>1,550,000.00</u>		<u>140,000.00</u>	<u>1,410,000.00</u>	<u>145,000.00</u>
	<u>\$1,885,450.00</u>	<u>\$87,057.00</u>	<u>\$186,785.00</u>	<u>\$1,785,722.00</u>	<u>\$145,000.00</u>

Compensated absences have been liquidated in the general fund.

A. Bonds Payable:

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

Outstanding bonds payable at June 30, 2009 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2009</u>
School Bond Series 2001	12/15/2001	4.375%-4.75%	12/15/2016	<u>\$1,410,000.00</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$145,000.00	\$62,190.00	\$207,190.00
2011	155,000.00	55,440.00	210,440.00
2012	160,000.00	48,272.50	208,272.50
2013	170,000.00	40,661.25	210,661.25
2014	180,000.00	32,567.50	212,567.50
2015-2017	<u>600,000.00</u>	<u>43,652.50</u>	<u>643,652.50</u>
	<u>\$1,410,000.00</u>	<u>\$282,783.75</u>	<u>\$1,692,783.75</u>

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2009 the Board has no authorized but not issued bonds.

C. Capital Leases

The District had no capital leases outstanding at June 30, 2009.

NOTE 8. PENSION PLANS:

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

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

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

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 8. PENSION PLANS: (continued)

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation - Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS and TPAF, effective July 12, 2002.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 5.0% for TPAF of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2009 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 8. PENSION PLANS: (continued)

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

<u>Year Ending</u>	
6/30/09	\$62,448.00
6/30/08	74,866.40
6/30/07	41,175.60

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post- Retirement Medical Contributions</u>
6/30/09	\$20,139.00	\$384,192.00
6/30/08	437,410.00	411,409.00
6/30/07	420,784.00	430,311.00

During the year ended June 30, 2009, the State of New Jersey contributed \$404,331.00 to the TPAF for normal pension contributions and post-retirement medical benefits on behalf of the Board, \$20,139.00 was for normal pension contributions and \$384,192.00 was for post-retirement medical benefits. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$524,727.28 during the year ended June 30, 2009 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

Public Law 2009, c.19 was enacted on March 17, 2009 and allows the Division of Pensions and Benefits to provide non-state Government Pension System Employers the option of paying the full amount, or an amount that reflects 50 percent reduction of the normal and accrued liability component of the PERS obligations for payments due in State Fiscal Year ending June 30, 2009.

In accordance with P.L. 209, c.19, regular and county vocational school districts have the option of either paying the full amount of their 2008-09 PERS liability or an amount that reflects a 50 percent reduction (deferral) in the district's 2008-09 regular pension liability.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 8. PENSION PLANS: (continued)

Districts that elect to defer 50 percent of the district's 2009 regular pension liability must begin repaying the deferred amount starting in April of 2012, over 15 years. The amount to be paid will fluctuate based on pension system investment earnings on the unfunded liability. Please note that N.J.S.A. 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25 percent. At any time, districts may payoff the deferred amount and to do so, should request a payoff amount from the Division of Pensions and Benefits.

The Board passed a resolution electing to defer 50 percent of their April 2009 payment amounting to \$50,014.00.

NOTE 9. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension 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 post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2008, there were 80,181 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2008.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2008, the State paid \$116.0 million toward Chapter 126 benefits for 12,545 eligible retired members.

NOTE 10. DEFERRED COMPENSATION:

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

AETNA Life Insurance
Security First Group

Valic
Vanguard Group

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 11. RISK MANAGEMENT:

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance - The District is currently a member of the School Alliance Insurance Fund (the "Fund"). The Fund provides it's members with General Liability, Auto Liability, Property, Employee Benefits Liability, Worker's Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of School District's established for the purpose of providing low-cost insurance coverage for their respective members in order to keep insurance costs at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Funds are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. However, this Fund has fully reinsured the exposures above all limits subscribed to by its members. The Funds can declare and distribute dividends to members upon arrival of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Funds are available at the office of the Fund's administrator, 51 Everette Drive, suite 105B, Lawrenceville, New Jersey 08646.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2008-2009	\$0.00	\$12,640.83	\$2,254.03	\$289,517.35
2007-2008	0.00	11,635.73	4,218.13	279,130.55
2006-2007	0.00	4,435.55	2,298.27	271,712.95

Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 12. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Borough of Woodland Park Board of Education by inclusion of \$1.00 on October 3, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of 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, 2008 to June 30, 2009 fiscal year is as follows:

Beginning balance, July 1, 2008	\$493,668.00
Deposits - Approved June 25, 2009	<u>275,000.00</u>
	768,668.00
Budgeted Withdrawal	<u>318,667.00</u>
	<u>\$450,001.00</u>

The balance in the capital reserve account at June 30, 2009 does not exceed the balance of local support costs of uncompleted capital projects in its LRFP. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

NOTE 13. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$1,148,192.73 General Fund fund balance at June 30, 2009, \$-0- is reserved for encumbrances; \$325,156.11 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$78,214.35 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2010); \$450,001.00 has been reserved in the Capital Reserve Account; \$170,819.65 has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and \$202,215.97 is unreserved and undesignated. During the fiscal year, authorized and approved appropriations of \$83,090.00 surplus was made on November 20, 2008.

Debt Service Fund - Of the \$2.27 Debt Service Fund fund balance at June 30, 2009, \$-0- has been appropriated and included as anticipated revenue for the year ending June 30, 2009; and \$2.27 is unreserved and undesignated.

**Borough of Woodland Park School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 14. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is 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 fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance that is undesignated at June 30, 2009 is \$325,156.11. Of this amount, \$246,941.76 is the result of the current year's operations.

NOTE 15. LEASES - PROPERTY RENTALS

The school district is leasing property as Public School #1 to Windsor Academy, Inc. The premises are leased for an initial term of two (3) years to commence on November 1, 2006 and to end on October 31, 2009. On March 11, 2009, the Lessee exercised their option to review this lease for a 2nd three (3) year period under the same terms and conditions.

The Lessee covenants and agrees to pay to the Lessor, as rent for and during the first year of the term hereof, the sum of \$10,000.00 per month, beginning on November 1, 2006, which sum is payable on the first day of each month thereafter. On November 1, 2007 and November 1 of each subsequent year, the monthly rental payment will be increased by the percentage increase of the Consumer Price Index for New York-Northern New Jersey. The rent received for the year ending June 30, 2009 was \$127,264.00.

NOTE 16. CONTINGENT LIABILITIES:

