

SCHOOL DISTRICT
OF
BOROUGH OF LONGPORT

Borough of Longport Board of Education
Longport, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

Comprehensive Annual Financial Report

of the

Longport School District

Longport, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

Borough of Longport Board of Education

Finance Department

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Introductory Section

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LONGPORT BOARD OF EDUCATION
2501 ATLANTIC AVENUE
LONGPORT, NEW JERSEY 08403

August 15, 2011

Honorable President and
Members of the Board of Education
Borough of Longport School District
Atlantic County, New Jersey

Dear Board Members and Constituents of Longport:

The comprehensive annual financial report of the Borough of Longport School District for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter and a list of principal officials. The financial section includes the financial statements and schedules, the auditor's report thereon, and the Board's management discussion and analysis. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. However, required information related to governmental auditing standards, including the auditor's report on the internal control and compliance with applicable laws and regulations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The Borough of Longport School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Borough of Longport Board of Education constitutes the District's reporting entity.

Longport is a non-operating, sending, school district. Grades K-8 are sent to the Ross and Tighe Schools, in Margate, and grades 9-12 are sent to Atlantic City High School. The following details the changes in the student enrollment of the District over the last five years:

Fiscal	Student	Percent
<u>Year</u>	<u>Enrollment</u>	<u>Change</u>
2010-2011	56	-1.75%
2009-2010	57	-13.64%
2008-2009	66	13.79%
2007-2008	58	11.53%
2006-2007	52	-3.85%

ECONOMIC CONDITION AND OUTLOOK: Property values have remained steady over the past year. Commercial properties have declined and are planned to be replaced with additional residential properties. Both the Longport Garden Club and the Longport Historical Society continue their volunteer work towards Longport’s beautification and community spirit.

INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control 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 the District management.

As part of the audit procedures under generally accepted governmental auditing standards, test are made to determine the adequacy of the internal controls, including that portion related to state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. An annual appropriated budget is adopted for the general 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, 2011.

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

DEBT ADMINISTRATION: As of June 30, 2011, the District had no outstanding debt issues.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan which 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. 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. In addition, the school district may also invest in obligations of the United State and in bonds of the school district.

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

OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Swartz & Co., LLC, was selected by the Board. In addition to meeting the requirements set forth in state statute, the audit also was designed to meet the requirements of generally accepted governmental auditing standards. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to governmental auditing standards are included in the governmental auditing section of this report.

ACKNOWLEDGEMENTS:

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

Respectfully submitted,

A handwritten signature in black ink that reads "Jann Cohen". The signature is fluid and cursive, with the first name "Jann" written in a larger, more prominent script than the last name "Cohen".

Jann Cohen, CPA
Board Secretary/
School Business Administrator

LONGPORT BOARD OF EDUCATION

LONGPORT, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Carl Tripician, President	2012
Lynn Baumgardner, Vice President	2011
Michael Schiavo	2013
 <u>Other Officials</u>	
Jann L. Cohen CPA, Board Secretary/School Business Administrator	
George K. Miller, Solicitor	

**LONGPORT BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

Swartz & Co., LLC
1409 Cantillon Blvd.
PO Box 548
Mays Landing, NJ 08330

Attorney

George K. Miller, Jr.
26 S. Pennsylvania Avenue, 2nd Floor
Atlantic City, NJ 08401

Official Depository

Ocean City Home Bank
6302 Ventnor Avenue
Ventnor, New Jersey 08406

Financial Section

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American Institute of CPAs
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INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
Longport School District
County of Atlantic
Longport, New Jersey

We have audited the accompanying financial statements of the governmental activities and each major fund of the Board of Education of the Longport School District in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Longport Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. 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 and each major fund of the Borough of Longport Board of Education, in the County of Atlantic, State of New Jersey, as of June 30, 2011 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 August 15, 2011 on our consideration of the Borough of Longport Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Longport Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 of The Borough of Longport Board of Education. The combining fund financial statements and schedules listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, financial schedules and statistical section 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.



