

WEST LONG BRANCH SCHOOL DISTRICT

WEST LONG BRANCH
BOARD OF EDUCATION
WEST LONG BRANCH, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

WEST LONG BRANCH SCHOOL DISTRICT

WEST LONG BRANCH, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

Prepared by
West Long Branch School District
Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE WEST LONG BRANCH SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Letter of Transmittal	1 - 4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors.....	7

FINANCIAL SECTION

Independent Auditor’s Report	8 – 9
Required Supplementary Information – Part I	
Management’s Discussion and Analysis.....	10- 18
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Assets.....	19
A-2 Statement of Activities	20
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet.....	21
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	22
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Proprietary Funds:	
B-4 Statement of Net Assets.....	24
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets.....	25
B-6 Statement of Cash Flows.....	26
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets.....	27
B-8 Statement of Changes in Fiduciary Net Assets.....	28
Notes to the Basic Financial Statements	29 - 45

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE WEST LONG BRANCH SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

TABLE OF CONTENTS (CONTINUED)

PAGE

FINANCIAL SECTION (Continued)

Required Supplementary Information – Part II

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule – General Fund	46 – 53
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund	54

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	55
-----	-------------------------------------	----

Other Supplementary Information

D. School Level Schedules:

D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type - Actual.....	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual.....	N/A

E. Special Revenue Fund:

E-1-1b	Combining Schedule of Revenues and Expenditures, Special Revenue Fund – Budgetary Basis.....	56 – 58
E-2	Demonstrably Effective Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-3	Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4	Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5	Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A

F. Capital Projects Fund:

F-1	Summary Schedule of Project Expenditures	59
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis.....	60
F-2a-b	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis.....	61-62

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE WEST LONG BRANCH SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

TABLE OF CONTENTS (CONTINUED)

PAGE

FINANCIAL SECTION (Continued)

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
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	63
H-2	Combining Statement of Changes in Fiduciary Net Assets	64
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	65
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	66

I. Long-Term Debt:

I-1	Schedule of Serial Bonds	67
I-2	Schedule of Obligations under Capital Lease	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	68

STATISTICAL SECTION (UNAUDITED)

J-1	Net Assets by Component.....	69
J-2	Changes in Net Assets.....	70 - 71
J-3	Net Assets by Component.....	72
J-4	Changes in Fund Balances – Governmental Funds.....	73 - 74
J-5	General Fund Other Local Revenue by Source.....	75
J-6	Assessed Value and Actual Value of Taxable Property	76
J-7	Direct and Overlapping Property Tax Rates.....	77
J-8	Principal Property Taxpayers.....	78

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE WEST LONG BRANCH SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

TABLE OF CONTENTS (CONTINUED)

		<u>PAGE</u>
STATISTICAL SECTION (UNAUDITED) (Continued)		
J-9	Property Tax Levies and Collections	79
J-10	Ratios of Outstanding Debt by Type	80
J-11	Ratio of Net General Bonded Debt Outstanding.....	81
J-12	Direct and Overlapping Government Activities Debt.....	82
J-13	Legal Debt Margin Information	83
J-14	Demographic and Economic Statistics.....	84
J-15	Principal Employers.....	85
J-16	Full Time Equivalent District Employees by Function/Program	86
J-17	Operating Statistics.....	87
J-18	School Building Information.....	88
J-19	Schedule of Allowable Maintenance Expenditures by School Facilities	89
J-20	Insurance Schedule.....	90 – 92
SINGLE AUDIT SECTION		
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	93 – 94
K-2	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	95 – 96
K-3	Schedule of Expenditures of Federal Awards, Schedule A.....	97
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B.....	98
K-5	Notes to Schedules Expenditures of Federal Awards and State Financial Assistance.....	99 –100
K-6	Schedule of Findings and Questioned Costs Section I – Summary of Auditor's Results	101 – 102
	Section II – Schedule of Financial Statement Findings	103
	Section III – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	104
K-7	Summary Schedule of Prior Audit Findings.....	105

INTRODUCTORY SECTION

WEST LONG BRANCH BOARD OF EDUCATION

Administrative Offices

135 Locust Avenue

West Long Branch, New Jersey 07764-1698

Phone (732) 222-5900

Fax (732) 222-9325

Herbert C. Massa

Interim Superintendent of Schools/Interim Business Administrator/Board Secretary

November 15, 2011

Honorable President and
Members of the Board of Education
West Long Branch Public Schools
West Long Branch, NJ 07764

Dear Board Members:

The comprehensive annual financial report of the West Long Branch 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 District. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards, Board Statement 34. 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 is presented in four sections: 1) Introductory; 2) financial; 3) statistical; 4) 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The West Long Branch Public School District is an independent reporting entity within the criteria adopted by GASB Statement No. 14. All Funds and account groups of the District are included in this report. The West Long Branch Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K, and K through 8. These include regular instruction and special education for handicapped youngsters in and out of district. The District completed the 2009-10 fiscal year with an enrollment of 652 students, which reflects a decrease of 64 of the students from previous year's enrollment. 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>
2010-2011	619	(.006%)
2009-2010	623	(4.44%)
2008-2009	652	1.56%
2007-2008	642	(9.07%)

2. ECONOMIC CONDITION AND OUTLOOK

West Long Branch area is a suburban residential community with large retail stores located at its perimeter on Route 36. Single-family home developments are occurring in the Borough. The single-family developments are not expected to have a significant impact on district enrollment. Avalon at West Long Branch is a 180 unit four building development of left, one bedroom, two bedrooms and three bedroom apartments which broke ground in the spring of 2010. Although marketed through "Young Professionals" the new units may have an impact on student enrollment.

3) MAJOR INITIATIVES

During the 2011 –2012 school year, the district will be undertaking the following initiatives to support the four district goals:

I. Goal Area: Student Achievement/Curriculum & Instruction Balanced Literacy

Provide an educational program that promotes excellence and delivers a strong foundation supporting academic and professional success in the 21st century.

- Implement New Teaching Schedule
- Raise expectations for achievement for all students and support each student in striving to reach his/her individual goals.
- Implement a 5-year cycle of program review. Programs to be reviewed in 2011-2012 include Science and Language Arts.
- Implement district's Professional Development Plan (PDP) through alignment of curriculum to the New Jersey Core Curriculum Content Standards (NJCCCS).
- Implement horizontal and vertical articulation designed to improve student achievement in Language Arts Literacy in Grade 3 — 6 during 2010-2011.
- Academic Review Council

II. Goal Area: Finance

Develop and implement a plan for governance and fiscal excellence through analysis of the district's business management practices, staffing requirements, and budgeting practices.

- Identify three cost saving initiatives that could be implemented without impacting the thorough and efficient education provided to the children of West Long Branch.

- Seek to share services
- Increase Revenue by servicing Interlaken Borough Students

III. Goal Area: Long Range Planning

Develop a culture of long range planning that supports continuous improvement while addressing the impact of declining enrollment and economically challenging times.

- Plan for implementation of the alternative.
- Examine feasibility of combining Business Office operations with another district.
- Continue to explore opportunities for shared services, improved efficiencies and cost reduction activities.

4) **INTERNAL ACCOUNTING CONTROLS**

Management of the Borough of West Long Branch 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 assurances recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District is also responsible for reinsuring 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 subject to periodic evaluation by District management and the auditor.

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

5) **BUDGETARY CONTROLS**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

6) **ACCOUNTING SYSTEM AND REPORTS**

The District's accounting records reflect generally accepted accounting principles (GAAP), 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 "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT

The investment policy of the District is guided in large part by State Statute as detailed in "Notes to the Financial Statements", Note 2. 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.

8) 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.

9) OTHER INFORMATION

Independent Audit – State Statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The Board selected the firm of Paduano, DiTommaso & Golda, LLC. 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 Amendments of 1996 and the related OMB circular A-133 and State Treasury Circular Letter 04-04 OMB. 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 report related specifically to the single audit is included in the single audit section of this report.

10) ACKNOWLEDGMENTS

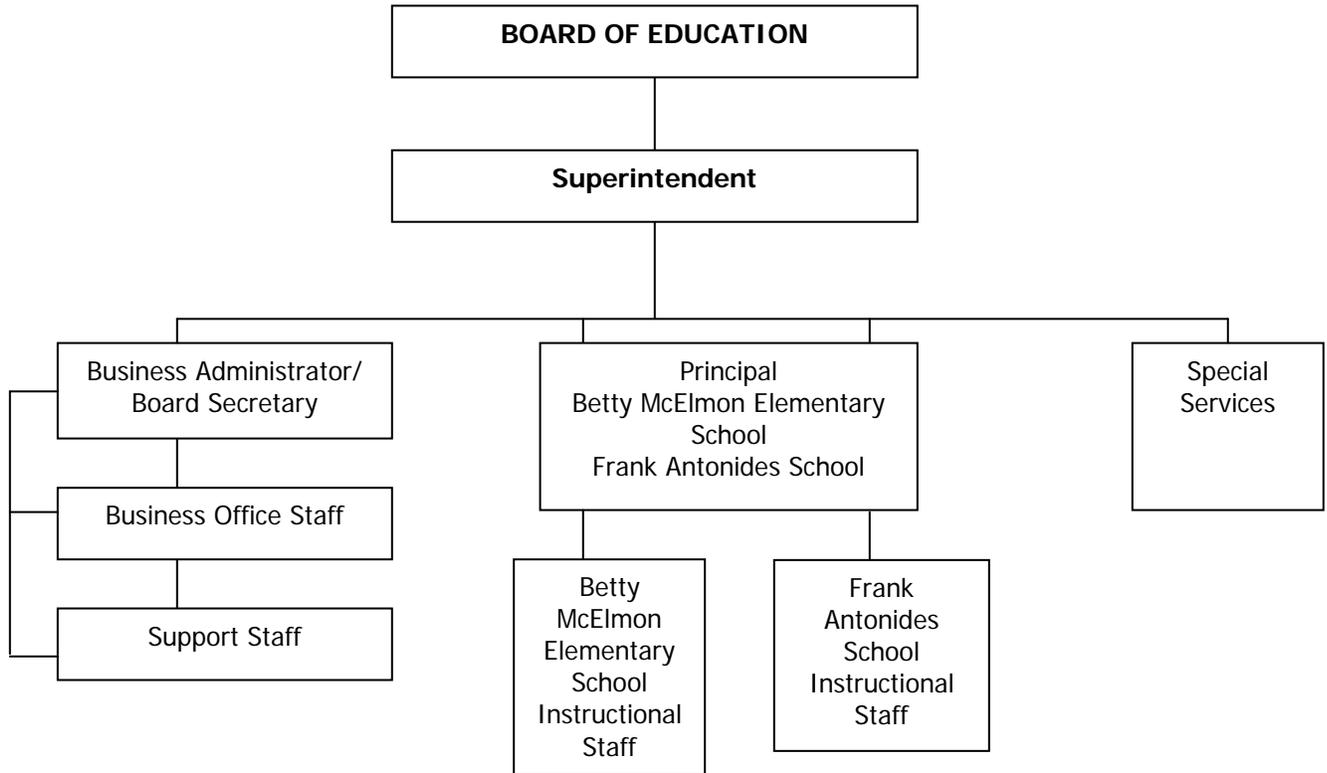
We would like to express our appreciation to the members of the West Long Branch Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District, as well as contributing their full support to the development and maintenance of our financial operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Financial and Accounting staff.

Respectfully submitted,



Herbert C. Massa
Interim Superintendent of Schools

**WEST LONG BRANCH BOARD OF EDUCATION
Organizational Chart
June 30, 2011**



**WEST LONG BRANCH BOARD OF EDUCATION
WEST LONG BRANCH, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Teresa Vaccaro, President	2013
Dr. Paul J. Christopher, Vice President	2014
Kerry Kennedy	2014
Richard Santangelo	2014
Patricia Bambach McLaughlin	2013
Susan Trocchia	2013
Erin Hegglin	2012
Dr. Edwin T. Hunter	2012
Mary Orendorff-Gassman	2012

Other Officials

Karen M. Wood, Superintendent (resigned 6/30/11)

Herbert C. Massa, Interim Superintendent/School Business Administrator/Board Secretary

James Erhardt, Principal/Frank Antonides School and Betty McElmon Elementary School

Samuel Siciliano, Treasurer

Viola Lordi, Esq., Solicitor

**WEST LONG BRANCH BOARD OF EDUCATION
Consultants and Advisors
June 30, 2011**

Board Attorney

Wilentz, Goldman, and Spitzer
Viola Lordi, Esq.
Suite 900
PO Box 10
Woodbridge, NJ 07095

Board Auditor

Paduano, DiTommaso & Golda, LLC
PO Box 206
220 Monmouth Road
Oakhurst, NJ 07755

Fiscal Agent

Chase Bank
55 Water Street
New York, NY 10041

Official Depository

TD Bank
359 Monmouth Road
West Long Branch, NJ 07764

FINANCIAL SECTION

PADUANO,
Di TOMMASO
& GOLDA, LLC

Certified Public Accountants and Consultants

Independent Auditor's Report

Honorable President and
Members of the Board of Education
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Long Branch Board of Education's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the West Long Branch Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2011 on our consideration of the West Long Branch Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

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

The accompanying schedules of expenditures of 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*, respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Paduano, DiTommaso & Golda, LLC
November 15, 2011



Certified Public Accountant
Licensed Public School Accountant #CS00164

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The management's discussion and analysis of the West Long Branch School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. 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 annual financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between current fiscal year (2010-2011) and the prior fiscal year (2009-2010) is presented in the Management's Discussion and Analysis.

Financial Highlights

Key financial highlights for 2011 are as follows:

- ◆ In total, net assets increased \$863,936 primarily due to reduction of debt.
- ◆ General revenues were \$9,877,806, which represented 90% of revenues for the year. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,142,380 or 10 percent of total revenues of \$11,020,186.
- ◆ Total assets of governmental activities increased by \$444,252 as cash and cash equivalents increased by \$758,876 and net capital assets decreased by \$305,449. The decrease in net capital assets primarily represents depreciation.
- ◆ The School District had \$9,013,870 in expenses, which were not offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and State of New Jersey and Federal Aid) of \$9,877,806 were adequate to provide for these programs.
- ◆ Among major funds, the General Fund had \$9,884,717 in revenues and \$9,097,387 in expenditures. The General Fund's balance increased \$862,550 over 2010. This increase was primarily attributed to tighter controls on spending.
- ◆ Fund Balance for the General Fund on a budgetary basis as of fiscal year end was \$2,450,861. The undesignated portion of surplus was \$1,165,875. Based on our calculation of excess surplus, the maximum of undesignated fund balance (2%) is \$262,022. The excess \$903,853 must be utilized for tax relief in the succeeding year's budget.
- ◆ The revenues for operating grants and contributions were recorded as an offset to expenses in this current year rather than as general revenue on Schedule A-2.

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 the West Long Branch 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 the *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 the West Long Branch School District, the General Fund is by far the most significant fund.

**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Reporting the School District as a Whole

The Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District reports two types 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 activities - This service is provided on a charge-for-goods-or-services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 21. 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 transactions. 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 funds statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental funds 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.

Proprietary Funds

Proprietary funds include enterprise funds and fiduciary funds. The enterprise fund uses the same basis of accounting as business-type activities. Our School District uses the enterprise fund to report the Board's cafeteria operations. Fiduciary funds are used to account for assets held by the School District on behalf of others and include the Student Activities Fund, Payroll and Agency Funds, the Unemployment Trust Fund and Private Purpose Scholarship Fund.

**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Long Term Debt

A separate section is used to account for all Long Term Debt including detail of serial bonds payable and Obligations under Capital Leases.

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 29 to 45 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 2011 and 2010.

**Table 1
Net Assets**

	Governmental Activities		Business-type Activities	
	2011	2010	2011	2010
Assets				
Current and other assets	\$ 2,830,887	\$ 2,081,276	\$ 103,933	\$ 56,531
Capital assets	9,411,006	9,716,455	25,917	1,600
Total Assets	<u>\$ 12,241,893</u>	<u>\$ 11,797,731</u>	<u>\$ 129,850</u>	<u>\$ 58,131</u>
Liabilities				
Long-term liabilities	\$ 2,963,226	\$ 3,368,150	\$ -	\$ -
Other liabilities	168,430	183,280	69,417	8,045
Total Liabilities	<u>\$ 3,131,656</u>	<u>\$ 3,551,430</u>	<u>\$ 69,417</u>	<u>\$ 8,045</u>
Net Assets				
Invested in capital assets, net of debt	\$ 6,548,005	\$ 6,463,455	\$ 25,917	\$ 1,600
Restricted	2,422,916	1,711,843	-	-
Unrestricted	139,316	71,003	34,516	48,486
Total Net Assets	<u>\$ 9,110,237</u>	<u>\$ 8,246,301</u>	<u>\$ 60,433</u>	<u>\$ 50,086</u>

The District's combined net assets of \$9,170,670 on June 30, 2011 results in an increase of 10 percent from the prior year.

**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

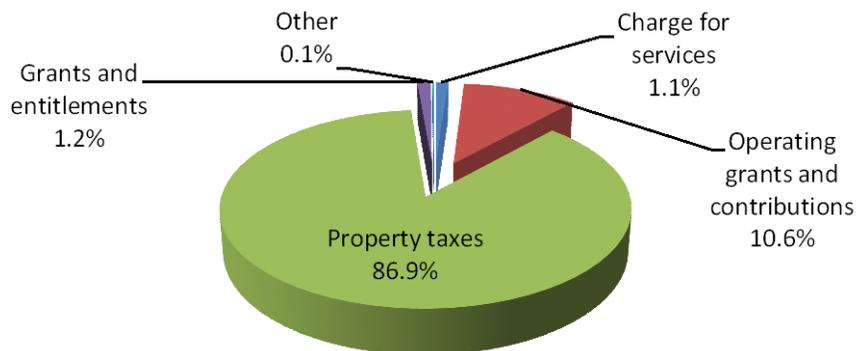
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Table 2 shows the changes in net assets for fiscal year 2011 and 2010.

**Table 2
Changes In Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues				
Program revenues:				
Charge for services	\$ -	\$ -	\$ 127,603	\$ 137,383
Operating grants and contributions	1,142,380	1,172,048	37,493	34,355
General revenues:				
Property taxes	9,695,062	10,040,010	-	-
Grants and entitlements	136,751	610,696	-	-
Other	45,993	69,990	(31,172)	(4,065)
Total revenues	<u>\$ 11,020,186</u>	<u>\$ 11,892,744</u>	<u>\$ 133,924</u>	<u>\$ 167,673</u>
Program Expenses				
Instruction	\$ 5,858,050	\$ 5,720,331	\$ -	\$ -
Support services:				
Pupils and instructional staff	1,479,974	1,513,563	-	-
General and school administrations	1,194,930	1,262,472	-	-
Operations and maintenance of facilities	966,294	1,086,021	-	-
Pupil transportation	526,451	569,270	-	-
Interest on debt	111,913	147,064	-	-
Food service	-	-	123,577	137,109
Other	18,638	11,738	-	-
Total program expenses	<u>10,156,250</u>	<u>10,310,459</u>	<u>123,577</u>	<u>137,109</u>
Increase in Net Assets	<u>\$ 863,936</u>	<u>\$ 1,582,285</u>	<u>\$ 10,347</u>	<u>\$ 30,564</u>

SOURCES OF REVENUES FOR FISCAL YEAR 2011



**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

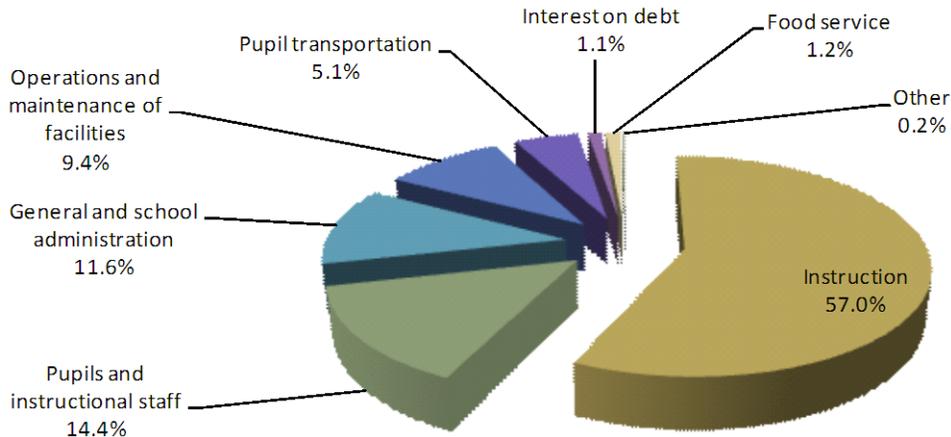
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

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 87 percent of revenues for governmental activities for fiscal year 2011 and 83 percent for fiscal year 2010. Property tax revenues decreased by \$344,948, which is a 3 percent decrease over the prior year. The District's total revenue for governmental activities was \$11,154,110 for the year ended June 30, 2011. Federal, state, and local grants accounted for another 12 percent of revenues.

Total expenses for the fiscal year were \$10,279,827.

EXPENSES FOR THE FISCAL YEAR 2011



Program expenses include instruction that comprises 57 percent of total expenses. Support services comprise 43 percent of total expenses.

Business-Type Activities are included above. Revenues for the Food Service Fund totaled \$133,924 which was comprised of charges for services in the amount of \$127,603 and federal and state reimbursements in the amount of \$37,493. Total operation expenses totaled \$123,577.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services for the year ended June 30, 2011. 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.

**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

**Table 3
Cost of Services**

	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>
Instruction	\$ 5,858,050	\$ 5,102,647	\$ 5,720,331	\$ 4,984,143
Support services				
Pupils and instructional staff	1,479,974	1,338,117	1,513,563	1,364,184
General administration, school administration and business	1,194,930	1,051,757	1,262,473	1,094,938
Operation and maintenance of facilities	966,294	899,773	1,086,021	1,006,730
Pupil transportation	526,451	491,025	569,270	529,614
Interest and fiscal charges	111,913	111,913	147,064	147,064
Other	<u>18,638</u>	<u>18,638</u>	<u>11,738</u>	<u>11,738</u>
Total expenses	<u><u>\$ 10,156,250</u></u>	<u><u>\$ 9,013,870</u></u>	<u><u>\$ 10,310,460</u></u>	<u><u>\$ 9,138,411</u></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 activities involve keeping the school grounds, buildings and equipment in an effective working condition.
- ◆ 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 and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.
- ◆ Other includes special schools.

The dependence upon tax revenues is apparent. Over 87 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 84 percent. The community, as a whole, is the primary support for the West Long Branch School District.

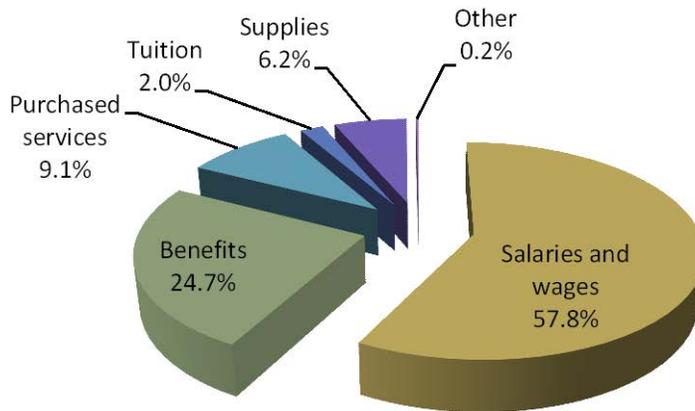
**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The School District's Funds

Information about the School District's governmental funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$10,988,991 and expenditures of \$10,255,725. The net positive change in fund balance for the year was due to general fund operations, an increase of \$733,266. 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.

As the graph and table below illustrates, the largest portion of General fund expenditures is for salaries. The District is a service entity and as such is labor intensive.



**Table 4
Expenditures by Object for the Fiscal Year Ended June 30,**

	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Salaries and wages	\$ 5,258,765	\$ 5,254,335	0.08%
Benefits	2,247,651	2,047,258	9.79%
Purchased services	829,909	1,015,547	-18.28%
Tuition	180,414	263,105	-31.43%
Supplies	562,010	635,046	-11.50%
Capital outlay	-	7,952	-100.00%
Special Revenue fund	565,717	577,568	-2.05%
Capital Projects fund	90,708	566,022	-83.97%
Debt Service fund	501,913	1,070,637	-53.12%
Other	18,638	11,738	58.78%
Total	<u>\$ 10,255,725</u>	<u>\$ 11,449,208</u>	<u>-10.42%</u>

Expenditures have decreased \$1,193,483 or 10 percent over the prior year mostly due to reductions in debt service and spending controls.

**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

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.

During the course of the 2010-2011 school year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Revisions in the budget were made to recognize revenues and expenditures that were not anticipated and to prevent over expenditures in specific expense accounts. Significant revisions are noted below.

- ◆ Instructional expenses were reduced due to the decrease in state aid.
- ◆ Salaries were reduced due to the elimination of a school principal
- ◆ Due to a reduction in enrollment, a Kindergarten position was eliminated.
- ◆ More private school students were bused, thus reducing Aid in Lieu Transportation costs.
- ◆ Special Education students requiring out of district placement declined.

Capital Assets

At the end of the fiscal year 2011, the School District had \$9,436,923 invested in buildings, furniture and equipment, and vehicles. Table 5 shows fiscal 2011 balances compared to 2010.

**Table 5
Capital Assets (Net of Depreciation) at June 30,**

	<u>2011</u>	<u>2010</u>
Governmental Activities		
Land	\$ 82,140	\$ 82,140
Buildings and improvements	9,006,637	9,330,780
Machinery and equipment	231,521	303,535
Construction in process	90,708	-
	<u>9,411,006</u>	<u>9,716,455</u>
Business-Type Activities		
Food service equipment	25,917	1,600
Total	<u>\$ 9,436,923</u>	<u>\$ 9,718,055</u>

The decrease of \$281,132 in capital assets is due primarily to the depreciation on existing capital assets. For more detailed information, please refer to the Notes to Financial Statements.

**WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Debt Administration

At June 30, 2011, the School District had \$2,963,226 as outstanding debt. Of this amount, \$100,226 is for compensated absences and the balance of \$2,863,000 is for bonds for school additions and renovations.

At June 30, 2011, the School District's overall legal debt margin was \$38,679,561. For more detailed information, please refer to the Notes to Financial Statements.

For the Future

The West Long Branch School District is in good financial condition. The Borough of West Long Branch is primarily a residential community, thus the burden is on the homeowners to fund the taxes needed to operate the schools. State funding has remained frozen and future finances will be with challenges. However, in the Summer of 2010, the District was awarded a State grant for capital outlay work which was completed during the Summer of 2011.

The 2011-2012 school budget was approved by one hundred forty-six (146) votes. The School District looks forward to effectively continuing to educate its students. The School District is committed to continue its sound fiscal management goals and is dedicated to maintain proper planning, budgeting and financial controls to achieve these goals.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary of the West Long Branch School District Board of Education.

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.

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,227,260	\$ 96,874	\$ 2,324,134
Receivables, net	32,662	2,471	35,133
Inventory	-	4,588	4,588
Restricted assets:			
Cash and cash equivalents	261,167	-	261,167
Reserve accounts	171,960	-	171,960
Intergovernmental receivable	137,838	-	137,838
Capital assets, net	9,411,006	25,917	9,436,923
Total assets	<u>12,241,893</u>	<u>129,850</u>	<u>12,371,743</u>
LIABILITIES			
Accounts payable	167,319	35,091	202,410
Interfund payable	-	31,195	31,195
Unearned revenue	1,111	3,131	4,242
Noncurrent liabilities:			
Due within one year	424,143	-	424,143
Due beyond one year	2,539,083	-	2,539,083
Total liabilities	<u>3,131,656</u>	<u>69,417</u>	<u>3,201,073</u>
NET ASSETS			
Invested in capital assets, net of related debt	6,548,006	25,917	6,573,923
Restricted for:			
Capital projects	234,075	-	234,075
Debt service	1	-	1
Other purposes	2,188,839	-	2,188,839
Unrestricted	139,316	34,516	173,832
Total net assets	<u>\$ 9,110,237</u>	<u>\$ 60,433</u>	<u>\$ 9,170,670</u>

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Activities
June 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 4,527,973	\$ -	\$ 571,683	\$ (3,956,290)	\$ -	\$ (3,956,290)
Special education	742,089	-	102,639	(639,450)	-	(639,450)
Other instruction	587,988	-	81,081	(506,907)	-	(506,907)
Support services:						
Instruction	365,302	-	-	(365,302)	-	(365,302)
Student and instruction related services	1,114,672	-	141,857	(972,815)	-	(972,815)
School administrative services	421,025	-	60,474	(360,551)	-	(360,551)
General and business administrative services	391,427	-	37,444	(353,983)	-	(353,983)
Central administration	382,478	-	45,255	(337,223)	-	(337,223)
Plant operations and maintenance	966,294	-	66,521	(899,773)	-	(899,773)
Pupil transportation	526,451	-	35,426	(491,025)	-	(491,025)
Special schools	3,150	-	-	(3,150)	-	(3,150)
Interest on long-term debt	111,913	-	-	(111,913)	-	(111,913)
Education Jobs Fund	15,488	-	-	(15,488)	-	(15,488)
Total governmental activities	<u>10,156,250</u>	<u>-</u>	<u>1,142,380</u>	<u>(9,013,870)</u>	<u>-</u>	<u>(9,013,870)</u>
Business-type activities:						
Food Service	123,577	127,603	37,493	-	41,519	41,519
Total business-type activities	<u>123,577</u>	<u>127,603</u>	<u>37,493</u>	<u>-</u>	<u>41,519</u>	<u>41,519</u>
Total primary government	<u>\$ 10,279,827</u>	<u>\$ 127,603</u>	<u>\$ 1,179,873</u>	<u>\$ (9,013,870)</u>	<u>\$ 41,519</u>	<u>\$ (8,972,351)</u>
General revenues:						
Property taxes levied for:						
General purposes				\$ 9,193,149	\$ -	\$ 9,193,149
Debt service				501,913	-	501,913
Federal and state aid not restricted				136,751	-	136,751
Investment earnings				2,836	23	2,859
Transfers				31,195	(31,195)	-
Miscellaneous income				11,962	-	11,962
Total general revenues, special items, extraordinary items and transfers				<u>9,877,806</u>	<u>(31,172)</u>	<u>9,846,634</u>
Change in net assets				863,936	10,347	874,283
Net assets—beginning				<u>8,246,301</u>	<u>50,086</u>	<u>8,296,387</u>
Net assets—ending				<u>\$ 9,110,237</u>	<u>\$ 60,433</u>	<u>\$ 9,170,670</u>

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

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.

WEST LONG BRANCH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Fund</u>
ASSETS					
Cash and cash equivalents	\$ 2,227,259	\$ -	\$ 261,167	\$ 1	\$ 2,488,427
Due from other funds	78,436	-	-	-	78,436
Receivables from other governments	-	101,555	36,283	-	137,838
Restricted cash and cash equivalents	171,960	-	-	-	171,960
Total assets	<u>\$ 2,477,655</u>	<u>\$ 101,555</u>	<u>\$ 297,450</u>	<u>\$ 1</u>	<u>\$ 2,876,661</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 49,169	\$ 36,843	\$ 63,014	\$ -	\$ 149,026
Interfund payable	-	45,413	361	-	45,774
Payable to state government	105	18,188	-	-	18,293
Unearned revenue	-	1,111	-	-	1,111
Total liabilities	<u>49,274</u>	<u>101,555</u>	<u>63,375</u>	<u>-</u>	<u>214,204</u>
Fund balances:					
Restricted for:					
Excess surplus - prior year - designated for subsequent year's expenditures	858,500	-	-	-	858,500
Excess surplus	903,853	-	-	-	903,853
Emergency reserve	100,209	-	-	-	100,209
Maintenance reserve	70,655	-	-	-	70,655
Capital reserve	1,096	-	-	-	1,096
Committed to:					
Other purposes	-	-	133,466	-	133,466
Assigned to:					
Designated by the BOE for subsequent year's expenditures	254,526	-	100,609	-	355,135
Unassigned:					
General fund	239,542	-	-	-	239,542
Debt service fund	-	-	-	1	1
Total fund balances	<u>2,428,381</u>	<u>-</u>	<u>234,075</u>	<u>1</u>	<u>2,662,457</u>
Total liabilities and fund balances	<u>\$ 2,477,655</u>	<u>\$ 101,555</u>	<u>\$ 297,450</u>	<u>\$ 1</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$15,295,978 and the accumulated depreciation is \$5,884,972.

9,411,006

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

(2,963,226)

Net assets of governmental activities

\$ 9,110,237

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

WEST LONG BRANCH 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>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local tax levy	\$ 9,193,149	\$ -	\$ -	\$ 501,913	\$ 9,695,062
Interest earned on investments	2,475	-	361	-	2,836
Miscellaneous	11,962	10,881	-	-	22,843
Total - local sources	9,207,586	10,881	361	501,913	9,720,741
State sources	661,643	221,620	36,283	-	919,546
Federal sources	15,488	333,216	-	-	348,704
Total revenues	<u>9,884,717</u>	<u>565,717</u>	<u>36,644</u>	<u>501,913</u>	<u>10,988,991</u>
EXPENDITURES					
Current:					
Regular instruction	2,837,125	379,945	-	-	3,217,070
Special education instruction	506,732	-	-	-	506,732
Other instruction	402,064	-	-	-	402,064
Support services and undistributed costs:					
Instruction	180,414	184,888	-	-	365,302
Student and instruction related services	789,387	-	-	-	789,387
School administrative services	282,354	-	-	-	282,354
Business administrative services	305,563	-	-	-	305,563
Central services and administrative information technology	278,705	-	-	-	278,705
Plant operations and maintenance	813,760	-	-	-	813,760
Pupil transportation	434,994	-	-	-	434,994
Unallocated benefits	2,247,651	-	-	-	2,247,651
Special schools	3,150	-	-	-	3,150
Debt service:					
Principal	-	-	-	390,000	390,000
Interest and other charges	-	-	-	111,913	111,913
Capital outlay	-	884	90,708	-	91,592
Education Jobs fund	15,488	-	-	-	15,488
Total expenditures	<u>9,097,387</u>	<u>565,717</u>	<u>90,708</u>	<u>501,913</u>	<u>10,255,725</u>
Excess (Deficiency) of revenues over expenditures	<u>787,330</u>	<u>-</u>	<u>(54,064)</u>	<u>-</u>	<u>733,266</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	363,720	-	288,500	-	652,220
Transfers out	(288,500)	-	(332,525)	-	(621,025)
Total other financing sources (uses)	<u>75,220</u>	<u>-</u>	<u>(44,025)</u>	<u>-</u>	<u>31,195</u>
Net change in fund balances	862,550	-	(98,089)	-	764,461
Fund balance—July 1	1,565,831	-	332,164	1	1,897,996
Fund balance—June 30	<u>\$ 2,428,381</u>	<u>\$ -</u>	<u>\$ 234,075</u>	<u>\$ 1</u>	<u>\$ 2,662,457</u>

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

WEST LONG BRANCH 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) \$ 764,461

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

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

Depreciation expense	\$ (397,041)	
Capital outlay	<u>91,592</u>	(305,449)

Repayment of long-term debt, i.e. 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.

390,000

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

14,924

Change in net assets of governmental activities

\$ 863,936

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2011

	<u>Food Service Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 96,874
Intergovernmental receivables	2,164
Student meals receivables, net	307
Inventories	4,588
Total current assets	103,933
Non-current assets:	
Furniture, machinery and equipment	38,303
Less: accumulated depreciation	(37,497)
Total non-current assets	806
Total assets	\$ 104,739
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 35,091
Due to general fund-excess cash balance	31,195
Deferred revenue	3,131
Total current liabilities	69,417
NET ASSETS	
Restricted	
Investment in equipment	25,111
Unrestricted	10,211
Total net assets	35,322
Total liabilities and net assets	\$ 104,739

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Food Service Fund</u>
Operating Revenues	
Charges for services:	
Daily sales - reimbursable program	\$ 88,931
Daily sales - non-reimbursable program	38,470
Special functions	202
Total operating revenues	127,603
Operating Expenses	
Cost of sales	50,977
Salaries	41,713
Employee benefits	11,449
Management fees	13,300
Insurance	4,850
Repairs & Maintenance	981
General supplies	1,313
Bad debt recovery-student lunches	(1,800)
Depreciation	794
Total operating expenses	123,577
Operating income	4,026
NON-OPERATING REVENUES	
State sources:	
State school lunch program	1,907
Federal sources:	
National school lunch program	27,886
Food distribution program	7,700
Interest income	23
Total non-operating revenues	37,516
Income (loss) before transfers	41,542
Transfer to restricted assets	(25,111)
Transfers out	(31,195)
Change in net assets	(14,764)
Total Net Assets - Beginning	50,086
Total Net Assets - Ending	\$ 35,322

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Food Service Fund</u>
Cash Flows from Operating Activities	
Receipts from customers	\$ 129,475
Payments to vendor's employees	(41,713)
Payments for vendor's employee benefits	(11,449)
Payments to vendor	(50,102)
Net cash provided by operating activities	26,211
Cash Flows from Non-capital Financing Activities	
State sources	2,079
Federal sources	30,555
Transfer to warrant account-excess cash	(4,170)
Net cash provided by non-capital financing activities	28,464
Cash Flows from Investing Activities	
Interest	23
Net cash provided by investing activities	23
Net increase in cash and cash equivalents	54,698
Balance - Beginning of Year	42,177
Balance - End of Year	\$ 96,875
Reconciliation of Operating Income to Net Cash	
Used for Operating Activities:	
Operating income	\$ 4,026
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	794
Bad debt recovery-student lunches	(1,800)
(Increase) in student meal receivables	1,757
Decrease in inventories	8,564
Increase in accounts payable	13,614
(Decrease) in deferred revenue	(744)
Total adjustments	22,185
Net Cash provided by Operating Activities	\$ 26,211

Noncash noncapital financing activities:

The Board of Education received \$7,700 of food commodities from the US Department of Agriculture for the year ended June 30, 2011.

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 21,035	\$ 10,118	\$ 19,656
State receivable	-	-	-
Total Assets	<u>21,035</u>	<u>10,118</u>	<u>\$ 19,656</u>
LIABILITIES			
Payroll deduction and withholding	1,965	-	\$ 2,460
Due to student groups	-	-	17,196
Total Liabilities	<u>1,965</u>	<u>-</u>	<u>\$ 19,656</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>\$ 19,070</u>		
Reserved for scholarships		<u>\$ 10,118</u>	

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan Member	\$ 18,004	\$ -
Scholarship Donations	-	500
Total Contributions	18,004	500
Investment Earnings:		
Interest	3	5
Net Investment Earnings	3	5
Total Additions	18,007	505
DEDUCTIONS		
Unemployment claims	2,741	-
Scholarships awarded	-	400
Total Deductions	2,741	400
Change in Net Assets	15,266	105
Net Assets - Beginning of Year	3,804	10,013
Net Assets - End of Year	\$ 19,070	\$ 10,118

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

**NOTES TO THE
BASIC FINANCIAL STATEMENTS**

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the West Long Branch 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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The District's Proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The operations of the District include the primary school and elementary school located in West Long Branch, New Jersey.

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and with it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the West Long Branch School District in West Long Branch, New Jersey. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding sources entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

B. District-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. District-Wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 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 for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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 for the current period. For this purpose, the District considered revenue to be available if they are collected within 60 days of the end of the current fiscal year. 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 capital leases, are recorded only when payment is due.

Property taxes, interest and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

The District reports the following major 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.

Special Revenue Fund: The District maintains one special revenue fund, primarily consisting of government grants, for which the proceeds of specific revenue sources (other than fiduciary funds or major capital projects) 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 Fund).

Debt Service Fund: The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenues and expenses pertaining to cafeteria operations. The fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Additionally, the District reports the following fiduciary fund types:

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Trust Funds: The unemployment compensation and private-purpose scholarship funds are accounted for in essentially the same manner as governmental funds. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. The private purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

Agency Funds (Payroll and Student Activity Fund): 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.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the enterprise fund includes the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The District reports unearned revenue on its balance sheet. Unearned revenue arises when a potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

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

The following statutory dates are applicable to property taxes collected by the respective municipalities:

Levy date	January 1
Lien Date	January 1
Due Dates:	August 1, November 1, February 1, and May 1

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. 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, except for the Special Revenue Fund, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments/transfers must be approved by School Board resolutions. Budgetary transfers were made during the current year and were within allowable limits permitted by the State. The District did not deem them to be significant or unusual in nature. 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 GAAP with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents consist of petty cash, amounts on deposit, money market accounts and short-term investments with original maturities of three months or less from date of acquisition.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investment and for External Investment Pools."

F. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Inventories

Inventories that benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase.

Inventories in the enterprise fund are expensed using the consumption method. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. At June 30, 2011, the unused Food Donation Program commodities of \$3,131 are reported as deferred revenue in the enterprise fund.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Capital assets, which include land, property, plant and machinery and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the District wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment of the District are depreciated using the straight-line method under the half-year convention. The following estimated useful lives are used to compute depreciation:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School building	50
Building improvements	20
Electrical/plumbing	30
Vehicles	8
Office and computer equipment	5 – 10
Instructional equipment	10
Grounds equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. Compensated Absences

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

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 agreement with the various employee unions.

For the District-wide *Statement of Net Assets*, 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.

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, 2011, no material liability existed for compensated absences in the Food Service Fund.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

K. 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.

L. Unamortized Bond Premiums, Discounts and Bond Issuance Costs

Premiums, discounts and bond issuance costs on the revenue bonds are amortized using the interest method, over the maturity of the related issue.

M. Fund Balance Reporting

The District has adopted GASB 54 as part of its 2010-11 fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the users of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The District has inventories that are considered nonspendable. The District does not have any prepaid item or nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints for the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to the used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balance Reporting (continued)

The District has classified its fund balances with the following hierarchy:

Spendable: The District has classified the spendable fund balances as *Restricted, Committed, Assigned and Unassigned* and considered each to have been spent when expenditures are incurred.

- Restricted for Excess Surplus and Capital Reserve:

New Jersey School Districts are required to reserve fund balance of the general fund if they did not appropriate a required minimum amount as budgeted fund balance. The capital reserve account is used to accumulate funds for use as capital outlay expenditures in subsequent fiscal years. The funds have been included in restricted category of fund balance. The restricted fund balances totaled \$1,934,313 and represented \$1,762,353 in excess surplus, \$100,209 in emergency reserve, \$70,655 in maintenance reserve, and \$1,096 in capital reserve.

- Assigned for School Operations and Capital Projects:

The School Board has set aside certain spendable fund balance for school operations and capital projects. At year end, the assigned fund balance is \$355,135 of which \$254,526 is for school operations and \$100,609 is for capital projects. The assigned fund balance for school operations includes \$233,393 for outstanding encumbrances and \$21,133 for appropriation of existing unassigned fund balance at year-end to be utilized as tax relief in next year's budget.

- Unassigned:

The unassigned fund balance for the General Fund is \$239,542.

N. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Education Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve fund balance of the General Fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The District has excess fund balance generated during the 2011 fiscal year in the amount of \$903,853 which will be designated for tax relief in 2012-2013.

O. Net Assets

Net assets represent the difference between assets and liabilities in the District-wide financial statements. 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 capital 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.

P. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security contributions and post-retirement medical and pension benefits for certified members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

R. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable by function. Employee benefits, including the employer's share of social security, workers' compensation and medical and dental benefits, were allocated based on salaries of the program.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net asset – governmental activities as reported in the District-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$2,963,226 difference are as follows:

Bonds payable	\$ 2,863,000
Compensated absences	<u>100,226</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 2,963,226</u>

NOTE 3. DEPOSITS AND INVESTMENTS

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statue 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 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 that deposits of which are federally insured. GUDPA requires that all public depositories must pledge collateral, having a market value of 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.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF), New Jersey Arbitrage Rebate Management Fund (NJARM) and M.B.I.A. Class.

New Jersey statutes (GUDPA) require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirements, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2011, the carrying amount of the District's deposits was \$2,660,387 and the bank balance was \$2,842,200.

Based on levels of risk, \$250,000 of the District's cash deposits on June 30, 2011 were secured by federal depository insurance. The remaining balance of \$2,592,200 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA).

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that, in the event of failure of the counterparty, the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

At June 30, 2011, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for the management of custodial credit risk, other than depositing all its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by financial institutions, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

There were no investments at June 30, 2011.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 4. RECEIVABLES

Receivables at June 30, 2011, consisted accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	<u>Governmental Fund Financial Statements</u>	<u>Governmental Wide Financial Statements</u>
State Aid	\$ 36,283	\$ 36,510
Federal Aid	83,367	85,304
Other	96,624	51,157
Gross Receivables	216,274	172,971
Less: Allowance for Uncollectibles	-	-
Total Receivables, net	\$ 216,274	\$ 172,971

NOTE 5. RESTRICTED ASSETS

The proceeds of the District's bonds are classified as restricted assets (cash, cash equivalents and accounts receivables) as they are restricted to payments relating to the referendum projects in the capital projects fund, funds set aside in a capital reserve fund, and accounts receivable in the special revenue fund.

NOTE 6. CAPITAL ASSETS

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2011:

	<u>Beginning Balance</u>	<u>Adjustments and additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated:				
Construction in process	\$ -	\$ 90,708	\$ -	\$ 90,708
Land	82,140	-	-	82,140
Total capital assets not being depreciated	82,140	90,708	-	172,848
Capital assets being depreciated:				
Site improvements	130,534	-	-	130,534
Building and building improvements	13,046,932	-	-	13,046,932
Machinery and equipment	1,944,780	884	-	1,945,664
Totals at historical cost	15,122,246	884	-	15,123,130
Less accumulated depreciation for:				
Building and improvements	3,846,686	324,143	-	4,170,829
Equipment	1,641,245	72,898	-	1,714,143
	5,487,931	397,041	-	5,884,972
Total capital assets being depreciated, net of accumulated depreciation	9,634,315	(396,157)	-	9,238,158
Government activity capital assets, net	\$ 9,716,455	\$ (305,449)	\$ -	\$ 9,411,006

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 6. CAPITAL ASSETS (continued)

Depreciation expense was charged to the following governmental programs:

Instruction	\$	255,786
General and Business Administrative Services		48,480
Plant Operations and Maintenance		22,524
Pupil Transportation		22,219
Support Services - students and staff		48,032
Total		\$ 397,041

The following is a summary of the business-type capital assets for the year ended June 30, 2011:

	Beginning Balance	Adjustments and additions	Retirements	Ending Balance
Business-type activities				
Capital assets being depreciated:				
Equipment	\$ 38,303	\$ 25,111	\$ -	\$ 63,414
Less accumulated depreciation	36,703	794	-	37,497
Enterprise fund capital assets, net	\$ 1,600	\$ 24,317	\$ -	\$ 25,917

NOTE 7. LONG-TERM LIABILITIES

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. Principal and interest due on all serial bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 405,000	\$ 100,213	\$ 505,213
2013	410,000	87,050	497,050
2014	410,000	73,725	483,725
2015	410,000	59,888	469,888
2016	410,000	45,538	455,538
2017-2018	818,000	45,975	863,975
	\$ 2,863,000	\$ 412,389	\$ 3,275,389

Bonds Authorized But Not Issued

As of June 30, 2011, the District had no authorized but not issued bonds.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 7. LONG-TERM LIABILITIES (continued)

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Amounts due within One Year
Compensated absences payable	\$ 115,150	\$ 8,640	\$ 23,564	\$ 100,226	\$ 19,143
Serial bonds payable with interest rates of 2% to 3.75%	3,253,000	-	390,000	2,863,000	405,000
	<u>\$ 3,368,150</u>	<u>\$ 8,640</u>	<u>\$ 413,564</u>	<u>\$ 2,963,226</u>	<u>\$ 424,143</u>

Compensated absences are liquidated by expenditures charged to the general fund. Bonds payable are liquidated by expenditure charged to the debt service fund.

NOTE 8. PENSION PLANS

Plan Descriptions

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by the State statute: the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System 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 Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

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 coverage including post-retirement health care to substantially all full-time public employees of the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available for those under age 55 participating in TPAF with 25 or more years of credited services. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 8. PENSION PLANS (continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school district, or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of services and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above formula, but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of the Treasury, Division of Pensions and benefits, issues publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required 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 five percent 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 Board is a non-contributing employer of the TPAF.

Funding Policy (continued)

The Board's actuarially determined contributions to PERS for the years ended June 30, 2011, 2010 and 2009 were \$99,269, \$80,329, and \$69,540, respectively, equal to the required contributions for each year. During the fiscal year ended June 30, 2011, the State of New Jersey made a \$273,653 contribution to the TPAF for post-retirement benefits and normal costs of pension on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$303,010 during the fiscal year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws of 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and 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. Chapter 103 of Public Laws 2007 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, statewide, 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.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 9. POST-RETIREMENT BENEFITS (continued)

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 2010.

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Financial Reporting by Employers for Postemployment Benefits Other Than Pension*. This statement established standards of accounting and financial reporting for other postemployment benefits (OPEB) expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures and required supplementary information (RSI) in the financial reports of state and local government employers. Since the State of New Jersey pays OPEB benefits on behalf of the District and the State is recording the OPEB liability on its financial statements, this GASB does not apply to the District.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage, or destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements that have exceeded insurance coverage for the last three years.

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 table below is a summary of the district contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010 - 2011	\$ 3	\$ 18,004	\$ 2,741	\$ 19,070
2009 - 2010	35	19,435	34,934	3,804
2008 - 2009	94	22,414	11,219	19,268

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administrated by various entities, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

Participants' rights under the plan are equal to the fair market value of the deferred account for each participant. This District has no liability for losses under the plan.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 12. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2011, the interfund receivables and payables that resulted from regularly recurring operational transfers are detailed below:

Due to the General Fund from the Capital Projects Fund for interest	\$ 361
Due to the General Fund from the Enterprise Fund to cover excess cash resources	31,195
Due to the General Fund from the Special Revenue Fund to cover cash overdraft	45,413
Due to the General Fund from the Payroll Agency Fund for payroll adjustments	1,467
	\$ 78,436

The interfund between the special revenue fund and the debt service fund represents loans between the funds.

Interfund transfers during the year were as follows:

	Transfers from Other Funds	Transfers to Other Funds
General Fund	\$ 363,720	\$ 288,500
Capital Projects Fund	288,500	332,525
Enterprise Fund	-	31,195
	\$ 652,220	\$ 652,220

New Jersey statute requires that interest earned on the investments in the Capital Projects Fund be credited to the general or debt service fund. The general fund transferred \$288,500 to the Capital Projects Fund for the Attic Insulation project at the Betty McElmon School in accordance with the approved budget. The Capital Projects Fund transferred \$332,164 of unexpended funds for the Frank Antonides roof replacement project back to the General Fund. The Enterprise fund transferred \$31,195 to the General fund due to resources in excess of three months of expenditures.

NOTE 13. ECONOMIC DEPENDENCY

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to additional funding uncertainties at the State level, funding for school districts was reduced. The ultimate effect of possible reductions in funding on the District's future operations is not yet determinable.

NOTE 14. CONTINGENT LIABILITIES

Litigation

The Board is involved in a few claims incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

Grant Programs

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

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 15. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the West Long Branch School District by inclusion of \$462,000 during 1995-1996 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	\$ 1,095
Interest earnings	1
Deposits	-
Withdrawals	
Board resolution (per approved budget)	-
Ending balance, June 30, 2011	<u>\$ 1,096</u>

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is \$4,520,439.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1)

Of the \$2,428,381 General Fund fund balance at June 30, 2011, \$233,393 is reserved for encumbrances, \$903,853 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$858,500 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011; \$21,133 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; \$1,096 has been reserved in the capital reserve account; \$100,209 has been reserved in the emergency reserve account; \$70,655 has been reserved in the maintenance reserve account; and \$239,542 is unreserved and undesignated.

Debt Service Fund

Of the Debt Service Fund fund balance at June 30, 2011, \$1 is unreserved and undesignated.

NOTE 17. MAINTENANCE RESERVE

A maintenance reserve account of \$70,500 was established in June 2009 to accumulate funds for the required maintenance of the facility in accordance with State regulations.

NOTE 18. EMERGENCY RESERVE

During fiscal year ended 2009 in accordance with N.J.S.A. 18A:7F-41(c)1, the Board transferred \$100,000 to emergency reserve to accumulate funds to be utilized toward unanticipated general fund expenditures required for a thorough and efficient education. The Board resolution occurred at year end, during the required period between June 1st and June 30th. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs exceeding four percent.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2011

NOTE 19. RELATED ORGANIZATIONS

Not included in the School Board's financial statements are certain Parent-Teacher Associations (PTAs), Parent-Teacher-Student Associations (PTSAs) and athletic and band booster clubs. These agencies provide services to students and employees of the School Board, but are separate legal entities having sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the School Board. The School Board does not account for these entities as component units or joint ventures; it does not maintain an ongoing financial interest or have responsibility for these entities.

NOTE 20. SUBSEQUENT EVENT

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2011 through November 15, 2011, the date that the financial statements were issued, for possible disclosure and recognition in the financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART II

BUDGETARY COMPARISON SCHEDULES

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 9,193,149	\$ -	\$ 9,193,149	\$ 9,193,149	\$ -
Interest earned on Capital Reserve Funds	1,020	-	1,020	87	(933)
Interest earned on investments	40,000	-	40,000	2,388	(37,612)
Miscellaneous	-	-	-	11,962	11,962
Total - local sources	9,234,169	-	9,234,169	9,207,586	(26,583)
State sources:					
Extraordinary aid	20,312	-	20,312	10,458	(9,854)
Aid in lieu adjustment	-	-	-	12,022	12,022
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	273,653	273,653
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	303,010	303,010
Total - state sources	20,312	-	20,312	599,143	578,831
Federal sources:					
Education jobs fund	-	15,489	15,489	15,489	-
Total - federal sources	-	15,489	15,489	15,489	-
Total revenues	9,254,481	15,489	9,269,970	9,822,218	552,248
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	45,222	3,775	48,997	46,015	2,982
Kindergarten	213,040	(40,726)	172,314	170,982	1,332
Grades 1-5	1,346,521	22,004	1,368,525	1,368,425	100
Grades 6-8	1,064,102	(22,831)	1,041,271	1,040,315	956
Regular programs - home instruction:					
Salaries of teachers	2,000	4,000	6,000	4,416	1,584
Purchased professional educational services	1,500	-	1,500	-	1,500
Regular programs - undistributed instruction:					
Purchased technical services	11,500	1,742	13,242	13,241	1
Other purchased services (400 - 500 series)	20,000	379	20,379	17,287	3,092
General supplies	165,020	18,317	183,337	165,960	17,377
Textbooks	55,000	(44,970)	10,030	9,875	155
Other objects	750	(21)	729	609	120
Total regular programs	2,924,655	(58,331)	2,866,324	2,837,125	29,199

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special education - instruction:					
Auditory impairment:					
Salaries of teachers	\$ 50,460	\$ -	\$ 50,460	\$ 49,723	\$ 737
General supplies	512	-	512	112	400
Total auditory impairment	<u>50,972</u>	<u>-</u>	<u>50,972</u>	<u>49,835</u>	<u>1,137</u>
Resource room:					
Salaries of teachers	329,518	6,178	335,696	335,695	1
Other salaries for instruction	35,858	471	36,329	33,799	2,530
General supplies	250	-	250	-	250
Textbooks	7,134	-	7,134	2,722	4,412
Other objects	500	-	500	-	500
Total resource room	<u>373,260</u>	<u>6,649</u>	<u>379,909</u>	<u>372,216</u>	<u>7,693</u>
Preschool disabilities - part time:					
Salaries of teachers	36,080	4,015	40,095	37,911	2,184
Other salaries for instruction	18,486	1,601	20,087	18,083	2,004
Purchased professional education services	25,000	3,791	28,791	26,706	2,085
General supplies	2,000	44	2,044	1,906	138
Textbooks	-	-	-	-	-
Other expense	600	(500)	100	75	25
Total preschool disabilities - part time	<u>82,166</u>	<u>8,951</u>	<u>91,117</u>	<u>84,681</u>	<u>6,436</u>
Total special education - instruction	<u>506,398</u>	<u>15,600</u>	<u>521,998</u>	<u>506,732</u>	<u>15,266</u>
Basic skills/remedial - instruction:					
Salaries of teachers	176,580	(7,290)	169,290	167,053	2,237
General supplies	2,939	-	2,939	32	2,907
Total basic skills/remedial - instruction	<u>179,519</u>	<u>(7,290)</u>	<u>172,229</u>	<u>167,085</u>	<u>5,144</u>
Bilingual education - instruction:					
Salaries of teachers	67,600	60	67,660	67,395	265
General supplies	800	-	800	97	703
Total bilingual education - instruction	<u>68,400</u>	<u>60</u>	<u>68,460</u>	<u>67,492</u>	<u>968</u>
School sponsored cocurricular activities - instruction:					
Salaries	44,611	1,500	46,111	44,964	1,147
Supplies and materials	4,000	(4,000)	-	-	-
Other objects	14,000	(1,500)	12,500	9,945	2,555
Total school sponsored cocurricular activities - instruction	<u>62,611</u>	<u>(4,000)</u>	<u>58,611</u>	<u>54,909</u>	<u>3,702</u>

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School sponsored athletics - instruction:					
Salaries	\$ 31,827	\$ -	\$ 31,827	\$ 31,827	\$ -
Purchased services (300 - 500 series)	11,696	625	12,321	11,589	732
Supplies and materials	3,000	(65)	2,935	2,192	743
Other objects	1,000	65	1,065	1,065	-
Total school sponsored athletics - instruction	<u>47,523</u>	<u>625</u>	<u>48,148</u>	<u>46,673</u>	<u>1,475</u>
Academically talented - instruction:					
Salaries	61,160	633	61,793	61,792	1
Supplies and materials	1,000	(133)	868	805	63
Other objects	4,125	(500)	3,625	3,308	317
Total academically talented - instruction	<u>66,285</u>	<u>-</u>	<u>66,285</u>	<u>65,905</u>	<u>380</u>
Total - instruction	<u>3,855,391</u>	<u>(53,336)</u>	<u>3,802,055</u>	<u>3,745,921</u>	<u>56,134</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within state - regular	18,788	(12,000)	6,788	6,788	-
Tuition to other LEAs within state - special	197,000	(68,640)	128,360	78,503	49,857
Tuition to private schools for disabled within state	177,172	(9,181)	167,991	95,123	72,868
Total instruction	<u>392,960</u>	<u>(89,821)</u>	<u>303,139</u>	<u>180,414</u>	<u>122,725</u>
Attendance and social work services:					
Salaries	600	-	600	100	500
Total attendance and social work services	<u>600</u>	<u>-</u>	<u>600</u>	<u>100</u>	<u>500</u>
Health services:					
Salaries	64,360	(300)	64,060	63,347	713
Purchased professional and technical services	6,000	(1,070)	4,930	4,930	-
Supplies and materials	1,600	300	1,900	1,755	145
Total health services	<u>71,960</u>	<u>(1,070)</u>	<u>70,890</u>	<u>70,032</u>	<u>858</u>
Speech, occupational therapy, physical therapy, related services:					
Salaries	70,873	(5,498)	65,375	65,374	1
Purchased professional/educational services	55,000	20,376	75,376	75,376	-
Supplies and materials	800	-	800	-	800
Total speech, occupational therapy, physical therapy, related services	<u>126,673</u>	<u>14,878</u>	<u>141,551</u>	<u>140,750</u>	<u>801</u>
Other support services - students - extra services:					
Salaries	35,104	(6,461)	28,643	28,563	80
Purchased professional/educational services	30,000	-	30,000	-	30,000
Total other support services - students - extra services	<u>65,104</u>	<u>(6,461)</u>	<u>58,643</u>	<u>28,563</u>	<u>30,080</u>

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other support services - guidance:					
Salaries of other professional staff	\$ 72,410	\$ -	\$ 72,410	\$ 72,410	\$ -
Salaries of secretarial and clerical assistants	4,530	(1,727)	2,803	2,422	381
Purchased professional/educational services	4,550	-	4,550	3,371	1,179
Other purchased professional and technical services	-	-	-	-	-
Supplies and materials	1,800	-	1,800	1,472	328
Total other support services - guidance	<u>83,290</u>	<u>(1,727)</u>	<u>81,563</u>	<u>79,675</u>	<u>1,888</u>
Other support services - child study team:					
Salaries of other professional staff	314,335	-	314,335	306,379	7,956
Salaries of secretarial and clerical assistants	32,476	300	32,776	32,261	515
Purchased professional/educational services	20,000	5,000	25,000	24,948	52
Miscellaneous purchased services (400-500)	1,050	-	1,050	442	608
Supplies and materials	9,249	(5,300)	3,949	2,395	1,554
Other expense	1,200	-	1,200	900	300
Total other support services - child study team	<u>378,310</u>	<u>-</u>	<u>378,310</u>	<u>367,325</u>	<u>10,985</u>
Improvement of instructional services:					
Salaries of other professional staff	20,000	-	20,000	14,311	5,689
Purchased professional educational services	40,000	(8,537)	31,463	3,365	28,098
Supplies and materials	500	123	623	622	1
Total improvement of instructional services	<u>60,500</u>	<u>(8,414)</u>	<u>52,086</u>	<u>18,298</u>	<u>33,788</u>
Educational media services/school library:					
Salaries	141,881	(71,598)	70,283	67,475	2,808
Supplies and materials	12,236	104	12,340	11,248	1,092
Total educational media services/school library	<u>154,117</u>	<u>(71,494)</u>	<u>82,623</u>	<u>78,723</u>	<u>3,900</u>
Instructional staff training services:					
Purchased professional/education services	8,000	-	8,000	500	7,500
Other purchased services (400 - 500 series)	13,000	(250)	12,750	5,264	7,487
Supplies and materials	1,000	-	1,000	161	839
Other objects	500	-	500	-	500
Total instructional staff training services	<u>22,500</u>	<u>(250)</u>	<u>22,250</u>	<u>5,925</u>	<u>16,325</u>
Support services - general administration:					
Salaries	171,731	800	172,531	172,271	260
Legal services	29,200	43,214	72,414	64,215	8,199
Audit fees	18,900	2,900	21,800	21,800	-
Other purchased professional services	1,200	4,979	6,179	6,178	1
Communications/telephone	15,000	3,209	18,209	18,003	206
BOE other purchased professional services	500	(250)	250	-	250
Other purchased services (400 - 500 series)	6,700	4,500	11,200	10,283	917
General supplies	2,872	1,500	4,372	2,704	1,668
Judgments against school district	-	2,500	2,500	2,500	-
Miscellaneous expenditures	2,091	72	2,163	2,162	1
BOE Membership Dues and Fees	7,000	(1,500)	5,500	5,447	53
Total support services - general administration	<u>255,194</u>	<u>61,924</u>	<u>317,118</u>	<u>305,563</u>	<u>11,555</u>

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support services - school administration:					
Salaries of principals/assistant principals	\$ 209,935	\$ (33,498)	\$ 176,437	\$ 128,957	\$ 47,480
Salaries of secretarial and clerical assistants	147,191	2,078	149,269	149,268	1
Other purchased services (400 - 500 series)	500	600	1,100	1,047	53
Supplies and materials	4,111	(150)	3,961	1,790	2,171
Other objects	4,000	(461)	3,539	1,292	2,247
Total support services - school administration	<u>365,737</u>	<u>(31,431)</u>	<u>334,306</u>	<u>282,354</u>	<u>51,952</u>
Central services:					
Salaries	203,018	(53,622)	149,396	139,074	10,322
Purchased professional services	500	57,767	58,267	46,751	11,516
Purchased technical services	900	11,411	12,311	5,173	7,138
Other purchased services (400 - 500 series)	11,900	106	12,006	9,638	2,368
Supplies and materials	4,294	5,405	9,699	7,088	2,611
Other objects	970	961	1,931	1,849	82
Total central services	<u>221,582</u>	<u>22,028</u>	<u>243,610</u>	<u>209,573</u>	<u>34,037</u>
Administrative information technology:					
Salaries	-	69,132	69,132	69,132	-
Total administrative information technology	<u>-</u>	<u>69,132</u>	<u>69,132</u>	<u>69,132</u>	<u>-</u>
Required allowable maintenance for school facilities:					
Salaries	43,044	(1,000)	42,044	42,044	-
Cleaning, repair and maintenance services	111,094	(8,022)	103,072	77,864	25,208
General supplies	18,637	(2,626)	16,011	2,338	13,673
Other objects	2,368	-	2,368	964	1,404
Total required allowable maintenance for school facilities	<u>175,143</u>	<u>(11,648)</u>	<u>163,495</u>	<u>123,210</u>	<u>40,285</u>
Other operation and maintenance of plant services:					
Salaries	187,098	(11,020)	176,078	163,492	12,586
Salaries of non-instructional aids	94,257	-	94,257	81,463	12,794
Purchased professional and technical services	14,000	1,270	15,270	14,259	1,011
Cleaning, repair and maintenance services	63,090	(505)	62,585	45,999	16,586
Rental of land and buildings other than lease purchase agreements	1,000	-	1,000	-	1,000
Other purchased property services	66,000	4,926	70,926	68,479	2,447
Insurance	55,768	(851)	54,917	54,201	716
General supplies	27,371	-	27,371	18,498	8,873
Energy (natural gas)	131,757	(46,669)	85,088	77,433	7,655
Energy (electricity)	200,000	(45,242)	154,758	143,722	11,036
Other objects	500	(72)	428	328	100
Total operation and maintenance of plant services	<u>840,841</u>	<u>(98,163)</u>	<u>742,678</u>	<u>667,874</u>	<u>74,804</u>
Care and upkeep of grounds:					
Salaries	29,310	-	29,310	19,042	10,268
Purchased professional and technical services	-	2,400	2,400	1,800	600
Cleaning, repair and maintenance services	12,000	(2,400)	9,600	1,750	7,850
General supplies	5,119	-	5,119	81	5,038
Other objects	500	-	500	-	500
Total care and upkeep of grounds	<u>46,929</u>	<u>-</u>	<u>46,929</u>	<u>22,673</u>	<u>24,256</u>

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	\$ 145,255	\$ (9,600)	\$ 135,655	\$ 118,005	\$ 17,650
Salaries for pupil transportation (between home and school) - special education	20,000	6,593	26,593	21,973	4,620
Salaries for pupil transportation (other than between home and school)	20,000	3,007	23,007	23,007	-
Other purchased professional and technical services	31,600	(3,636)	27,964	14,969	12,995
Cleaning, repair and maintenance service	40,025	(434)	39,591	37,367	2,224
Rental payments - school buses	2,000	3,000	5,000	3,615	1,385
Contracted services (special education students) - vendors	15,000	-	15,000	9,200	5,800
Contracted services - regular students ESC's	85,000	16,154	101,154	101,154	-
Contracted services (special education students) ESC's	110,000	(16,154)	93,846	49,884	43,962
Contracted services - aid in lieu payments	50,000	(33,730)	16,270	16,269	1
Travel	-	150	150	136	14
Miscellaneous purchased services - transportation	16,696	855	17,551	17,056	495
Supplies and materials	23,500	609	24,109	22,128	1,981
Miscellaneous expenditures	1,500	(1,234)	266	231	35
Total student transportation services	560,576	(34,420)	526,156	434,994	91,162
Personal services - employee benefits:					
Unallocated benefits:					
Social security contributions	114,000	-	114,000	108,137	5,863
Other retirement contribution - regular	83,000	16,269	99,269	99,269	-
Other retirement contribution - ERIP	-	-	-	-	-
Unemployment compensation	10,500	-	10,500	10,500	-
Workman's compensation	73,000	(9,415)	63,585	63,585	-
Health benefits	1,330,759	32,005	1,362,764	1,361,331	1,433
Tuition reimbursement	12,000	(7,623)	4,377	4,377	-
Other employee benefits	7,100	17,364	24,464	23,789	675
Total unallocated benefits	1,630,359	48,600	1,678,959	1,670,988	7,971
Food service operations					
Transfers to cover deficit	-	-	-	-	-
Total food service operations	-	-	-	-	-
On-behalf contributions:					
TPAF Pension on Behalf (non-budgeted)	-	-	-	273,653	(273,653)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	303,010	(303,010)
Total on-behalf contributions	-	-	-	576,663	(576,663)
Total personal services - employee benefits	1,630,359	48,600	1,678,959	2,247,651	(568,692)
Total undistributed expenditures	5,452,375	(138,337)	5,314,038	5,332,829	(18,791)
Total current expense	9,307,766	(191,673)	9,116,093	9,078,750	37,343

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
General administration	-	8,790	8,790	-	8,790
Custodial services	-	5,250	5,250	-	5,250
Undistributed expenditures - non instructional services:					
School buses - regular	-	177,634	177,634	-	177,634
Total equipment	-	191,674	191,674	-	191,674
Facilities acquisition and construction services:					
Transfer to capital projects	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-
Total capital outlay	-	191,674	191,674	-	191,674
SPECIAL SCHOOLS:					
Summer school - instruction:					
Salaries of teachers	6,500	-	6,500	3,150	3,350
Total summer school - instruction	6,500	-	6,500	3,150	3,350
Total special schools	6,500	-	6,500	3,150	3,350
Transfer of funds to Charter Schools	-	15,488	15,488	15,488	-
Total expenditures	9,314,266	15,489	9,329,755	9,097,388	232,367
Excess (deficiency) of revenues over (under) expenditures	(59,785)	-	(59,785)	724,830	784,615
Other financing sources (uses):					
Operating transfers in	-	-	-	363,720	363,720
Transfer to capital projects fund	(288,500)	-	(288,500)	(288,500)	-
Total other financing sources (uses)	(288,500)	-	(288,500)	75,220	363,720
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(348,285)	-	(348,285)	800,050	1,148,335
Fund balance, July 1	1,650,811	-	1,650,811	1,650,811	-
Fund balance, June 30	<u>\$ 1,302,526</u>	<u>\$ -</u>	<u>\$ 1,302,526</u>	<u>\$ 2,450,861</u>	<u>\$ 1,148,335</u>

(Continued)

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation					
Restricted fund balance:					
Capital reserve				\$ 1,096	
Maintenance reserve				70,655	
Emergency reserve				100,209	
Excess surplus - designated for subsequent year's expenditures				858,500	
Reserve for excess surplus				903,853	
Committed fund balance:				-	
Other purposes				-	
Assigned fund balance:				-	
Designated for subsequent year's expenditures				254,526	
Unassigned fund balance				<u>262,022</u>	
Reconciliation to governmental funds statements (GAAP)				2,450,861	
Last state aid payment not recognized on GAAP basis				<u>(22,480)</u>	
Fund Balance per governmental funds (GAAP)				<u><u>\$ 2,428,381</u></u>	

See management's discussion and analysis section of this report for explanation of significant budget variances, original and final.

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 290,338	\$ (26,815)	\$ 263,523	\$ 245,336	\$ (18,187)
Federal sources	276,319	126,559	402,878	289,259	(113,619)
Local sources	-	14,471	14,471	13,285	(1,186)
Total Revenues	<u>566,657</u>	<u>114,215</u>	<u>680,872</u>	<u>547,880</u>	<u>(132,992)</u>
EXPENDITURES:					
Instruction					
Salaries of teachers	16,435	(6,435)	10,000	10,000	-
Purchased professional and technical services	91,226	(54,155)	37,071	37,071	-
General supplies	-	37,470	37,470	37,206	264
Tuition	-	100,000	100,000	100,000	-
Textbooks	26,432	(3,468)	22,964	22,795	169
Other purchased services	232,564	(19,215)	213,349	196,169	17,180
Total Instruction	<u>366,657</u>	<u>54,197</u>	<u>420,854</u>	<u>403,241</u>	<u>17,613</u>
Support Services					
Salaries of supervisor of instruction	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-
Salaries of program directors	-	-	-	-	-
Salaries of secretaries and clerical assistants	-	-	-	-	-
Other salaries	-	-	-	-	-
Personal services - employee benefits	-	3,349	3,349	1,885	1,464
Purchased professional - educational services	200,000	29,197	229,197	116,906	112,291
Travel	-	-	-	-	-
Supplies and materials	-	2,195	2,195	1,583	612
Purchased service	-	-	-	-	-
Miscellaneous expenditures	-	19,301	19,301	19,301	-
Total Support Services	<u>200,000</u>	<u>54,042</u>	<u>254,042</u>	<u>139,675</u>	<u>114,367</u>
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Noninstructional equipment	-	5,976	5,976	4,964	1,012
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>5,976</u>	<u>5,976</u>	<u>4,964</u>	<u>1,012</u>
Total Expenditures	<u>566,657</u>	<u>114,215</u>	<u>680,872</u>	<u>547,880</u>	<u>132,992</u>
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	-	-
Transfer Out to Whole School Reform (General Fund)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>566,657</u>	<u>114,215</u>	<u>680,872</u>	<u>547,880</u>	<u>132,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See management's discussion and analysis section of this report for explanation of significant variances, original and final.

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION**

**WEST LONG BRANCH SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Budget-to-GAAP Reconciliation
Fiscal Year ended June 30, 2011**

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 9,822,217	\$ 547,880
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	17,837
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(22,480)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	84,980	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 9,884,717</u>	<u>\$ 565,717</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 9,097,387	\$ 547,880
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	17,837
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 9,097,387</u>	<u>\$ 565,717</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	I.D.E.A. Part B				Title I		Total Other Special Projects (Ex. E-1a)	Total Nonpublic Programs (Ex. E-1b)	Totals 2011
	Preschool	Regular	Regular	Preschool	2010-2011	Carryover			
	2010-2011	2010-2011	Carryover	Carryover					
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,285	\$ -	\$ 13,285
State sources	-	-	-	-	-	-	-	245,336	245,336
Federal sources	11,098	161,118	-	-	11,993	3,390	101,662	-	289,261
Total revenues	\$ 11,098	\$ 161,118	\$ -	\$ -	\$ 11,993	\$ 3,390	\$ 114,947	\$ 245,336	\$ 547,882
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Purchased professional and technical services	11,098	18,933	-	-	-	-	7,040	-	37,071
Textbooks	-	-	-	-	-	-	-	22,795	22,795
General supplies	-	-	-	-	604	695	35,907	-	37,206
Tuition	-	100,000	-	-	-	-	-	-	100,000
Purchased services	-	-	-	-	-	-	-	196,169	196,169
Total instruction	11,098	118,933	-	-	10,604	695	42,947	218,964	403,241
Support services:									
Salaries of program directors	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-
Other purchased professional services	-	41,510	-	-	-	810	48,215	26,372	116,907
Personnel services - employee benefits	-	-	-	-	-	1,885	-	-	1,885
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	1,389	-	195	-	1,584
Miscellaneous expenditures	-	675	-	-	-	-	18,626	-	19,301
Total support services	-	42,185	-	-	1,389	2,695	67,036	26,372	139,677
Facilities Acquisition and Construction:									
Non-Instructional Equipment	-	-	-	-	-	-	4,964	-	4,964
Total expenditures	\$ 11,098	\$ 161,118	\$ -	\$ -	\$ 11,993	\$ 3,390	\$ 114,947	\$ 245,336	\$ 547,882

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2011

	Title II A		Title II D		Safe & Drug Free Title IV		ARRA Basic	ARRA Preschool	Foundation Grants	Safety Grant	Carryforward to Ex. E-1 Total Other Special Programs
	2010-2011	Carryover	2010-2011	Carryover	2010-2011	Carryover	2010-2011	2010-2011			
REVENUES:											
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,321	\$ 4,964	\$ 13,285
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	13,860	7,910	26	72	-	462	72,681	6,651	-	-	101,662
Total revenues	\$ 13,860	\$ 7,910	\$ 26	\$ 72	\$ -	\$ 462	\$ 72,681	\$ 6,651	\$ 8,321	\$ 4,964	\$ 114,947
EXPENDITURES:											
Instruction:											
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	-	432	-	6,608	-	-	7,040
Textbooks	-	-	-	-	-	-	-	-	-	-	-
General supplies	-	-	-	47	-	30	27,509	-	8,321	-	35,907
Tuition	-	-	-	-	-	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-	-	-	-	-	-
Total instruction	-	-	-	47	-	462	27,509	6,608	8,321	-	42,947
Support services:											
Salaries of program directors	-	-	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-	-	-
Other purchased professional services	13,687	7,910	4	25	-	-	26,546	43	-	-	48,215
Personnel services - employee benefits	-	-	-	-	-	-	-	-	-	-	-
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-	-	-
Supplies and materials	173	-	22	-	-	-	-	-	-	-	195
Miscellaneous expenditures	-	-	-	-	-	-	18,626	-	-	-	18,626
Total support services	13,860	7,910	26	25	-	-	45,172	43	-	-	67,036
Facilities Acquisition and Construction:											
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	4,964	4,964
Total expenditures	\$ 13,860	\$ 7,910	\$ 26	\$ 72	\$ -	\$ 462	\$ 72,681	\$ 6,651	\$ 8,321	\$ 4,964	\$ 114,947

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2011

	N.J. Nonpublic Handicapped Services Ch. 193			N.J. Nonpublic Auxiliary Services Ch. 192					Carryforward
	Examination and Classification	Speech Correction	Supplemental Instruction	Compensatory	English as a Second Language	Transportation	Nonpublic Textbooks	Nonpublic Nursing	to Ex. E-1 Total Nonpublic Programs
REVENUES:									
State sources	\$ 52,472	\$ 25,973	\$ 29,739	\$ 75,354	\$ 854	\$ 11,777	\$ 22,795	\$ 26,372	\$ 245,336
Federal sources	-	-	-	-	-	-	-	-	-
Total revenues	<u>\$ 52,472</u>	<u>\$ 25,973</u>	<u>\$ 29,739</u>	<u>\$ 75,354</u>	<u>\$ 854</u>	<u>\$ 11,777</u>	<u>\$ 22,795</u>	<u>\$ 26,372</u>	<u>\$ 245,336</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	22,795	-	22,795
General supplies	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Other purchased services	52,472	25,973	29,739	75,354	854	11,777	-	-	196,169
Total instruction	<u>52,472</u>	<u>25,973</u>	<u>29,739</u>	<u>75,354</u>	<u>854</u>	<u>11,777</u>	<u>22,795</u>	<u>-</u>	<u>218,964</u>
Support services:									
Salaries of program directors	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-	-	26,372	26,372
Personnel services - employee benefits	-	-	-	-	-	-	-	-	-
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-	-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,372</u>	<u>26,372</u>
Facilities Acquisition and Construction:									
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 52,472</u>	<u>\$ 25,973</u>	<u>\$ 29,739</u>	<u>\$ 75,354</u>	<u>\$ 854</u>	<u>\$ 11,777</u>	<u>\$ 22,795</u>	<u>\$ 26,372</u>	<u>\$ 245,336</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2011

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2011</u>
			<u>Prior Years</u>	<u>Current Year</u>	
BME Attic insulation replacement	7/23/2010	\$ 324,783	\$ -	\$ 90,708	\$ 234,075
FAS School roof and gutter repairs	6/22/2009	<u>566,022</u>	<u>566,022</u>	<u>-</u>	<u>-</u>
Totals		<u>\$ 890,805</u>	<u>\$ 566,022</u>	<u>\$ 90,708</u>	<u>\$ 234,075</u>

WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

Revenues and Other Financing Sources

State Sources - Schools Development Authority Grant	\$ 192,334
Bond proceeds and transfers	288,500
Interest income	361
Total revenues	<u>481,195</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	24,264
General supplies	-
Construction services	66,444
Other objects	-
Equipment purchases	-
Transfer to general fund	332,524
Total expenditures	<u>423,232</u>

Excess (deficiency) of revenues over (under) expenditures 57,963

Fund balance - beginning 332,163

Fund balance - ending \$ 390,126

Reconciliation to Fund Financial Statements

Fund Balance, June 30, 2011-budgetary basis	\$ 390,126
GAAP basis revenues not recognized	(156,051)
Fund Balance, June 30, 2011-GAAP basis	<u>\$ 234,075</u>

WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Additions and Alterations to Frank Antonides School
From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SDA Grant	\$ 447,851	\$ (221,443)	\$ 226,408	\$ 226,408
Bond proceeds and transfers	671,777	(332,163)	339,614	339,614
Transfer from capital reserves	-	-	-	-
Total revenues	<u>1,119,628</u>	<u>(553,606)</u>	<u>566,022</u>	<u>566,022</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	63,857	-	63,857	63,857
Construction services	502,165	-	502,165	502,165
Total expenditures	<u>566,022</u>	<u>-</u>	<u>566,022</u>	<u>566,022</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (553,606)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	5640-050-09-OTAI			
Grant date	6/22/2009			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$ 1,119,628			
Additional authorized cost	\$ (553,606)			
Revised authorized cost	\$ 566,022			
Percentage decrease over original authorized cost	(49.45)%			
Percentage completion	100%			
Original target completion date	Sep-09			
Revised target completion date	Sep-09			

**WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Attic Insulation Replacement at Betty McElmon School
From Inception and for the Fiscal Year Ended June 30, 2011**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SDA Grant	\$ -	\$ 192,334	\$ 192,334	\$ 192,334
Bond proceeds and transfers	-	288,500	288,500	288,500
Transfer from capital reserves	-	-	-	-
Total revenues	<u>-</u>	<u>480,834</u>	<u>480,834</u>	<u>480,834</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	24,264	24,264	36,725
Construction services	-	66,444	66,444	444,109
Total expenditures	<u>-</u>	<u>90,708</u>	<u>90,708</u>	<u>480,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 390,126</u>	<u>\$ 390,126</u>	<u>\$ -</u>

Additional project information

Project number	5640-080-10-1001
Grant date	7/23/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 480,834
Additional authorized cost	\$ -
Revised authorized cost	\$ 480,834
Percentage increase over original authorized cost	0.00%
Percentage completion	33%
Original target completion date	Aug-11
Revised target completion date	Aug-11

PROPRIETARY FUNDS DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Service Fund – This fund provides for the operation of food service in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, and B-6

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

WEST LONG BRANCH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Assets
Trust and Agency Funds
June 30, 2011

	Trust			Agency		
	Unemployment Compensation	Private Purpose	Total Trust Fund	Student Activity	Payroll	Total Agency Fund
ASSETS:						
Cash and cash equivalents	\$ 21,035	\$ 10,118	\$ 31,153	\$ 17,196	\$ 2,460	\$ 19,656
Receivable from State of NJ	-	-	-	-	-	-
Total assets	<u>21,035</u>	<u>10,118</u>	<u>31,153</u>	<u>\$ 17,196</u>	<u>\$ 2,460</u>	<u>\$ 19,656</u>
LIABILITIES:						
Payroll deductions and withholdings	-	-	-	\$ -	\$ 2,460	\$ 2,460
Due to student groups	1,965	-	1,965	17,196	-	17,196
Total liabilities	<u>1,965</u>	<u>-</u>	<u>1,965</u>	<u>\$ 17,196</u>	<u>\$ 2,460</u>	<u>\$ 19,656</u>
NET ASSETS:						
Unreserved	<u>19,070</u>	<u>10,118</u>	<u>29,188</u>			
Total net assets	<u>\$ 19,070</u>	<u>\$ 10,118</u>	<u>\$ 29,188</u>			

WEST LONG BRANCH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Total Trusts</u>
ADDITIONS:			
Contributions:			
Plan member	\$ 18,007	\$ -	\$ 18,007
Other	-	500	500
Total contributions	<u>18,007</u>	<u>500</u>	<u>18,507</u>
Investment earnings:			
Interest	-	5	5
Net investment earnings	<u>-</u>	<u>5</u>	<u>5</u>
Total Additions	<u>18,007</u>	<u>505</u>	<u>18,512</u>
DEDUCTIONS:			
Unemployment claims	2,741	-	2,741
Scholarships awarded	-	400	400
Total Deductions	<u>2,741</u>	<u>400</u>	<u>3,141</u>
Change in Net Assets	15,266	105	15,371
Net Assets - Beginning of Year	<u>3,804</u>	<u>10,013</u>	<u>13,817</u>
Net Assets - End of Year	<u>\$ 19,070</u>	<u>\$ 10,118</u>	<u>\$ 29,188</u>

**WEST LONG BRANCH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
ELEMENTARY SCHOOLS:				
Frank Antonides School	\$ 9,358	\$ 39,002	\$ 31,164	\$ 17,196
Betty McElmon Elementary School	<u>4,145</u>	<u>1</u>	<u>4,146</u>	<u>-</u>
Total elementary schools	<u><u>\$ 13,503</u></u>	<u><u>\$ 39,003</u></u>	<u><u>\$ 35,310</u></u>	<u><u>\$ 17,196</u></u>

WEST LONG BRANCH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS:				
Cash and cash equivalents	\$ 225	\$ 5,818,448	\$ 5,816,213	\$ 2,460
Total assets	<u>\$ 225</u>	<u>\$ 5,818,448</u>	<u>\$ 5,816,213</u>	<u>\$ 2,460</u>
LIABILITIES:				
Payroll deductions and withholding	\$ 225	\$ 5,818,448	\$ 5,816,213	\$ 2,460
Total liabilities	<u>\$ 225</u>	<u>\$ 5,818,448</u>	<u>\$ 5,816,213</u>	<u>\$ 2,460</u>

LONG-TERM DEBT SCHEDULES

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

**WEST LONG BRANCH SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 501,913	\$ -	\$ 501,913	\$ 501,913	\$ -
Total revenues	<u>501,913</u>	<u>-</u>	<u>501,913</u>	<u>501,913</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest	111,913	-	111,913	111,913	-
Redemption of principal	390,000	-	390,000	390,000	-
Total regular debt service	<u>501,913</u>	<u>-</u>	<u>501,913</u>	<u>501,913</u>	<u>-</u>
Total expenditures	<u>501,913</u>	<u>-</u>	<u>501,913</u>	<u>501,913</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<u>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</u>					
Budgeted fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

STATISTICAL SECTION

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	69 - 75
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	76 - 79
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	80 - 83
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	84 - 85
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	86 - 92

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

WEST LONG BRANCH SCHOOL DISTRICT
Net Assets by Component
Last Eight Fiscal Years
Accrual Basis of Accounting
Unaudited

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 6,548,006	\$ 6,463,455	\$ 5,308,580	\$ 4,772,195	\$ 4,076,420	\$ 3,264,577	\$ 1,660,551	\$ (5,115,671)
Restricted	2,422,915	1,711,843	1,340,990	1,060,817	416,034	517,215	1,545,789	7,155,677
Unrestricted	139,316	71,003	10,381	140,114	642,705	288,680	513,777	528,742
Total governmental activities net assets	<u>\$ 9,110,237</u>	<u>\$ 8,246,301</u>	<u>\$ 6,659,951</u>	<u>\$ 5,973,126</u>	<u>\$ 5,135,159</u>	<u>\$ 4,070,472</u>	<u>\$ 3,720,117</u>	<u>\$ 2,568,748</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 25,917	\$ 1,600	\$ 2,765	\$ 3,996	\$ 5,390	\$ 5,250	\$ 4,614	\$ 8,844
Restricted	-	-	-	-	-	-	-	-
Unrestricted	34,516	48,486	16,757	4,427	21,298	26,914	29,246	23,647
Total business-type activities net assets	<u>\$ 60,433</u>	<u>\$ 50,086</u>	<u>\$ 19,522</u>	<u>\$ 8,423</u>	<u>\$ 26,688</u>	<u>\$ 32,164</u>	<u>\$ 33,860</u>	<u>\$ 32,491</u>
District-wide								
Invested in capital assets, net of related debt	\$ 6,573,923	\$ 6,465,055	\$ 5,311,345	\$ 4,776,191	\$ 4,081,810	\$ 3,269,827	\$ 1,665,165	\$ (5,106,827)
Restricted	2,422,915	1,711,843	1,340,990	1,060,817	416,034	517,215	1,545,789	7,155,677
Unrestricted	173,832	119,489	27,138	144,541	664,003	315,594	543,023	552,389
Total district-wide net assets	<u>\$ 9,170,670</u>	<u>\$ 8,296,387</u>	<u>\$ 6,679,473</u>	<u>\$ 5,981,549</u>	<u>\$ 5,161,847</u>	<u>\$ 4,102,636</u>	<u>\$ 3,753,977</u>	<u>\$ 2,601,239</u>

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Net Assets
Last Eight Fiscal Years
Accrual Basis of Accounting
Unaudited

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Expenses								
Governmental activities								
Instruction								
Regular	\$ 4,527,973	\$ 4,534,616	\$ 4,469,709	\$ 4,553,586	\$ 4,480,911	\$ 4,126,005	\$ 3,993,415	\$ 3,751,638
Special education	742,089	651,830	793,679	886,182	789,271	565,229	402,925	364,100
Other special education	-	-	-	-	-	-	-	143,301
Other instruction	587,988	533,885	271,530	220,229	177,982	494,773	468,102	208,290
Support Services								
Instruction	365,302	263,105	452,371	476,225	398,835	551,614	501,042	630,654
Student & instruction related services	1,114,672	1,250,458	1,285,058	1,245,389	1,145,497	1,103,406	874,200	891,208
School Administrative services	421,025	548,042	511,660	553,046	525,182	485,795	450,144	457,445
General and business administrative services	391,427	360,662	327,026	509,682	421,373	422,161	371,771	593,239
Central services	382,478	353,768	309,362	232,555	218,853	207,022	207,193	-
Administrative information technology	-	-	-	64,213	61,974	59,852	57,322	-
Plant operations and maintenance	966,294	1,086,021	1,197,769	1,109,530	1,058,368	1,100,657	796,654	774,154
Pupil transportation	526,451	569,270	720,539	706,680	669,977	678,603	584,157	770,399
Special Schools	3,150	11,738	19,984	22,803	6,300	3,675	4,000	4,500
Interest on long-term debt	111,913	147,064	174,055	196,139	216,210	234,951	254,411	255,200
Education job fund	15,488	-	-	-	-	-	-	-
Total governmental activities expenses	<u>10,156,250</u>	<u>10,310,459</u>	<u>10,532,742</u>	<u>10,776,259</u>	<u>10,170,733</u>	<u>10,033,743</u>	<u>8,965,336</u>	<u>8,844,128</u>
Business-type activities								
Food service	123,577	137,109	167,560	182,319	155,923	160,487	165,837	160,131
Total business-type activities expense	<u>123,577</u>	<u>137,109</u>	<u>167,560</u>	<u>182,319</u>	<u>155,923</u>	<u>160,487</u>	<u>165,837</u>	<u>160,131</u>
Total district expenses	<u>\$ 10,279,827</u>	<u>\$ 10,447,568</u>	<u>\$ 10,700,302</u>	<u>\$ 10,958,578</u>	<u>\$ 10,326,656</u>	<u>\$ 10,194,230</u>	<u>\$ 9,131,173</u>	<u>\$ 9,004,259</u>
Program Revenues								
Governmental activities								
Charges for services								
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ 775	\$ 14,597	\$ 1,246	\$ -
Operating grants and contributions	1,142,380	1,172,048	1,090,202	1,415,424	-	-	-	-
Total governmental activities program revenues	<u>1,142,380</u>	<u>1,172,048</u>	<u>1,090,202</u>	<u>1,415,424</u>	<u>775</u>	<u>14,597</u>	<u>1,246</u>	<u>-</u>

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Net Assets
Last Eight Fiscal Years
Accrual Basis of Accounting
Unaudited

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Business-type activities								
Charges for services								
Food service	\$ 127,603	\$ 137,383	\$ 136,909	\$ 126,809	\$ 119,061	\$ 122,367	\$ 130,998	\$ 124,489
Operating grants and contributions	37,493	34,355	41,578	36,336	29,311	34,494	36,208	36,781
Total business-type activities program revenues	<u>165,096</u>	<u>171,738</u>	<u>178,487</u>	<u>163,145</u>	<u>148,372</u>	<u>156,861</u>	<u>167,206</u>	<u>161,270</u>
Total district program revenues	<u>\$ 1,307,476</u>	<u>\$ 1,343,786</u>	<u>\$ 1,268,689</u>	<u>\$ 1,578,569</u>	<u>\$ 149,147</u>	<u>\$ 171,458</u>	<u>\$ 168,452</u>	<u>\$ 161,270</u>
Net (Expense) Revenue								
Governmental activities	\$ (9,013,870)	\$ (9,138,411)	\$ (9,442,540)	\$ (9,360,835)	\$ (10,169,958)	\$ (10,019,146)	\$ (8,964,090)	\$ (8,844,128)
Business-type activities	41,519	34,629	10,927	(19,174)	(7,551)	(3,626)	1,369	1,139
Total district-wide net expenses	<u>\$ (8,972,351)</u>	<u>\$ (9,103,782)</u>	<u>\$ (9,431,613)</u>	<u>\$ (9,380,009)</u>	<u>\$ (10,177,509)</u>	<u>\$ (10,022,772)</u>	<u>\$ (8,962,721)</u>	<u>\$ (8,842,989)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities								
Property taxes levied for general purposes, net	\$ 9,193,149	\$ 8,969,374	\$ 8,744,590	\$ 8,485,037	\$ 8,201,959	\$ 7,715,655	\$ 7,421,800	\$ 7,113,395
Taxes levied for debt service	501,913	1,070,636	1,000,353	1,077,688	1,037,688	953,497	938,188	606,479
Federal and state aid not restricted	136,751	610,696	467,815	550,581	1,849,117	1,600,234	1,531,342	3,704,566
Investment earnings	2,836	7,633	21,530	72,987	99,998	87,665	95,611	41,336
Asset revaluation adjustment	-	-	(138,525)	-	-	-	-	-
Transfers	31,195	4,170	-	-	-	-	-	-
Miscellaneous income	11,962	62,252	33,602	12,508	45,883	12,451	46,377	97,964
Transfers from defeased bond escrow account	-	-	-	-	-	-	-	470,000
Total governmental activities	<u>9,877,806</u>	<u>10,724,761</u>	<u>10,129,365</u>	<u>10,198,801</u>	<u>11,234,645</u>	<u>10,369,502</u>	<u>10,033,318</u>	<u>12,033,740</u>
Business-type activities								
Investment earnings	23	105	172	909	2,075	1,929	-	-
Transfers	(31,195)	(4,170)	-	-	-	-	-	-
Total business-type activities	<u>(31,172)</u>	<u>(4,065)</u>	<u>172</u>	<u>909</u>	<u>2,075</u>	<u>1,929</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 9,846,634</u>	<u>\$ 10,720,696</u>	<u>\$ 10,129,537</u>	<u>\$ 10,199,710</u>	<u>\$ 11,236,720</u>	<u>\$ 10,371,431</u>	<u>\$ 10,033,318</u>	<u>\$ 12,033,740</u>
Change in Net Assets								
Governmental activities	\$ 863,936	\$ 1,586,350	\$ 686,825	\$ 837,966	\$ 1,064,687	\$ 350,356	\$ 1,069,228	\$ 3,189,612
Business-type activities	10,347	30,564	11,099	(18,265)	(5,476)	(1,697)	1,369	1,139
Total district	<u>\$ 874,283</u>	<u>\$ 1,616,914</u>	<u>\$ 697,924</u>	<u>\$ 819,701</u>	<u>\$ 1,059,211</u>	<u>\$ 348,659</u>	<u>\$ 1,070,597</u>	<u>\$ 3,190,751</u>

Note: Central services and administrative technology account classifications were added beginning with year ended June 30, 2005.

Prior to June 30, 2005 central services and administrative information technology were combined in general and business administrative services.

WEST LONG BRANCH SCHOOL DISTRICT
Net Assets by Component
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002
General Fund										
Reserved	\$ 2,188,839	\$ 1,379,678	\$ 475,028	\$ 965,455	\$ 832,944	\$ 234,573	\$ 903,249	\$ 326,174	\$ 32,879	\$ 46,891
Unreserved	239,542	186,153	885,365	226,417	226,551	409,536	221,907	296,838	274,374	326,444
Total general fund	<u>\$ 2,428,381</u>	<u>\$ 1,565,831</u>	<u>\$ 1,360,393</u>	<u>\$ 1,191,872</u>	<u>\$ 1,059,495</u>	<u>\$ 644,109</u>	<u>\$ 1,125,156</u>	<u>\$ 623,012</u>	<u>\$ 307,253</u>	<u>\$ 373,335</u>
All Other Governmental Funds										
Reserved	\$ 234,075	\$ -	\$ -	\$ -	\$ -	\$ 229,449	\$ 760,579	\$ 6,653,674	\$ -	\$ -
Unreserved										
Special revenue fund	-	-	-	-	-	(2,434)	-	-	-	-
Capital projects fund	-	332,164	-	95,360	95,360	53,192	216,638	376,342	-	-
Debt service fund	1	1	2	2	1	1	42,892	73,741	264	264
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 234,076</u>	<u>\$ 332,165</u>	<u>\$ 2</u>	<u>\$ 95,362</u>	<u>\$ 95,361</u>	<u>\$ 280,208</u>	<u>\$ 1,020,109</u>	<u>\$ 7,103,757</u>	<u>\$ 264</u>	<u>\$ 264</u>

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Tax levy	\$ 9,695,062	\$ 10,040,010	\$ 9,744,943	\$ 9,562,725	\$ 9,239,647	\$ 8,669,152	\$ 8,359,988	\$ 7,719,874	\$ 7,179,964	\$ 6,681,053
Tuition charges	-	-	-	-	775	14,597	1,246	-	692	2,945
Interest earnings	2,836	7,633	21,530	72,987	99,998	87,665	95,611	41,336	11,797	18,768
Contributions	-	-	-	-	-	-	-	-	54,034	-
Miscellaneous	22,843	62,252	41,152	12,508	45,883	12,451	46,377	97,964	14,424	1,068
State sources	919,546	1,487,266	1,329,021	1,728,199	1,613,968	1,348,154	1,268,603	3,335,756	962,586	841,136
Federal sources	348,704	295,478	221,446	237,806	235,149	252,080	262,740	368,810	213,281	200,912
Total revenues	10,988,991	11,892,639	11,358,092	11,614,225	11,235,420	10,384,099	10,034,565	11,563,740	8,436,778	7,745,882
Expenditures										
Instruction										
Regular Instruction	3,217,070	3,337,898	3,290,615	3,230,358	3,258,086	3,123,692	3,093,242	2,982,262	2,701,724	2,676,961
Special education instruction	506,732	451,707	383,690	619,456	581,024	417,526	292,233	273,462	181,214	147,789
Other special instruction	-	-	-	-	-	-	345,780	107,204	103,779	91,930
Other instruction	402,064	389,340	365,378	135,332	141,848	358,786	-	166,184	146,538	136,147
Support Services										
Instruction	365,302	263,105	452,371	476,225	398,835	551,614	501,042	630,654	832,280	727,595
Student & instruction related services	789,387	902,991	987,643	931,492	870,747	865,086	701,123	751,811	543,514	422,920
School administrative services	282,354	368,614	354,127	368,621	354,652	344,704	327,160	346,879	418,921	292,574
General and business										
administrative services	305,563	275,325	285,119	376,655	264,283	296,333	283,520	524,840	523,672	463,215
Central services	209,573	233,022	261,259	232,555	218,853	207,022	207,193	-	-	-
Administrative technology										
information	69,132	69,441	524	64,213	61,974	59,852	57,322	-	-	-
Plant operations and										
maintenance	813,760	920,005	999,750	931,100	895,821	959,014	692,574	685,528	567,415	535,719
Pupil transportation	434,994	470,934	596,805	598,875	569,623	589,294	504,628	604,066	594,959	524,417
Unallocated benefits	2,247,651	2,058,258	1,979,132	2,284,998	2,060,073	1,713,892	1,524,510	1,344,092	1,154,295	917,653
Special Schools	3,150	11,738	19,984	22,803	6,300	3,675	4,000	4,500	5,788	7,425
Transfer of funds to charter schools	-	-	-	-	-	-	-	-	-	4,707
Capital outlay	91,592	626,193	122,821	131,477	285,075	1,118,168	6,112,705	882,182	117,878	170,840

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt service										
Principal	\$ 390,000	\$ 930,000	\$ 930,000	\$ 890,000	\$ 830,000	\$ 770,000	\$ 725,000	\$ 425,000	\$ 425,000	\$ 405,000
Interest and other charges	111,913	140,637	165,713	187,688	207,688	226,388	244,037	305,880	185,883	203,413
Education job fund	15,488	-	-	-	-	-	-	-	-	-
Total expenditures	<u>10,255,725</u>	<u>11,449,208</u>	<u>11,194,931</u>	<u>11,481,848</u>	<u>11,004,955</u>	<u>11,605,046</u>	<u>15,616,069</u>	<u>10,034,544</u>	<u>8,502,860</u>	<u>7,728,305</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>733,266</u>	<u>443,431</u>	<u>163,161</u>	<u>132,377</u>	<u>230,465</u>	<u>(1,220,947)</u>	<u>(5,581,504)</u>	<u>1,529,196</u>	<u>(66,082)</u>	<u>17,577</u>
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	-	-	-	-	193,919	-	-
Proceeds from refunding	-	-	-	-	-	-	-	8,533,000	-	-
Refunding funds in escrow	-	-	-	-	-	-	-	470,000	-	-
Payments to escrow agent	-	-	-	-	-	-	-	(3,305,000)	-	-
Transfers in	652,220	676,886	95,737	1,468	3,210	28,337	55,939	72,782	-	-
Transfers out	(621,025)	(672,716)	(95,737)	(1,468)	(3,210)	(28,337)	(55,939)	(72,782)	-	-
Total other financing sources (uses)	<u>31,195</u>	<u>4,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,891,919</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 764,461</u>	<u>\$ 447,601</u>	<u>\$ 163,161</u>	<u>\$ 132,377</u>	<u>\$ 230,465</u>	<u>\$ (1,220,947)</u>	<u>\$ (5,581,504)</u>	<u>\$ 7,421,115</u>	<u>\$ (66,082)</u>	<u>\$ 17,577</u>
Debt service as a percentage of noncapital expenditures	<u>4.94%</u>	<u>9.89%</u>	<u>9.90%</u>	<u>9.49%</u>	<u>9.68%</u>	<u>9.50%</u>	<u>10.20%</u>	<u>7.99%</u>	<u>7.29%</u>	<u>8.05%</u>

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.

Central services and administrative information technology account classifications were added beginning with year ended June 30, 2005.

Prior to June 30, 2005, central services and administrative information technology were combined in general and business administrative services.

WEST LONG BRANCH SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

<u>Description</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Donations	\$ -	\$ -	\$ -	\$ -	\$ 32,150	\$ 5,000	\$ 40,608	\$ 18,000	\$ 54,034	\$ -
Interest	2,475	6,412	21,153	72,897	96,733	-	-	-	-	-
Prior year miscellaneous refunds	<u>11,962</u>	<u>54,962</u>	<u>33,602</u>	<u>12,508</u>	<u>13,732</u>	<u>7,451</u>	<u>850</u>	<u>79,964</u>	<u>14,424</u>	<u>1,068</u>
	<u>\$ 14,437</u>	<u>\$ 61,374</u>	<u>\$ 54,755</u>	<u>\$ 85,405</u>	<u>\$ 142,615</u>	<u>\$ 12,451</u>	<u>\$ 41,458</u>	<u>\$ 97,964</u>	<u>\$ 68,458</u>	<u>\$ 1,068</u>

Source: District records

WEST LONG BRANCH 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.	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2002	\$ 6,201,400	\$ 518,116,500	\$ 304,800	\$ 15,000	\$ 145,656,500	\$ 2,111,600	\$ 1,078,500	\$ 673,484,300	\$ -	\$ 1,111,369	\$ 674,595,669	\$ 736,077,471	1.507
2003	6,003,800	520,326,800	304,800	15,000	146,459,600	2,111,600	966,000	676,187,600	-	1,020,828	677,208,428	835,561,003	1.610
2004	6,087,600	521,308,400	973,200	20,300	147,193,800	1,506,000	966,000	678,055,300	-	928,605	678,983,905	921,880,967	1.719
2005	7,072,100	523,224,400	973,200	12,800	135,726,000	1,506,000	966,000	669,480,500	-	769,833	670,250,333	1,065,546,755	1.860
2006	13,726,300	1,071,212,300	2,489,900	15,750	264,299,200	3,254,900	1,907,600	1,356,905,950	-	1,125,666	1,358,031,616	1,209,654,810	0.972
2007	12,951,100	1,075,993,300	1,625,900	17,600	262,126,700	3,254,900	1,907,600	1,357,877,100	-	1,104,472	1,358,981,572	1,423,756,655	1.013
2008	11,834,400	1,081,943,400	1,625,900	17,600	254,243,700	3,254,900	1,907,600	1,354,827,500	-	1,121,950	1,355,949,450	1,463,073,787	1.013
2009	14,361,500	1,080,916,700	1,625,900	17,600	254,648,500	3,254,900	1,907,600	1,356,732,700	-	1,213,791	1,357,946,491	1,431,169,976	1.049
2010	18,132,300	1,082,524,800	1,625,900	17,600	247,955,700	3,254,900	1,907,600	1,355,418,800	-	1,260,759	1,356,679,559	1,378,188,012	1.100
2011	16,116,200	1,075,233,300	1,625,900	17,600	239,584,400	3,254,900	8,013,700	1,343,846,000	-	1,052,134	1,344,898,134	1,329,061,308	1.103

Source: New Jersey's Monmouth County Board of Taxation Website

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 the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100

WEST LONG BRANCH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate Per \$100 of Assessed Valuation
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	West Long Branch School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Borough of West Long Branch	Monmouth County	
2002	1.370	0.137	1.507	0.473	0.481	2.461
2003	1.473	0.137	1.610	0.530	0.517	2.657
2004	1.584	0.135	1.719	0.600	0.510	2.829
2005	1.651	0.209	1.860	0.684	0.526	3.070
2006	0.865	0.107	0.972	0.355	0.267	1.594
2007	0.902	0.111	1.013	0.384	0.284	1.681
2008	0.909	0.104	1.013	0.384	0.284	1.681
2009	0.937	0.112	1.049	0.404	0.275	1.728
2010	0.979	0.121	1.100	0.469	0.280	1.849
2011	1.046	0.057	1.103	0.502	0.275	1.880

Source: Borough 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 pre-budget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- 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. At the time of the CAFR completion, this data was not available.

N/A: At the time of the the CAFR completion, the data was not yet available.

WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Principal Taxpayers
Current Year and Nine Years Ago
Unaudited

	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value
BG Monmouth, LLC	\$ 47,575,000	3.54%
WLB of New Jersey, LLC	21,300,000	1.58%
185 Monmouth Parkway Associates	16,985,500	1.26%
136 Monmouth Road Holding, LLC	10,200,000	0.76%
West Long Branch Shopping Center	6,651,000	0.49%
West Long Branch Lodging Realty, LLC	6,182,200	0.46%
Cedar Village Group, LLC	5,732,200	0.43%
MAMTA Enterprises, Inc.	5,553,300	0.41%
Schneider-Nelson Realty, LLC	5,186,200	0.39%
PRC Commercial Development, LLC	3,642,500	0.27%
TOTAL	\$ 129,007,900	9.59%

	2002	
	Taxable Assessed Value	% of Total District Net Assessed Value
RB-3 Associates	\$ 28,500,000	4.22%
185 Monmouth Park Highway	27,362,300	4.06%
WLB of NJ, LLC	12,956,400	1.92%
Rudin & Glaberson	8,320,200	1.23%
Modern Health Realty Corp.	4,387,900	0.65%
WLB Shopping Center	3,775,000	0.56%
Esplanade WLB, LLC	3,400,000	0.50%
McIntosh Inn	3,384,000	0.50%
JAT Associates, LLC	2,446,500	0.36%
Individual Taxpayer #1	2,020,700	0.30%
TOTAL	\$ 96,553,000	14.30%

Source: Municipal Tax Assessor

WEST LONG BRANCH SCHOOL DISTRICT
Municipal Property Tax Levies and Collections
Last Ten Years
Unaudited

<u>Year Ended December 31,</u>	<u>Total Tax Levy for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy ^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2001	\$ 15,708,927	\$ 15,449,991	98.35%	\$ 251,884
2002	16,692,670	16,440,918	98.49%	213,398
2003	18,041,791	17,836,555	98.86%	183,849
2004	19,404,083	19,285,752	99.39%	110,044
2005	20,733,864	20,526,556	99.00%	147,620
2006	21,718,651	21,375,133	98.42%	269,012
2007	22,941,062	22,559,849	98.34%	280,393
2008	23,481,959	23,083,958	98.31%	313,116
2009	24,395,876	24,015,382	98.44%	307,832
2010	25,133,408	24,522,944	97.57%	365,363

Source: Borough Tax Collector

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

WEST LONG BRANCH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District Debt	Percentage of Personal Income ^a	Per Capita ^a
	Serial Bonds	Capital Leases	Capital Leases			
2002	\$ -	\$ 4,068,177	\$ -	\$ 4,068,177	1.13%	\$ 491
2003	-	3,621,016	-	3,621,016	1.00%	436
2004	8,328,000	244,201	-	8,572,201	2.21%	1,030
2005	7,603,000	173,425	-	7,776,425	1.95%	936
2006	6,833,000	118,272	-	6,951,272	1.58%	829
2007	6,003,000	63,323	-	6,066,323	1.30%	724
2008	5,113,000	25,198	-	5,138,198	1.07%	614
2009	4,183,000	-	-	4,183,000	0.91%	500
2010	3,253,000	-	-	3,253,000	N/A	387
2011	2,863,000	-	-	2,863,000	N/A	354

Sources: District records

N/A: At the time of the CAFR completion, the data was not yet available

a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population data for the prior calendar year.

WEST LONG BRANCH SCHOOL DISTRICT
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ^a	Net Bonded Debt Per Capita ^b
	Serial Bonds	Deductions			
2002	\$ -	\$ -	\$ -	0.000%	\$ -
2003	-	-	-	0.000%	-
2004	8,328,000	-	8,328,000	1.227%	1,001
2005	7,603,000	-	7,603,000	1.134%	915
2006	6,833,000	-	6,833,000	0.503%	815
2007	6,003,000	-	6,003,000	0.442%	716
2008	5,113,000	-	5,113,000	0.377%	611
2009	4,183,000	-	4,183,000	0.308%	500
2010	3,253,000	-	3,253,000	0.240%	387
2011	2,863,000	-	2,863,000	0.213%	354

Sources: Assessed valuations were provided by the Abstract of Ratables, Monmouth County Board of Taxation. School district population data was provided by school district officials.

N/A: At the time of the CAFR completion, the data was not yet available.

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-6 for property tax data

b Population data can be found in Exhibit J-14

WEST LONG BRANCH SCHOOL DISTRICT
Direct and Overlapping Government Activities Debt
For the Year Ended December 31, 2010
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of West Long Branch	\$ 11,918,722	100.00%	\$ 11,918,722
Monmouth County General Obligation Debt	488,135,114	1.27%	6,199,316
Other debt	-	-	-
Subtotal overlapping debt			18,118,038
West Long Branch School District Direct Debt			3,837,471
Total Direct and Overlapping Debt			\$ 21,955,509

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation. Debt outstanding data provided by each governmental unit.

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 West Long Branch. 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.

WEST LONG BRANCH SCHOOL DISTRICT
Legal Debt Information
For the Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2011	\$ 1,344,898,134
2010	1,378,188,012
2009	<u>1,431,169,976</u>
	<u><u>\$ 4,154,256,122</u></u>
Average equalized valuation of taxable property	\$ 1,384,752,041
Debt limit (3 % of average equalization value)	41,542,561
Total Net Debt Applicable to Limit	<u>2,863,000</u>
Legal debt margin	<u><u>\$ 38,679,561</u></u>

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$ 41,542,561	\$ 42,724,318	\$ 43,180,004	\$ 40,964,853	\$ 36,989,582	\$ 31,970,825	\$ 28,199,279	\$ 24,901,981	\$ 22,340,120	\$ 20,135,981
Total net debt applicable to limit	<u>2,863,000</u>	<u>3,253,000</u>	<u>4,183,000</u>	<u>5,113,000</u>	<u>6,003,000</u>	<u>6,833,000</u>	<u>7,603,000</u>	<u>8,328,000</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 38,679,561</u></u>	<u><u>\$ 39,471,318</u></u>	<u><u>\$ 38,997,004</u></u>	<u><u>\$ 35,851,853</u></u>	<u><u>\$ 30,986,582</u></u>	<u><u>\$ 25,137,825</u></u>	<u><u>\$ 20,596,279</u></u>	<u><u>\$ 16,573,981</u></u>	<u><u>\$ 22,340,120</u></u>	<u><u>\$ 20,135,981</u></u>
Total net debt applicable to the limit as a percentage of debt limit	6.89%	7.61%	9.69%	12.48%	16.23%	21.37%	26.96%	33.44%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation as posted on the Monmouth County Board of Taxation Website

a Limit set by NJSA 18A:24-19 for a K through 8 district; other percentage limits would be applicable for other district types.

WEST LONG BRANCH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Years
Unaudited

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2002	8,293	\$ 359,808,391	\$ 43,387	5.40%
2003	8,310	362,598,540	43,634	5.60%
2004	8,319	387,207,855	46,545	4.60%
2005	8,307	399,334,104	48,072	4.30%
2006	8,385	440,204,115	52,499	4.40%
2007	8,383	467,989,358	55,826	4.00%
2008	8,370	480,044,610	57,353	5.20%
2009	8,358	457,776,018	54,771	8.50%
2010	8,416	N/A	N/A	8.60%
2011	8,097	N/A	N/A	N/A

Sources:

- a** Population information provided by the NJ Dept of Labor and Workforce Development. Estimate is based on July 1 of the audit year.
- b** Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c** Per Capita Income by Municipality information not available at the time of the CAFR completion. Per capita estimates presented are for Monmouth County provided by the State of New Jersey, Department of Education, Division of Finance.
- d** Unemployment data provided by the NJ Dept of Labor and Workforce Development.
- N/A** At the time of the CAFR completion, the data was not yet available.

WEST LONG BRANCH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Monmouth University	1,350	39.31%	N/A	
Home Depot	286	8.33%	N/A	
Shop Rite	243	7.08%	N/A	
K-Mart	85	2.48%	N/A	
JAT Associates	64	1.86%	N/A	
Circle Infinity	55	1.60%	N/A	
Sports Authority	52	1.51%	N/A	
McDonalds	40	1.16%	N/A	
Zachary's Restaurant	30	0.87%	N/A	
Goddard School	25	0.73%	N/A	

Source: Borough of West Long Branch Tax Assessor

N/A: At the time of the CAFR completion, this data was not yet available

WEST LONG BRANCH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Instruction:										
Regular	54	60	58	55	55	58	57	57	57	57
Special education	10	8	6	6	6	3	2	2	2	2
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student and instruction related services	1	8	7	8	8	8	8	8	8	8
General Administration	2	2	2	2	2	2	2	2	2	2
School administration services	7	11	6	6	6	6	6	6	6	6
Other administration services	-	-	-	-	-	-	-	-	-	-
Central services	2	2	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	-	-
Plant operations and maintenance	6	6	6	7	7	7	7	7	7	7
Pupil transportation	6	6	6	6	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>89</u>	<u>104</u>	<u>95</u>	<u>94</u>	<u>88</u>	<u>88</u>	<u>86</u>	<u>86</u>	<u>85</u>	<u>85</u>

Source: District records.

WEST LONG BRANCH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2002	785	\$ 6,949,052	\$ 8,852	N/A	59	17.8:1	17.7:1	785	755	N/A	96.18%
2003	778	7,774,099	9,992	12.88%	59	19.1:1	17.1:1	778	743	-0.89%	95.50%
2004	758	8,421,482	11,110	11.19%	59	19.1:1	23.1:1	756	726	-2.83%	96.03%
2005	746	8,534,327	11,440	2.97%	59	16.4:1	15.7:1	746	718	-1.32%	96.25%
2006	738	9,490,490	12,860	12.41%	61	15.9:1	14.8:1	738	704	-1.07%	95.39%
2007	709	9,682,119	13,656	6.19%	61	18:1	24:1	699	667	-5.28%	95.42%
2008	695	10,272,683	14,781	8.24%	64	17:1	20:1	681	654	-2.58%	96.04%
2009	652	9,976,397	15,301	3.52%	64	10:1	10:1	641	624	-5.87%	97.35%
2010	604	9,752,378	16,146	5.52%	68	8:1	10:1	604	577	-5.77%	95.53%
2011	587	9,662,220	16,460	1.94%	64	8:1	10:1	587	572	-2.81%	97.44%

Source: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

WEST LONG BRANCH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

<u>District Building</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Elementary										
Betty McElmon Elementary School										
Square feet	30,858	30,858	30,858	30,858	30,858	30,858	39,052	39,052	39,052	39,052
Capacity (students)	320	320	320	320	320	320	305	305	305	305
Enrollment	265	260	286	291	291	276	284	289	304	351
Middle School										
Frank Antonides School										
Square feet	63,388	63,388	63,388	63,388	63,388	63,388	32,089	32,089	32,089	32,089
Capacity (students)	510	510	510	510	510	510	475	475	475	475
Enrollment	350	344	366	404	418	462	459	467	474	434

Number of Schools at June 30, 2011

Elementary = 1

Middle = 1

Source: District records.

Note: The district completed renovations on the conjoined schools in 2006. As part of the renovations, shared areas were realigned as to each school.

Enrollment is based on the annual October district counts.

WEST LONG BRANCH SCHOOL DISTRICT
General Fund
Schedule of Allowable Maintenance Expenditures by School Facilities
For the Fiscal Year Ended June 30, 2011
Unaudited

Undistributed Expenditures - Required
Maintenance for School Facilities
11-000-261-XXX

	Gross Square Footage	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
School Facilities *											
Betty McElmon Elementary School	30,858	\$ 48,584	\$ 45,245	\$ 96,744	\$ 142,386	\$ 51,348	\$ 98,306	\$ 45,294	\$ 40,825	\$ 57,107	\$ 38,374
Frank Antonides School	63,388	74,626	99,392	140,083	48,019	110,698	87,178	40,166	36,204	50,642	32,690
Total School Facilities		<u>123,210</u>	<u>144,637</u>	<u>236,827</u>	<u>190,405</u>	<u>162,046</u>	<u>185,484</u>	<u>85,460</u>	<u>77,029</u>	<u>107,749</u>	<u>71,064</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 123,210</u>	<u>\$ 144,637</u>	<u>\$ 236,827</u>	<u>\$ 190,405</u>	<u>\$ 162,046</u>	<u>\$ 185,484</u>	<u>\$ 85,460</u>	<u>\$ 77,029</u>	<u>\$ 107,749</u>	<u>\$ 71,064</u>

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

Source: District Records

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Coverage Provided By: New Jersey School Boards Association Insurance Group		
Monmouth Ocean County Shared Services Insurance Fund		
Property		
Blanket Real and Personal Property, per occurrence	\$ 300,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records, per occurrence	10,000,000	5,000
Demolition and Increased Cost of Construction, per occurrence	10,000,000	
Fire Department Service Charge	10,000	
Arson Reward	10,000	
Pollutant Cleanup and Removal	250,000	
Sublimits		
Flood Zones Prefix A & V, per occurrence	10,000,000	
NJSBAIG annual aggregate	10,000,000	
Per Building		500,000
Per Building Contents		500,000
All Other Flood Zones, per occurrence/NJSBAIG annual aggregate	50,000,000	10,000
Earthquake		
Per Occurrence	50,000,000	
NJSBAIG annual aggregate	50,000,000	
Terrorism		
Per Occurrence	1,000,000	
NJSBAIG annual aggregate	1,000,000	
Electronic Data Processing		
Blanket Hardware/Software, per occurrence	476,416	1,000
Coverage Extensions		
Transit	25,000	
Loss of income	10,000	
Flood, per occurrence	1,000,000	
Zones A & V, per building contents		500,000
All Other Flood Zones, per member/per occurrence		10,000
Equipment Breakdown		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	
Sublimits		
Off Premises Property Damage	100,000	5,000
Extra Expense	10,000,000	
Service Interruption	10,000,000	
Perishable Goods	500,000	
Data Restoration	100,000	
Contingent Business Income	100,000	
Demolition	1,000,000	
Ordinance or Law	1,000,000	
Expediting Expenses	500,000	
Hazardous Substances	500,000	
Newly Acquired Locations (60 days notice)	250,000	
Crime and Fidelity		
Public Employee Dishonesty with Faithful Performance	100,000	500
Theft, Disappearance and Destruction - Loss of Money & Security On or Off Premises	50,000	500
Forgery or Alteration	50,000	500
Computer Fraud	50,000	500

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Coverage Provided By: New Jersey School Boards Association Insurance Group Monmouth Ocean County Shared Services Insurance Fund		
Comprehensive General Liability		
Bodily Injury and Property Damage, Combined Single Limit	\$ 11,000,000	
Bodily Injury from Products and Completed Operations, annual aggregate	11,000,000	
Sexual Abuse		
Per occurrence	11,000,000	
Annual pool aggregate	17,000,000	
Personal Injury and Advertising Injury, per occurrence/annual aggregate	11,000,000	
Employee Benefits Liability, per occurrence/annual aggregate	11,000,000	
Each claim		\$ 1,000
Premise Medical Payments, per accident	10,000	
Limit per person		5,000
Terrorism, per occurrence/annual NJSBAIG aggregate	1,000,000	
Automobiles		
Liability		
Combined Single Limit for Bodily Injury and Personal Damage, per accident	11,000,000	
Uninsured/Underinsured Motorists - Private Passenger Auto, combined single limit	1,000,000	
Uninsured/Underinsured Motorists - All other vehicles		
Bodily Injury per Person	15,000	
Bodily Injury per Accident	30,000	
Property Damage per Accident	5,000	
Personal Injury Protection (including pedestrians)	250,000	
Medical Payments		
Private Passenger Vehicles	10,000	
All other vehicles	5,000	
Terrorism, per occurrence/NJSBAIG annual aggregate	1,000,000	
Physical Damage (Scheduled vehicles only)		
Comprehensive		1,000
Collision		1,000
Hired Car Physical Damage, \$75,000 limit		1,000
School Leaders Errors & Omissions Liability Policy		
Coverage A		
Limit of Liability, each policy period	1,000,000	
Deductible, each claim		5,000
Coverage B, Limit of Liability		
Each Claim	100,000	5,000
Each policy period	300,000	
Workers' Compensation and Employers' Liability Declarations		
Estimated Professional and Clerical	5,129,595	
Estimated Non-Professional and Driver	461,726	
Limits		
Bodily injury by accident, each accident	2,000,000	
Bodily injury by disease, each employee	2,000,000	
Bodily injury by disease, aggregate limit	2,000,000	
Coverage Provided By: Selective Insurance Company of America		
Fidelity Bond		
Treasurer of School Monies	100,000	
Acting Superintendent	50,000	
School Business Administrator	50,000	

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Coverage provided by: Monumental Life Insurance Company		
Student Accident Insurance, Benefit Blanket Coverage including Interscholastic Athletics Except Football		
Maximum Benefit	\$ 300,000	
Round the Clock Voluntary Student Coverage, excluding school sponsored athletics and activities		
Maximum Benefit	500,000	
Coverage provided by: American Safety Indemnity Company		
Commercial Environmental Impairment Liability Insurance		
Each environmental impairment incident limit	1,000,000	
Environmental impairment aggregate per named insured	2,000,000	
Environmental impairment aggregate limit	10,000,000	
Deductible per incident		\$ 10,000

Source: District records

SINGLE AUDIT SECTION

PADUANO,
DiTOMMASO
& GOLDA, LLC

Certified Public Accountants and Consultants

K-1
Page 1 of 2

**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
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

We have audited the financial statements of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the West Long Branch 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 West Long Branch Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the West Long Branch 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

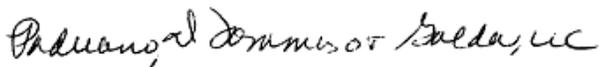
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

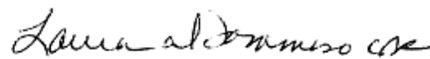
As part of obtaining reasonable assurance about whether the West Long Branch Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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* 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 West Long Branch School District in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 15, 2011.

This report is intended solely for the information and use of the audit committee, management, the West Long Branch Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Paduano, DiTommaso & Golda, LLC
November 15, 2011



Certified Public Accountant
Licensed Public School Accountant #CS00164

PADUANO,
DiTOMMASO
& GOLDA, LLC

Certified Public Accountants and Consultants

K-2
Page 1 of 2

**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 the Board of Education
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

Compliance

We have audited the compliance of the Board of Education of the West Long Branch School District, in the County of Monmouth, 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 Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2011. The West Long Branch School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the West Long Branch School District Board of Education's management. Our responsibility is to express an opinion on the West Long Branch School District 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; the 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 Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the West Long Branch Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the West Long Branch School District Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

The management of the Board of Education of the West Long Branch School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered West Long Branch Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 West Long Branch Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, the West Long Branch Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Paduano, DiTommaso & Golda, LLC
November 15, 2011

Certified Public Accountant
Licensed Public School Accountant #CS00164

**WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2010			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011		
						Deferred Revenue (Accts. Rec.)	Due to Grantor	Carryover/ (Walkover) Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I Part A Improving Basic Programs	84.010	NCLB-11	\$ 13,460	9/1/10	8/31/11	\$ -	\$ -	\$ -	\$ 10,000	\$ (11,993)	\$ -	\$ -	\$ (1,993)	\$ -	\$ -
Title I Part A Improving Basic Programs	84.010	NCLB-10	16,335	9/1/09	8/31/10	(12,945)	-	-	45	(3,390)	-	-	(16,290)	-	-
Title II-A Improving Teacher Quality	84.367	NCLB-11	20,094	9/1/10	8/31/11	-	-	-	8,438	(10,737)	-	-	(2,299)	-	-
Title II-A Improving Teacher Quality	84.367	NCLB-10	19,633	9/1/09	8/31/10	(4,938)	-	-	4,218	(7,910)	-	-	(8,630)	-	-
Title II-D Education Technology	84.318	NCLB-11	26	9/1/10	8/31/11	-	-	-	-	(26)	-	-	(26)	-	-
Title II-D Education Technology	84.318	NCLB-10	167	9/1/09	8/31/10	(97)	-	-	-	(72)	-	-	(169)	-	-
Title IV Safe and Drug Free Schools	84.186	NCLB-10	1,722	9/1/09	8/31/10	(1,058)	-	-	258	(462)	-	-	(1,262)	-	-
Title IV Safe and Drug Free Schools	84.186	NCLB-09	1,829	9/1/08	8/31/09	(10)	-	-	-	-	-	-	(10)	-	-
I.D.E.A., Part B:															
IDEA Part B Basic Regular	84.027	FT-11	187,079	9/1/10	8/31/11	-	-	-	114,600	(153,321)	-	-	(38,721)	-	-
IDEA Part B Basic Regular	84.027	FT-10	188,808	9/1/09	8/31/10	(66,165)	-	-	50,130	-	-	-	(16,035)	-	-
ARRA-IDEA Part B Basic Regular	84.391	ARRA-09	213,104	7/1/09	8/31/11	(52,782)	-	-	88,860	(47,636)	-	-	(11,558)	-	-
IDEA Part B Preschool	84.173	PS-11	11,953	9/1/10	8/31/11	-	-	-	11,098	(11,098)	-	-	-	-	-
IDEA Part B Preschool	84.173	PS-10	11,692	9/1/09	8/31/10	(1,507)	-	-	-	-	-	-	(1,507)	-	-
ARRA-IDEA Part B Preschool	84.392	ARRA-09	7,709	9/1/10	8/31/11	-	-	-	6,651	(6,651)	-	-	-	-	-
Total Special Revenue Fund						(139,502)	-	-	294,298	(253,296)	-	-	(98,500)	-	-
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	9,137	7/1/09	6/30/10	3,875	-	-	-	(3,875)	-	-	-	-	-
Food Distribution Program	10.550	N/A	7,700	7/1/10	6/30/11	-	-	-	7,700	(4,569)	-	-	-	3,131	-
National School Lunch Program	10.555	N/A	23,176	7/1/09	6/30/10	(4,606)	-	-	4,606	-	-	-	-	-	-
National School Lunch Program	10.555	N/A	27,886	7/1/10	6/30/11	-	-	-	25,949	(27,886)	-	-	(1,937)	-	-
Total Enterprise Fund						(731)	-	-	38,255	(36,330)	-	-	(1,937)	3,131	-
Total Federal Awards						\$ (140,233)	\$ -	\$ -	\$ 332,553	\$ (289,626)	\$ -	\$ -	\$ (100,437)	\$ 3,131	\$ -

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this statement.

WEST LONG BRANCH 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	Program or Award Amount	Grant Period		Balance at June 30, 2010					Repayment of Prior Years' Balances	Balance at June 30, 2011			Memo		
			From	To	Deferred Revenue (Accts. Rec.)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments		Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivables	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
Extraordinary Special Education Costs Aid	11-495-034-5120-044	10,458	7/1/10	6/30/11	\$ -	\$ -	\$ -	\$ (10,458)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,458	\$ 10,458
Nonpublic Transportation Cost Aid	11-100-034-5120-068	12,022	7/1/10	6/30/11	-	-	-	(12,022)	-	-	-	-	-	-	12,022	12,022
On behalf TPAF Pension Contribution	11-495-034-5095-006	273,653	7/1/10	6/30/11	-	-	273,653	(273,653)	-	-	-	-	-	-	-	273,653
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	303,010	7/1/10	6/30/11	-	-	303,010	(303,010)	-	-	-	-	-	-	-	303,010
Total General Fund					-	-	576,663	(599,143)	-	-	-	-	-	-	22,480	599,143
Special Revenue Fund:																
NJ Nonpublic Aid:																
Textbook Aid	11-100-034-5120-064	22,964	7/1/10	6/30/11	-	-	22,964	(22,795)	-	-	-	-	-	169	-	22,795
Textbook Aid	10-100-034-5120-064	26,432	7/1/09	6/30/10	-	104	-	-	-	(104)	-	-	-	-	-	-
Nursing	11-100-034-5120-070	27,210	7/1/10	6/30/11	-	-	27,210	(26,372)	-	-	-	-	-	838	-	26,372
Nursing	10-100-034-5120-070	31,342	7/1/09	6/30/10	-	75	-	-	-	(75)	-	-	-	-	-	-
Auxiliary Services:																
Compensatory Education	11-100-034-5120-067	87,411	7/1/10	6/30/11	-	-	87,411	(75,354)	-	-	-	-	-	12,057	-	75,354
Compensatory Education	10-100-034-5120-067	99,233	7/1/09	6/30/10	-	1,440	-	-	-	(1,440)	-	-	-	-	-	-
English as a Second Language	11-100-034-5120-067	5,977	7/1/10	6/30/11	-	-	5,977	(854)	-	-	-	-	-	5,123	-	854
English as a Second Language	10-100-034-5120-067	6,851	7/1/09	6/30/10	-	2,936	-	-	-	(2,936)	-	-	-	-	-	-
Transportation	11-100-034-5120-068	11,777	7/1/10	6/30/11	-	-	11,777	(11,777)	-	-	-	-	-	-	-	11,777
Handicapped Services:																
Examination and Classification	11-100-034-5120-066	52,472	7/1/10	6/30/11	-	-	52,472	(52,472)	-	-	-	-	-	-	-	52,472
Examination and Classification	10-100-034-5120-066	51,013	7/1/09	6/30/10	-	10,427	-	-	-	(10,427)	-	-	-	-	-	-
Corrective Speech	11-100-034-5120-066	25,973	7/1/10	6/30/11	-	-	25,973	(25,973)	-	-	-	-	-	-	-	25,973
Supplemental Instruction	11-100-034-5120-066	29,739	7/1/10	6/30/11	-	-	29,739	(29,739)	-	-	-	-	-	-	-	29,739
Supplemental Instruction	10-100-034-5120-066	31,061	7/1/09	6/30/10	-	1,593	-	-	-	(1,593)	-	-	-	-	-	-
Total Special Revenue Fund					-	16,575	263,523	(245,336)	-	(16,575)	-	-	-	18,187	-	245,336
Capital Projects Fund:																
Educational Facilities Construction And Financing																
Betty McEmon School Attic Insulation	5640-080-10-1001	192,334	7/1/10	6/30/11	-	-	-	(36,283)	-	-	(36,283)	-	-	-	-	36,283
Frank Antonides School Roof Replacement	5640-050-09-0TAI	447,851	7/1/09	6/30/10	(40,809)	-	40,809	-	-	-	-	-	-	-	-	-
Total Capital Projects Fund					(40,809)	-	40,809	(36,283)	-	-	(36,283)	-	-	-	-	36,283
State Department of Agriculture																
Enterprise Fund:																
State School Lunch Program	11-100-010-3360-067	1,907	7/1/10	6/30/11	-	-	1,680	(1,907)	-	-	(227)	-	-	-	-	1,907
State School Lunch Program	10-100-010-3360-067	2,042	7/1/09	6/30/10	(399)	-	399	-	-	-	-	-	-	-	-	-
Total Enterprise Fund					(399)	-	2,079	(1,907)	-	-	(227)	-	-	-	-	1,907
Total State Financial Assistance					\$ (41,208)	\$ 16,575	\$ 883,074	\$ (882,669)	\$ -	\$ (16,575)	\$ (36,510)	\$ -	\$ 18,187	\$ 22,480	\$ 882,669	

The accompanying notes to schedules of expenditures of awards and financial assistance are an integral part of this statement.

WEST LONG BRANCH SCHOOL DISTRICT
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, West Long Branch School District. The Board of Education is defined in Note 1 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 federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 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 GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$62,500 for the general fund and \$17,837 for the special revenue fund. See C-3 for reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following schedule:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ 15,488	\$ 661,643	\$ 677,131
Special revenue fund	333,216	221,620	554,836
Capital projects fund	-	36,283	36,283
Food service fund	35,586	1,907	37,493
	<u>384,290</u>	<u>921,453</u>	<u>1,305,743</u>
Total awards and financial assistance	<u>\$ 384,290</u>	<u>\$ 921,453</u>	<u>\$ 1,305,743</u>

WEST LONG BRANCH SCHOOL DISTRICT
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2011

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. ADJUSTMENTS

The adjustment column on Schedule A and B arises from favorable differences incurred in the liquidation of encumbrances which were charged as budgetary basis expenditures in the prior fiscal year.

NOTE 6. OTHER

Revenues and expenditures reported under the food distribution program represent current year value received and current year distributions, respectively. The amount reported as TPAF pension contributions represent the amount paid by the State on behalf of the District for the year ended June 30, 2011. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2011 amounted to \$273,653.

**WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: _____ unqualified _____

Internal control over financial reporting:

- 1. Material weakness(es) identified? yes no
- 2. Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to basic financial statements noted? yes no

Federal Awards

Internal Control over major programs:

- 1. Material weakness(es) identified? yes no
- 2. Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditor’s report issued on compliance for major programs: _____ unqualified _____

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

Identification of Non-Major Programs tested as Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B Basic
84.391	ARRA IDEA Part B Basic
84.392	ARRA IDEA Part B Preschool

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

Auditee qualified as low-risk auditee? yes no

**WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011
(continued)**

Part I – Summary of Auditor’s Results (cont’d)

State Awards

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

Auditee qualifies as low-risk auditee? yes no

Internal Control over major programs:

1. Material weakness(es) identified? yes no

2. Significant deficiencies identified that are not considered to be material weaknesses yes none reported

Type of auditor’s report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? yes no

Identification of Major Programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>11-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Identification of Non Major Programs tested as Major Programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>11-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011**

Part II – Schedule of Financial Statement Findings

This section identified the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*

No matters were reported.

**WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011**

Part III – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identified the significant deficiencies, material weaknesses, and instance of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and NJ OMB Circular 04-04.

No matters were reported.

**WEST LONG BRANCH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2011**

This section identifies the status of prior-year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

There were no prior-year audit findings for the fiscal year ended June 30, 2010 that we are required to report on.