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2009

Page 1 of 4

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	11,973,920.00		11,973,920.00	11,973,920.00	-
Miscellaneous	170,000.00		170,000.00	190,780.91	20,780.91
Total - Local Sources	12,143,920.00	-	12,143,920.00	12,164,700.91	20,780.91
State Sources:					
Special Education Categorical Aid	559,579.00		559,579.00	559,579.00	-
Equalization Aid	239,485.00		239,485.00	197,037.00	(42,448.00)
Security Aid	110,871.00		110,871.00	110,871.00	-
Transportation Aid	70,399.00		70,399.00	70,399.00	-
Extraordinary Aid	125,088.00		125,088.00	119,620.00	(5,468.00)
Other State Aid - Reimburse Nonpublic School Transportation			-	21,750.00	21,750.00
On-behalf TPAF Pension (non-budgeted)			-	20,139.00	20,139.00
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	384,192.00	384,192.00
TPAF Social Security (Reimbursed - Non-Budgeted)			-	524,727.28	524,727.28
Total - State Sources	1,105,422.00	-	1,105,422.00	2,008,314.28	902,892.28
TOTAL REVENUES	13,249,342.00	-	13,249,342.00	14,173,015.19	923,673.19
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	353,154.00	54,500.00	407,654.00	401,079.59	6,574.41
Grades 1-5 - Salaries of Teachers	1,782,227.00	(126,063.00)	1,656,164.00	1,645,978.19	10,185.81
Grades 6-8 - Salaries of Teachers	1,844,879.00	(29,937.00)	1,814,942.00	1,814,941.06	0.94
Regular Programs - Home Instruction:					
Salaries of Teachers	12,000.00		12,000.00	9,921.00	2,079.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	133,212.00	165.00	133,377.00	133,376.02	0.98
Purchased Professional-Educational Services	9,060.00		9,060.00	8,965.96	94.04
Purchased Technical Services	50,400.00		50,400.00	39,369.16	11,030.84
General Supplies	339,692.00	(99,596.00)	240,096.00	238,871.67	1,224.33
Textbooks	21,000.00	87,800.00	108,800.00	108,749.53	50.47
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,545,624.00	(113,131.00)	4,432,493.00	4,401,252.18	31,240.82
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	210,302.00	(11,000.00)	199,302.00	198,952.50	349.50
Other Salaries for Instruction	67,019.00	(45,286.00)	21,733.00	15,592.80	6,140.20
General Supplies	6,000.00		6,000.00	3,889.80	2,110.20
Textbooks	1,500.00		1,500.00	312.90	1,187.10
Total Learning and/or Language Disabilities	284,821.00	(56,286.00)	228,535.00	218,748.00	9,787.00
Resource Room/Resource Center:					
Salaries of Teachers	832,636.00		832,636.00	832,610.65	25.35
General Supplies		5,000.00	5,000.00	4,583.54	416.46
Textbooks		446.00	446.00	440.31	5.69
Total Resource Room/Resource Center	832,636.00	5,446.00	838,082.00	837,634.50	447.50
Autism:					
Salaries of Teachers	46,211.00	13,498.00	59,709.00	56,525.00	3,184.00
Other Salaries for Instruction	52,110.00	(25,200.00)	26,910.00	16,493.15	10,416.85
General Supplies	5,000.00		5,000.00	1,583.60	3,416.40
Total Autism	103,321.00	(11,702.00)	91,619.00	74,601.75	17,017.25
Preschool Disabilities - Part-Time:					
Salaries of Teachers	81,132.00	2,000.00	83,132.00	82,790.00	342.00
Other Salaries for Instruction	46,080.00		46,080.00	32,813.75	13,266.25
General Supplies	2,123.00		2,123.00	1,652.74	470.26
Total Preschool Disabilities - Part-Time	129,335.00	2,000.00	131,335.00	117,256.49	14,078.51
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,350,113.00	(60,542.00)	1,289,571.00	1,248,240.74	41,330.26

