

**Comprehensive Annual
Financial Report**

of the

City of Somers Point Board of Education

Somers Point, New Jersey

For the Fiscal Year Ended June 30, 2009

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	9-10
-------------------------------------	------

Required Supplementary Information - Part I Management's Discussion and Analysis	11-19
---	-------

Basic Financial Statements

A DISTRICT - WIDE FINANCIAL STATEMENTS

A-1 Statement of Net Assets	20
A-2 Statement of Activities	21

B FUND FINANCIAL STATEMENTS

Governmental Funds:

B-1 Balance Sheet	22
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	23
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24

Proprietary Funds:

B-4 Statement of Net Assets	25
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	26
B-6 Statement of Cash Flows	27

Fiduciary Funds:

B-7 Statement of Fiduciary Net Assets	28
B-8 Statement of Changes in Fiduciary Net Assets	29

Notes to Financial Statements	30-50
--------------------------------------	-------

TABLE OF CONTENTS

Page

Required Supplementary Information - Part II

C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	51-56
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	57-58

Notes to the Required Supplementary Information

	C-3 Budget - to - GAAP Reconciliation	59
--	---------------------------------------	----

Other Supplementary Information

D	School Level Schedules	N/A
E	Special Revenue Fund:	
	E-1 Combining Schedule of Revenues and Expenditures - Special Revenue Fund - Budgetary Basis	60-63
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	64
F	Capital Projects Fund:	
	F-1 Summary Schedule of Project Expenditures	N/A
	F-2 Summary Schedule of Revenues and Expenditures	N/A
G	Proprietary Funds:	
	Enterprise Fund:	
	G-1 Combining Statement of Net Assets	N/A
	G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
	G-3 Combining Statement of Cash Flows	N/A

TABLE OF CONTENTS

Page

Other Supplementary Information (Continued)

G Proprietary Funds (Continued):

Internal Service Fund:

G-4	Combining Statement of Net Assets	N/A
G-5	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6	Combining Statement of Cash Flows	N/A

H Fiduciary Funds

H-1	Combining Statement of Fiduciary Net Assets	65
H-2	Combining Statement of Changes in Fiduciary Net Assets	66
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	67
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	68

I Long-Term Debt

I-1	Schedule of General Serial Bonds	69
I-2	Statement of Obligations Under Capital Leases	70
I-3	Debt Service Fund Budgetary Comparison Schedule	71

J STATISTICAL SECTION (Unaudited)

Financial Trends

J-1	Net Assets by Component	72
J-2	Changes in Net Assets	73-75
J-3	Fund Balances - Governmental Funds	76
J-4	Changes in Fund Balances - Governmental Funds	77
J-5	General Fund Other Local Revenue by Source	78

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	79
J-7	Direct and Overlapping Property Tax Rates	80
J-8	Principal Property Taxpayers	81
J-9	Property Tax Levies and Collections	82

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	83
J-11	Ratios of General Bonded Debt Outstanding	84
J-12	Direct and Overlapping Governmental Activities Debt	85
J-13	Legal Debt Margin	86

TABLE OF CONTENTS

Page

J STATISTICAL SECTION (Unaudited) (Continued)

Demographic and Economic Data

J-14 Demographic and Economic Statistics 87

J-15 Principal Employers 88

Operating Information

J-16 Full-time Equivalent District Employees by Function/Program 89

J-17 Operating Statistics 90

J-18 School Building Information 91

J-19 Schedule of Required Maintenance Expenditures
by School Facility 92

J-20 Insurance Schedule 93

K SINGLE AUDIT SECTION

K-1 Report on Internal Control Over Financial Reporting and Compliance
and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with *Government Auditing Standards* 94-95

K-2 Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133 and New Jersey
OMB Circular 04-04 96-97

K-3 Schedule of Expenditures of Federal Awards, Schedule A 98

K-4 Schedule of Expenditures of State Financial Assistance, Schedule B 99

K-5 Notes to Schedules of Awards and Financial Assistance 100-101

K-6 Schedule of Findings and Questioned Costs 102-104

K-7 Summary Schedule of Prior Audit Findings 105

Introductory Section

SOMERS POINT BOARD OF EDUCATION

NEW YORK AVENUE SCHOOL
121 W. New York Avenue
Somers Point, New Jersey 08244
Phone: (609) 927-2053
Fax: (609) 927-7351

Gerald V. Toscano
Superintendent of Schools

Suzanne Keller
Business Administrator
Board Secretary

September 12, 2009

Honorable President and
Members of the Board of Education
City of Somers Point School District
County of Atlantic, New Jersey

Dear Board Members:

The comprehensive annual financial report of the City of Somers Point School District for the fiscal year ended June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments and Non-Profit Organizations*," and New Jersey OMB's Circular 04-04, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The City of Somers Point School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The City of Somers Point Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2008-2009 fiscal year with an enrollment of 1,151, which was 8 students more than the previous year's enrollment including out-of-district placements. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2008-2009	1,151	0.70%
2007-2008	1,143	-2.05%
2006-2007	1,167	-2.75%
2005-2006	1,200	-2.99%
2004-2005	1,237	-5.69%

2. ECONOMIC CONDITION AND OUTLOOK

The 2008/2009 combined school operating budget and debt service resulted in a zero tax increase in the tax rate. The economic conditions of Somers Point continues to be positive, and the populous of the city tends to be stable from year to year with regard to new student enrollments.

3. MAJOR INITIATIVES

During the school year 2008/09, the Board of Education in concert with the Superintendent, renewed commitments to the District by developing the following goals:

- **Instructional Goals.** Students will show growth in reading and writing through the implementation of the balanced literacy program, targeted literacy intervention for at-risk students, and the use of data to inform instruction as evidenced by the Diagnostic Reading Assessment and writing portfolios. The district will also review the Gifted and Talented Program as it relates to advanced classes.
- **Professional Development Goals.** To build a community of lifelong learners who through professional learning communities, after school workshops, in-service, book clubs, college course work, and other opportunities continue to enhance educational practice and incorporate research based instruction strategies to improve student achievement as evidenced by participation in professional activities.

- Facility Goals. To reduce the energy consumption in the district by: replacing existing lighting with low voltage lighting; continue to replace the outside doors and windows with more energy efficient doors and windows; review and make recommendations to replace existing bathroom lights at Jordan Road School with motion lights to reduce energy consumption. The Board will also examine solar energy options.
- Shared Services. To examine all shared service options as it relates to the operation of the district.

4. INTERNAL ACCOUNTING CONTROLS

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

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the City of Somers Point School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2009.

6. ACCOUNTING SYSTEM AND REPORTS

The City of Somers Point School District's accounting records reflect accounting principals as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

7. CASH MANAGEMENT

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

8. RISK MANAGEMENT

Our Board of Education is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Funds (ACCASBOJIF). This Fund was formed under the provision of N.J.S.A. 18A:18B1-10.

The ACCASBOJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures. The Fund provides the following coverage:

1. Property, including buildings, contents, inland marine, crime, boiler and machinery, and auto physical damage
2. General Liability, including school board legal liability
3. Automobile Liability
4. Workers' Compensation

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

The Fund's Mission Statement is as follows: "The ACCASBOJIF is committed to uniting local school districts in a joint effort to better manage their risks and assure fiscal stability by providing cost-effective, comprehensive insurance coverage and minimizing losses through pro-active membership involvement in claims management and loss prevention activities."

Fidelity bonds are covered through an outside insurance carrier as required by the state statutes.

9. OTHER INFORMATION

A) **Independent Audit** – State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Ford-Scott, and Associates, L.L.C., CPAs, is appointed by the Board on an annual basis. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as revised and the related Office of Management and Budget Circular A-133 and New Jersey OMB’s Circular 04-04. The auditor’s report on the financial statements and combining the individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS

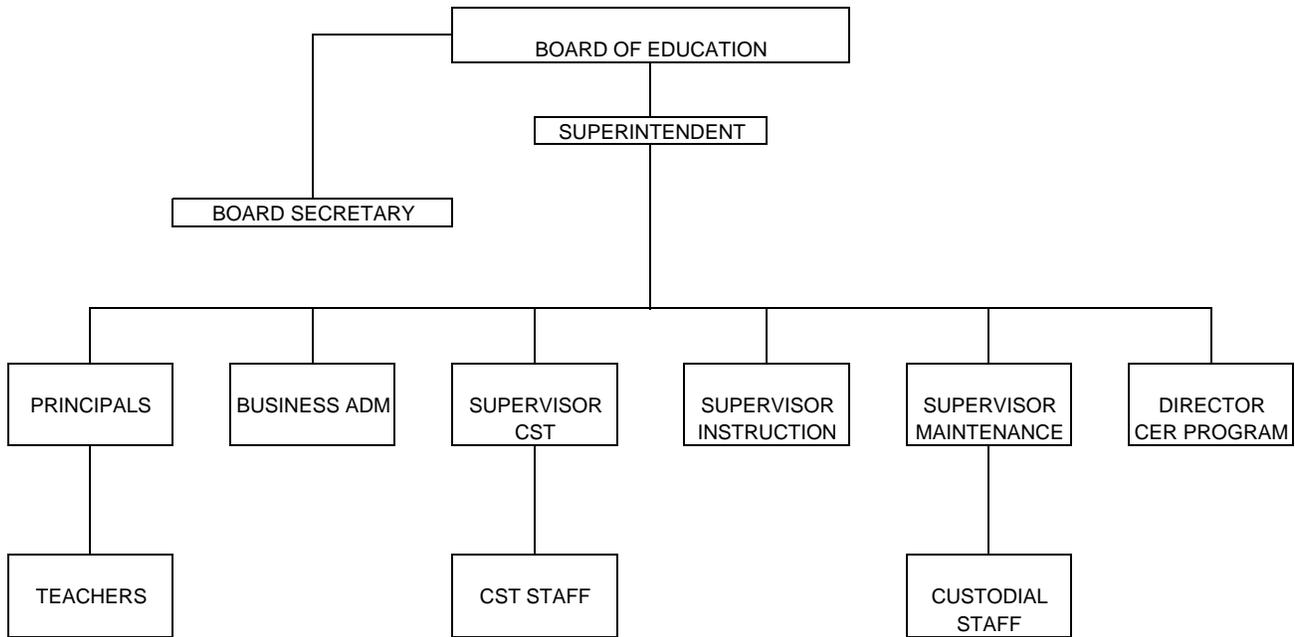
We would like to express our appreciation to the members of the City of Somers Point Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district, while at the same time, striving to provide the children of Somers Point with the highest quality of education possible and contributing their full support to the development and maintenance of our financial operation. We would also like to express our appreciation and thanks to the following staff members, who were the Business Office Staff during the 2008/2009 school year, for their dedication, cooperation, and assistance: Barbara Blackman, Debbie Martin, Joan Wynn, and Sandy Vallance. Each of these staff members, continue to show their support and has offered appreciated assistance throughout the year, and in the preparation of this report. Deborah Martin, Assistant Business Administrator is to be commended for her demanding attention to various functions of the district; Joan Wynn, Accounts Payable Supervisor, has displayed fine work ethics and dependable support to the business office; Barbara Blackman has provided appropriate secretarial and reporting skills to the Board Secretary; and Sandy Vallance is to be commended for her multi-tasking abilities, while effortlessly running an efficient, professional office for the district Superintendent of Schools.

Respectfully submitted,

Gerald V. Toscano
Superintendent

Suzanne Keller
Business Administrator / Board Secretary

SOMERS POINT BOARD OF EDUCATION
ORGANIZATIONAL CHART



SOMERS POINT SCHOOL DISTRICT
COUNTY OF ATLANTIC, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2009

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Walt Wilkins, President	2011
William August, Vice President	2010
Albert W. Becker	2012
Karen Broomall	2012
Jay Turcotte	2011
Joseph H. Hall	2010
Joseph Toland	2010
Constance J. Hiles	2011
Nicolas Wagner	2012
 <u>OTHER OFFICIALS</u>	
Gerald V. Toscano, Superintendent	
Suzanne Keller, Business Administrator/ Board Secretary	
John Hansen, Treasurer	
Louis J. Greco, Solicitor	

**SOMERS POINT SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

ARCHITECT

The Gibson Tarquini Group
1812 Federal Street
Camden, NJ 08105

AUDIT FIRM

Ford, Scott, & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
P.O. Box 538
Ocean City, NJ 08226-0538

ATTORNEY

Louis J. Greco, Esquire
642 Bay Avenue
Somers Point, NJ 08244-2520

BOND COUNSEL

McManimon & Scotland
One Gateway Center
Newark, NJ 07102

RISK MANAGEMENT CONSULTANT

Dennis Brown
Glenn Insurance Agency
500 East Absecon Boulevard
Absecon, NJ 08201

OFFICIAL DEPOSITORY

Sun National Bank
226 Landis Ave.
Vineland, NJ 08360

Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609.399 6333 • FAX 609 399 3710

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Somers Point School District
County of Atlantic
Somers Point, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the City of Somers Point School District, in the County of Atlantic, 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 City of Somers Point 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the City of Somers Point Board of Education, in the County of Atlantic, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2009 on our consideration of the City of Somers Point 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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considering in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information as listed in the accompanying table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 City of Somers Point Board of Education's basic financial statements. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and related major fund supporting statements and 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 and statistical sections 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, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853

September 18, 2009

Required Supplementary Information – Part I

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

The discussion and analysis of Somers Point School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, net assets increased \$1,061,141.90, which represents a 22 percent increase from 2008.
- General revenues accounted for \$13,749,506.62 of total revenue or 83 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,803,972.15 or 17 percent of total revenues of \$16,553,478.77.
- Total assets of governmental activities increased by \$1,032,940.85 as cash and cash equivalents increased by \$109,394.38, receivables increased by \$231,194.94, capital assets decreased by \$194,406.89 and other assets decreased by \$2,174.19.
- The School District had \$15,492,336.87 in expenses; only \$2,803,972.15 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$13,749,506.62 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$13,905,038.95 in revenues and \$13,719,308.14 in expenditures. The General Fund's fund balance increased \$185,731.58 over 2008.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2009?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

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

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 30 to 50 of this report.

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net assets for 2009 and 2008.

		Table 1 Net Assets	
		2009	2008
Assets			
Current and Other Assets	\$	1,881,477.98	\$ 1,516,139.07
Capital Assets		8,043,194.00	8,237,600.89
Total Assets		9,924,671.98	9,753,739.96
Liabilities			
Long-Term Liabilities		3,390,729.25	4,399,649.47
Other Liabilities		633,738.80	503,425.76
Total Liabilities		4,024,468.05	4,903,075.23
Net Assets			
Invested in Capital Assets, Net of Debt		5,041,078.39	4,303,441.57
Restricted		1,120,691.88	795,797.19
Unrestricted		(249,963.64)	(248,574.03)
Total Net Assets	\$	5,911,806.63	\$ 4,850,664.73

The District's combined net assets were \$5,911,806.63 on June 30, 2009. This was an increase of 22 percent from the prior year.

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year 2009 and 2008.

**Table 2
Changes in Net Assets**

	2009	2008
Revenues		
Program Revenues:		
Charges for Services	\$ 271,676.21	\$ 252,339.39
Operating Grants and Contributions	2,532,295.94	4,861,385.50
General Revenues:		
Property Taxes	8,546,386.00	8,574,527.00
Grants and Entitlements	5,094,808.38	2,701,024.70
Other	108,312.24	124,977.87
Total Revenues	16,553,478.77	16,514,254.46
 Program Expenses		
Instruction	9,340,000.06	9,625,833.83
Support Services:		
Tuition	449,947.17	469,063.64
Related Services - Pupils and Instructional Staff	2,346,504.00	1,969,074.52
General Administration, School Administration	1,042,305.63	1,217,163.54
Maintenance of Facilities	1,219,804.32	1,299,196.00
Pupil Transportation	266,426.95	307,132.09
Business and Other Support Services	360,241.19	431,139.85
Special Schools and Charter Schools	37,419.00	53,006.00
Food Service	24,922.20	25,263.42
Interest on Debt	159,117.00	199,517.00
Unallocated Depreciation and Amortization	2,174.19	2,174.19
CER Program	243,475.16	324,774.81
Total Expenses	15,492,336.87	15,923,338.89
Increase in Net Assets	\$ 1,061,141.90	\$ 590,915.57

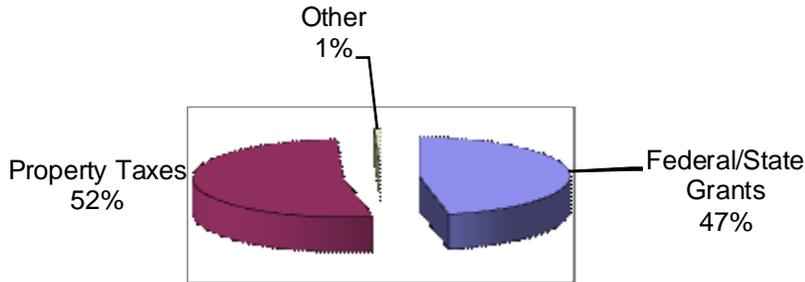
Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 52 percent of revenues for governmental activities for the Somers Point School District for fiscal year 2009 and 52 percent for fiscal year 2008. Property tax revenues decreased by \$28,141.00; a decrease of 0 percent from 2008. The District's total revenues were \$16,281,802.56 for the year ended June 30, 2009. Federal, state, and local grants accounted for 47 percent of revenue.