Kenneth Moore, CPA
Licensed Public School Accountant
No. CS00499

Swartz & Co., LLC

Swartz & Co., LLC

Certified Public Accountants

August 15, 2011

Required Supplemental Information

PART I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Longport Borough Sending School District ("Non-operating School District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal years that ended on June 30, 2011 and 2010. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net assets of the District increased approximately \$650 due to unexpended general administrative funds and unexpended tuition.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Restricted Fund Balance – Excess surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2011 and 2010, the District had \$86,146 and \$59,066 excess surplus respectively.
- During the fiscal year ended June 30, 2011, the District's revenues realized were approximately \$650 more than total expenses incurred. During the prior fiscal year, the District's revenues were approximately \$76,000 more than total expenses incurred.
- This district has no business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements, required supplementary information*, and an optional section that presents *combining statements for special revenue, capital projects, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the district.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the district's government, reporting on the district's operations in *more detail* than the government-wide statements.
 - > The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The following table shows how the required parts of this annual report are arranged and relate to one another.

The table below summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this over view section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Major Features of Longport Borough Sending School District’s
Government-wide and Fund Financial Statements**

	Fund Statements	
	Government Wide Statements	Governmental Funds
Scope	Entire District	The activities of the District
Required Financial Statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year of soon thereafter.

Government-wide Statements

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

The two government-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

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

The government-wide financial statements of the District have one category:

- Governmental activities – most of the District's basic services are included here, such as administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has one kind of fund:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's governmental activities net assets increased between fiscal years 2010 and 2011 due to decreases in tuition and student transportation costs.

Governmental Activities

	2011	2010
Current Assets	\$ 340,491	341,447
Total Assets	<u>340,491</u>	<u>341,447</u>
Liabilities	14	1,633
Total Liabilities	<u>14</u>	<u>1,633</u>
Net Assets:		
Restricted	97,450	91,770
Unrestricted	243,027	248,044
	<u>\$ 340,477</u>	<u>339,814</u>

As required by New Jersey Statutes, the unrestricted net assets of the District are not permitted to exceed 2% of total general fund expenditures or \$250,000, whichever is greater. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2011 and 2010, the District had \$86,146 and \$59,066 excess fund balance respectively.

Changes in net assets. The total revenue of the District decreased approximately \$130,000 due to an decrease in the District's local tax levy and a reduction of state aid.

Approximately 8% of the District's revenue comes from the State of New Jersey in the form of nonrestricted state aid. This aid is based on the District's enrollment as well as other factors such as growth in the Borough. The Borough of Longport levies property taxes on properties located in the Borough. This tax is remitted to the District every other month. The District expenses are primarily related to tuition, transportation and insurance. The following table summarizes the district's revenues for 2011 and 2010:

	2011	2010	Change	% Change
Property Taxes	\$ 920,717	1,017,851	(97,134)	-10%
Unrestricted State Aid	83,236	116,938	(33,702)	-29%
Other	4,067	5,704	(1,637)	-29%
Total	<u>\$ 1,008,020</u>	<u>1,140,493</u>	<u>(132,473)</u>	<u>-12%</u>

Governmental Activities

The following schedule summarizes the governmental activities of the District during the 2011 and 2010 fiscal year:

Revenues	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>% Change</u>
General Revenues				
Property Taxes	\$ 920,717	1,017,851	(97,134)	-10%
State Aid	83,236	116,938	(33,702)	-29%
Other	4,067	5,704	(1,637)	-29%
Total Revenues	<u>1,008,020</u>	<u>1,140,493</u>	<u>(132,473)</u>	<u>-12%</u>
Expenses				
Tuition	876,927	954,024	(77,097)	-8%
Transportation	68,911	69,849	(938)	-1%
General & Bsns. Admin	38,792	40,119	(1,327)	-3%
Transfer to Charter Schools	22,727	-	22,727	100%
Total Expenses	<u>1,007,357</u>	<u>1,063,992</u>	<u>(56,635)</u>	<u>-5%</u>
Increase in Net Assets	<u>\$ 663</u>	<u>76,501</u>	<u>(75,838)</u>	<u>-99%</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year-end, the governmental funds reported a fund balance of \$340,477 which is \$663 higher than the beginning of the year. The budget decreased by approximately \$100,000 compared to the prior year. The majority of the decrease is the result of lower tuition costs.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, an annual appropriated budget is prepared in the spring of each year for the general fund. The budget is submitted to the County office and, as a Type II Sending School District, the budget is voted upon by the citizens of Longport at the April School Election. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District budget for the 2012 fiscal year includes a decrease in tuition and a decrease in general administration expenses. The budget also anticipates the use of \$61,065 in fund balance to balance the budget. This results in a decrease in the 2011/12 local tax levy.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 2305 Atlantic Avenue, Longport, NJ 08403.