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2009

Page 2 of 4

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of Teachers	130,755.00	10,000.00	140,755.00	139,785.00	970.00
General Supplies	1,500.00		1,500.00	83.20	1,416.80
Total Basic Skills/Remedial - Instruction	132,255.00	10,000.00	142,255.00	139,868.20	2,386.80
Bilingual Education - Instruction					
Salaries of Teachers	176,547.00		176,547.00	139,831.00	36,716.00
General Supplies	3,468.00		3,468.00	136.44	3,331.56
Total Bilingual Education - Instruction	180,015.00	-	180,015.00	139,967.44	40,047.56
TOTAL INSTRUCTION	6,208,007.00	(163,673.00)	6,044,334.00	5,929,328.56	115,005.44
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	111,570.00	6,000.00	117,570.00	106,557.56	11,012.44
Tuition to Private Schools for the Disabled - Within State	308,506.00		308,506.00	241,159.46	67,346.54
Tuition - State Facilities	30,750.00		30,750.00	30,750.00	-
Total Undistributed Expenditures - Instruction:	450,826.00	6,000.00	456,826.00	378,467.02	78,358.98
Undistributed Expend. - Attend. & Social Work					
Salaries	18,300.00	879.00	19,179.00	19,102.46	76.54
Supplies and Materials	300.00	200.00	500.00	456.64	43.36
Total Undistributed Expend. - Attend. & Social Work	18,600.00	1,079.00	19,679.00	19,559.10	119.90
Undist. Expend. - Health Services					
Salaries	173,026.00	210.00	173,236.00	173,235.89	0.11
Purchased Professional and Technical Services	7,200.00		7,200.00	5,923.13	1,276.87
Supplies and Materials	5,800.00		5,800.00	5,637.66	162.34
Total Undistributed Expenditures - Health Services	186,026.00	210.00	186,236.00	184,796.68	1,439.32
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	216,276.00	71,009.00	287,285.00	285,937.15	1,347.85
Purchased Professional - Educational Services	247,900.00	(37,135.00)	210,765.00	189,937.27	20,827.73
Supplies and Materials	2,400.00	200.00	2,600.00	2,460.60	139.40
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	466,576.00	34,074.00	500,650.00	478,335.02	22,314.98
Undist. Expend. - Other Supp. Serv. Students-Extra Services					
Salaries	124,919.00	67,000.00	191,919.00	189,326.88	2,592.12
Total Undist. Expend. - Other Supp. Serv. Students-Extra Serv.	124,919.00	67,000.00	191,919.00	189,326.88	2,592.12
Undist. Expend. - Other Supp. Serv. Students-Regular					
Salaries of Other Professional Staff	119,110.00		119,110.00	89,165.67	29,944.33
Salaries of Secretarial and Clerical Assistants	46,386.00		46,386.00	19,610.13	26,775.87
Other Purchased Services (400-500 series)	8,600.00	1,600.00	10,200.00	10,168.00	32.00
Supplies and Materials	21,604.00	8,592.00	30,196.00	30,195.86	0.14
Total Undist. Expend. - Other Supp. Serv. Students-Regular	195,700.00	10,192.00	205,892.00	149,139.66	56,752.34
Undist. Expend. - Other Supp. Serv. Students-Special					
Salaries of Other Professional Staff	326,292.00	(34,000.00)	292,292.00	290,434.92	1,857.08
Salaries of Secretarial and Clerical Assistants	48,016.00		48,016.00	44,860.55	3,155.45
Other Purchased Prof. and Tech. Services	23,185.00	(3,000.00)	20,185.00	14,642.27	5,542.73
Supplies and Materials	9,350.00	7,700.00	17,050.00	15,344.56	1,705.44
Other Objects	400.00		400.00	188.17	211.83
Total Undist. Expend. - Other Supp. Serv. Students-Special	407,243.00	(29,300.00)	377,943.00	365,470.47	12,472.53
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	90,000.00		90,000.00	77,609.07	12,390.93
Salaries of Secretarial and Clerical Assistants	47,483.00	4,000.00	51,483.00	51,443.26	39.74
Supplies and Materials		4,304.00	4,304.00	4,110.70	193.30
Total Undist. Expend. - Improvement of Inst. Services	137,483.00	8,304.00	145,787.00	133,163.03	12,623.97
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	44,310.00	1,700.00	46,010.00	45,730.00	280.00
Other Purchased Services (400-500 series)	27,562.00	3,089.00	30,651.00	30,650.73	0.27
Supplies and Materials	34,999.00		34,999.00	21,088.11	13,910.89
Total Undist. Expend. - Educational Media Serv./Sch. Library	106,871.00	4,789.00	111,660.00	97,468.84	14,191.16
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Service	22,700.00		22,700.00	5,558.79	17,141.21
Total Undist. Expend. - Instructional Staff Training Serv.	22,700.00	-	22,700.00	5,558.79	17,141.21