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

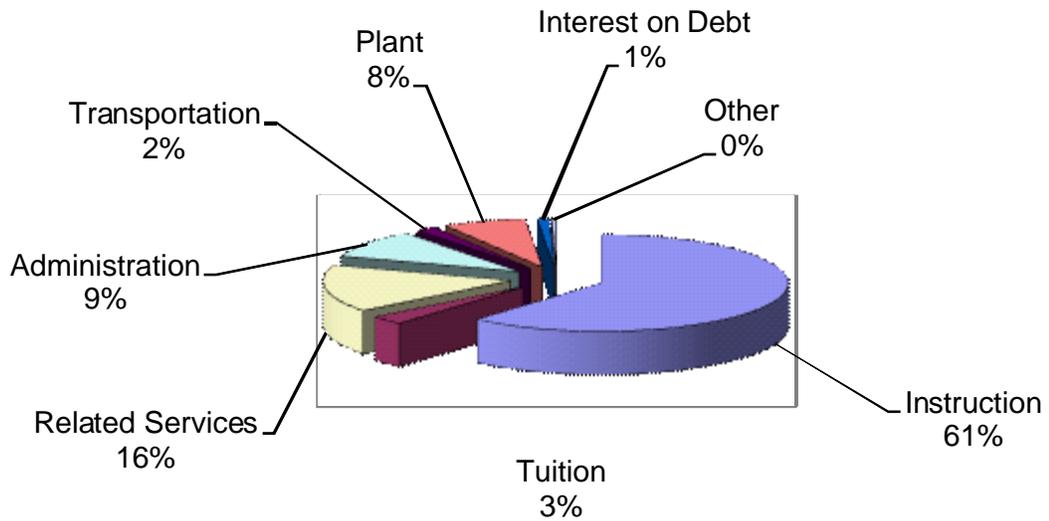
Governmental Activities (Continued)

Sources of Revenue for Fiscal Year 2009



The total cost of all program and services was \$15,248,861.71. Instruction comprises 61 percent of District expenses.

Expenses for 2009



**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (CER program) are comprised of charges for services.

- CER revenues exceeded expenses by \$28,201.05.
- Charges for CER represent \$271,676.21 of revenue. This represents amounts paid by patrons for participant fees.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>	<u>Total Cost of Services 2008</u>	<u>Net Cost of Services 2008</u>
Instruction	\$ 9,340,000.06	\$ 7,680,890.00	\$ 9,625,833.83	\$ 6,040,195.86
Support Services:				
Tuition	449,947.17	449,947.17	469,063.64	469,063.64
Pupils and Instructional Staff	2,346,504.00	1,840,713.56	1,969,074.52	1,312,508.84
General Administration, School Administration, Business Operations and Maintenance of Facilities	2,622,351.14	2,522,343.61	2,947,499.39	2,669,512.16
Pupil Transportation	266,426.95	222,054.04	307,132.09	202,417.47
Interest and Fiscal Charges	159,117.00	(63,898.00)	201,691.19	(30,444.81)
Other	64,515.39	64,515.39	78,269.42	73,925.42
Total Expenses	<u>\$ 15,248,861.71</u>	<u>12,716,565.77</u>	<u>\$ 15,598,564.08</u>	<u>10,737,178.58</u>

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

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

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

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

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

Governmental Activities (Continued)

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

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

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$16,281,802.56 and expenditures were \$16,074,900.85. The net increase in fund balance for the year was \$206,901.71.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2009, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2008</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 8,654,698	53%	\$ (44,807)	-0.5%
State Sources	6,838,579	42%	28,763	0.5%
Federal Sources	788,526	5%	35,932	4.6%
Total	<u>\$ 16,281,803</u>	100.0%	<u>\$ 19,887</u>	0.1%

Local revenues decreased by \$44,806.63. This decrease in local revenue was predominately due to a decrease in the interest earned on deposits in the general fund.

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

The School District's Funds (Continued)

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2009, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2007	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 6,937,364.17	43%	\$ (1,379,572)	-19%
Undistributed expenditures	8,023,259.32	50%	1,299,444	21%
Capital Outlay	71,460.36	0%	36,888	4%
Debt Service	1,042,817.00	6%	(40,400)	-4%
Total	<u>\$ 16,074,900.85</u>	100%	<u>\$ (83,640)</u>	-1%

Changes in expenditures were the results of varying factors. Current expenses reflect conversion to allocated benefits by functional area.

General Fund Budgeting Highlights

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

Capital Assets

At the end of the fiscal year 2009, the School District had \$8,043,194.00 invested in land, building and machinery and equipment. Table 4 shows fiscal year 2009 balances compared to 2008.

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

	<u>2009</u>	<u>2008</u>
Land and Land Improvements	\$ 132,022.00	\$ 100,010.45
Building and Building Improvements	7,763,515.00	8,006,160.93
Machinery and Equipment	147,657.00	131,429.51
Total	<u>\$ 8,043,194.00</u>	<u>\$ 8,237,600.89</u>

Overall capital assets decreased \$194,406.89 from fiscal year 2008 to fiscal year 2009. The decrease in capital assets is due to additions to capital assets being less than depreciation expense. For more detailed information, please refer to the Notes to the Financial Statements.

**SOMERS POINT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (CONTINUED)**

Debt Administration

At June 30, 2009, the School District had \$3,390,729.25 of outstanding debt. Of this amount, \$364,697.56 is for compensated absences; \$2,985,000.00 of serial bonds relating to several capital improvement projects and \$41,031.69 of capital leases payable.

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

	2009	2008
2004 School bonds	\$ 1,243,000.00	\$ 1,313,000.00
1996 School Bonds	1,742,000.00	2,542,000.00
Total	\$ 2,985,000.00	\$ 3,855,000.00

At June 30, 2009, the School District's remaining legal debt margin available was \$42,814,492.00. For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Somers Point School District is in good financial condition presently. The School District is proud of its community support of the public schools.

The District continues to provide quality education programs while continuing to stabilize the tax rate in Somers Point. In conclusion, the Somers Point School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Suzanne Keller, Business Administrator at Somers Point School District, 121 West New York Avenue, Somers Point, New Jersey 08244.

Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,137,271.69	\$ 117,934.36	\$ 1,255,206.05
Receivables, Net	257,501.94	27,753.86	285,255.80
Restricted Assets:			
Cash Reserve Account	317,100.00		317,100.00
Deferred Bond Issuance Costs (Note #8)	23,916.08		23,916.08
Capital Assets, Net (Note #5)	8,043,194.00	-	8,043,194.00
Total Assets	<u>9,778,983.71</u>	<u>145,688.22</u>	<u>9,924,671.93</u>
LIABILITIES			
Accounts Payable	396,777.45	4,011.27	400,788.72
Payable to State Government	26,398.15		26,398.15
Deferred Revenue	152,155.49	54,396.39	206,551.88
Noncurrent Liabilities (Note #6)			
Due Within One Year	961,031.69		961,031.69
Due Beyond One Year	2,429,697.56		2,429,697.56
Total Liabilities	<u>3,966,060.34</u>	<u>58,407.66</u>	<u>4,024,468.00</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	5,041,078.39	-	5,041,078.39
Restricted for:			
Debt Service	(48,350.92)		(48,350.92)
Capital Projects	127,100.00		127,100.00
Other Purposes	1,041,942.80		1,041,942.80
Unrestricted	(337,244.20)	87,280.56	(249,963.64)
Total Net Assets	<u>\$ 5,824,526.07</u>	<u>\$ 87,280.56</u>	<u>\$ 5,911,806.63</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2009

Function/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 6,606,505.98	\$ -	\$ 562,963.14	\$ -	\$ (6,043,542.84)	\$ -	\$ (6,043,542.84)
Special Education	2,376,460.80		1,065,351.01		(1,311,109.79)		(1,311,109.79)
Other Special Instruction	357,033.28		30,795.91		(326,237.37)		(326,237.37)
Support Services:							
Tuition	449,947.17				(449,947.17)		(449,947.17)
Student & Instruction Related Services	2,346,504.00		505,790.44		(1,840,713.56)		(1,840,713.56)
School Administrative Services	537,843.00		44,691.67		(493,151.33)		(493,151.33)
General Administrative Services	504,462.63		26,838.38		(477,624.25)		(477,624.25)
Plant Operation and Maintenance	1,219,804.32				(1,219,804.32)		(1,219,804.32)
Pupil Transportation	266,426.95		44,372.91		(222,054.04)		(222,054.04)
Central Services	360,241.19		28,477.48		(331,763.71)		(331,763.71)
Food Service	24,922.20				(24,922.20)		(24,922.20)
Charter Schools	37,419.00				(37,419.00)		(37,419.00)
Interest on Long-Term Debt	159,117.00		223,015.00		63,898.00		63,898.00
Unallocated Depreciation and Amortization	2,174.19				(2,174.19)		(2,174.19)
Total Governmental Activities	<u>15,248,861.71</u>	<u>-</u>	<u>2,532,295.94</u>	<u>-</u>	<u>(12,716,565.77)</u>	<u>-</u>	<u>(12,716,565.77)</u>
Business-Type Activities:							
Community Education Recreation Program	243,475.16	271,676.21				28,201.05	28,201.05
Total Business-Type Activities	<u>243,475.16</u>	<u>271,676.21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,201.05</u>	<u>28,201.05</u>
Total Primary Government	<u>\$ 15,492,336.87</u>	<u>\$ 271,676.21</u>	<u>\$ 2,532,295.94</u>	<u>\$ -</u>	<u>\$ (12,716,565.77)</u>	<u>\$ 28,201.05</u>	<u>\$ (12,688,364.72)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 7,726,935.00	\$ -	\$ 7,726,935.00
Taxes Levied for Debt Service					819,451.00		819,451.00
Federal and State Aid not Restricted					5,094,808.38		5,094,808.38
Investment Earnings					13,726.82		13,726.82
Miscellaneous Income					94,585.42		94,585.42
Transfers					-		-
Total General Revenues, Special Items, Extraordinary Items and Transfers					<u>13,749,506.62</u>	<u>-</u>	<u>13,749,506.62</u>
Change in Net Assets					1,032,940.85	28,201.05	1,061,141.90
Net Assets - Beginning					4,791,585.22	59,079.51	4,850,664.73
Net Assets - Ending					<u>\$ 5,824,526.07</u>	<u>\$ 87,280.56</u>	<u>\$ 5,911,806.63</u>

FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

CITY OF SOMERS POINT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 1,117,121.94	\$ 20,149.75	\$ -	\$ -	\$ -	\$ 1,137,271.69
Receivables from Other Governments	43,130.57	211,148.95				254,279.52
Interfunds Receivable						-
Other Accounts Receivable	3,222.42					3,222.42
Restricted Cash and Cash Equivalents	317,100.00					317,100.00
Total Assets	\$ 1,480,574.93	\$ 231,298.70	\$ -	\$ -	\$ -	\$ 1,711,873.63
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 257,555.87	\$ 90,870.66	\$ -	\$ -	\$ -	\$ 348,426.53
Interfunds Payable						-
Payable to State Government		26,398.15				26,398.15
Deferred Revenue		140,552.79				140,552.79
Total Liabilities	257,555.87	257,821.60	-	-	-	515,377.47
Fund Balances:						
Reserved for:						
Encumbrances	61,680.62					61,680.62
Capital Reserve Account	127,100.00					127,100.00
Maintenance Reserve	190,000.00					190,000.00
Excess Surplus Designated for Subsequent Year's Expenditures	346,053.00					346,053.00
Excess Surplus	444,209.18					444,209.18
Unreserved, Reported in:						
General Fund	53,976.26					53,976.26
Special Revenue Fund		(26,522.90)				(26,522.90)
Capital Projects Fund			-			-
Debt Service Fund				-		-
Total Fund Balances	1,223,019.06	(26,522.90)	-	-	-	1,196,496.16
Total Liabilities and Fund Balances	\$ 1,480,574.93	\$ 231,298.70	\$ -	\$ -	\$ -	

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 \$11,919,571.00 and the accumulated depreciation is \$3,876,377.00.

8,043,194.00

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

(3,390,729.25)

Bond issuance costs are reported in the governmental fund as expenditures in the year the bonds are issued but are amortized over the life of the bonds on the statement of activities. (See Note #8)

23,916.08

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

(48,350.92)

Net assets of governmental activities

\$ 5,824,526.07

CITY OF SOMERS POINT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2009

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES						
Local Sources:						
Local Tax Levy	\$ 7,726,935.00	\$ -	\$ -	\$ 819,451.00	\$ -	\$ 8,546,386.00
Tuition	13,681.48					13,681.48
Interest Earned on Investments	13,726.82					13,726.82
Miscellaneous	80,903.94					80,903.94
Total Local Sources	<u>7,835,247.24</u>	<u>-</u>	<u>-</u>	<u>819,451.00</u>	<u>-</u>	<u>8,654,698.24</u>
State Sources	6,050,341.10	565,222.51		223,015.00		6,838,578.61
Federal Sources	19,450.61	769,075.10				788,525.71
Total Revenues	<u>13,905,038.95</u>	<u>1,334,297.61</u>	<u>-</u>	<u>1,042,466.00</u>	<u>-</u>	<u>16,281,802.56</u>
EXPENDITURES						
Current:						
Regular Instruction	4,890,007.34					4,890,007.34
Special Education Instruction	821,880.18	965,853.67				1,787,733.85
Other Special Instruction	259,622.98					259,622.98
Support Services:						
Tuition	449,947.17					449,947.17
Student & Instruction Related Serv.	1,483,944.39	346,922.04				1,830,866.43
School Administrative Services	395,966.65					395,966.65
General Administrative Services	414,543.87					414,543.87
Plant Operation and Maintenance	1,100,230.38					1,100,230.38
Pupil Transportation	254,388.40					254,388.40
Central Services	269,381.97					269,381.97
Employee Benefits	3,245,593.25					3,245,593.25
Food Service Program	24,922.20					24,922.20
Debt Service:						
Principal				870,000.00		870,000.00
Interest and Other Charges				172,817.00		172,817.00
Capital Outlay	71,460.36					71,460.36
Transfer of Funds to Charter Schools	37,419.00					37,419.00
Total Expenditures	<u>13,719,308.14</u>	<u>1,312,775.71</u>	<u>-</u>	<u>1,042,817.00</u>	<u>-</u>	<u>16,074,900.85</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>185,730.81</u>	<u>21,521.90</u>	<u>-</u>	<u>(351.00)</u>	<u>-</u>	<u>206,901.71</u>
OTHER FINANCING SOURCES (USES)						
Transfer in	0.77					0.77
Transfer out				(0.77)		(0.77)
Total Other Financing Sources and Uses	<u>0.77</u>	<u>-</u>	<u>-</u>	<u>(0.77)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	185,731.58	21,521.90	-	(351.77)	-	206,901.71
Fund Balance - July 1	1,037,287.48	(48,044.80)	-	351.77	-	989,594.45
Fund Balance - June 30	<u>\$ 1,223,019.06</u>	<u>\$ (26,522.90)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,196,496.16</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 206,901.71

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

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

Depreciation expense	\$ (269,698.89)	
Amortization expense	(2,174.19)	
Capital Outlay	75,292.00	(196,581.08)

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

Bonds Payable	870,000.00	
Capital Lease Payable	64,217.90	934,217.90

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

74,702.32

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

13,700.00

Change in Net Assets of Governmental Activities \$ 1,032,940.85

CITY OF SOMERS POINT SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2009

	CER Program	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 117,934.36	\$ 117,934.36
Accounts Receivable	27,753.86	27,753.86
Total Current Assets	145,688.22	145,688.22
Noncurrent Assets:		
Furniture, Machinery & Equipment	4,668.00	4,668.00
Less: Accumulated Depreciation	(4,668.00)	(4,668.00)
Total Noncurrent Assets	-	-
Total Assets	\$ 145,688.22	\$ 145,688.22
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 4,011.27	\$ 4,011.27
Deferred Revenues	54,396.39	54,396.39
Total Current Liabilities	58,407.66	58,407.66
Noncurrent Liabilities:		
None	-	-
Total Noncurrent Liabilities	-	-
NET ASSETS		
Invested in Capital Assets Net of Related Debt	-	-
Unrestricted	87,280.56	87,280.56
Total Net Assets	\$ 87,280.56	\$ 87,280.56