Basic Financial Statements

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DISTRICT - WIDE FINANCIAL STATEMENTS

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**Longport School District
Statement of Net Assets
June 30, 2011**

	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 339,969	339,969
Due from other governments	522	522
Total Assets	340,491	340,491
 LIABILITIES		
Accounts Payable	14	14
Total liabilities	14	14
 NET ASSETS		
Restricted for:		
Other purposes	97,450	97,450
Unrestricted	243,027	243,027
Total net assets	\$ 340,477	340,477

**Longport School District
Statement of Activities
For the Year Ended June 30, 2011**

Functions/Programs	Expenses	Program Revenues				Total
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:						
Support services:						
Tuition	\$ 876,927			(876,927)		(876,927)
School administrative services	38,792			(38,792)		(38,792)
Pupil transportation	68,911			(68,911)		(68,911)
Transfer of funds to Charter School	22,727			(22,727)		(22,727)
Total governmental activities	<u>1,007,357</u>	-	-	<u>(1,007,357)</u>	-	<u>(1,007,357)</u>
Total primary government	<u>1,007,357</u>	-	-	<u>(1,007,357)</u>	-	<u>(1,007,357)</u>
General revenues:						
Property taxes, levied for general purposes, net				920,717		920,717
Federal and State aid not restricted				83,236		83,236
Investment Earnings				3,914		3,914
Miscellaneous Income				153		153
Total general revenues, special items, extraordinary items and transfers				<u>1,008,020</u>		<u>1,008,020</u>
Change in Net Assets				663		663
Net Assets—beginning				339,814		339,814
Net Assets—ending				<u>\$ 340,477</u>		<u>\$ 340,477</u>

FUND FINANCIAL STATEMENTS

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**Longport School District
Balance Sheet
Governmental Funds
June 30, 2011**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and cash equivalents	\$ 339,969	339,969
Other state aid receivable	522	522
 Total assets	 340,491	 340,491
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	14	14
 Total liabilities	 14	 14
 Fund Balances:		
Restricted for:		
Excess Surplus	36,385	36,385
Excess Surplus - Designated for subsequent year's Expenditures	49,761	49,761
Committed to:		
Legally restricted -- designated for subsequent year's expenditures	11,304	11,304
Unassigned:		
General fund	243,027	243,027
Total Fund balances	\$ 340,477	340,477

There are no reconciling amounts between the Governmental Funds Balance Sheet (B-1) and the Statement of Net Assets for Governmental Activities (A-1).

Longport School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Total Governmental Funds</u>
REVENUES		
Local tax levy	\$ 920,717	920,717
Interest	3,914	3,914
Miscellaneous	153	153
State sources	83,236	83,236
	<hr/>	<hr/>
Total revenues	<u>1,008,020</u>	<u>1,008,020</u>
EXPENDITURES		
Current:		
Support services and undistributed costs:		
Tuition	876,927	876,927
School administrative services	38,792	38,792
Pupil transportation	68,911	68,911
Transfer of funds to Charter School	22,727	22,727
	<hr/>	<hr/>
Total expenditures	<u>1,007,357</u>	<u>1,007,357</u>
Excess of revenues over expenditures	<u>663</u>	<u>663</u>
Net change in fund balances	663	663
Fund balance—July 1	<u>339,814</u>	<u>339,814</u>
Fund balance—June 30	<u>\$ 340,477</u>	<u>340,477</u>

**Longport School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2011**

Total net change in fund balances - governmental funds (from B-2)	\$ 663
No adjustments necessary	
Change in net assets of governmental activitie	<u><u>\$ 663</u></u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Longport School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The purpose of the district is to educate students in grades K – 12.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The District's general activities are classified as governmental activities.

In the governmental-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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.

NJSA 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.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate).

3. Fund Balances – Governmental Funds

Longport Board of Education elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, ect.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District’s highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Administrator.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

4. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

5. Expenditures:

Expenses are recognized when the related fund liability is incurred.

6. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

7. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. No material transfers were made during the fiscal year.

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

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

8. Encumbrances:

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

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.

9. Tuition Payable

Tuition charges for the fiscal year 2010/11 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

10. Use of Estimates

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

NOTE 2 - INVESTMENTS

As of June 30, 2011, the district had no investments.

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

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

Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 3 – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2011, \$0 of the government's bank balance of \$368,517 was exposed to custodial credit risk.

NOTE 4 - PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 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

The Public Employees' Retirement System was established in January, 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 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.

Funding Policy

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 current TPAF rate is 5.5% and the PERS rate is 5.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2011, 2010 and 2009 were \$0, \$0 and \$0 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2011, 2010 and 2009 were \$298, \$591, and \$531 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey contributed \$0, \$0, and \$0, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$1,148, \$995, and \$865 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 5 – POST RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of 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, 2010, there were 87,288 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 prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to 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 \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2011.

NOTE 6 – 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. During the fiscal year ended June 30, 2011, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Property and Liability Insurance – The district maintains commercial insurance coverage for property and liability insurance. As a non-operating district, the only assets for coverage purposes are those in the office of the Board Secretary.

NOTE 7 – LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

NOTE 8 – FUND BALANCE APPROPRIATED

General Fund – Of the \$340,477 General Fund balance at June 30, 2011, \$0 is reserved for encumbrances; \$81,146 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$49,761 of the total restricted for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2012); \$11,304 has been legally restricted and included as anticipated revenue for the year ended June 30, 2012; and \$243,027 is unassigned.

NOTE 9 – CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$86,146 of which \$49,761 has been appropriated and included as anticipated revenue for the year ending June 30, 2012.

NOTE 10 – SUBSEQUENT EVENTS

The District has evaluated events through August 15, 2011, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

Required Supplemental Information

PART II

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**Longport School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 920,717		920,717	920,717	-
Interest			-	3,914	3,914
Miscellaneous	3,000		3,000	153	(2,847)
Total - Local Sources	923,717	-	923,717	924,784	1,067
State Sources:					
Transportation Aid	21,369		21,369	21,369	-
Special Education Aid	31,935		31,935	31,935	-
Security Aid	4,239		4,239	4,239	-
Adjustment Aid	17,488		17,488	17,488	-
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,148	1,148
On-Behalf TPAF Pension Contribution (Non-Budgeted)				770	770
Other State Aid				522	522
Total - State Sources	75,031	-	75,031	77,471	2,440
Total Revenues	998,748	-	998,748	1,002,255	3,507

**Longport School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	897,557		897,557	876,927	20,630
Total Undistributed Expenditures - Instruction	897,557	-	897,557	876,927	20,630
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	15,000		15,000	11,750	3,250
Legal Services	5,200		5,200	3,900	1,300
Audit Fees	6,500		6,500	6,500	-
BOE Other Purchased Services	500		500	-	500
Miscellaneous Purchased Services	8,000		8,000	2,417	5,583
Board Dues	1,500		1,500	932	568
Total Undistributed Expenditures - Support Services - Gen. Admin.	36,700	-	36,700	25,499	11,201
Undistributed Expenditures - Central Services:					
Salaries	5,000		5,000	5,000	-
Supplies and Materials	500		500	15	485
Total Undistributed Expenditures - Central Services	5,500	-	5,500	5,015	485
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Insurance	6,000		6,000	5,929	71
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	6,000	-	6,000	5,929	71

**Longport School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Student Transportation Services:					
Contracted Services - (Between Home and School) - Joint Agreements	60,000	(2,285)	57,715	57,419	296
Contracted Services - Aid in Lieu of Payments	20,000	(6,740)	13,260	11,492	1,768
Total Undistributed Expenditures - Student Transportation Serv.	80,000	(9,025)	70,975	68,911	2,064
Unallocated Benefits:					
Other Retirement Contributions - Regular	600	(302)	298	298	-
Social Security Contributions	1,000		1,000	133	867
Total Unallocated Benefits	1,600	(302)	1,298	431	867
On-Behalf TPAF Pension Contribution (Non-Budgeted)				770	(770)
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	1,148	(1,148)
Total On-behalf Contributions	-	-	-	1,918	(1,918)
Total Expenditures - Current Expense	1,027,357	(9,327)	1,018,030	984,630	33,400
Transfer to Charter Schools	13,400	9,327	22,727	22,727	-
Total Expenditures	1,040,757	-	1,040,757	1,007,357	33,400
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,009)	-	(42,009)	(5,102)	36,907
Fund Balances, July 1	353,074		353,074	353,074	-
Fund Balances, June 30	\$ 311,065	-	311,065	347,972	36,907
Recapitulation:					
Restricted Fund Balance:				36,385	
Restricted Fund Balance - Excess Surplus				11,304	
Legally Restricted - Designated for subsequent year's expenditures				49,761	
Assigned Fund Balance:				250,522	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				347,972	
Unassigned Fund Balance				(7,495)	
Reconciliation to Governmental Funds Statements (GAAP)				340,477	
Last State Aid payment not recognized on GAAP basis				-	
Fund Balance per Governmental Funds (GAAP)				-	

Longport School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Notes to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2011

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

	General Fund
Sources/inflows of resources	
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 1,002,255
Difference - budget to GAAP:	
Receipt of prior year final state aid payment	13,260
Deferral of final state aid payment	(7,495)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	1,008,020
Uses/outflows of resources	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	1,007,357
No differences - budget to GAAP:	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 1,007,357

Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. Due to the change in the statistical requirements, information was unavailable for all 10 years.

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**Longport School District
Net Assets by Component,
Last Eight Fiscal Years
Unaudited**

	Fiscal Year Ended June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Restricted	-	-	-	53	-	9,305	91,770	97,450
Unrestricted	69,417	29,543	16,452	150,411	221,220	254,008	248,044	243,027
Total governmental activities net assets	69,417	29,543	16,452	150,464	221,220	263,313	339,814	340,477
District-wide								
Restricted	-	-	-	53	-	9,305	91,770	97,450
Unrestricted	69,417	29,543	16,452	150,411	221,220	254,008	248,044	243,027
Total district net assets	69,417	29,543	16,452	150,464	221,220	263,313	339,814	340,477

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. As such, only eight years of information is presented.

Source: CAFR Schedule A-1

Longport School District
Changes in Net Assets, Last Eight Fiscal Years
Unaudited

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities								
Support Services:								
Tuition	638,669	670,171	868,973	850,966	915,314	942,556	954,024	876,927
Student & instruction related services	4,598	1,375	-	-	-	-	-	-
General administrative services	36,226	93,792	40,038	43,896	36,428	45,850	40,119	38,792
Pupil transportation	51,406	47,254	60,185	61,781	72,240	74,737	69,849	68,911
Transfer to Charter Schools	-	-	-	-	-	29,158	-	22,727
Total governmental activities expenses	730,899	812,592	969,196	956,643	1,023,982	1,092,301	1,063,992	1,007,357
Total district expenses	730,899	812,592	969,196	956,643	1,023,982	1,092,301	1,063,992	1,007,357
Net (Expense)/Revenue								
Governmental activities	(730,899)	(812,592)	(969,196)	(956,643)	(1,023,982)	(1,092,301)	(1,063,992)	(1,007,357)
Total district-wide net expense	(730,899)	(812,592)	(969,196)	(956,643)	(1,023,982)	(1,092,301)	(1,063,992)	(1,007,357)

Longport School District
Changes in Net Assets, Last Eight Fiscal Years
Unaudited

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	566,952	664,557	842,959	968,994	965,223	981,343	1,017,851	920,717
Unrestricted grants and contributions	97,691	101,327	104,900	108,407	113,647	141,101	116,938	83,236
Investment earnings	2,177	2,832	2,922	8,928	11,709	3,208	3,739	3,914
Miscellaneous income	1,957	4,002	5,324	4,416	4,985	8,742	1,965	153
Cancellation of Prior Year Receivable	-	-	-	-	(826)	-	-	-
Total governmental activities	668,777	772,718	956,105	1,090,745	1,094,738	1,134,394	1,140,493	1,008,020
Total district-wide	668,777	772,718	956,105	1,090,745	1,094,738	1,134,394	1,140,493	1,008,020
Change in Net Assets								
Governmental activities	(62,122)	(39,874)	(13,091)	134,102	70,756	42,093	76,501	663
Total district	(62,122)	(39,874)	(13,091)	134,102	70,756	42,093	76,501	663

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. As such, only eight years of information is presented.

Source: CAFR Schedule A-2

**Longport School District
Fund Balances, Governmental Funds,
Last Eight Fiscal Years
Unaudited**

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund								
Restricted								86,146
Committed								11,304
Unassigned								243,027
Reserved	-	-	-	53	-	9,305	91,770	
Unreserved	69,417	29,543	16,452	150,411	221,220	254,008	248,044	
Total general fund	69,417	29,543	16,452	150,464	221,220	263,313	339,814	-

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. As such, only eight years of information is presented.

Source: CAFR Schedule B-1

Longport School District
Changes in Fund Balances, Governmental Funds,
Last Eight Fiscal Years
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011
Revenues								
Tax levy	566,952	664,557	842,959	968,994	965,223	981,343	1,017,851	920,717
Interest earnings	2,177	2,832	2,922	8,928	11,709	3,208	3,739	3,914
Miscellaneous	1,957	4,002	5,324	4,416	4,985	8,742	1,965	153
State sources	97,691	101,327	104,900	108,407	113,647	141,101	116,938	83,236
Total revenue	668,777	772,718	956,105	1,090,745	1,095,564	1,134,394	1,140,493	1,008,020
Expenditures								
Support Services:								
Tuition	638,669	670,171	859,753	850,966	915,314	942,556	954,024	876,927
Student & instruction related services	4,598	1,375	-	-	-	-	-	-
General administrative services	36,226	93,792	40,038	43,986	36,428	45,850	40,119	38,792
Pupil transportation	51,406	47,254	60,185	61,781	72,240	74,737	69,849	68,911
Charter Schools	-	-	9,220	-	-	29,158	-	22,727
Total expenditures	730,899	812,592	969,196	956,733	1,023,982	1,092,301	1,063,992	1,007,357
Excess (Deficiency) of revenues over (under) expenditures	(62,122)	(39,874)	(13,091)	134,012	71,582	42,093	76,501	663
Other Financing sources (uses)								
Cancellation of Prior Year Receivable	-	-	-	-	(826)	-	-	-
Total other financing sources (uses)	-	-	-	-	(826)	-	-	-
Net change in fund balances	(62,122)	(39,874)	(13,091)	134,012	70,756	42,093	76,501	663

The District converted to GASB 34 effective with the fiscal year ended June 30, 2004. As such, only eight years of information is presented.

Source: CAFR Schedule B-2

Longport School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Misc.	Total
2002	4,924	4,311	9,235
2003	3,312	2,783	6,095
2004	2,177	1,957	4,134
2005	2,832	4,002	6,834
2006	2,922	5,324	8,246
2007	8,928	4,416	13,344
2008	11,709	4,985	16,694
2009	3,208	8,742	11,950
2010	3,739	1,965	5,704
2011	3,914	153	4,067

Source: District Records

Borough of Longport School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qlarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^a	Estimated Actual (County Equalized Value)
2002	30,854,850	812,257,300	-	-	3,224,300	-	-	846,336,450	846,336,450	199,714	846,536,164	0.059	702,320,366
2003	26,683,700	813,965,500	-	-	3,159,400	-	-	843,808,600	843,808,600	240,366	844,048,966	0.067	888,622,843
2004	34,056,400	807,650,000	-	-	3,159,400	-	-	844,865,800	844,865,800	240,366	845,106,166	0.079	1,047,729,228
2005	50,857,900	1,471,190,300	-	-	5,878,100	-	-	1,527,926,300	1,527,926,300	240,366	1,528,166,666	0.055	1,223,637,853
2006	62,467,500	1,460,586,300	-	-	5,167,100	-	-	1,528,220,900	1,528,220,900	192,525	1,528,413,425	0.064	1,442,939,328
2007	69,253,600	1,476,492,700	-	-	3,731,000	-	-	1,549,477,300	1,549,477,300	181,719	1,549,659,019	0.063	1,671,317,720
2008	62,606,900	1,539,562,400	-	-	3,731,000	-	-	1,605,893,700	1,605,893,700	172,577	1,561,605,377	0.063	1,862,618,156
2009	55,981,900	1,512,370,500	-	-	3,731,000	-	-	1,572,083,400	1,572,083,400	181,719	1,527,818,919	0.064	2,014,366,772
2010	50,730,100	1,575,938,800	-	-	3,731,000	-	-	1,630,399,900	1,630,399,900	181,719	1,586,135,419	0.058	2,275,936,872
2011	43,123,100	1,520,616,700	-	-	3,503,700	-	-	1,567,243,500	1,567,243,500	126,191	1,522,923,491	-	-

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

Assessed valuations increased between 2001 and 2002, as well as between 2004 and 2005 as a result of reassessments

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

**Borough of Longport School District
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Calendar Years
*Unaudited***

Fiscal Year Ended June 30,	Borough of Longport School District		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Longport Atlantic County	
2002	0.059		0.059	0.450	0.931
2003	0.067		0.067	0.488	1.071
2004	0.079		0.079	0.488	1.136
2005	0.055		0.055	0.285	0.670
2006	0.064		0.064	0.293	0.700
2007	0.063		0.063	0.308	0.695
2008	0.063		0.063	0.316	0.722
2009	0.064		0.064	0.331	0.779
2010	0.058		0.058	0.349	0.867
2011	0.056		0.056	0.367	0.923

Assessed valuations increased between 2001 and 2002 as well as between 2004 and 2005 as a result of reassessments

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

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

**Borough of Longport School District
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited**

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Beach Realty Longport, LLC	7,712,900	1	0.49%	6,325,000	1	15.30%
Individual Taxpayer 1	6,702,300	2	0.43%	4,455,600	2	10.78%
Individual Taxpayer 2	5,598,500	3	0.36%	4,298,500	3	10.40%
Individual Taxpayer 3	5,510,300	4	0.35%	4,250,300	4	10.28%
Individual Taxpayer 4	5,377,100	5	0.34%	3,976,500	5	9.62%
Individual Taxpayer 5	5,338,900	6	0.34%	3,802,200	6	9.20%
Individual Taxpayer 6	5,316,200	7	0.34%	3,587,900	7	8.68%
Individual Taxpayer 7	5,240,300	8	0.34%	3,570,000	8	8.63%
Individual Taxpayer 8	5,153,200	9	0.33%	3,567,100	9	8.63%
Individual Taxpayer 9	5,134,800	10	0.33%	3,510,300	10	8.49%
Total	57,084,500		3.656%	41,343,400		100%

Source: District CAFR & Municipal Tax Assessor

**Borough of Longport School District
Property Tax Levies and Collections,
Last Ten Fiscal Years
*Unaudited***

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	
2002	495,713	495,713	100%	
2003	504,856	504,856	100%	
2004	566,952	566,952	100%	
2005	664,557	664,557	100%	
2006	842,959	842,959	100%	
2007	968,994	968,994	100%	
2008	965,223	965,223	100%	
2009	981,343	981,343	100%	
2010	1,017,851	1,017,851	100%	
2011	920,717	920,717	100%	

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

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

**Borough of Longport School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities				
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income ^a	Per Capita ^a
2002								
2003								
2004								
2005								
2006								
2007								
2008								
2009								
2010								
2011								

Not applicable - the district does not have any debt

Borough of Longport School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					
2010					
2011					

Not applicable - the district does not have any debt

Borough of Longport School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2011
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Longport	6,975,805	100.000%	6,975,805
Other debt			
County of Atlantic (as of December 31, 2010)	137,077,871	4.100%	5,620,193
Subtotal, overlapping debt			12,595,998
Borough of Longport School District Direct Debt			
Total direct and overlapping debt			<u><u>12,595,998</u></u>

Sources: Borough of Longport Finance Officer, Atlantic County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Longport. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**Borough of Longport School District
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited**

Legal Debt Margin Calculation for Fiscal Year 2011

	2008	2009	2010	[A]		[A/3]
Equalized valuation basis	1,999,529,773	2,254,852,840	2,191,149,074	<u>6,445,531,687</u>		2,148,510,562
Debt limit (3 % of average Net bonded school debt Legal debt margin	[B]	[C]	[B-C]		a	
	<u> </u>	<u> </u>	<u> </u>		<u> </u>	

Average equalized valuation of taxable property

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit										
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to the limit as a percentage of debt limit										

Not applicable - the district does not have any debt

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

a The district is non-operating and does not have an applicable debt allowance

**Borough of Longport School District
Demographic and Economic Statistics
Last Ten Fiscal Years
*Unaudited***

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2002	1,052	32,906,560	31,280	7.90%
2003	1,071	34,066,368	31,808	8.40%
2004	1,078	34,185,536	31,712	7.30%
2005	1,079	36,603,996	33,924	3.30%
2006	1,079	38,062,804	35,276	3.30%
2007	1,088	39,521,600	36,325	3.70%
2008	1,088	39,521,600	36,325	3.70%
2009	1,086	39,448,950	36,325	4.60%
2010	1,093	43,539,655	39,835	5.50%
2011	1,093	42,797,508	39,156	5.50%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development - most recent information is as of 7/1/08

b Personal income provided by the US Dept. of Commerce, Bureau of Economic Analysis.

c Per Capita information provided by the US Dept. of Commerce, Bureau of Economic Analysis - most recent information is as of 7/1/08

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Borough of Longport School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited**

<u>Function/Program</u>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Support Services:										
General administrative services	3	3	3	3	3	4	4	1	1	1
Total	3	3	3	3	3	4	4	1	1	1

Source: District Personnel Records

Borough of Longport School District
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary	Middle School				
2001	51	559,720	10,975	-5.55%							
2002	50	563,458	11,269	2.68%							
2003	49	695,983	14,204	26.04%							
2004	50	730,899	14,618	2.92%							
2005	55	812,592	14,774	1.07%							
2006	54	969,196	17,948	21.48%							
2007	52	956,733	18,399	2.51%							
2008	58	1,023,982	17,655	-4.04%							
2009	66	1,092,301	16,550	-6.26%							
2010	57	1,063,992	18,667	12.79%							
2011	56	1,007,357	17,989	-3.63%							

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

Note: Enrollment based on annual October district count.

The district is non-operating, and does not have ADE or ADA.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Not required Sending District
- c Not required Sending District

Borough of Longport School District
School Building Information
Last Ten Fiscal Years
Unaudited

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
------	------	------	------	------	------	------	------	------	------

Not Applicable - non-operating district

Source: District records, ASSA

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

Borough of Longport School District
Insurance Schedule
June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy		
Contents	\$21,000	
General Liability	1,000,000/2,000,000	
Fire Damage Liability	100,000	
Medical Payments	5,000	
Automobile Liability		
Hired/Non-owned Vehicles	1,000,000	
Umbrella Liability	1,000,000	5,000
Worker's Compensation	Statutory	
Surety Bonds		
Board Administrator	140,000	

Source: District Records

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Single Audit Section

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**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 the Board of Education
Longport School District
County of Atlantic
Longport, New Jersey

We have audited the financial statements of the governmental activities and each major fund of the Board of Education of the Longport School District in the County of Atlantic, State of New Jersey as of and for the year ended June 30, 2011, which collectively comprises the District's basic financial statements, and have issued our report thereon dated August 15, 2011. 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 prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Borough of Longport School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board of Education of the Longport School District's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of education of the Longport School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Longport School District's internal control over financial reporting.

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the finance committee, management, and the State of New Jersey, Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Kenneth Moore, CPA
Licensed Public School Accountant
No. CS00499

Swartz & Co., LLC

Swartz & Co., LLC
Certified Public Accountants

August 15, 2011

LONGPORT SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Program or Award Amount	(Accounts Receivable) Balance 6/30/10	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance June 30, 2011		Memo Cumulative Total of Expenditures	
									(Accounts Receivable)	Deferred Revenue		
State Department of Education												
General Fund:												
Adjustment Aid	495-034-5120-085	7/1/10-6/30/11	17,488			17,488	17,488				1,747	17,488
Transportation Aid	495-034-5120-014	7/1/10-6/30/11	21,369			21,369	21,369				2,135	21,369
Special Education Aid	495-034-5120-089	7/1/10-6/30/11	31,935			31,935	31,935				3,190	31,935
Security Aid	495-034-5120-084	7/1/10-6/30/11	4,239			4,239	4,239				423	4,239
Other State Aid	103190	7/1/09-6/30/10	11,304	(11,304)		11,304	522			(522)		11,304
Other State Aid	103190	7/1/10-6/30/11	522									522
Reimbursed TPAF Social Security Contributions	495-034-5095-002	7/1/10-6/30/11	1,148			1,148	1,148					1,148
Total General Fund				(11,304)		87,483	76,701	-		(522)	7,495	88,005
TOTAL STATE FINANCIAL ASSISTANCE				\$ (11,304)		87,483	76,701	-		(522)	7,495	88,005

Longport School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of state financial assistance include state award activity of the Board of Education of the Longport School District. The Board of Education is defined in Note 1 to the Board's general-purpose financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's general-purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$6,535 for the general fund. See Note 1 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 general-purpose financial statements on a GAAP basis as follows:

Longport School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

	<u>General</u>
State Assistance:	
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 76,701
Difference-budget to "GAAP"	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	13,260
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(7,495)
Onbehalf payments recognized for GAAP purposes but not included in the Schedule of Expenditures of State Financial Assistance	770
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u><u>\$ 83,236</u></u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amount reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

**LONGPORT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Part 2 – Schedule of Financial Statement Findings

NONE

STATUS OF PRIOR YEAR FINDINGS

NONE