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2009

Page 3 of 4

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	238,580.00	2,199.00	240,779.00	240,778.24	0.76
Legal Services	55,001.00	26,200.00	81,201.00	78,830.57	2,370.43
Audit Fees	20,251.00		20,251.00	20,250.00	1.00
Communications/Telephone	29,825.00	15,040.00	44,865.00	38,887.35	5,977.65
BOE Other Purchased Services	10,100.00		10,100.00	6,018.92	4,081.08
Other Purchased Services (400-500 series)	49,351.00	(6,876.00)	42,475.00	40,000.05	2,474.95
General Supplies	14,640.00	5,325.00	19,965.00	17,901.94	2,063.06
BOE Membership Dues and Fees	8,600.00		8,600.00	7,571.78	1,028.22
Total Undist. Expend. - Supp. Serv. - General Administration	426,348.00	41,888.00	468,236.00	450,238.85	17,997.15
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	349,292.00	10,000.00	359,292.00	358,949.85	342.15
Salaries of Secretarial and Clerical Assistants	134,780.00	18,105.00	152,885.00	152,884.58	0.42
Other Purchased Services (400-500 series)	4,000.00	500.00	4,500.00	4,475.35	24.65
Supplies and Materials	8,000.00	(50.00)	7,950.00	6,918.73	1,031.27
Total Undist. Expend. - Support Serv. - School Administration	496,072.00	28,555.00	524,627.00	523,228.51	1,398.49
Undist. Expend. - Central Services					
Salaries	202,585.00	4,000.00	206,585.00	206,105.35	479.65
Purchased Technical Services	13,750.00		13,750.00	12,997.07	752.93
Misc. Pur Serv (400-500 series Other than Resid. Costs)	8,150.00	825.00	8,975.00	8,974.53	0.47
Supplies and Materials	5,300.00	6,800.00	12,100.00	11,542.49	557.51
Undist. Expend. - Central Services	229,785.00	11,625.00	241,410.00	239,619.44	1,790.56
Undist. Expend. - Admin. Info. Technology					
Salaries	7,200.00	540.00	7,740.00	7,740.00	-
Purchased Technical Services	3,375.00	800.00	4,175.00	4,099.45	75.55
Undist. Expend. - Admin. Info. Technology	10,575.00	1,340.00	11,915.00	11,839.45	75.55
Undist. Expend. - Required Maint. for School Facilities					
Salaries	213,639.00	(34,000.00)	179,639.00	179,079.70	559.30
Cleaning, Repair and Maintenance Services	45,053.00	49,292.00	94,345.00	71,284.85	23,060.15
General Supplies	20,400.00	(300.00)	20,100.00	12,081.40	8,018.60
Undist. Expend. - Required Maint. for School Facilities	279,092.00	14,992.00	294,084.00	262,445.95	31,638.05
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	368,928.00	49,000.00	417,928.00	416,241.31	1,686.69
Purchased Professional and Technical Services	93,086.00	11,059.00	104,145.00	100,845.04	3,299.96
Cleaning, Repair and Maintenance Services	29,203.00	430.00	29,633.00	29,575.75	57.25
Other Purchased Property Services	8,900.00	861.00	9,761.00	9,760.83	0.17
Insurance	56,190.00		56,190.00	54,412.00	1,778.00
General Supplies	40,700.00	20,157.00	60,857.00	60,856.41	0.59
Energy (Energy and Electricity)	272,480.00		272,480.00	224,096.20	48,383.80
Total Undist. Expend. - Other Oper. & Maint. Of Plant	869,487.00	81,507.00	950,994.00	895,787.54	55,206.46
Undist. Expend. - Student Transportation Services					
Contracted Services (Between Home and School)-Vendors	208,500.00		208,500.00	201,090.00	7,410.00
Contracted Services (Between Home and School)-Jointures	18,000.00		18,000.00	16,778.16	1,221.84
Contracted Services (Special Ed. Students)-ESCs & CTSAs	257,939.00		257,939.00	222,907.42	35,031.58
Contracted Services - Aid in Lieu Payments-Non Public Schools	82,365.00	3,383.00	85,748.00	85,748.00	-
Total Undist. Expend. - Student Transportation Services	566,804.00	3,383.00	570,187.00	526,523.58	43,663.42
UNALLOCATED BENEFITS					
Social Security Contributions	135,000.00	30,100.00	165,100.00	151,762.96	13,337.04
Other Retirement Contributions - Regular		62,448.00	62,448.00	62,448.00	-
Workmen's Compensation	94,754.00	(4,974.00)	89,780.00	89,780.00	-
Health Benefits	1,770,311.32	(66,357.00)	1,703,954.32	1,579,655.38	124,298.94
Tuition Reimbursement	9,000.00	1,194.00	10,194.00	10,194.00	-
Other Employee Benefits	245,182.00	(130,932.00)	114,250.00	5,549.80	108,700.20
TOTAL UNALLOCATED BENEFITS	2,254,247.32	(108,521.00)	2,145,726.32	1,899,390.14	246,336.18
On-behalf TPAF Pension (non-budgeted)			-	20,139.00	(20,139.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	384,192.00	(384,192.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	524,727.28	(524,727.28)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	929,058.28	(929,058.28)