CITY OF SOMERS POINT SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2009

	CER Program	Totals Enterprise
Operating Revenues:		
Local Sources:		
Participant Fees	\$ 271,676.21	\$ 271,676.21
Total Operating Revenue	<u>271,676.21</u>	<u>271,676.21</u>
Operating Expenses:		
Salaries	174,192.57	174,192.57
Employee Benefits	4,600.00	4,600.00
Purchased Contracted Services	38,004.14	38,004.14
Supplies and Materials	26,678.45	26,678.45
Depreciation	-	-
Total Operating Expenses	<u>243,475.16</u>	<u>243,475.16</u>
Operating Income (Loss)	28,201.05	28,201.05
Other Financing Sources/(Uses):		
None	-	-
Total Other Financing sources	<u>-</u>	<u>-</u>
Changes in Net Assets	28,201.05	28,201.05
Total Net Assets - Beginning	<u>59,079.51</u>	<u>59,079.51</u>
Total Net Assets - Ending	<u>\$ 87,280.56</u>	<u>\$ 87,280.56</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2009**

	CER Program	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 269,117.06	\$ 269,117.06
Payments to Employees	(174,192.57)	(174,192.57)
Payments from Employee Benefits	(4,600.00)	(4,600.00)
Payments for Purchased Contracted Services	(38,004.14)	(38,004.14)
Payments for Supplies	(23,564.97)	(23,564.97)
Net Cash Provided by (Used for) Operating Activities	28,755.38	28,755.38
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net Cash Provided by (Used for) Noncapital Financing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	28,755.38	28,755.38
Balance - Beginning of Year	89,178.98	89,178.98
Balance - End of Year	\$ 117,934.36	\$ 117,934.36
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 28,201.05	\$ 28,201.05
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	-	-
(Increase)/Decrease in Accounts Receivable	1,831.60	1,831.60
Increase/(Decrease) in Accounts Payable	3,113.48	3,113.48
Increase/(Decrease) in Deferred Revenues	(4,390.75)	(4,390.75)
Total Adjustments	554.33	554.33
Net Cash Provided by (Used for) Operating Activities	\$ 28,755.38	\$ 28,755.38

CITY OF SOMERS POINT SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2009

	<u>Unemployment Compensation</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 165,677.87	\$ -	\$ 28,944.35
Accounts Receivable			500.00
	<u>165,677.87</u>	<u>-</u>	<u>29,444.35</u>
Total Assets	<u>165,677.87</u>	<u>-</u>	<u>29,444.35</u>
LIABILITIES			
Payable to Student Groups			\$ 17,034.00
Payroll Deductions and Withholdings			12,210.35
Accounts Payable	545.46		200.00
Total Liabilities	<u>545.46</u>	<u>\$ -</u>	<u>\$ 29,444.35</u>
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 165,132.41</u>		

CITY OF SOMERS POINT SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2009

	Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan Member	\$ 15,723.05	\$ -
Board Contribution	600.00	
Total Contributions	16,323.05	-
Investment Earnings:		
Interest	984.81	
Net Investment Earnings	984.81	-
Total Additions	17,307.86	-
DEDUCTIONS		
Unemployment Claims	25,841.40	
Total Deductions	25,841.40	-
Changes in Net Assets	(8,533.54)	-
Net Assets - Beginning of the Year	173,665.95	
Net Assets - End of the Year	\$ 165,132.41	\$ -

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Basis of Presentation

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

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

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

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Governmental Funds

The District reports the following governmental funds:

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

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

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

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

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

Proprietary Funds

The District reports the following proprietary fund:

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

The District's Enterprise Fund is comprised of the Community Education Recreation (CER) Program.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Fiduciary Funds

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Measurement Focus and Basis of Accounting - Continued

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

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

C. Budgets/Budgetary Control

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

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

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgets/Budgetary Control - Continued

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. The following table presents a reconciliation of the differences between the budgetary basis and GAAP basis in the general and special revenue funds at June 30, 2009.

	General Fund	Special Revenue Fund
Total Revenues (Budgetary Basis)	\$ 14,230,760.85	\$ 1,315,200.15
Adjustments:		
Encumbrances at June 30,		
Prior Year		107,347.65
Current Year		(109,772.09)
Prior Year State Aid Payment	170,560.20	48,044.80
Deferral of Final State Aid Payment	(496,282.10)	(26,522.90)
Total Revenues (GAAP Basis)	\$ 13,905,038.95	\$ 1,334,297.61
Total Expenditures (Budgetary Basis)	\$ 13,719,308.14	\$ 1,315,200.15
Adjustments:		
Encumbrances at June 30,		
Prior Year		107,347.65
Current Year		(109,772.09)
Total Expenditures (GAAP Basis)	\$ 13,719,308.14	\$ 1,312,775.71

D. Encumbrance Accounting

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

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

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

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

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

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

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

Interfund Transactions

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

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

Inventories

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Capital Assets

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

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

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

Compensated Absences

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

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

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

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Deferred Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Net Assets

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

Fund Balance Reserves

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

Revenues – Exchange and Nonexchange Transactions

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Revenues – Exchange and Nonexchange Transactions - Continued

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Management Estimates

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. At June 30, 2009, the carrying amount of the Board's deposits were \$1,766,928.27 and the bank balance was \$1,922,044.21. Of the School District's bank Balance of \$1,922,044.21 as of June 30, 2009, \$21,219.66 was uninsured and uncollateralized.

Investments

Pursuant to state statutes, the Board of Education may invest in the following:

- Direct obligations of, or obligations as to which the principal and interest is guaranteed by, the United States of America
- Government money market mutual funds
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress
- Bonds or obligations of the local unit or other obligations of school districts within the local unit
- Local government investment pools
- State of New Jersey Cash Management Fund
- Agreements for the repurchase of fully collateralized securities

For the year ended June 30, 2009, the Board of Education had no investments.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 3 – RECEIVABLES

Receivables at June 30, 2009, consisted of accounts (rent, tuition, and fees), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements		District Wide Financial Statements
State Aid	\$ 32,902.34	\$	32,902.34
Federal Aid	221,377.18		221,377.18
Interfunds Receivable	-		-
Other	3,222.42		30,976.28
Gross Receivables	257,501.94		285,255.80
Less: Allowance for Uncollectibles			
Total Receivables, Net	\$ 257,501.94	\$	285,255.80

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund.

The District had no interfund balances June 30, 2009.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 5 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 27,012.00	\$ -	\$ -	\$ 27,012.00
Total capital assets not being depreciated	<u>27,012.00</u>	<u>-</u>	<u>-</u>	<u>27,012.00</u>
Capital assets being depreciated:				
Land Improvements	128,895.00	38,650.00		167,545.00
Buildings and building improvements	11,115,457.00			11,115,457.00
Equipment	640,674.00	36,642.00	67,759.00	609,557.00
Total capital assets being depreciated at historical cost	<u>11,885,026.00</u>	<u>75,292.00</u>	<u>67,759.00</u>	<u>11,892,559.00</u>
Less accumulated depreciation for:				
Land Improvements	(287,661.47)	(6,638.45)		(294,299.92)
Buildings and improvements	(2,917,486.04)	(242,645.93)		(3,160,131.97)
Equipment	(469,289.60)	(20,414.51)	(67,759.00)	(421,945.11)
Total capital assets being depreciated, net of accumulated depreciation	<u>8,210,588.89</u>	<u>(194,406.89)</u>	<u>-</u>	<u>8,016,182.00</u>
Governmental activity capital assets, net	<u>\$ 8,237,600.89</u>	<u>\$ (194,406.89)</u>	<u>\$ -</u>	<u>\$ 8,043,194.00</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 4,668.00	\$ -	\$ -	\$ 4,668.00
Less accumulated depreciation	(4,668.00)			(4,668.00)
Enterprise Fund capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 6 – LONG-TERM OBLIGATIONS

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

	Balance July 1, 2008	Issues or Additions	Payments or Expenditures	Balance June 30, 2009	Amounts Due Within One Year
Compensated Absences	\$ 439,399.88	\$	\$ 74,702.32	\$ 364,697.56	-
Capital Leases Payable	105,249.59		64,217.90	41,031.69	41,031.69
Bonds Payable	3,855,000.00		870,000.00	2,985,000.00	920,000.00
	<u>\$ 4,399,649.47</u>	<u>\$ -</u>	<u>\$ 1,008,920.22</u>	<u>\$ 3,390,729.25</u>	<u>\$ 961,031.69</u>

Compensated absences have been liquidated in the General Fund.

Bonds Payable

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

At June 30, 2009, bonds payable consisted of the following issues:

\$9,867,000 School Bonds dated March 1, 1996, due in annual installments through March 1, 2011, bearing interest at 4.7% per annum. The balance remaining as of June 30, 2009 is \$1,742,000.00.

\$1,523,000 School Bonds dated April 4, 2006, due in annual installments beginning February 1, 2005 through February 1, 2019, bearing interest at 4.00% per annum until 2013, then 4.10% thereafter. The balance remaining as of June 30, 2009 is \$1,243,000.00.

Debt service requirements on serial bonds payable at June 30, 2009 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 920,000.00	\$ 132,417.00	\$ 1,052,417.00
2011	962,000.00	89,667.00	1,051,667.00
2012	140,000.00	44,943.00	184,943.00
2013	140,000.00	39,343.00	179,343.00
2014	140,000.00	33,743.00	173,743.00
2015-2019	683,000.00	82,615.00	765,615.00
	<u>\$ 2,985,000.00</u>	<u>\$ 422,728.00</u>	<u>\$ 3,407,728.00</u>

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 6 – LONG-TERM OBLIGATIONS - Continued

Capital Leases

The District leased computer equipment totaling \$173,511.38 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2009:

Fiscal Year Ending June 30,	Principal
2010	\$ 52,730.27
Total minimum lease payments	52,730.27
Less amount representing interest	11,698.58
Present value of lease payments	\$ 41,031.69

NOTE 7 – OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in 2010. Total operating lease payments made during the year ended June 30, 2009 were \$720.00. Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Principal
2010	\$ 720.00
Total future minimum lease payments	\$ 720.00

NOTE 8 – DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (15 years). The cost associated with the 2005 bonds amounted to \$32,612.84. Amortization expense in fiscal year June 30, 2009 is \$2,174.19. The balance deferred at June 30, 2009 in the District-Wide Financial Statements is \$23,916.08.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 9 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2009.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 9 – PENSION PLANS - Continued

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

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

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

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

Three Year Trend Information for PERS				
Year Funding		Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/09	\$	124,222.00	100%	\$ -
06/30/08		88,378.00	100%	-
06/30/07		50,076.00	100%	-

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 9 – PENSION PLANS - Continued

<u>Three Year Trend Information for TPAF (Paid on behalf of the District)</u>			
<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2008	\$ 433,364.00	100%	\$ -
6/30/2008	1,077,850.00	100%	-
6/30/2007	661,108.00	100%	-

During the fiscal year ended June 30, 2009, the State of New Jersey contributed \$433,364.00 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$522,426.00 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. This amount has been included in the basic financial statements, and individual fund statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

NOTE 10 – POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve by one half of one percent of the active State payroll.

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 11 – COMPENSATED ABSENCES

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2009, no liability existed for compensated absences in the Community Education Recreation Program.

NOTE 12 – DEFERRED COMPENSATION

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

- Merrill-Lynch
- Lincoln Investments
- Equitable Insurance
- Siracusa Insurance
- Valic

NOTE 13 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by City of Somers Point Board of Education by the inclusion of \$100.00 on September 21, 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.

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 13 – CAPITAL RESERVE ACCOUNT – Continued

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	\$ 100.00
Interest earnings	2,000.00
Deposits	
Budgeted Deposit	125,000.00
Ending Balance, June 30, 2009	<u><u>\$ 127,100.00</u></u>

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve account at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

NOTE 14 – RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains insurance coverage for property, liability and surety bonds through the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBOJIF). A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

Fiscal Year	Interest on Investments	Employee Contributions	Board Contribution	Amount Reimbursed	Ending Balance
2008-2009	\$ 984.81	\$ 15,723.05	\$ 600.00	\$ 25,841.40	\$ 165,132.41
2007-2008	5,087.30	15,571.23	-	22,454.71	173,665.95
2006-2007	9,413.84	14,347.98	-	40,283.60	175,462.13

**CITY OF SOMERS POINT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

NOTE 15 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 16 – FUND BALANCE APPROPRIATED

General Fund - Of the \$1,223,019.06 General Fund fund balance at June 30, 2009, \$61,680.62 is reserved for encumbrances; \$127,100.00 has been reserved in the Capital Reserve Account; \$190,000.00 is reserved in the Maintenance Reserve Account; \$790,262.18 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$346,053.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2010; \$260,000.00 of Unreserved fund balance has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and (\$206,023.74) is unreserved and undesignated.

Debt Service Fund – Of the \$0.00 Debt Service Fund fund balance at June 30, 2009, \$0.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2010 and \$0.00 is unreserved and undesignated.

NOTE 17 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, 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 of budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2009 is \$444,209.18.

NOTE 18 – DEFICIT FUND BALANCE

The District has a deficit fund balance of \$206,023.74 in the General Fund and \$26,522.90 in the Special Revenue Fund as of June 30, 2009 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the Special revenue fund in the GAAP fund statements of \$26,522.90 is equal to the last state aid payment for that fund.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$206,023.74 is less than the last state aid payment.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,726,935.00	\$ -	\$ 7,726,935.00	\$ 7,726,935.00	\$ -
Tuition			-	13,681.48	13,681.48
Interest Earned on Deposits	2,000.00		2,000.00	13,726.82	11,726.82
Unrestricted Miscellaneous Revenues	70,000.00		70,000.00	80,903.94	10,903.94
Total Local Sources	<u>7,798,935.00</u>	<u>-</u>	<u>7,798,935.00</u>	<u>7,835,247.24</u>	<u>36,312.24</u>
State Sources:					
Categorical Special Education Aid	519,515.00		519,515.00	519,515.00	-
Equalization aid	4,652,507.00	(52,927.00)	4,599,580.00	4,599,580.00	-
Categorical Security Aid	222,440.00		222,440.00	222,440.00	-
Categorical Transportation Aid	43,750.00		43,750.00	43,750.00	-
Extraordinary Aid			-	32,902.00	32,902.00
Other State Aid			-	2,086.00	2,086.00
On-behalf TPAF Postretirement Contributions (non-budgeted)			-	433,364.00	433,364.00
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	522,426.00	522,426.00
Total State Sources	<u>5,438,212.00</u>	<u>(52,927.00)</u>	<u>5,385,285.00</u>	<u>6,376,063.00</u>	<u>990,778.00</u>
Federal Sources:					
Medicaid Reimbursement	-		-	19,450.61	19,450.61
Total Revenues	<u>13,237,147.00</u>	<u>(52,927.00)</u>	<u>13,184,220.00</u>	<u>14,230,760.85</u>	<u>1,046,540.85</u>
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool - Salaries of Teachers	144,400.00	(35,000.00)	109,400.00	93,854.48	15,545.52
Kindergarten - Salaries of Teachers	321,692.00		321,692.00	277,674.57	44,017.43
Grades 1 - 5 Salaries of Teachers	2,382,804.00		2,382,804.00	2,372,465.83	10,338.17
Grades 6 - 8 Salaries of Teachers	1,662,740.00	(40,000.00)	1,622,740.00	1,521,751.45	100,988.55
Regular Programs - Home Instruction					
Salaries of Teachers	5,000.00	3,000.00	8,000.00	5,855.40	2,144.60
Purchased Professional - Educational Services	4,000.00	(3,000.00)	1,000.00		1,000.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	164,512.00	(100.00)	164,412.00	157,398.02	7,013.98
Other Purchased Services (400-500 series)	184,007.00	(516.00)	183,491.00	149,175.21	34,315.79
General Supplies	242,500.00	41,675.14	284,175.14	267,577.63	16,597.51
Textbooks	50,000.00	(5,744.00)	44,256.00	44,254.75	1.25
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>5,161,655.00</u>	<u>(39,684.86)</u>	<u>5,121,970.14</u>	<u>4,890,007.34</u>	<u>231,962.80</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	60,100.00		60,100.00	60,099.90	0.10
Other Salaries for Instruction	27,274.00		27,274.00	27,273.96	0.04
General Supplies	1,500.00		1,500.00	1,500.00	-
Total Learning and/or Language Disabilities	<u>88,874.00</u>	<u>-</u>	<u>88,874.00</u>	<u>88,873.86</u>	<u>0.14</u>
Multiple Disabilities					
Salaries of Teachers	100,300.00		100,300.00	95,344.88	4,955.12
Other Salaries for Instruction	24,357.00		24,357.00	24,356.96	0.04
General Supplies	3,200.00	9.99	3,209.99	2,759.20	450.79
Total Multiple Disabilities	<u>127,857.00</u>	<u>9.99</u>	<u>127,866.99</u>	<u>122,461.04</u>	<u>5,405.95</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center					
Salaries of Teachers	\$ 561,900.00	\$ (17,000.00)	\$ 544,900.00	\$ 529,803.37	\$ 15,096.63
Other Salaries for Instruction	71,191.00	13,000.00	84,191.00	74,672.40	9,518.60
General Supplies	5,000.00		5,000.00	4,731.63	268.37
Total Resource Room/Resource Center	<u>638,091.00</u>	<u>(4,000.00)</u>	<u>634,091.00</u>	<u>609,207.40</u>	<u>24,883.60</u>
Preschool Disabilities - Part-Time					
General Supplies	1,700.00	-	1,700.00	1,337.88	362.12
Total Preschool Disabilities - Part-Time	<u>1,700.00</u>	<u>-</u>	<u>1,700.00</u>	<u>1,337.88</u>	<u>362.12</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>856,522.00</u>	<u>(3,990.01)</u>	<u>852,531.99</u>	<u>821,880.18</u>	<u>30,651.81</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	59,327.00	(4,000.00)	55,327.00	38,952.20	16,374.80
Other Salaries for Instruction	23,044.00		23,044.00	17,528.32	5,515.68
General Supplies	2,000.00	2,190.00	4,190.00	1,992.08	2,197.92
Total Basic Skills/Remedial - Instruction	<u>84,371.00</u>	<u>(1,810.00)</u>	<u>82,561.00</u>	<u>58,472.60</u>	<u>24,088.40</u>
Bilingual Education - Instruction					
Salaries of Teachers	49,000.00		49,000.00	48,999.93	0.07
Total Bilingual Education - Instruction	<u>49,000.00</u>	<u>-</u>	<u>49,000.00</u>	<u>48,999.93</u>	<u>0.07</u>
School-Spon. Co/Extra-curr. Activities - Instruction					
Salaries	44,000.00	(4,595.00)	39,405.00	39,370.00	35.00
Purchased Services (300-500 series)	5,600.00	(2,300.00)	3,300.00	2,400.00	900.00
Supplies & Materials	3,000.00		3,000.00	480.21	2,519.79
Total School-Spon. Cocurricular Activities - Inst.	<u>52,600.00</u>	<u>(6,895.00)</u>	<u>45,705.00</u>	<u>42,250.21</u>	<u>3,454.79</u>
School-Sponsored Athletics - Instruction					
Salaries	29,945.00	6,895.00	36,840.00	36,840.00	-
Purchased Services (300-500 series)	1,000.00		1,000.00	(52.50)	1,052.50
Supplies & Materials	7,000.00		7,000.00	6,589.54	410.46
Other Objects	7,000.00		7,000.00	5,933.00	1,067.00
Total School-Spon. Cocurricular Athletics - Inst.	<u>44,945.00</u>	<u>6,895.00</u>	<u>51,840.00</u>	<u>49,310.04</u>	<u>2,529.96</u>
Community Services Programs/Operations					
Salaries	64,526.00		64,526.00	60,590.20	3,935.80
Total Community Services Programs/Operations	<u>64,526.00</u>	<u>-</u>	<u>64,526.00</u>	<u>60,590.20</u>	<u>3,935.80</u>
TOTAL INSTRUCTION	<u>\$ 6,313,619.00</u>	<u>\$ (45,484.87)</u>	<u>\$ 6,268,134.13</u>	<u>\$ 5,971,510.50</u>	<u>\$ 296,623.63</u>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to CSSD & Regional Day Schools	\$ 511,134.00	\$ (98,000.00)	\$ 413,134.00	\$ 369,215.00	\$ 43,919.00
Tuition to Private Schools for the Disabled - Within State		87,000.00	87,000.00	80,732.17	6,267.83
Total Undistributed Expenditures - Instruction	<u>511,134.00</u>	<u>(11,000.00)</u>	<u>500,134.00</u>	<u>449,947.17</u>	<u>50,186.83</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	30,743.00		30,743.00	30,742.59	0.41
Other Purchased Services (300-500 series)	100.00		100.00	-	100.00
Total Undist. Expend. - Attend. & Social Worker	<u>30,843.00</u>	<u>-</u>	<u>30,843.00</u>	<u>30,742.59</u>	<u>100.41</u>
Undistributed Expend. - Health Services					
Salaries	143,492.00		143,492.00	142,439.67	1,052.33
Purchased Professional and Technical Services	1,500.00		1,500.00	1,204.00	296.00
Supplies & Materials	4,000.00	250.00	4,250.00	3,545.25	704.75
Total Undistributed Expend. - Health Services	<u>148,992.00</u>	<u>250.00</u>	<u>149,242.00</u>	<u>147,188.92</u>	<u>2,053.08</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	\$ 160,511.00	\$ (10,000.00)	\$ 150,511.00	\$ 149,107.13	\$ 1,403.87
Purchased Professional - Educational Services	32,000.00	32,000.00	64,000.00	60,205.00	3,795.00
Supplies & Materials	2,000.00		2,000.00	2,000.00	-
Total Undist. Expend. - Other Support Services Student - Related Services	<u>194,511.00</u>	<u>22,000.00</u>	<u>216,511.00</u>	<u>211,312.13</u>	<u>5,198.87</u>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	28,670.00	1,000.00	29,670.00	29,259.13	410.87
Purchased Professional - Educational Services	65,080.00	(3,000.00)	62,080.00	51,827.19	10,252.81
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>93,750.00</u>	<u>(2,000.00)</u>	<u>91,750.00</u>	<u>81,086.32</u>	<u>10,663.68</u>
Undist. Expend. - Other Support Serv. Students - Regular					
Salaries of Other Professional Staff	160,500.00	(11,383.00)	149,117.00	148,405.15	711.85
Salaries of Secretarial and Clerical Assistants	34,859.00		34,859.00	34,300.54	558.46
Purchased Technical Services		13,425.00	13,425.00	13,425.00	-
Other Purchased Services (400-500 series)	6,900.00	1,700.00	8,600.00	8,600.00	-
Supplies & Materials	2,000.00	(443.00)	1,557.00	1,545.53	11.47
Total Undist. Expend. - Other Support Services Students - Regular	<u>204,259.00</u>	<u>3,299.00</u>	<u>207,558.00</u>	<u>206,276.22</u>	<u>1,281.78</u>
Undist. Expend. - Other Support Serv. Students - Special					
Salaries of Other Professional Staff	307,338.00	(21,864.00)	285,474.00	269,572.49	15,901.51
Salaries of Secretarial and Clerical Assistants	57,471.00		57,471.00	57,470.92	0.08
Purchased Professional - Educational Services	20,000.00	(6,181.00)	13,819.00	11,790.90	2,028.10
Other Purchased Professional & Tech. Services	2,500.00	2,295.00	4,795.00	4,795.00	-
Misc Purch Serv (400-500 series O/t Resid Costs)	800.00		800.00	111.91	688.09
Supplies & Materials	3,700.00	300.00	4,000.00	3,336.61	663.39
Total Undist. Expend. - Other Support Services Students - Special	<u>392,109.00</u>	<u>(25,750.00)</u>	<u>366,359.00</u>	<u>347,077.83</u>	<u>19,281.17</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries Superv. Of Instr.	171,197.00		171,197.00	171,196.77	0.23
Salaries of Other Professional Staff	4,000.00	11,680.00	15,680.00	14,472.61	1,207.39
Other Salaries	77,028.00	(1,700.00)	75,328.00	75,326.63	1.37
Purchased Professional - Educational Services	3,000.00		3,000.00	1,495.00	1,505.00
Other Purchased Services (400-500 series)	750.00		750.00	459.85	290.15
Supplies & Materials	4,600.00	8,050.00	12,650.00	10,761.65	1,888.35
Total Undist. Expend. - Improvement of Inst. Serv.	<u>260,575.00</u>	<u>18,030.00</u>	<u>278,605.00</u>	<u>273,712.51</u>	<u>4,892.49</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	152,849.00	(4,000.00)	148,849.00	119,561.65	29,287.35
Purchased Professional and Technical Services	5,100.00		5,100.00	5,093.74	6.26
Other Purchased Services (400-500 series)	3,700.00		3,700.00	1,467.04	2,232.96
Supplies & Materials	41,530.00		41,530.00	37,773.72	3,756.28
Other Objects	200.00		200.00	175.00	25.00
Total Undistributed Expenditures - Educational Media Services - School Library	<u>203,379.00</u>	<u>(4,000.00)</u>	<u>199,379.00</u>	<u>164,071.15</u>	<u>35,307.85</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff		9,166.70	9,166.70	8,010.00	1,156.70
Purchased Professional - Educational Services	4,400.00	(3,150.00)	1,250.00	1,250.00	-
Other Purchased Services (400-500 series)	11,038.00	2,416.00	13,454.00	12,250.95	1,203.05
Supplies & Materials	1,000.00		1,000.00	965.77	34.23
Total Undistributed Expenditures - Instructional Staff Training Services	<u>16,438.00</u>	<u>8,432.70</u>	<u>24,870.70</u>	<u>22,476.72</u>	<u>2,393.98</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 214,052.00	\$ (2,905.00)	\$ 211,147.00	\$ 211,145.55	\$ 1.45
Legal Services	30,000.00	(7,500.00)	22,500.00	5,900.00	16,600.00
Audit Fees	19,600.00		19,600.00	19,550.00	50.00
Purchased Technical Services	17,040.00		17,040.00	15,556.99	1,483.01
Communications/Telephone	120,468.00	8,600.00	129,068.00	121,822.45	7,245.55
BOE Other Purchased Services	2,700.00	3,600.00	6,300.00	5,034.00	1,266.00
Other Purchased Services (400-500 series)	21,200.00	(93.00)	21,107.00	20,580.27	526.73
General Supplies	6,300.00		6,300.00	2,823.47	3,476.53
BOE In-House Training/Meeting Supplies	2,700.00		2,700.00	1,296.56	1,403.44
Miscellaneous Expenditures	4,000.00		4,000.00	3,117.38	882.62
BOE Membership Dues and Fees	10,348.00	(1,100.00)	9,248.00	7,717.20	1,530.80
Total Undistributed Expenditures - Support Services - General Administration	<u>448,408.00</u>	<u>602.00</u>	<u>449,010.00</u>	<u>414,543.87</u>	<u>34,466.13</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	216,592.00	(2,000.00)	214,592.00	213,792.00	800.00
Salaries of Secretarial and Clerical Assistants	137,969.00	2,000.00	139,969.00	137,810.77	2,158.23
Purchased Professional and Technical Services	1,000.00		1,000.00	1,000.00	-
Other Purchased Services (400-500 series)	22,181.00	83.95	22,264.95	11,930.26	10,334.69
Supplies & Materials	30,000.00	15,981.50	45,981.50	28,683.62	17,297.88
Other Objects	3,750.00		3,750.00	3,750.00	-
Total Undistributed Expenditures - Support Services - School Administration	<u>411,492.00</u>	<u>16,065.45</u>	<u>427,557.45</u>	<u>395,966.65</u>	<u>31,590.80</u>
Undist. Expend - Central Services					
Salaries	218,312.00	(602.00)	217,710.00	216,040.94	1,669.06
Purchased Technical Services	12,506.00		12,506.00	11,270.00	1,236.00
Misc. Purchased Services (400-500 series)	6,381.00		6,381.00	3,737.73	2,643.27
Supplies and Materials	10,000.00		10,000.00	6,295.11	3,704.89
Miscellaneous Expenditures	2,750.00		2,750.00	1,946.00	804.00
Total Undistributed Expenditures - Central Services	<u>249,949.00</u>	<u>(602.00)</u>	<u>249,347.00</u>	<u>239,289.78</u>	<u>10,057.22</u>
Undis. Expend - Admin. Info Technology					
Salaries	8,000.00	12,700.00	20,700.00	7,999.95	12,700.05
Supplies and Materials	20,000.00	2,300.00	22,300.00	22,092.24	207.76
Total Undistributed Expenditures - Administration Information Technology	<u>28,000.00</u>	<u>15,000.00</u>	<u>43,000.00</u>	<u>30,092.19</u>	<u>12,907.81</u>
Undist. Expend. - Required Maint. School Fac.					
Salaries	47,795.00		47,795.00	47,152.04	642.96
Cleaning, Repair and Maintenance Service	101,542.00	(7,637.00)	93,905.00	88,781.42	5,123.58
General Supplies	35,000.00	10,000.00	45,000.00	34,296.92	10,703.08
Other Objects		500.00	500.00	300.00	200.00
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	<u>184,337.00</u>	<u>2,863.00</u>	<u>187,200.00</u>	<u>170,530.38</u>	<u>16,669.62</u>
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	446,842.00	(500.00)	446,342.00	438,249.78	8,092.22
Purchased Professional and Technical Services	500.00	850.00	1,350.00	314.56	1,035.44
Cleaning, Repair and Maintenance Service	21,750.00	(3,512.00)	18,238.00	1,597.95	16,640.05
Rental of Land & Bldg. Oth. then Lease Pur Agrmt	1,800.00		1,800.00	1,800.00	-
Other Purchased Property Services	24,117.00	1,500.00	25,617.00	18,232.69	7,384.31
Insurance	80,580.00		80,580.00	80,580.00	-
Miscellaneous Purchased Services	1,300.00		1,300.00	548.86	751.14
General Supplies	30,000.00	3,250.00	33,250.00	31,312.12	1,937.88
Energy(Heat and Electricity)	441,000.00	(9,849.00)	431,151.00	357,064.04	74,086.96
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	<u>1,047,889.00</u>	<u>(8,261.00)</u>	<u>1,039,628.00</u>	<u>929,700.00</u>	<u>109,928.00</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>1,232,226.00</u>	<u>(5,398.00)</u>	<u>1,226,828.00</u>	<u>1,100,230.38</u>	<u>126,597.62</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	\$ 14,400.00	\$ 7,000.00	\$ 21,400.00	\$ 21,301.18	\$ 98.82
Contracted Services - (Bet. Home & Sch) - Vendors	39,600.00	(39,600.00)	-	-	-
Contracted Services - (Other than Bet.Home & Sch)-Vend	17,000.00	24,000.00	41,000.00	39,474.47	1,525.53
Contr. Serv. - (Bet. Home & School) Joint Agrm.	39,656.00	42,162.00	81,818.00	80,927.02	890.98
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	95,777.00	18,380.00	114,157.00	110,662.19	3,494.81
Contr. Serv. - Aid in Lieu Pymts-NonPub Sch	20,619.00	(4,720.00)	15,899.00	2,023.54	13,875.46
Total Undistributed Expenditures - Student Transportation Services	<u>227,052.00</u>	<u>47,222.00</u>	<u>274,274.00</u>	<u>254,388.40</u>	<u>19,885.60</u>
Undist. Expend. - Unallocated Benefits					
Social Security Contributions	157,000.00	27,000.00	184,000.00	178,481.85	5,518.15
Other Retirement Contributions - Regular	174,118.00		174,118.00	124,222.00	49,896.00
Workmen's Compensation	85,984.00		85,984.00	84,456.00	1,528.00
Health Benefits	1,955,607.00	(108,119.00)	1,847,488.00	1,756,162.78	91,325.22
Tuition Reimbursement	45,000.00	18,619.00	63,619.00	57,857.71	5,761.29
Other Employee Benefits	39,000.00	55,500.00	94,500.00	88,622.91	5,877.09
Total Unallocated Benefits	<u>2,456,709.00</u>	<u>(7,000.00)</u>	<u>2,449,709.00</u>	<u>2,289,803.25</u>	<u>159,905.75</u>
On-behalf TPAF Postretirement Contributions (non-budgeted)			-	433,364.00	(433,364.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	522,426.00	(522,426.00)
Total Personal Services - Unallocated Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>955,790.00</u>	<u>(955,790.00)</u>
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	<u>\$ 2,456,709.00</u>	<u>\$ (7,000.00)</u>	<u>\$ 2,449,709.00</u>	<u>\$ 3,245,593.25</u>	<u>\$ (795,884.25)</u>
Undist. Expend. - Food Service Program					
Salaries	\$ 27,100.00	\$ -	\$ 27,100.00	\$ 24,922.20	\$ 2,177.80
Total Community Services Programs/Operations	<u>27,100.00</u>	<u>-</u>	<u>27,100.00</u>	<u>24,922.20</u>	<u>2,177.80</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>7,136,926.00</u>	<u>75,151.15</u>	<u>7,212,077.15</u>	<u>7,638,918.28</u>	<u>(426,841.13)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>13,450,545.00</u>	<u>29,666.28</u>	<u>13,480,211.28</u>	<u>13,610,428.78</u>	<u>(130,217.50)</u>
CAPITAL OUTLAY					
Equipment:					
Grade 1-5	20,000.00		20,000.00		20,000.00
Grade 6-8	20,000.00		20,000.00	9,656.38	10,343.62
Equipment Curr./Tech.		2,900.00	2,900.00	2,865.98	34.02
Admin. Info. Tech. Equipment		16,216.00	16,216.00		16,216.00
Undist. Expend. - Operation & Maint. Of Plant Serv	63,513.00	(19,116.00)	44,397.00	39,423.00	4,974.00
Total Equipment	<u>103,513.00</u>	<u>-</u>	<u>103,513.00</u>	<u>51,945.36</u>	<u>51,567.64</u>
Facilities Acquisition and Construction Services					
Construction Services	34,500.00	16,800.00	51,300.00	19,515.00	31,785.00
Total Facilities Acquisition and Construction Services	<u>34,500.00</u>	<u>16,800.00</u>	<u>51,300.00</u>	<u>19,515.00</u>	<u>31,785.00</u>
TOTAL CAPITAL OUTLAY	<u>138,013.00</u>	<u>16,800.00</u>	<u>154,813.00</u>	<u>71,460.36</u>	<u>83,352.64</u>
Transfer of Funds to Charter Schools	58,420.00		58,420.00	37,419.00	21,001.00
TOTAL EXPENDITURES	<u>13,646,978.00</u>	<u>46,466.28</u>	<u>13,693,444.28</u>	<u>13,719,308.14</u>	<u>(25,863.86)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(409,831.00)</u>	<u>(99,393.28)</u>	<u>(509,224.28)</u>	<u>511,452.71</u>	<u>1,020,676.99</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Financing Sources:					
Transfer from Other Funds	\$ -	\$ -	\$ -	\$ 0.77	\$ (0.77)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.77</u>	<u>(0.77)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(409,831.00)	(99,393.28)	(509,224.28)	511,453.48	1,020,676.22
Fund Balance July 1	<u>1,207,847.68</u>		<u>1,207,847.68</u>	<u>1,207,847.68</u>	
Fund Balance June 30	<u>\$ 798,016.68</u>	<u>\$ (99,393.28)</u>	<u>\$ 698,623.40</u>	<u>\$ 1,719,301.16</u>	<u>\$ 1,020,676.22</u>
Recapitulation:					
Reserve for Encumbrances				\$ 61,680.62	
Excess Surplus				444,209.18	
Capital Reserve				127,100.00	
Maintenance Reserve				190,000.00	
Unreserved - Designated for Subsequent Year's Expenditures				260,000.00	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				346,053.00	
Unrestricted Fund Balance				<u>290,258.36</u>	
				1,719,301.16	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP basis				<u>(496,282.10)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,223,019.06</u>	

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 549,620.00	\$ 24,464.00	\$ 574,084.00	\$ 548,283.85	\$ (25,800.15)
Federal Sources	645,377.00	152,319.00	797,696.00	766,916.30	(30,779.70)
Total Revenues	<u>1,194,997.00</u>	<u>176,783.00</u>	<u>1,371,780.00</u>	<u>1,315,200.15</u>	<u>(56,579.85)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	723,977.00	31,262.65	755,239.65	751,935.65	3,304.00
Other Salaries for Instruction	87,354.00	13,047.72	100,401.72	100,401.72	-
Salaries of Other Professional Staff	6,000.00	(6,000.00)	-	-	-
Purchased Professional and Technical Services	41,674.00	5,389.00	47,063.00	47,063.00	-
Purchased Professional - Educational Services		18,828.00	18,828.00	18,828.00	-
Travel		2,412.00	2,412.00		2,412.00
General Supplies	46,453.00	10,538.51	56,991.51	42,742.80	14,248.71
Textbooks	24,647.00	6,891.00	31,538.00	30,126.24	1,411.76
Total Instruction	<u>930,105.00</u>	<u>82,368.88</u>	<u>1,012,473.88</u>	<u>991,097.41</u>	<u>21,376.47</u>
Support Services:					
Salaries of Teachers	8,519.00	22,811.00	31,330.00	31,330.00	-
Salaries of Other Professional Staff	75,392.00	23,850.40	99,242.40	99,242.40	-
Personal Services - Employee Benefits	156,456.00	(3,356.29)	153,099.71	149,682.79	3,416.92
Other Purchased Professional Services	24,525.00	43,607.00	68,132.00	26,403.22	41,728.78
Travel		2,597.15	2,597.15	1,597.15	1,000.00
Other Purchased Services (400-500 series)		2,887.85	2,887.85	509.00	2,378.85
Supplies & Materials		2,017.01	2,017.01	1,301.16	715.85
Total Support Services	<u>264,892.00</u>	<u>94,414.12</u>	<u>359,306.12</u>	<u>324,102.74</u>	<u>35,203.38</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to Charter Schools			-	-	-
Other Financing Sources (Uses)			-		-
None			-		-
Total Outflows	<u>1,194,997.00</u>	<u>176,783.00</u>	<u>1,371,780.00</u>	<u>1,315,200.15</u>	<u>56,579.85</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>				

Notes to the Required Supplementary Information

CITY OF SOMERS POINT SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Notes to the Required Supplementary Information
For the Year Ended June 30, 2009

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 14,230,760.85	[C-2]	\$ 1,315,200.15
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(2,424.44)
Prior year final State Aid payment was delayed until July 2008 and is recorded as revenue in current year under GAAP.		170,560.20		48,044.80
Final State Aid payments were delayed until July 2009 is recorded as budgetary revenue but are not recognized under GAAP.		(496,282.10)		(26,522.90)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 13,905,038.95</u>	[B-2]	<u>\$ 1,334,297.61</u>
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 13,719,308.14	[C-2]	\$ 1,315,200.15
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				(2,424.44)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 13,719,308.14</u>	[B-2]	<u>\$ 1,312,775.71</u>

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	Total Brought Forward (Ex. E-1a)	IDEA Part B	IDEA Preschool	Title I	Title II Part D	Title II Part A	Totals 2009
REVENUES:							
State Sources	\$ 548,283.85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,283.85
Federal Sources	22,980.65	339,224.42	10,571.22	323,838.76	2,891.00	67,410.25	766,916.30
Total Revenues	<u>571,264.50</u>	<u>339,224.42</u>	<u>10,571.22</u>	<u>323,838.76</u>	<u>2,891.00</u>	<u>67,410.25</u>	<u>1,315,200.15</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	366,572.15	122,000.00		220,863.50		42,500.00	751,935.65
Other Salaries for Instruction	39,988.00	60,413.72					100,401.72
Salaries of Other Professional Staff	-						-
Purchased Professional and Technical Services	39,063.00	8,000.00					47,063.00
Purchased Professional - Educational Services	-			18,828.00			18,828.00
Other Purchased Services (400-500 series)	-						-
General Supplies	31,855.65	976.67	51.00	7,477.48	2,382.00		42,742.80
Textbooks	30,126.24						30,126.24
Total Instruction	<u>507,605.04</u>	<u>191,390.39</u>	<u>51.00</u>	<u>247,168.98</u>	<u>2,382.00</u>	<u>42,500.00</u>	<u>991,097.41</u>
Support Services:							
Salaries of Teachers	-	16,380.00	8,200.00			6,750.00	31,330.00
Salaries of Supervisors of Instruction	-						-
Salaries of Other Professional Staff	-	75,392.00		23,850.40			99,242.40
Salaries of Secretaries & Clerical Assistants	-						-
Other Salaries	-						-
Personal Services - Employee Benefits	49,622.44	55,187.87	1,985.22	32,082.01		10,805.25	149,682.79
Other Purchased Professional Services	-			19,048.22		7,355.00	26,403.22
Travel	-			1,597.15			1,597.15
Other Purchased Services (400-500 series)	-				509.00		509.00
Supplies & Materials	-	874.16	335.00	92.00			1,301.16
Total Support Services	<u>63,659.46</u>	<u>147,834.03</u>	<u>10,520.22</u>	<u>76,669.78</u>	<u>509.00</u>	<u>24,910.25</u>	<u>324,102.74</u>
Facilities Acquisition and Constr. Services:							
Instructional Equipment	-						-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools							
Total Outflows	<u>571,264.50</u>	<u>339,224.42</u>	<u>10,571.22</u>	<u>323,838.76</u>	<u>2,891.00</u>	<u>67,410.25</u>	<u>1,315,200.15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	Total Brought Forward (Ex. E-1b)	Title IV	Title I SIA	Preschool Education Aid	Leads Grant	Total Carried Forward
REVENUES:						
State Sources	\$ 279,976.85	\$ -	\$ -	\$ 265,227.00	\$ 3,080.00	\$ 548,283.85
Federal Sources	-	6,414.00	16,566.65			22,980.65
Total Revenues	279,976.85	6,414.00	16,566.65	265,227.00	3,080.00	571,264.50
EXPENDITURES:						
Instruction:						
Salaries of Teachers	158,352.15	1,800.00	10,032.00	194,084.00	2,304.00	366,572.15
Other Salaries for Instruction	-			39,988.00		39,988.00
Salaries of Other Professional Staff	-					-
Purchased Professional and Technical Services	39,063.00					39,063.00
Purchased Professional - Educational Services	-					-
Other Purchased Services (400-500 series)	-					-
General Supplies	20,240.00	4,476.00	5,767.65	772.00	600.00	31,855.65
Textbooks	30,126.24					30,126.24
Total Instruction	247,781.39	6,276.00	15,799.65	234,844.00	2,904.00	507,605.04
Support Services:						
Salaries of Teachers	-					-
Salaries of Supervisors of Instruction	-					-
Salaries of Other Professional Staff	-					-
Personal Services - Employee Benefits	18,158.44	138.00	767.00	30,383.00	176.00	49,622.44
Purchased Professional - Educational Services	-					-
Travel	-					-
Other Purchased Services (400-500 series)	-					-
Supplies & Materials	-					-
Total Support Services	32,195.46	138.00	767.00	30,383.00	176.00	63,659.46
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Contribution to Charter Schools						-
Total Outflows	279,976.85	6,414.00	16,566.65	265,227.00	3,080.00	571,264.50
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	Total Brought Forward (Ex. E-1c)	Nonpublic Compensatory Education	Nonpublic Examination & Classification	Nonpublic Supplementary Instruction	Nonpublic Speech	Total Carried Forward
REVENUES:						
State Sources	\$ 88,241.00	\$ 134,514.83	\$ 14,037.02	\$ 11,564.00	\$ 31,620.00	\$ 279,976.85
Federal Sources	-					-
Total Revenues	<u>88,241.00</u>	<u>134,514.83</u>	<u>14,037.02</u>	<u>11,564.00</u>	<u>31,620.00</u>	<u>279,976.85</u>
EXPENDITURES:						
Instruction:						-
Salaries of Teachers	-	115,168.15		11,564.00	31,620.00	158,352.15
Other Salaries for Instruction	-					-
Salaries of Other Professional Staff	-					-
Purchased Professional and Technical Services	39,063.00					39,063.00
Purchased Professional - Educational Services	-					-
Other Purchased Services (400-500 series)	-					-
General Supplies	20,240.00					20,240.00
Textbooks	28,938.00	1,188.24				30,126.24
Total Instruction	<u>88,241.00</u>	<u>116,356.39</u>	<u>-</u>	<u>11,564.00</u>	<u>31,620.00</u>	<u>247,781.39</u>
Support Services:						
Salaries of Teachers	-					-
Salaries of Supervisors of Instruction	-					-
Salaries of Other Professional Staff	-					-
Personal Services - Employee Benefits	-	18,158.44				18,158.44
Purchased Professional and Technical Services	-		14,037.02			14,037.02
Purchased Professional - Educational Services	-					-
Travel	-					-
Other Purchased Services (400-500 series)	-					-
Supplies & Materials	-					-
Total Support Services	<u>-</u>	<u>18,158.44</u>	<u>14,037.02</u>	<u>-</u>	<u>-</u>	<u>32,195.46</u>
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools						
Total Outflows	<u>88,241.00</u>	<u>134,514.83</u>	<u>14,037.02</u>	<u>11,564.00</u>	<u>31,620.00</u>	<u>279,976.85</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2009

	Nonpublic Technology	Nonpublic Textbooks	Nonpublic Nurse	Total Carried Forward
REVENUES:				
State Sources	\$ 20,240.00	\$ 28,938.00	\$ 39,063.00	\$ 88,241.00
Federal Sources				-
Total Revenues	<u>20,240.00</u>	<u>28,938.00</u>	<u>39,063.00</u>	<u>88,241.00</u>
EXPENDITURES:				
Instruction:				-
Salaries of Teachers				-
Other Salaries for Instruction				-
Salaries of Other Professional Staff				-
Purchased Professional and Technical Services			39,063.00	39,063.00
Purchased Professional - Educational Services				-
Other Purchased Services (400-500 series)				-
General Supplies	20,240.00			20,240.00
Textbooks		28,938.00		28,938.00
Total Instruction	<u>20,240.00</u>	<u>28,938.00</u>	<u>39,063.00</u>	<u>88,241.00</u>
Support Services:				
Salaries of Supervisors of Instruction				-
Salaries of Other Professional Staff				-
Personal Services - Employee Benefits				-
Purchased Professional - Educational Services				-
Travel				-
Other Purchased Services (400-500 series)				-
Supplies & Materials				-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Constr. Services:				
Instructional Equipment				-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools				
Total Outflows	<u>20,240.00</u>	<u>28,938.00</u>	<u>39,063.00</u>	<u>88,241.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2009

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 194,084.00	\$ 194,084.00	\$ -
Other Salaries for Instruction	39,988.00	39,988.00	-
General Supplies	772.00	772.00	-
Total Instruction	<u>234,844.00</u>	<u>234,844.00</u>	<u>-</u>
Support Services:			
Personal Services - Employee Benefits	30,383.00	30,383.00	-
Total Support Services	<u>30,383.00</u>	<u>30,383.00</u>	<u>-</u>
Total Expenditures	<u>\$ 265,227.00</u>	<u>\$ 265,227.00</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2008-09 Preschool Education Aid Allocation	\$ 265,227.00
Actual ECPA Carryover June 30, 2008	-
Add: Budgeted Transfer from the General Fund 2008-09	-
Total Preschool Education Aid Funds Available for 2008-09 Budget	<u>265,227.00</u>
Less: 2008-09 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(265,227.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2009	-
Add: June 30, 2009 Unexpended Preschool Education Aid	-
2008-09 Carryover – Preschool Education Aid/Preschool	<u>\$ -</u>
2008-09 Preschool Education Aid Carryover Budgeted for Preschool Programs 2009-10	<u>\$ -</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

Unemployment Compensation Fund - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

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

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

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2009

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS				
Cash and Cash Equivalents	\$ 165,677.87	\$	\$ 28,944.35	\$ 194,622.22
Accounts Receivable			500.00	500.00
Total Assets	<u>165,677.87</u>	<u>-</u>	<u>29,444.35</u>	<u>195,122.22</u>
LIABILITIES				
Payable to Student Groups			17,034.00	17,034.00
Payroll Deductions & Withholding			12,210.35	12,210.35
Accounts Payable	<u>545.46</u>		<u>200.00</u>	<u>745.46</u>
Total Liabilities	<u>545.46</u>	<u>-</u>	<u>29,444.35</u>	<u>29,989.81</u>
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 165,132.41</u>			<u>165,132.41</u>
Total Net Assets				<u>165,132.41</u>
Total Liabilities and Net Assets			<u>\$ 195,122.22</u>	<u>195,122.22</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2009

	Unemployment Compensation Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Plan Member	\$ 15,723.05	\$	\$ 15,723.05
Board Contribution	600.00		600.00
Total Contributions	16,323.05	-	16,323.05
Investments Earnings:			
Interest	984.81		984.81
Net Investment Earnings	984.81	-	984.81
Total Additions	17,307.86	-	17,307.86
Deductions			
Unemployment Claims	25,841.40		25,841.40
Total Deductions	25,841.40	-	25,841.40
Change in Net Assets	(8,533.54)	-	(8,533.54)
Net Assets - Beginning of the Year	173,665.95	-	173,665.95
Net Assets - End of the Year	\$ 165,132.41	\$ -	\$ 165,132.41

**CITY OF SOMERS POINT SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 As of June 30, 2009**

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2009</u>
Elementary Schools:					
Picture Money	\$ 4,849.26	\$ 999.30	\$ 1,213.16	\$	\$ 4,635.40
Soccer/Basketball	120.00				120.00
Eighth Grade	27.79	3,708.50	2,851.86	200.00	684.43
Sixth Grade	3,949.43	1,659.97	3,665.83		1,943.57
Year Book	620.00	1,961.00	2,201.09		379.91
Bible Club	1.00				1.00
Student Council	2,998.27	2,197.00	2,091.94		3,103.33
Future Act Club	722.23		136.00		586.23
FCS	-	380.00	318.41		61.59
Meredith Sch. Fund	3,548.95	100.00	609.90		3,039.05
Softball	0.09				0.09
Band	792.01	205.00	701.25		295.76
JRS Ed. Character	164.63				164.63
JRS Rock Solid	-	642.87	199.50		443.37
Natural High Club	1.00				1.00
Science Club	694.66	250.00	279.40		665.26
Box Tops for Education	656.80				656.80
DWS-Char.Ed. "Exxon"	163.34				163.34
National Honor Society	117.00	224.00	341.00		-
Wlt Memorial Fund	203.50				203.50
Life Skills	200.00		114.26		85.74
Total Assets	\$ <u>19,829.96</u>	\$ <u>12,327.64</u>	\$ <u>14,723.60</u>	\$ <u>200.00</u>	\$ <u>17,234.00</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30, 2009</u>
ASSETS:							
Cash and Cash Equivalents	\$ 24,272.96	\$	\$4,145,313.81	\$	\$4,157,376.42	\$	12,210.35
Total Assets	<u>\$ 24,272.96</u>	<u>\$</u>	<u>4,145,313.81</u>	<u>\$</u>	<u>4,157,376.42</u>	<u>\$</u>	<u>12,210.35</u>
LIABILITIES:							
Payroll Deductions & Withholding	\$ 24,272.96	\$	\$4,145,313.81	\$	\$4,157,376.42	\$	12,210.35
Total Liabilities	<u>\$ 24,272.96</u>	<u>\$</u>	<u>4,145,313.81</u>	<u>\$</u>	<u>4,157,376.42</u>	<u>\$</u>	<u>12,210.35</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

**CITY OF SOMERS POINT SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2009**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2009		Interest Rate	Balance June 30, 2008	Increased	Decreased	Balance June 30, 2009			
			Date	Amount								
School - Dawes Avenue School	3/1/1996	\$ 9,867,000	3/1/2010	\$ 850,000.00	4.700%	\$ 2,542,000.00	\$	\$ 800,000.00	\$ 1,742,000.00			
			3/1/2011	892,000.00	4.700%							
Renovations Project	4/4/2005	1,523,000	2/1/2010	70,000.00	4.000%	1,313,000.00		70,000.00	1,243,000.00			
			2/1/2011	70,000.00	4.000%							
			2/1/2012	140,000.00	4.000%							
			2/1/2013	140,000.00	4.000%							
			2/1/2014	140,000.00	4.100%							
			2/1/2015	140,000.00	4.100%							
			2/1/2016	140,000.00	4.100%							
			2/1/2017	140,000.00	4.100%							
			2/1/2018	140,000.00	4.100%							
			2/1/2019	123,000.00	4.100%							
						\$ <u>3,855,000.00</u>	\$	<u>-</u>	\$	<u>870,000.00</u>	\$	<u>2,985,000.00</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2009

Description	Amount of Original Issue	Balance July 1, 2008	Issued Current Year	Retired Current Year	Balance June 30, 2009
Computer Lease	\$ 94,980.72	\$ 61,305.31	\$	\$ 29,686.96	\$ 31,618.35
Computer Lease	26,051.70	16,587.90		16,587.90	-
Computer Lease	52,478.96	27,356.38		17,943.04	9,413.34
		<u>\$ 105,249.59</u>	<u>\$ -</u>	<u>\$ 64,217.90</u>	<u>\$ 41,031.69</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 819,451.00	\$ -	\$ 819,451.00	\$ 819,451.00	\$ -
Total - Local Sources	819,451.00	-	819,451.00	819,451.00	-
State Sources:					
Debt Service Aid Type II	223,015.00	-	223,015.00	223,015.00	-
Total - State Sources	223,015.00	-	223,015.00	223,015.00	-
Total Revenues	1,042,466.00	-	1,042,466.00	1,042,466.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	172,817.00	-	172,817.00	172,817.00	-
Redemption of Principal	870,000.00	-	870,000.00	870,000.00	-
Total Regular Debt Service	1,042,817.00	-	1,042,817.00	1,042,817.00	-
Total Expenditures	1,042,817.00	-	1,042,817.00	1,042,817.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(351.00)	-	(351.00)	(351.00)	-
Other Financing Sources(Uses):					
Operating Transfers Out:					
Transfer to General Fund	-	-	-	(0.77)	(0.77)
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	(351.00)	-	(351.00)	(351.77)	(0.77)
Fund Balance, July 1	351.77	-	351.77	351.77	-
Fund Balance, June 30	\$ 0.77	\$ -	\$ 0.77	\$ -	\$ (0.77)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ (351.00)	\$ -	\$ (351.00)	\$ (351.77)	\$ (0.77)

Statistical Section

CITY OF SOMERS POINT SCHOOL DISTRICT
Net Assets by Component,
Last Seven Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 596,542.65	\$ (434,410.29)	\$ 1,779,919.68	\$ 3,155,214.05	\$ 3,736,252.16	\$ 4,303,441.57	\$ 5,041,078.39
Restricted	(76,447.09)	2,723,810.31	1,095,907.40	270,964.47	596,520.89	795,797.19	1,120,691.88
Unrestricted	621,953.51	(20,828.87)	148,923.13	35,059.96	(118,784.85)	(307,653.54)	(337,244.20)
Total governmental activities net assets	<u>\$ 1,142,049.07</u>	<u>\$ 2,268,571.15</u>	<u>\$ 3,024,750.21</u>	<u>\$ 3,461,238.48</u>	<u>\$ 4,213,988.20</u>	<u>\$ 4,791,585.22</u>	<u>\$ 5,824,526.07</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ -	\$ 411.72	\$ 181.93	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-
Unrestricted	30,707.30	20,043.30	44,126.86	50,110.49	45,760.96	59,079.51	87,280.56
Total business-type activities net assets	<u>\$ 30,707.30</u>	<u>\$ 20,455.02</u>	<u>\$ 44,308.79</u>	<u>\$ 50,110.49</u>	<u>\$ 45,760.96</u>	<u>\$ 59,079.51</u>	<u>\$ 87,280.56</u>
District-wide							
Invested in capital assets, net of related debt	\$ 596,542.65	\$ (433,998.57)	\$ 1,780,101.61	\$ 3,155,214.05	\$ 3,736,252.16	\$ 4,303,441.57	\$ 5,041,078.39
Restricted	(76,447.09)	2,723,810.31	1,095,907.40	270,964.47	596,520.89	795,797.19	1,120,691.88
Unrestricted	652,660.81	(785.57)	193,049.99	85,170.45	(73,023.89)	(248,574.03)	(249,963.64)
Total district net assets	<u>\$ 1,172,756.37</u>	<u>\$ 2,289,026.17</u>	<u>\$ 3,069,059.00</u>	<u>\$ 3,511,348.97</u>	<u>\$ 4,259,749.16</u>	<u>\$ 4,850,664.73</u>	<u>\$ 5,911,806.63</u>

Source: CAFR Schedule A-1

CITY OF SOMERS POINT SCHOOL DISTRICT
Changes in Net Assets,
Last Seven Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
Instruction:							
Regular	\$ 4,932,386.46	\$ 5,295,465.87	\$ 5,296,654.10	\$ 5,621,968.42	\$ 5,815,642.58	\$ 6,314,548.46	\$ 6,606,505.98
Special education	2,378,052.49	2,438,370.74	2,508,867.71	2,552,931.75	2,690,954.34	2,721,628.96	2,376,460.80
Other special instruction	220,198.48	321,090.49	297,214.67	179,686.20	457,365.66	589,656.41	357,033.28
Support Services:							
Tuition	622,862.73	725,138.25	656,394.66	677,395.22	637,988.21	469,063.64	449,947.17
Student & instruction related services	1,851,907.09	1,932,696.76	1,941,660.76	2,056,996.33	1,916,815.10	1,969,074.52	2,346,504.00
General administrative services	427,889.43	550,309.54	508,436.95	497,668.96	487,337.94	603,896.19	504,462.63
School administrative services	398,458.89	426,391.00	477,525.77	514,490.92	524,633.99	613,267.35	537,843.00
Central services	283,004.87	308,820.97	337,915.14	354,711.82	353,943.80	431,139.85	360,241.19
Plant operations and maintenance	952,264.49	1,039,607.83	1,018,467.26	1,186,685.98	1,307,908.05	1,299,196.00	1,219,804.32
Pupil transportation	289,972.67	281,600.47	301,765.86	335,721.42	300,582.97	307,132.09	266,426.95
Food Service	15,189.29	16,588.96	16,340.06	17,149.04	24,628.74	25,263.42	24,922.20
Charter Schools	13,633.00	22,799.00	14,608.45	70,202.80	66,851.00	53,006.00	37,419.00
Interest on long-term debt	414,273.67	292,203.83	268,314.74	314,740.69	238,350.34	199,517.00	159,117.00
Unallocated depreciation				2,174.19	2,174.19	2,174.19	2,174.19
Total governmental activities expenses	<u>12,800,093.56</u>	<u>13,651,083.71</u>	<u>13,644,166.13</u>	<u>14,382,523.74</u>	<u>14,825,176.91</u>	<u>15,598,564.08</u>	<u>15,248,861.71</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Changes in Net Assets,
Last Seven Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
Business-type activities:							
Community Education Recreation Program	\$ 296,821.19	\$ 195,008.85	\$ 205,795.59	\$ 353,348.77	\$ 341,046.66	\$ 324,774.81	\$ 243,475.16
Total business-type activities expenses	<u>296,821.19</u>	<u>195,008.85</u>	<u>205,795.59</u>	<u>353,348.77</u>	<u>341,046.66</u>	<u>324,774.81</u>	<u>243,475.16</u>
Total district expenses	<u>\$ 13,096,914.75</u>	<u>\$ 13,846,092.56</u>	<u>\$ 13,849,961.72</u>	<u>\$ 14,735,872.51</u>	<u>\$ 15,166,223.57</u>	<u>\$ 15,923,338.89</u>	<u>\$ 15,492,336.87</u>
Program Revenues							
Governmental activities:							
Charges for services:							
Operating grants and contributions	\$ 2,049,803.04	\$ 3,951,434.57	\$ 4,025,508.39	\$ 4,117,212.74	\$ 4,331,127.56	\$ 4,861,385.50	\$ 2,532,295.94
Capital grants and contributions		1,011,762.00					
Total governmental activities program revenues	<u>2,049,803.04</u>	<u>4,963,196.57</u>	<u>4,025,508.39</u>	<u>4,117,212.74</u>	<u>4,331,127.56</u>	<u>4,861,385.50</u>	<u>2,532,295.94</u>
Business-type activities:							
Charges for services:							
Community Education Recreation Program	269,688.72	204,756.57	229,649.36	260,971.64	233,680.36	252,339.39	271,676.21
Operating grants and contributions							
Capital grants and contributions							
Total business-type activities program revenue	<u>269,688.72</u>	<u>204,756.57</u>	<u>229,649.36</u>	<u>260,971.64</u>	<u>233,680.36</u>	<u>252,339.39</u>	<u>271,676.21</u>
Total district program revenue	<u>\$ 2,319,491.76</u>	<u>\$ 5,167,953.14</u>	<u>\$ 4,255,157.75</u>	<u>\$ 4,378,184.38</u>	<u>\$ 4,564,807.92</u>	<u>\$ 5,113,724.89</u>	<u>\$ 2,803,972.15</u>

CITY OF SOMERS POINT SCHOOL DISTRICT
Changes in Net Assets,
Last Seven Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
Net (Expense)/Revenue							
Governmental activities	\$ (10,750,290.52)	\$ (8,687,887.14)	\$ (9,618,657.74)	\$ (10,265,311.00)	\$ (10,494,049.35)	\$ (10,737,178.58)	\$ (12,716,565.77)
Business-type activities	(27,132.47)	9,747.72	23,853.77	(92,377.13)	(107,366.30)	(72,435.42)	28,201.05
Total district-wide net expense	<u>\$ (10,777,422.99)</u>	<u>\$ (8,678,139.42)</u>	<u>\$ (9,594,803.97)</u>	<u>\$ (10,357,688.13)</u>	<u>\$ (10,601,415.65)</u>	<u>\$ (10,809,614.00)</u>	<u>\$ (12,688,364.72)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes levied for general purposes, net	\$ 5,999,479.00	\$ 6,498,524.00	\$ 6,925,976.00	\$ 7,276,356.00	\$ 7,861,264.00	\$ 7,725,264.00	\$ 7,726,935.00
Taxes levied for debt service	687,593.00	709,945.00	773,018.00	828,934.00	813,791.00	849,263.00	819,451.00
Unrestricted grants and contributions	4,019,583.92	2,517,800.70	2,577,471.46	2,627,808.16	2,538,871.58	2,701,024.70	5,094,808.38
Investment earnings	22,267.26	11,071.56	32,733.60	57,140.40	80,787.06	46,066.75	13,726.82
Miscellaneous income	91,797.47	57,066.96	65,637.74	35,968.35	55,102.20	78,911.12	94,585.42
Transfers	894.02	20,000.00	-	(98,178.83)	(103,016.77)	(85,753.97)	-
Total governmental activities	<u>10,821,614.67</u>	<u>9,814,408.22</u>	<u>10,374,836.80</u>	<u>10,728,028.08</u>	<u>11,246,799.07</u>	<u>11,314,775.60</u>	<u>13,749,506.62</u>
Business-type activities:							
Transfers	-	(20,000.00)	-	98,178.83	103,016.77	85,753.97	-
Total business-type activities	<u>-</u>	<u>(20,000.00)</u>	<u>-</u>	<u>98,178.83</u>	<u>103,016.77</u>	<u>85,753.97</u>	<u>-</u>
Total district-wide	<u>\$ 10,821,614.67</u>	<u>\$ 9,794,408.22</u>	<u>\$ 10,374,836.80</u>	<u>\$ 10,826,206.91</u>	<u>\$ 11,349,815.84</u>	<u>\$ 11,400,529.57</u>	<u>\$ 13,749,506.62</u>
Changes in Net Assets							
Governmental activities	\$ 71,324.15	\$ 1,126,521.08	\$ 756,179.06	\$ 462,717.08	\$ 752,749.72	\$ 577,597.02	\$ 1,032,940.85
Business-type activities	(27,132.47)	(10,252.28)	23,853.77	5,801.70	(4,349.53)	13,318.55	28,201.05
Total district	<u>\$ 44,191.68</u>	<u>\$ 1,116,268.80</u>	<u>\$ 780,032.83</u>	<u>\$ 468,518.78</u>	<u>\$ 748,400.19</u>	<u>\$ 590,915.57</u>	<u>\$ 1,061,141.90</u>

Source: CAFR Schedule A-2

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

Exhibit J-3

	Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 217,303.80	\$ 277,566.96	\$ 217,057.40	\$ 318,985.28	\$ 670,102.04	\$ 857,848.11	\$ 1,169,042.80
Unreserved	691,500.10	434,005.15	506,071.84	399,537.73	251,693.17	179,439.37	53,976.26
Total general fund	<u>\$ 908,803.90</u>	<u>\$ 711,572.11</u>	<u>\$ 723,129.24</u>	<u>\$ 718,523.01</u>	<u>\$ 921,795.21</u>	<u>\$ 1,037,287.48</u>	<u>\$ 1,223,019.06</u>
All Other Governmental Funds							
Reserved	\$ -	\$ 25,644.17	\$ 819,928.95	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:							
Special revenue fund	(39,305.55)	(36,745.40)	(36,744.71)	(36,744.80)	(36,744.80)	(48,044.80)	(26,522.90)
Capital projects fund	56,811.67	2,515,516.66	87,274.67	9,910.38	-	-	-
Debt service fund	2,271.46	4,837.02	32,540.27	30,736.39	2,169.77	351.77	-
Permanent fund							
Total all other governmental funds	<u>\$ 19,777.58</u>	<u>\$ 2,509,252.45</u>	<u>\$ 902,999.18</u>	<u>\$ 3,901.97</u>	<u>\$ (34,575.03)</u>	<u>\$ (47,693.03)</u>	<u>\$ (26,522.90)</u>

Source: CAFR Schedule B-1

CITY OF SOMERS POINT SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Tax Levy	\$ 5,571,825	\$ 5,853,470	\$ 6,302,465	\$ 6,687,072	\$ 7,208,469	\$ 7,698,994	\$ 8,105,290	\$ 8,675,055	\$ 8,574,527	\$ 8,546,386
Tuition charges							22,538	9,163	12,402	13,681
Interest earnings	66,214	159,940	56,468	22,267	11,072	32,734	57,140	80,787	46,067	13,727
Miscellaneous	174,414	64,563	96,763	91,797	57,067	65,638	13,430	45,939	66,509	80,904
State sources	4,622,786	5,784,579	5,486,696	5,425,060	6,755,290	5,862,821	5,971,263	5,988,419	6,809,816	6,838,579
Federal sources	384,809	428,603	561,295	644,327	725,707	808,808	774,948	881,580	752,594	788,526
Total revenue	<u>10,820,048</u>	<u>12,291,155</u>	<u>12,503,687</u>	<u>12,870,524</u>	<u>14,757,605</u>	<u>14,468,994</u>	<u>14,944,609</u>	<u>15,680,943</u>	<u>16,261,915</u>	<u>16,281,803</u>
Expenditures										
Instruction:										
Regular instruction	3,164,619	3,300,270	3,013,850	3,526,773	3,687,474	3,722,145	5,012,307	5,147,103	5,343,861	4,890,007
Special education instruction	1,226,449	1,562,000	2,529,634	2,149,146	2,165,490	2,163,758	2,211,801	2,337,783	2,446,532	1,787,734
Other special education instruction	327,932	389,431	203,876	169,456	237,974	223,024	156,162	429,778	473,538	259,623
Support Services:										
Tuition	479,331	524,048	574,277	622,863	725,138	656,395	677,395	637,988	469,064	449,947
Student & instruction related services	1,288,388	1,456,699	1,469,900	1,490,407	1,529,295	1,559,291	1,837,313	1,690,468	1,650,622	1,830,866
General administrative services	300,513	287,548	328,009	357,922	456,562	417,514	455,309	448,102	492,499	395,967
School administrative services	351,607	329,371	324,258	309,806	323,910	364,323	454,014	464,244	484,973	414,544
Central services	195,625	203,363	211,967	219,794	233,305	259,069	314,657	314,556	346,237	269,382
Plant operations and maintenance	680,814	735,048	766,818	820,143	888,725	901,192	1,169,013	1,309,050	1,286,353	1,100,230
Pupil transportation	183,365	199,565	236,502	269,936	256,817	279,341	326,338	293,474	296,686	254,388
Food Service Program	12,919	12,536	14,451	15,189	16,589	16,340	17,149	24,629	25,263	24,922
Unallocated employee benefits	1,778,823	1,965,845	1,730,915	2,203,802	2,427,736	2,695,319	1,057,365	1,139,122	1,586,364	3,245,593
Charter schools				13,633	22,799	14,608	70,203	66,851	53,006	37,419
Capital outlay	523,109	447,794	319,355	137,171	97,875	1,715,546	932,952	39,716	155,604	71,460
Debt service:										
Principal	525,000	550,000	600,000	625,000	650,000	700,000	770,000	820,000	870,000	870,000
Interest and other charges	396,774	372,099	346,249	318,049	288,674	307,175	286,967	251,267	213,217	172,817
Total Expenditures	<u>11,435,269</u>	<u>12,335,617</u>	<u>12,670,060</u>	<u>13,249,089</u>	<u>14,008,362</u>	<u>15,995,041</u>	<u>15,748,944</u>	<u>15,414,131</u>	<u>16,193,819</u>	<u>16,074,901</u>
Excess (Deficiency) of revenues over (under) expenditures	(615,221)	(44,462)	(166,373)	(378,566)	749,243	(1,526,047)	(804,335)	266,812	68,096	206,902
Other Financing Sources (Uses)										
Transfers in	37,751	-	70,000	4,584	23,600	29,379	1,818	351	-	1
Transfers out	(37,751)	-	(70,000)	(3,690)	(3,600)	(29,379)	(99,997)	(103,368)	(85,754)	(1)
Capital Leases (non-budgeted)	-	-	-	-	-	-	-	-	121,032	-
Canceled accounts receivable	-	-	-	-	-	(68,649)	(1,190)	-	-	-
Bond proceeds	-	-	-	-	1,523,000	-	-	-	-	-
Transfer to arbitrage	(11,403)	(145)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(11,403)</u>	<u>(145)</u>	<u>-</u>	<u>894</u>	<u>1,543,000</u>	<u>(68,649)</u>	<u>(99,369)</u>	<u>(103,017)</u>	<u>35,278</u>	<u>-</u>
Net change in fund balances	<u>\$ (626,624)</u>	<u>\$ (44,607)</u>	<u>\$ (166,373)</u>	<u>\$ (377,672)</u>	<u>\$ 2,292,243</u>	<u>\$ (1,594,696)</u>	<u>\$ (903,703)</u>	<u>\$ 163,795</u>	<u>\$ 103,374</u>	<u>\$ 206,902</u>
Debt service as a percentage of noncapital expenditures	8.45%	7.76%	7.66%	7.19%	6.75%	7.05%	7.13%	6.97%	6.75%	6.52%

Source: CAFR Schedule B-2

CITY OF SOMERS POINT SCHOOL DISTRICT
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
 Unaudited

Exhibit J-5

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Totals</u>
2000	\$ 94,248.69	\$ -	\$ 50,000.00	\$ 26,971.82	\$ 171,220.51
2001	123,292.47		50,000.00	10,821.42	184,113.89
2002	47,437.83		50,000.00	37,045.67	134,483.50
2003	21,945.30		54,999.96	36,797.51	113,742.77
2004	13,720.49	7,450.00	32,083.31	11,263.16	64,516.96
2005	29,469.06	3,264.00		35,647.18	68,380.24
2006	55,322.28	22,538.00		13,430.45	91,290.73
2007	80,435.68	9,163.12		45,939.08	135,537.88
2008	46,066.75	12,402.40		66,508.72	124,977.87
2009	13,726.82	13,681.48		80,903.94	108,312.24

Source: District Records

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

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2000	\$ 16,380,500	\$ 402,910,700	\$ -	\$ -	\$ 138,689,900	\$ -	\$ 41,237,000	\$ 599,218,100	\$ -	\$ 3,204,811	\$ 602,422,911	0.948	\$ 623,819,935
2001	14,429,900	428,031,400			141,168,100		41,237,000	624,866,400		3,194,404	628,060,804	0.968	695,835,147
2002	13,674,400	434,950,200			146,497,000		41,237,000	636,358,600		3,283,136	639,641,736	1.016	700,056,623
2003	15,593,900	438,852,200			147,993,400		41,237,000	643,676,500		3,391,942	647,068,442	1.074	774,190,526
2004	26,813,400	440,225,000			165,254,900		41,166,600	673,459,900		3,126,422	676,586,322	1.102	849,876,048
2005	16,389,900	456,075,200			157,464,200		40,991,600	670,920,900		2,746,021	673,666,921	1.173	991,561,556
2006	12,369,400	459,859,300			165,545,900		40,821,500	678,596,100		2,040,101	680,636,201	1.233	1,291,529,793
2007	11,367,900	465,068,900			168,398,000		41,028,800	685,863,600		1,857,315	687,720,915	1.254	1,476,112,717
2008	12,735,000	469,806,200			172,679,800		41,205,100	696,426,100		1,813,810	698,239,910	1.226	1,582,592,724
2009	11,560,500	473,264,900			172,297,300		41,205,100	698,327,800		1,685,627	700,013,427	1.226	1,745,669,394

Source: County Abstract of Ratables & Municipal Tax Assessor

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

Exhibit J-7

Fiscal Year Ended June 30,	CITY OF SOMERS POINT SCHOOL DISTRICT			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Regional School	Municipal Local Purpose	
2000	0.855	0.093	0.948	0.451	0.021	0.072	0.606	0.789	2.887
2001	0.867	0.101	0.968	0.492	0.022	0.075	0.618	0.824	2.999
2002	0.910	0.106	1.016	0.464	0.022	0.073	0.648	0.809	3.032
2003	0.966	0.108	1.074	0.486	0.024	0.080	0.671	0.804	3.139
2004	0.992	0.110	1.102	0.477	0.025	0.078	0.664	0.801	3.147
2005	1.054	0.119	1.173	0.495	0.029	0.082	0.718	0.861	3.358
2006	1.112	0.121	1.233	0.560	0.038	0.094	0.803	0.958	3.686
2007	1.133	0.121	1.254	0.516	0.043	0.092	0.852	1.084	3.841
2008	1.107	0.119	1.226	0.510	0.046	0.093	0.862	1.169	3.906
2009	1.107	0.119	1.226	0.563	0.064	0.050	0.881	1.226	4.010

Source: District Records and Municipal Tax Collector

**CITY OF SOMERS POINT SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Ten Years Ago**

Exhibit J-8

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brahin/Somers Point Builders	\$ 24,203,500	1	3.46%	\$ 13,773,300	1	2.29%
Scarborough/Harbour Cove	11,942,500	2	1.71%	6,860,600	6	1.14%
Village Plaza, LLC	11,900,000	3	1.70%			
Sea Aire Apartments, LLC	9,005,000	4	1.29%			
Shore Memorial Hospital	8,857,800	5	1.27%			
EQI Financial Partners, LP	7,098,000	6	1.01%			
Acme Markets	6,100,000	7	0.87%	6,100,000	7	1.01%
Related Somers Point, LLC	5,800,000	8	0.83%			
West America, LTD	5,792,500	9	0.83%	5,250,000	9	0.87%
WWW Associates	5,667,300	10	0.81%			
Plantation Bay, LLC			0.00%			
Somers Point Apartments, LLC			0.00%	7,128,000	3	1.18%
Est. of P. Kiejdan - Marital Trust			0.00%			
Charan Industries	-			9,005,000	2	1.49%
Equity Inns	-			7,098,000	4	1.18%
Greate Bay LLC	-			6,970,000	5	1.16%
Canbar Associates	-			5,491,000	8	0.91%
Morris Properties	-			4,813,300	10	0.80%
Totals	<u>\$ 96,366,600</u>		<u>13.77%</u>	<u>\$ 72,489,200</u>		<u>12.03%</u>
	District Assessed Value		<u>\$ 700,013,427</u>			<u>\$ 602,422,911</u>

Source: District CAFR & Municipal Tax Assessor

**CITY OF SOMERS POINT SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2000	\$ 5,571,825.00	\$ 5,571,825.00	100%	-
2001	5,853,470.00	5,853,470.00	100%	-
2002	6,302,465.00	6,302,465.00	100%	-
2003	6,687,072.00	6,687,072.00	100%	-
2004	7,208,469.00	7,208,469.00	100%	-
2005	7,698,994.00	7,698,994.00	100%	-
2006	8,105,290.00	8,105,290.00	100%	-
2007	8,675,055.00	8,675,055.00	100%	-
2008	8,574,527.00	8,574,527.00	100%	-
2009	8,546,386.00	8,546,386.00	100%	-

Source: District records including the Certificate and Report of School Taxes (A-4F form)

CITY OF SOMERS POINT SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2000	\$ 7,917,000	\$ -	\$ -	\$ -	\$ -	\$ 7,917,000	0.40%	\$ 31,526
2001	7,367,000					7,367,000	0.42%	30,893
2002	6,767,000					6,767,000	0.46%	31,280
2003	6,142,000					6,142,000	0.52%	31,808
2004	7,015,000		45,200			7,060,200	0.46%	32,712
2005	6,315,000		26,229			6,341,229	0.53%	33,924
2006	5,545,000		6,659			5,551,659	0.64%	35,276
2007	4,725,000		44,183			4,769,183	0.76%	36,325
2008	3,855,000		105,250			3,960,250	Not Available	Not Available
2009	2,985,000		41,032			3,026,032	Not Available	Not Available

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

CITY OF SOMERS POINT SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
2000	\$ 7,917,000	\$ -	\$ 7,917,000	1.31%	\$ 31,526
2001	7,367,000	-	7,367,000	1.17%	30,893
2002	6,767,000	-	6,767,000	1.06%	31,280
2003	6,142,000	-	6,142,000	0.95%	31,808
2004	7,015,000	-	7,015,000	1.04%	32,712
2005	6,315,000	-	6,315,000	0.94%	33,924
2006	5,545,000	-	5,545,000	0.81%	35,276
2007	4,725,000	-	4,725,000	0.69%	36,325
2008	3,855,000	-	3,855,000	0.55%	Not Available
2009	2,985,000	-	2,985,000	0.43%	Not Available

**CITY OF SOMERS POINT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of June 30, 2009**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Somers Point	\$ 8,404,502.76	100.00%	\$ 8,404,502.76
Other debt			
City of Somers Point Sewer Utility	1,597,000.00	100.00%	1,597,000.00
Mainland Regional High School District	10,670,000.00	38.68%	4,126,839.10
County of Atlantic	83,140,083.85	2.70%	2,245,081.22
Atlantic County Utilities Authority	97,909,649.15	2.70%	2,643,912.60
Atlantic County Improvement Authority	63,163,650.00	2.70%	<u>1,705,645.68</u>
Subtotal, overlapping debt			20,722,981.35
City of Somers Point School District Direct Debt			<u>2,985,000.00</u>
Total direct and overlapping debt			<u><u>\$ 23,707,981.35</u></u>

Sources:

Atlantic County Abstract of Ratables
County of Atlantic
Mainland Regional High School District
Annual Debt Statement - City of Somers Point

CITY OF SOMERS POINT SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

											Equalized valuation basis	
											2008	\$ 1,568,880,604
											2007	1,554,541,251
											2006	1,456,527,366
												<u>\$ 4,579,949,221</u>
											Average equalized valuation of taxable property	
												\$ 1,526,649,740
											Debt limit (3% of average)	
												45,799,492.21
											Net bonded school debt	
												<u>2,985,000.00</u>
											Legal debt margin	
												<u>\$ 42,814,492.21</u>
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>		
Debt limit	\$ 18,121,439	\$ 18,821,238	\$ 19,653,013	\$ 21,031,823	\$ 22,499,657	\$ 24,101,081	\$ 30,728,888	\$ 37,208,789	\$ 41,576,765	\$ 45,799,492		
Total net debt applicable to limit	<u>7,917,000</u>	<u>7,367,000</u>	<u>6,767,000</u>	<u>6,142,000</u>	<u>7,015,000</u>	<u>6,315,000</u>	<u>5,545,000</u>	<u>4,725,000</u>	<u>3,855,000</u>	<u>2,985,000</u>		
Legal debt margin	<u>\$ 10,204,439</u>	<u>\$ 11,454,238</u>	<u>\$ 12,886,013</u>	<u>\$ 14,889,823</u>	<u>\$ 15,484,657</u>	<u>\$ 17,786,081</u>	<u>\$ 25,183,888</u>	<u>\$ 32,483,789</u>	<u>\$ 37,721,765</u>	<u>\$ 42,814,492</u>		
Total net debt applicable to the limit as a percentage of debt limit	43.69%	39.14%	34.43%	29.20%	31.18%	26.20%	18.04%	12.70%	9.27%	6.52%		

Source: Abstract of Ratables and District Records CAFR Schedule J-7

**CITY OF SOMERS POINT SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

<u>Fiscal Year Ended June 30,</u>	<u>Population (a)</u>	<u>Personal Income (thousands of dollars) (b)</u>	<u>Per Capita Personal Income ©</u>	<u>Unemployment Rate</u>
2000	11,591	\$ 365,417,866	\$ 31,526	3.5%
2001	11,504	355,393,072	30,893	3.3%
2002	11,469	358,750,320	31,280	4.1%
2003	11,529	366,714,432	31,808	4.3%
2004	11,605	379,622,760	32,712	4.8%
2005	11,575	392,670,300	33,924	3.0%
2006	11,475	404,792,100	35,276	5.3%
2007	11,391	413,778,075	36,325	5.3%
2008	11,343	Not Available	Not Available	6.6%
2009	Not Available	Not Available	Not Available	Not Available

Source:

- (a) U.S. Bureau of Census - Population Estimates
- (b) Personal income has been estimated based upon the municipal population and per capital personal income presented
- © Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Census

**CITY OF SOMERS POINT SCHOOL DISTRICT
Principal Employers,
Current Year and Ten Years Ago**

Exhibit J-15

Employer	2009			2000		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Shore Memorial Hospital	1,600	1		1,400	1	Not Available
Kmart	300	2		-	-	Not Available
Starns's Shop Rite	200	3		200	2	Not Available
City of Somers Point	135	4		143	4	Not Available
Somers Point Public Schools	154	5		151	5	Not Available
Acme Market	148	6		148	6	Not Available
Somers Pt Shopping Center Complex	130	7		130	7	Not Available
Crab Trap Restaurant	110	8		110	8	Not Available
Charter Tech School	60	9		-	-	Not Available
Ocean Point Nursing Home				160	3	Not Available
Grete Bay County Club				85	9	Not Available
Totals	2,837			2,527		Not Available

Source:
Official Statements - City of Somers Point - Various Bond Issues

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

Exhibit J-16

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>Function/Program</u>										
Instruction:										
Regular instruction	78	78	77	85	88	86	86	86	86	93
Special education instruction	20	21	22	11	11	12	12	16	19	20
Support Services:										
Student & instruction related services	15	16	17	18	17	23	23	23	23	27
General administrative services	3	3	3	3	3	2	2	2	3	3
School administrative services	6	7	7	7	7	5	5	5	4	4
Business administrative services	4	4	4	4	4	4	3	3	3	3
Plant operations and maintenance	15	15	15	15	15	14	14	14	13	13
Pupil transportation	2	2	2	2	1	1	1	1	1	-
Total	143	146	147	145	146	147	146	150	152	163

Source: District Personnel Records

**CITY OF SOMERS POINT SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2000	1,238	\$ 9,990,386	\$ 8,070	0.65%	95	1:21	1:15	N/A	1,240	1,176	-0.16%	94.84%
2001	1,193	10,965,724	9,192	13.90%	96	1:18	1:13	N/A	1,197	1,134	-3.47%	94.74%
2002	1,272	11,404,456	8,966	-2.46%	95	1:20	1:15	N/A	1,266	1,196	5.76%	94.47%
2003	1,297	12,168,869	9,382	4.65%	94	1:20	1:16	N/A	1,287	1,206	1.66%	93.71%
2004	1,263	12,971,813	10,271	9.47%	97	1:19	1:15	N/A	1,248	1,169	-3.03%	93.67%
2005	1,216	13,272,320	10,915	6.27%	95	1:20	1:15	N/A	1,115	1,040	-10.66%	93.27%
2006	1,171	13,759,025	11,750	7.65%	95	1:20	1:15	N/A	1,162	1,096	4.22%	94.32%
2007	1,143	14,303,148	12,514	6.50%	96	1:20	1:15	N/A	1,122	1,058	-3.42%	94.28%
2008	1,151	14,954,998	12,993	3.83%	97	1:19	1:15	N/A	1,116	1,054	-0.56%	94.44%
2009	1,204	15,032,084	12,485	-3.91%	110			N/A	1,133	1,073	1.52%	94.70%

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

**CITY OF SOMERS POINT SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years**

Exhibit J-18

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>District Buildings</u>										
<u>Elementary</u>										
Poplar Avenue School										
Square Feet	Closed									
Capacity (students)										
Enrollment										
New York Avenue School										
Square Feet	Leased	Leased	Leased	Leased	Leased	13,841	13,841	13,841	13,841	13,841
Capacity (students)						150	150	150	150	150
Enrollment						54	61	66	57	83
Dawes Avenue School										
Square Feet	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525	54,525
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	483	467	480	489	461	374	381	367	390	402
<u>Elementary/Middle School</u>										
Jordan Road School										
Square Feet	83,892	83,892	83,892	83,892	83,892	83,892	83,892	83,892	83,892	83,592
Capacity (students)	950	950	950	950	950	950	950	950	950	950
Enrollment	755	729	786	797	787	763	716	691	704	719

Number of Schools at June 30, 2009
Elementary - 2
Middle - 1

Source: District Records, ASSA, SRS, LRFP

CITY OF SOMERS POINT SCHOOL DISTRICT

Exhibit J-19

General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Nine Fiscal Years
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2001	2002	2003	2004	2005	2006	2007	2008	2009
New York Avenue School	N/A	\$ 7,724	\$ 8,183	\$ 8,247	\$ 6,658	\$ 5,289	\$ 32,786	\$ 31,494	\$ 30,679	\$ 27,140
Dawes Avenue School	N/A	49,854	52,813	53,608	43,279	69,422	52,035	65,238	77,745	66,007
Jordan Road School	N/A	69,820	73,964	75,601	61,034	122,101	100,165	128,226	95,710	77,382
Total School Facilities		<u>127,398</u>	<u>134,960</u>	<u>137,456</u>	<u>110,972</u>	<u>196,811</u>	<u>184,985</u>	<u>224,958</u>	<u>204,134</u>	<u>170,530</u>
Other Facilities										
Grand Total		<u>\$ 127,398</u>	<u>\$ 134,960</u>	<u>\$ 137,456</u>	<u>\$ 110,972</u>	<u>\$ 196,811</u>	<u>\$ 184,985</u>	<u>\$ 224,958</u>	<u>\$ 204,134</u>	<u>\$ 170,530</u>

Source: District Records

CITY OF SOMERS POINT SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2009
(Unaudited)

Exhibit J-20

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
ACCASBOJIF	School Package Policy - ACCASBOJIF:		
	Property, Inland Marine and Auto and		
	Physical Damages	\$ 150,000,000	\$ 500
	Boiler and Machinery	100,000,000	1,000
	Crime	500,000	500
	General and Automobile Liability	10,000,000	None
	Employee Benefits Liability	10,000,000	None
	Workers' Compensation	Statutory	None
	Educator's Legal Liability	10,100,000	None
	Pollution Legal Liability	3,000,000	25,000
	Employer's Liability and Occupational		
	Disease	10,000,000	None
	Reinsurance Excess Aggregate Protection	16,065,404	None
Selective Insurance Company	Commercial Umbrella Liability Insurance	50,000,000	
	Board Secretary	40,000	
	Treasurer of School Monies	196,000	

Source: District Records

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

PHONE 609.399.6333 • FAX 609.399.3710

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

The Honorable President and
Members of Board of Education
Somers Point School District
County of Atlantic
Somers Point, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, Each major fund, and the aggregate remaining fund information of the Somers Point Board of Education School District in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated September 18, 2009. 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.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to the Board of Education of the Somers Point Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial Compliance and Performance* dated September 18, 2009.

This report is intended for the information of the management of the Somers Point Board of Education, the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

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



Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853

September 18, 2009



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538
PHONE 609 399 6333 • FAX 609 399 3710

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and
Members of Board of Education
City of Somers Point School District
County of Atlantic,
Somers Point, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Somers Point School District in the County of Atlantic, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2009. Somers Point Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Somers Point Board of Education's management. Our responsibility is to express an opinion on Somers Point Board of Education's compliance based on our audit.

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

In our opinion Somers Point Board of Education School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the management of the Somers Point Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these parties.

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



Glen J. Ortman
Certified Public Accountant
Licensed Public School Accountant
No. 853

September 18, 2009

SOMERS POINT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2008	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2009		
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-Through State Department of Education:														
General Fund:														
Medical Assistance Program (Medicaid)	93.778	N/A	\$ 19,450.61	07/01/08	06/30/09	\$	\$	\$ 9,222.38	\$ (19,450.61)	\$	\$	\$ (10,228.23)	\$	\$
Medical Assistance Program (Medicaid)	93.778	N/A	20,821.69	07/01/07	06/30/08	(1,707.33)		1,707.33				-		
Total General Fund						(1,707.33)	-	10,929.71	(19,450.61)	-	-	(10,228.23)	-	-
Special Revenue Fund:														
Title I Grant	84.010A	NCLB 48008	348,257.00	09/01/08	08/31/09	-		212,565.00	(323,838.76)			(135,692.00)	24,418.24	
Title I SIA Grant	84.010A	NCLB 48008	17,897.00	09/01/08	08/31/09	-			(16,566.65)			(17,897.00)	1,330.35	
I.D.E.A. Part B, Basic Regular	84.027	FT48008	340,582.00	09/01/07	08/31/08	589.99	(590.00)			0.01		-	-	
I.D.E.A. Part B, Basic Regular	84.027	FT48008	343,265.00	09/01/08	08/31/09	-	590.00	305,437.00	(339,224.42)			(37,828.00)	4,630.58	
I.D.E.A. Part B, Preschool	84.027	FT48008	11,054.00	09/01/07	08/31/08	335.00	(335.00)					-	-	
I.D.E.A. Part B, Preschool	84.027	FT48008	10,301.00	09/01/08	08/31/09	-	335.00	8,456.00	(10,571.22)			(1,845.00)	64.78	
Title IIA Improving Teacher Quality	84.367A	NCLB 48008	66,102.00	09/01/07	08/31/08	78.32				201.68		-	-	280.00
Title IIA Improving Teacher Quality	84.367A	NCLB 48007	67,746.00	09/01/08	08/31/09	-		54,034.00	(67,410.25)			(13,712.00)	335.75	
Title IID Enhancing Education through Technology	84.318X	NCLB 48008	2,097.00	09/01/07	08/31/08	32.42				(0.42)		-	-	32.00
Title IID Enhancing Education through Technology	84.318X	NCLB 48008	2,891.00	09/01/08	08/31/09	-		1,976.00	(2,891.00)			(915.00)	-	
Title IV Safe and Drug Free Schools	84.186A	NCLB 48008	8,631.00	09/01/07	08/31/08	125.24				145.76		-	-	271.00
Title IV Safe and Drug Free Schools	84.186A	NCLB 48008	6,414.00	09/01/08	08/31/09	-		3,154.00	(6,414.00)			(3,260.00)	-	
Title V Innovative Education Programs	84.298A	NCLB 48008	3,235.00	09/01/07	08/31/08	15.00						-	-	15.00
Total Special Revenue Fund						1,175.97	-	585,622.00	(766,916.30)	347.03	-	(211,149.00)	30,779.70	598.00
Total Federal Financial Awards						\$ (531.36)	\$ -	\$ 596,551.71	\$ (786,366.91)	\$ 347.03	\$ -	\$ (221,377.23)	\$ 30,779.70	\$ 598.00

SOMERS POINT SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2009

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2008					Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2009			MEMO		
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Deferred Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
Equalization Aic	09-495-034-5120-078	\$ 4,599,580.00	07/01/08	06/30/09	\$	\$	\$	\$ 4,599,580.00	\$ (4,599,580.00)	\$	\$	\$	\$	\$	\$ (423,875.29)	\$ 4,599,580.00
Special Education Categorical Aic	09-495-034-5120-089	519,515.00	07/01/08	06/30/09				519,515.00	(519,515.00)						(47,876.02)	519,515.00
Security Aid	09-495-034-5120-084	222,440.00	07/01/08	06/30/09				222,440.00	(222,440.00)						(20,499.01)	222,440.00
Transportation Aic	09-495-034-5120-014	43,750.00	07/01/08	06/30/09				43,750.00	(43,750.00)						(4,031.79)	43,750.00
Extraordinary Aic		32,902.00	07/01/08	06/30/09				32,902.00	(32,902.00)		(32,902.00)					32,902.00
On-behalf TPAF Post Retirement Contribution	09-495-034-5095-001	433,364.00	07/01/08	06/30/09				433,364.00	(433,364.00)							433,364.00
Reimbursed TPAF Social Security Contribution	09-495-034-5095-002	522,426.00	07/01/08	06/30/09				497,419.28	(497,419.28)							497,419.28
Total General Fund					-	-	-	6,316,068.28	(6,348,970.28)	-	(32,902.00)	-	-		(496,282.11)	6,348,970.28
Special Revenue Fund																
Preschool Education Aic	09-495-034-5120-086	265,227.00	07/01/08	06/30/09				265,227.00	(265,227.00)						(26,522.90)	265,227.00
N.J. Nonpublic Aid:																
Nursing	08-100-034-5120-070	34,045.00	07/01/07	06/30/08						(926.00)						33,119.00
Nursing	09-100-034-5120-071	39,063.00	07/01/08	06/30/09		926.00		39,063.00	(39,063.00)							39,063.00
Textbook Aid	08-100-034-5120-064	24,647.00	07/01/07	06/30/08		37.16				(37.16)						24,609.84
Textbook Aid	09-100-034-5120-064	28,938.00	07/01/08	06/30/09				28,938.00	(28,938.00)							28,938.00
Technology Initiative	08-100-034-5120-373	17,640.00	07/01/07	06/30/08		1,184.80				(1,184.80)						16,455.20
Technology Initiative	09-100-034-5120-373	20,240.00	07/01/08	06/30/09				20,240.00	(20,240.00)							20,240.00
Auxiliary Services																
Compensatory Education	08-100-034-5120-067	145,003.00	07/01/07	06/30/08		5,854.51				(7,529.51)						137,473.49
Compensatory Education	09-100-034-5120-067	143,749.00	07/01/08	06/30/09				143,749.00	(134,514.83)				9,234.17			134,514.83
Handicapped Services:																
Supplemental Instructor	08-100-034-5120-066	10,738.00	07/01/07	06/30/08		0.07				(0.07)						10,737.93
Supplemental Instructor	09-100-034-5120-066	14,868.00	07/01/07	06/30/08				14,868.00	(11,564.00)				3,304.00			11,564.00
Examination & Classifier	08-100-034-5120-066	22,560.00	07/01/07	06/30/08		18,920.00				(18,920.00)						3,640.00
Examination & Classifier	09-100-034-5120-066	27,299.00	07/01/08	06/30/09				27,299.00	(14,037.02)				13,261.98			14,037.02
Corrective Speech	08-100-034-5120-066	29,760.00	07/01/06	06/30/07		127.78				(127.78)						29,632.22
Corrective Speech	09-100-034-5120-066	31,620.00	07/01/08	06/30/09				31,620.00	(31,620.00)							31,620.00
Leads Grant		3,080.00	07/01/08	06/30/09				3,080.00	(3,080.00)							3,080.00
Total Special Revenue Fund					-	27,050.32	-	574,084.00	(548,283.85)	(28,725.32)	-	-	25,800.15		(26,522.90)	803,951.53
Debt Service Fund:																
Debt Service Aid	09-495-034-5120-017	223,015.00	07/01/08	06/30/09				223,015.00	(223,015.00)							223,015.00
Total Debt Service Fund					-	-	-	223,015.00	(223,015.00)	-	-	-	-		-	223,015.00
Total State Financial Assistance					\$ -	\$ 27,050.32	\$ -	\$ 7,113,167.28	\$ (7,120,269.13)	\$ (28,725.32)	\$ (32,902.00)	\$ -	\$ 25,800.15	\$ (522,805.01)	\$ 7,375,936.81	

SOMERS POINT SCHOOL DISTRICT
Notes to the Schedules of
Expenditures of Awards and Financial Assistance
June 30, 2009

Note 1: General

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

Note 2: Basis of Accounting

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

Note 3: Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year whereas GAAP reporting, revenue is not recognized until the subsequent year or when the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, c.97, (A3521). For GAAP purposes the payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$325,721.90) for the General Fund and \$19,097.46 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis follow below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 19,450.61	\$ 6,050,341.10	\$ 6,069,791.71
Special Revenue Fund	769,075.10	565,222.51	1,334,297.61
Debt Service Fund	<u> </u>	<u>223,015.00</u>	<u>223,015.00</u>
Total Financial Assistance	<u>\$ 788,525.71</u>	<u>\$ 6,838,578.61</u>	<u>\$ 7,627,104.32</u>

SOMERS POINT SCHOOL DISTRICT
Notes to the Schedules of
Expenditures of Awards and Financial Assistance
June 30, 2009
(Continued)

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

The amounts reported as TPAF Pension Contributions represents the amount paid on behalf of the District for the year ended June 30, 2009. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2009.

**SOMERS POINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified Opinion issued on the Basic Financial Statements, dated September 18, 2009.

Internal control over financial reporting:

- 1) Material weakness identified? No
- 2) Significant deficiencies identified that are not considered to be a material weakness? None reported

Noncompliance material to basic financial statements noted? No

Federal Awards

Internal control over major programs:

- 1) Material weakness identified? No
- 2) Significant deficiencies identified that are not considered to be a material weakness? None reported

Type of auditor's report issued on compliance for major programs: An Unqualified Opinion was issued on compliance for major programs, dated September 18, 2009

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I

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

Auditee qualified as low-risk auditee? Yes

**SOMERS POINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

I. SUMMARY OF AUDITOR'S RESULTS (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	No
Type of auditor's report issued on compliance for major programs:	An Unqualified Opinion was issued on compliance for major programs, dated September 18, 2009
Internal control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?	No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
09-495-034-5120-078	Equalization Aid
09-495-034-5120-089	Special Education Categorical Aid
09-495-034-5120-084	Categorical Security Aid

**SOMERS POINT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009
(CONTINUED)**

II. FINANCIAL STATEMENT FINDINGS

The audit disclosed no findings required to be reported under *Government Auditing Standards*.

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

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

**SOMERS POINT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

STATUS OF PRIOR YEAR FINDINGS

The prior year finding was corrected.