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2009

Exhibit C-1

Page 4 of 4

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,254,247.32</u>	<u>(108,521.00)</u>	<u>2,145,726.32</u>	<u>2,828,448.42</u>	<u>(682,722.10)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>7,249,354.32</u>	<u>177,117.00</u>	<u>7,426,471.32</u>	<u>7,739,417.23</u>	<u>(312,945.91)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>13,457,361.32</u>	<u>13,444.00</u>	<u>13,470,805.32</u>	<u>13,668,745.79</u>	<u>(197,940.47)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5		15,444.00	15,444.00	15,444.00	-
Support Services:					
Undistributed Expenditures - Oper. & Maint. of Plant Services		3,670.00	3,670.00	3,670.00	-
Total Equipment	-	19,114.00	19,114.00	19,114.00	-
Facilities Acquisition and Construction Services					
Construction Services	318,666.68	49,834.00	368,500.68	367,387.29	1,113.39
Total Facilities Acquisition and Construction Services	<u>318,666.68</u>	<u>49,834.00</u>	<u>368,500.68</u>	<u>367,387.29</u>	<u>1,113.39</u>
TOTAL CAPITAL OUTLAY	<u>318,666.68</u>	<u>68,948.00</u>	<u>387,614.68</u>	<u>386,501.29</u>	<u>1,113.39</u>
Transfer of Funds to Charter Schools	<u>9,500.00</u>		<u>9,500.00</u>	<u>8,279.00</u>	<u>1,221.00</u>
TOTAL EXPENDITURES	<u>13,785,528.00</u>	<u>82,392.00</u>	<u>13,867,920.00</u>	<u>14,063,526.08</u>	<u>(195,606.08)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(536,186.00)</u>	<u>(82,392.00)</u>	<u>(618,578.00)</u>	<u>109,489.11</u>	<u>728,067.11</u>
Other Financing Sources/(Uses):					
Operating Transfer Out:					
Transfer to Food Service Fund	<u>(42,830.00)</u>	<u>(501.00)</u>	<u>(43,331.00)</u>	<u>(43,330.73)</u>	<u>0.27</u>
Total Other Financing Sources/(Uses):	<u>(42,830.00)</u>	<u>(501.00)</u>	<u>(43,331.00)</u>	<u>(43,330.73)</u>	<u>0.27</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(579,016.00)</u>	<u>(82,893.00)</u>	<u>(661,909.00)</u>	<u>66,158.38</u>	<u>728,067.38</u>
Fund Balance, July 1	<u>1,165,124.35</u>		<u>1,165,124.35</u>	<u>1,165,124.35</u>	<u>-</u>
Fund Balance, June 30	<u>586,108.35</u>	<u>(82,893.00)</u>	<u>503,215.35</u>	<u>1,231,282.73</u>	<u>728,067.38</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Increase in Capital Reserve:					
Principal			-	275,000.00	275,000.00
Withdrawal from Capital Reserve	<u>(318,667.00)</u>		<u>(318,667.00)</u>	<u>(318,667.00)</u>	<u>-</u>
Budgeted Fund Balance	<u>(260,349.00)</u>	<u>(82,893.00)</u>	<u>(343,242.00)</u>	<u>98,326.67</u>	<u>441,568.67</u>
	<u>(579,016.00)</u>	<u>(82,893.00)</u>	<u>(661,909.00)</u>	<u>54,659.67</u>	<u>716,568.67</u>
Recapitulation:					
Capital Reserve				450,001.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				78,214.35	
Reserved for Excess Surplus				246,941.76	
Unrestricted Fund Balance - Designated for Subsequent Year's Expenditures				170,819.65	
Unrestricted Fund Balance - Undesignated				285,305.97	
				<u>1,231,282.73</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(83,090.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>1,148,192.73</u>	

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources		4,735.03	4,735.03	4,735.03	-
Federal Sources	364,425.00	59,443.00	423,868.00	409,380.00	(14,488.00)
Total Revenues	364,425.00	64,178.03	428,603.03	414,115.03	(14,488.00)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	30,261.00	57,217.00	87,478.00	87,478.00	-
Other Salaries for Instruction	-	4,735.03	4,735.03	4,735.03	-
Purchased Professional and Technical Services	54,132.00	1,795.00	55,927.00	52,100.00	3,827.00
Other Purchased Services (400-500 series)	233,409.00	7,206.00	240,615.00	240,615.00	-
General Supplies	1,696.00		1,696.00	1,696.00	-
Total Instruction	319,498.00	70,953.03	390,451.03	386,624.03	3,827.00
Support Services:					
Personal Services - Employee Benefits	20,176.00	(6,775.00)	13,401.00	13,401.00	-
Purchased Professional & Technical Services	-			-	-
Purchased Professional - Educational Services	14,801.00		14,801.00	4,301.00	10,500.00
Other Purchased Services (400-500 series)	9,950.00		9,950.00	9,789.00	161.00
Total Support Services	44,927.00	(6,775.00)	38,152.00	27,491.00	10,661.00
Total Expenditures	364,425.00	64,178.03	428,603.03	414,115.03	14,488.00
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)					

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2009

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	14,173,015.19	414,115.03
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
The last State aid payment is recognized as revenue for budgetary purposes in the General Fund, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(83,090.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		36,653.10	963.90
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>14,126,578.29</u>	<u>415,078.93</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	14,063,526.08	414,115.03
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		N/A	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>14,063,526.08</u>	<u>414,115.03</u>

APPENDIX D

**PROPOSED FORM OF
BOND COUNSEL OPINION**

STEVEN L. ROGUT
DANIEL J. MCCARTHY
DIANE U. DABULAS

ROGUT MCCARTHY LLC

COUNSELLORS AT LAW

37 ALDEN STREET
CRANFORD, NEW JERSEY 07016

Telephone (908) 931-1150
Facsimile (908) 931-1151
Facsimile (908) 653-4832

ANN S. BEDDINGFIELD, Of Counsel †
NORMAN B. KAUFF, Of Counsel
THOMAS J. BACE ††
SUZANNA M. POLHAMUS
JOHN P. KAPLAN †††
NICOLE D. COLE ††††

www.rogutmccarthy.com

† ADMITTED IN NY, CT AND NC ONLY
†† ALSO ADMITTED IN FL AND DC
††† ALSO ADMITTED IN NY
†††† ALSO ADMITTED IN MD

APPENDIX D

[Proposed Form of Bond Counsel Opinion]

April ___, 2010

The Board of Education of the
Borough of Woodland Park, in the
County of Passaic, New Jersey

Dear Board Members:

We have acted as bond counsel in connection with the issuance of \$6,102,000 aggregate principal amount of School Bonds (the "Bonds") by The Board of Education of the Borough of Woodland Park, in the County of Passaic, a school district of the State of New Jersey (the "Board" or "School District"). The Bonds are dated April 15, 2010 and comprise an issue of registered bonds. The Bonds bear interest from their date payable on each April 15 and October 15, commencing October 15, 2010 (each, an "Interest Payment Date"), in each year until maturity or prior redemption.

The Bonds are payable in annual installments on April 15 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	\$ 25,000	%	2021	\$375,000	%
2012	25,000		2022	390,000	
2013	50,000		2023	410,000	
2014	75,000		2024	430,000	
2015	75,000		2025	455,000	
2016	75,000		2026	475,000	
2017	100,000		2027	490,000	
2018	325,000		2028	520,000	
2019	340,000		2029	535,000	
2020	360,000		2030	572,000	

The Bonds maturing on or before April 15, 2020 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after April 15, 2021 are subject to redemption at the option of the Board prior to maturity, in whole on any date or in part on any Interest Payment Date on or after April 15, 2020, upon notice as set forth in the resolutions referred to below at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Board determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Board, and within any maturity, by lot.

The Bonds are issued pursuant to Chapters 22 and 24 of Title 18A, Education, of the New Jersey Statutes, as amended, and pursuant to a resolution duly adopted by a majority of the legal voters of the School District voting thereon at a special school election held on September 29, 2009 (the "Election") and resolutions adopted by the Board of Education on March 18, 2010.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Board with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Board has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Board's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Board, in executing the Tax Certificate, will certify to the effect that the Board expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the resolutions referred to above, a true copy of proceedings taken for the Election and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the School Business Administrator/Board Secretary of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Board in connection with the issuance and sale of the Bonds, or (ii) other documents of the Board delivered to the purchasers of the Bonds, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Board enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Board has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Bonds and the interest thereon are payable from ad valorem taxes levied on all taxable real property in the School District, without limitation as to rate or amount.

The Board of Education
of the Borough of Woodland Park
April ___, 2010
Page 4

3. Assuming compliance by the Board with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC