

SCHOOL DISTRICT
OF
BOROUGH OF LONGPORT

Borough of Longport Board of Education
Longport, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021

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Introductory Section

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LONGPORT BOARD OF EDUCATION
2305 ATLANTIC AVENUE
LONGPORT, NEW JERSEY 08403

February 18, 2022

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

Dear Board Members and Constituents of Longport:

The comprehensive annual financial report of the Borough of Longport School District for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter and a list of principal officials. The financial section includes the financial statements and schedules, the auditor's report thereon, and the Board's management discussion and analysis. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is not required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. However, required information related to governmental auditing standards, including the auditor's report on the internal control and compliance with applicable laws and regulations, are included in the single audit section of this report.

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

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

Fiscal	Student	Percent
<u>Year</u>	<u>Enrollment</u>	<u>Change</u>
2020-2021	57	2%
2019-2020	56	0%
2018-2019	56	12%
2017-2018	50	19%
2016-2017	42	-19%

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

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

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

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. An annual appropriated budget is adopted for the general fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

DEBT ADMINISTRATION: As of June 30, 2021, the District had no outstanding debt issues.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements”, Note 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. In addition, the school district may also invest in obligations of the United States and in bonds of the school district.

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

OTHER INFORMATION:

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

ACKNOWLEDGEMENTS:

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

Respectfully submitted,

Teri Weeks

Teri Weeks, CPA, RSBO, SFO
Board Secretary/
School Business Administrator

LONGPORT BOARD OF EDUCATION

LONGPORT, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Carl Tripician, President	2023
Michael Shiavo, Vice President	2021
Clete Schwegmann	2022
<u>Other Officials</u>	
Teri Weeks CPA, Board Secretary/School Business Administrator	
George K. Miller, Solicitor	

**LONGPORT BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

Ford, Scott & Associates, L.L.C.
1535 Haven Avenue
Ocean City, NJ 08226

Attorney

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

Official Depository

OceanFirst Bank
225 N. Main Street
Cape May Court House, NJ 08210

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Board of Education of the Longport School District, in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Longport Board of Education, in the County of Atlantic, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Longport Board of Education's basic financial statements. The combining fund financial statements and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and fund financial statements and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2022 on our consideration of the Longport 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Longport Board of Education's internal control over financial reporting and compliance.

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC
Certified Public Accountants

Nancy Sbrolla

Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

February 18, 2022

Required Supplemental Information
Part I

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MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Longport Borough Sending School District (“Non-operating School District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal years that ended on June 30, 2021 and 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased \$282,152 due to an increase in the tax levy.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Restricted Fund Balance – Excess surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2021 and 2020, the District had \$281,078 and \$185,265 excess surplus respectively.
- During the fiscal year ended June 30, 2021, the District’s expenses incurred were \$282,152 less than total revenues realized. During the prior fiscal year, the District’s expenses were \$193,865 less than total revenues.
- This district has no business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Government-wide Statements

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

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

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of the district's facilities.

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

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

Fund Financial Statements

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

The District has one kind of fund:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District’s governmental activities net position increased between fiscal years 2021 and 2020 due to an increase in the tax levy.

Governmental Activities

	2021	2020
Current Assets	\$ 769,852	443,898
Total Assets	<u>769,852</u>	<u>443,898</u>
Liabilities	61,148	17,346
Total Liabilities	<u>61,148</u>	<u>17,346</u>
Net Position:		
Restricted		
Unrestricted	708,704	426,552
	<u>\$ 708,704</u>	<u>426,552</u>

As required by New Jersey Statutes, the unrestricted net position of the District are not permitted to exceed 4% of total general fund expenditures or \$250,000, whichever is greater. Any excess must be appropriated as budgeted fund balance in the subsequent years’ budget. As of June 30, 2021 and 2020, the District had \$242,361 and \$185,265 excess fund balance respectively.

Changes in net position. The total revenue of the District increased \$206,409 due to an increase in the District’s local tax levy and an increase in miscellaneous revenue.

Approximately 6% of the District’s revenue comes from the State of New Jersey in the form of nonrestricted state aid. This aid is based on the District’s enrollment as well as other factors such as growth in the Borough. The Borough of Longport levies property taxes on properties located in the Borough. This tax is remitted to the District every other month. The District expenses are primarily related to tuition, transportation and insurance. The following table summarizes the district’s revenues for 2021 and 2020:

	2021	2020	Change	% Change
Property Taxes	\$ 1,601,690	1,473,652	128,038	9%
Unrestricted State Aid	87,582	87,330	252	0%
Operating Grants	(4,881)	(4,881)	-	0%
Other	82,646	999	81,647	8173%
Total	<u>\$ 1,767,037</u>	<u>1,557,100</u>	<u>209,937</u>	<u>13%</u>

Governmental Activities

The following schedule summarizes the governmental activities of the District during the 2021 and 2020 fiscal year:

Revenues	2021	2020	Change	% Change
General Revenues				
Property Taxes	\$ 1,601,690	1,473,652	128,038	9%
State Aid	87,582	87,330	252	0%
Other	79,118	(3,882)	83,000	-2138%
Total Revenues	1,768,390	1,557,100	211,290	14%
Expenses				
Tuition	1,392,168	1,288,310	103,858	8%
Transportation	58,565	46,308	12,257	26%
General & Bsns. Admin	34,080	28,617	5,463	19%
Supplies and Materials	1,425	-	1,425	0%
Total Expenses	1,486,238	1,363,235	123,003	9%
Change in Net Position	\$ 282,152	193,865	88,287	46%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year-end, the governmental funds reported a fund balance of \$708,704 which is \$282,152 higher than the beginning of the year. The budget increased by approximately \$125,191 compared to the prior year. The majority of the increase is the result of higher tuition costs.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations. Effective with the 2013-2014 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District budget for the 2022 fiscal year includes an increase in tuition expenses. The budget also anticipates the use of \$0 in fund balance to balance the budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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DISTRICT - WIDE FINANCIAL STATEMENTS

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**Longport School District
Statement of Net Position
June 30, 2021**

	<u>Governmental Activities</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 768,982	768,982
Due from other governments	870	870
Total Assets	<u>769,852</u>	<u>769,852</u>
 LIABILITIES		
Accounts Payable	<u>61,148</u>	<u>61,148</u>
Total liabilities	<u>61,148</u>	<u>61,148</u>
 NET POSITION		
Restricted for:		
Other purposes	466,343	466,343
Unrestricted	242,361	242,361
Total net position	<u>\$ 708,704</u>	<u>708,704</u>

Longport School District
Statement of Change in Net Position
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues				Total
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:						
Support services:						
Tuition	\$ 1,392,168					(1,392,168)
School administrative services	34,080		(4,881)			(38,961)
Pupil transportation	58,565					(58,565)
Supplies and Materials	1,425					(1,425)
Transfer of funds to Charter School	-					-
Unallocated benefits	-					-
Total governmental activities	1,486,238	-	(4,881)	-	(1,491,119)	(1,491,119)
Total primary government	1,486,238	-	(4,881)	-	(1,491,119)	(1,491,119)
General revenues:						
Property taxes, levied for general purposes, net						1,601,690
Federal and State aid not restricted						87,582
Investment Earnings						1,353
Miscellaneous Income						82,646
Total general revenues, special items, extraordinary items and transfers						1,773,271
Change in Net Position						282,152
Net Position—beginning						426,552
Net Position—ending						\$ 708,704

FUND FINANCIAL STATEMENTS

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**Longport School District
Balance Sheet
Governmental Funds
June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 768,982	\$ -	768,982
Other state aid receivable	870		870
Total assets	<u>769,852</u>	<u>-</u>	<u>769,852</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	61,148	-	61,148
Total liabilities	<u>61,148</u>	<u>-</u>	<u>61,148</u>
Fund Balances:			
Restricted for:			
Excess Surplus	281,078	-	281,078
Excess Surplus - Designated for subsequent year's Expenditures	185,265		185,265
Assigned to:			
Legally assigned - designated for Subsequent year's expenditures	-		-
Unassigned:			
General fund	242,361	-	242,361
Total Fund balances	<u>\$ 708,704</u>	<u>-</u>	<u>708,704</u>

Longport School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local tax levy	\$ 1,601,690		1,601,690
Interest	1,353		1,353
Miscellaneous	82,646		82,646
Federal sources	-	1,425	1,425
State sources	86,157		86,157
	<hr/>	<hr/>	<hr/>
Total revenues	<u>1,771,846</u>	<u>1,425</u>	<u>1,773,271</u>
EXPENDITURES			
Current:			
Support services and undistributed costs:			
Tuition	1,392,168		1,392,168
School administrative services	38,961		38,961
Pupil transportation	58,565		58,565
Supplies and Materials		1,425	1,425
Transfer of funds to Charter School	-	-	-
Employee Benefits	-		-
Total expenditures	<u>1,489,694</u>	<u>1,425</u>	<u>1,491,119</u>
(Deficit) of revenues over expenditures	<hr/> <u>282,152</u>	<hr/> <u>-</u>	<hr/> <u>282,152</u>
Net change in fund balances	282,152		282,152
Fund balance—July 1	426,552	-	426,552
Fund balance—June 30	<u>\$ 708,704</u>	<u>-</u>	<u>708,704</u>

**Longport School District
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2021**

Total net change in fund balances - governmental funds (from B-2)	\$ 282,152
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

No adjustments necessary

Change in net assets of governmental activities	<hr style="border: 1px solid black;"/> <u><u>\$ 282,152</u></u>
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Longport School District 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 business administrator is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Longport School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Reporting Entity:

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

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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

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

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

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

The emphasis in fund financial statements is on the major funds in the governmental categories. Nonmajor funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund.

The following fund types are used by the District:

1. Governmental Funds:

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the

deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

3. Fund Balances – Governmental Funds

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

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

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

4. Revenues:

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

5. Expenditures:

Expenses are recognized when the related fund liability is incurred.

6. Budgets/Budgetary Control:

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only 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.

7. Encumbrances:

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

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

8. Tuition Payable

Tuition charges for the fiscal year 2020-21 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

9. Use of Estimates

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

10. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 31, 2022, may have an effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 31, 2022, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement, which is effective for fiscal periods beginning after December 31, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription Based Information Technology Arrangements". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In October 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 98, "The Annual Comprehensive Financial Report". This statement, which is effective for fiscal years ending after December 15, 2021, will have an effect on the District's financial statements.

NOTE 2 - INVESTMENTS

As of June 30, 2021, the district had no investments.

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

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

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

NOTE 3 – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$0 of the government’s bank balance of \$770,035.21 was exposed to custodial credit risk.

NOTE 4 - PENSION PLANS

Description of Plans

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

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF. The School District's contributions to TPAF for the years ending June 30, 2021, 2020 and 2019 were \$0, \$0 and \$0 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2021, 2020 and 2019 were \$0, \$0, and \$0 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2021, 2020 and 2019, the State of New Jersey contributed \$0, \$0, and \$0, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$0, \$0, and \$0 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 5 – OTHER POST RETIREMENT BENEFITS

General Information about the OPEB Plan

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019

amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in Fiscal Year 2019.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State CAFR on the Office of Management and Budget webpage: <https://www.nj.gov/treasury/omb/cafr.shtml>.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State’s most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

	TPAF/ABP	PERS	PFRS
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years	Applied to all future years

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-20.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the period July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate –

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at 6/30/19	\$ 41,729,081,045.00
Changes for the year:	
Service cost	1,790,973,822.00
Interest	1,503,341,357.00
Differences between Expected & Actual Experiences	11,544,750,637.00
Changes in assumptions or other inputs	12,386,549,981.00
Contributions: Member	35,781,384.00
Benefit payments	<u>(1,180,515,618.00)</u>
Net changes	<u>26,080,881,563.00</u>
Balance at 6/30/20	<u>\$ 67,809,962,608.00</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability as of June 20, 2020, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability (School Retirees)	81,748,410,002.00	67,809,962,608.00	56,911,439,160.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability as of June 30, 2020c calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	54,738,488,540.00	67,809,962,608.00	83,375,182,975.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$(4,881) determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported

Longport School District
Notes to Financial Statements
June 30, 2021

deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,295,318,750.00	(9,170,703,615.00)
Changes of assumptions	11,534,251,250.00	(7,737,500,827.00)
Total	\$ 21,829,570,000.00	\$ (16,908,204,442.00)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB will be recognized in OPEB expense as follows:

Year ended June 30,		
2021	\$	43,440,417.00
2022		43,440,417.00
2023		43,440,417.00
2024		43,440,417.00
2025		43,440,417.00
Thereafter		4,704,163,473.00
Total	\$	4,921,365,558.00

(Contributions made after June 30, 9are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

NOTE 6 – FUND BALANCE APPROPRIATED

General Fund – Of the \$717,213 General Fund balance at June 30, 2021, \$0 is reserved for encumbrances; \$466,343 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$185,265 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$0 has been legally restricted and included as anticipated revenue for the year ended June 30, 2022; and \$250,870 is unassigned.

NOTE 7 – CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$466,343 of which \$185,265 has been appropriated and included as anticipated revenue for the year ending June 30, 2022.

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2021, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

NOTE 9 – LITIGATION

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

NOTE 10 – SUBSEQUENT EVENTS

The District has evaluated events through February 18, 2022, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

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Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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**Longport School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,601,690	-	1,601,690	1,601,690	-
Interest	200	-	200	1,353	1,153
Miscellaneous	-	-	-	82,646	82,646
Total - Local Sources	1,601,890	-	1,601,890	1,685,689	83,799
State Sources:					
Transportation Aid	20,694	-	20,694	20,694	-
Special Education Aid	44,828	-	44,828	44,828	-
Security Aid	4,178	-	4,178	4,178	-
Adjustment Aid	15,383	-	15,383	15,383	-
Other State Aid	-	-	-	870	870
Total - State Sources	85,083	-	85,083	85,953	870
Total Revenues	1,686,973	-	1,686,973	1,771,642	84,669
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	1,369,993	-	1,369,993	1,369,993	-
Tuition to Other LEAs Within the State - Special	22,175	-	22,175	22,175	-
Tuition to Private Schools for Disabled within the State	134,560	-	134,560	134,560	134,560
Total Undistributed Expenditures - Instruction	1,526,728	-	1,526,728	1,392,168	134,560
Undistributed Expenditures - Attendance and Social Work					
Other Purchased Services (400-500 series)	10,000	-	10,000	-	10,000
Total Undistributed Expenditures - Attendance and Social Work	10,000	-	10,000	-	10,000
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	11,200	-	11,200	11,200	-
Legal Services	9,000	-	9,000	4,200	4,800
Audit Fees	6,000	-	6,000	6,000	-
Communications	500	-	500	101	399
BOE Other Purchased Services	500	1,000	1,500	1,477	23
Miscellaneous Purchased Services	10,000	(1,000)	9,000	7,332	1,668
Board Dues and Fees	1,000	-	1,000	935	65
Total Undistributed Expenditures - Support Services - Gen. Admin.	38,200	-	38,200	31,245	6,955

**Longport School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021**

Undistributed Expenditures - Central Services:							
Salaries	5,000	-	5,000	5,000	-		
Supplies and Materials	1,000	-	1,000	1,000			1,000
Total Undistributed Expenditures - Central Services	6,000	-	6,000	6,000	5,000		1,000
Undistributed Expenditures - Operation and Maintenance of Plant Services:							
Insurance	5,500	-	5,500	5,500	1,106		4,394
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	5,500	-	5,500	5,500	1,106		4,394
Undistributed Expenditures - Student Transportation Services:							
Contracted Services - (Between Home and School) - Joint Agreements	74,639	-	74,639	74,639	58,565		16,074
Contracted Services - (Sp Ed Students) - Vendors	18,756	-	18,756	18,756			18,756
Contracted Services - Aid in Lieu of Payments -Non-Public	5,000	-	5,000	5,000			5,000
Total Undistributed Expenditures - Student Transportation Serv.	98,395	-	98,395	98,395	58,565		39,830
Unallocated Benefits:							
Unemployment Benefits	150	-	150	150	97		53
Workers Compensation Insurances	500	-	500	500	274		226
Social Security Contributions	1,500	-	1,500	1,500	1,239		261
Total Unallocated Benefits	2,150	-	2,150	2,150	1,610		540
Total Expenditures - Current Expense	1,686,973	-	1,686,973	1,686,973	1,489,694		197,279
Transfer to Charter Schools							
Total Expenditures	1,686,973	-	1,686,973	1,686,973	1,489,694		197,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	281,948		281,948
Fund Balances, July 1	435,265	-	435,265	435,265			-
Fund Balances, June 30	\$ 435,265	-	435,265	435,265	717,213		281,948

Longport School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2021

Recapitulation:	
Restricted Fund Balance:	
Restricted Fund Balance - Excess Surplus	281,078
Restricted Fund Balance - Excess Surplus - Designated for Subsequent Year's Expenditures	185,265
Assigned Fund Balance:	
Legally Assigned - Designated for subsequent year's expenditures	-
Unassigned Fund Balance	250,870
	717,213
	(8,509)
	708,704

Reconciliation to Governmental Funds Statements (GAAP)
 Last State Aid payment not recognized on GAAP basis
 Fund Balance per Governmental Funds (GAAP)

Longport School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources	-	-	-	-	-
State Sources	-	-	-	-	-
Federal Sources	-	1,425	1,425	1,425	-
Total Revenues	-	1,425	1,425	1,425	-
EXPENDITURES:					
Current Expense:					
Support Services	-	1,425	1,425	1,425	-
Supplies and Materials	-	1,425	1,425	1,425	-
Total Support Services	-	1,425	1,425	1,425	-
Total Expenditures	-	1,425	1,425	1,425	-
Excess (Deficiency) of Revenues Over (Under) Expenditures					

Exhibit C-3

Longport School District
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

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

	<u>General Fund</u>
Sources/inflows of resources	
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 1,771,642
Difference - budget to GAAP:	
Receipt of prior year final state aid payment	8,713
Deferral of final state aid payment	<u>(8,509)</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>1,771,846</u></u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	1,489,694
No differences - budget to GAAP:	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 1,489,694</u></u>

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Required Supplemental Information
Part III

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LONGPORT SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Eight Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	-	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District						91,320.00	81,909.00	78,267.00
Total	\$ -	\$ -	-	-	-	91,320.00	81,909.00	78,267.00
District's covered payroll								
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available

Borough of Longport School District
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Five Fiscal Years

	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-	-	-	-
State's proportionate share of the net OPEB liability (asset) associated with the District	-	-	-	55,204.00	42,114.00
Total	\$ -	0.00	-	55,204.00	42,114.00
District's covered payroll	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period. However, information is only currently available for five years. Additional years will be presented as they become available.

SPECIAL REVENUE FUND

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Longport School District
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	Coronavirus Relief Fund	Total Federal	Total
REVENUES:			
State Sources			-
Federal Sources	1,425.00	1,425.00	1,425.00
Local Sources			-
Total revenues	<u>1,425.00</u>	<u>1,425.00</u>	<u>1,425.00</u>
EXPENDITURES			
Support services:			
Supplies and Materials	1,425.00	1,425.00	1,425.00
Total support services	<u>1,425.00</u>	<u>1,425.00</u>	<u>1,425.00</u>
Total expenditures	<u>1,425.00</u>	<u>1,425.00</u>	<u>1,425.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>

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Statistical Section

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**Longport School District
Net Position by Component,
Last Ten Fiscal Years
Unaudited**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Restricted	\$ 65,844	86,545	229,588	83,112	-	76,349	12,145	-	185,265	466,343
Unrestricted	249,551	203,289	24,043	12,165	(188,494)	104,957	111,841	232,687	241,287	242,361
Total governmental activities net position	<u>315,395</u>	<u>289,834</u>	<u>253,631</u>	<u>95,277</u>	<u>(188,494)</u>	<u>181,306</u>	<u>123,986</u>	<u>232,687</u>	<u>426,552</u>	<u>708,704</u>
District-wide										
Restricted	65,844	86,545	229,588	83,112	-	76,349	12,145	-	185,265	466,343
Unrestricted	249,551	203,289	24,043	12,165	(188,494)	104,957	111,841	232,687	241,287	242,361
Total district net position	<u>\$ 315,395</u>	<u>289,834</u>	<u>253,631</u>	<u>95,277</u>	<u>(188,494)</u>	<u>181,306</u>	<u>123,986</u>	<u>232,687</u>	<u>426,552</u>	<u>708,704</u>

Source: CAFR Schedule A-1

Longport School District
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Support Services:										
Tuition	\$ 837,658	855,853	926,557	1,084,675	1,252,042	647,077	1,104,721	1,082,264	1,288,310	1,392,168
Student & instruction related services	-	-	-	-	-	-	-	-	-	-
General administrative services	52,124	64,149	62,338	76,371	60,156	36,926	35,522	47,820	28,617	34,080
Pupil transportation	87,169	94,604	75,388	80,063	84,826	77,151	65,383	71,976	46,308	58,565
Supplies and Materials	-	-	-	-	-	-	-	-	-	1,425
Transfer to Charter Schools	41,642	40,330	44,340	24,051	-	-	-	-	-	-
Total governmental activities expenses	1,018,593	1,054,936	1,108,623	1,265,160	1,397,024	761,154	1,205,626	1,202,060	1,363,235	1,486,238
Total district expenses	1,018,593	1,054,936	1,108,623	1,265,160	1,397,024	761,154	1,205,626	1,202,060	1,363,235	1,486,238
Program Revenues										
Governmental activities										
Operating grants and contributions	-	-	-	15,315	-	-	-	-	-	-
Total governmental activities program revenues	-	-	-	15,315	-	-	-	-	-	-
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	877,770	933,957	975,365	994,872	1,014,769	1,035,064	1,055,765	1,196,879	1,473,652	1,601,690
Unrestricted grants and contributions	114,315	94,640	96,360	96,023	94,703	93,277	91,870	101,445	87,330	87,582
Investment earnings	1,426	576	695	594	474	584	671	735	999	1,353
Miscellaneous income	2	202	-	2	3,307	2,029	82,646	-	-	82,646
Cancellation of Prior Year Receivable	993,513	1,029,375	1,072,420	1,091,491	1,113,253	1,130,954	1,230,952	1,299,059	1,561,981	1,773,271
Total governmental activities	993,513	1,029,375	1,072,420	1,091,491	1,113,253	1,130,954	1,230,952	1,299,059	1,561,981	1,773,271
Total district-wide	993,513	1,029,375	1,072,420	1,091,491	1,113,253	1,130,954	1,230,952	1,299,059	1,561,981	1,773,271
Change in Net Position										
Governmental activities	(25,080)	(25,561)	(36,209)	(158,354)	(283,771)	369,800	25,326	96,999	198,746	287,033
Total district	(25,080)	(25,561)	(36,209)	(158,354)	(283,771)	369,800	25,326	96,999	198,746	287,033

Source: CAFR Schedule A-2

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund	\$ 40,694	38,348	-	-	-	-	-	-	185,265	466,343
Restricted	25,150	48,197	229,588	83,112	-	76,349	12,145	-	-	-
Assigned	249,551	203,289	24,043	12,165	24,161	104,957	111,841	232,687	241,287	242,361
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 315,395	289,834	253,631	95,277	24,161	181,306	123,986	232,687	426,552	708,704

Source: CAFR Schedule B-1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 877,770	933,957	975,365	994,872	1,014,769	1,035,064	1,055,765	1,196,879	1,473,652	1,601,690
Interest earnings	1,426	576	695	594	474	584	671	735	999	1,353
Miscellaneous	2	202	-	2	3,307	2,029	-	-	-	82,646
State sources	109,781	94,640	96,360	96,023	94,703	93,277	113,927	101,445	87,330	86,157
Federal sources	4,534	-	-	-	-	-	-	-	-	1,425
Total revenue	993,513	1,029,375	1,072,420	1,091,491	1,113,253	1,130,954	1,170,363	1,299,059	1,561,981	1,773,271
Expenditures										
Support Services:										
Tuition	837,658	855,853	926,557	1,084,675	1,039,387	859,732	1,104,721	1,082,264	1,288,310	1,392,168
Student & instruction related services	-	-	-	-	-	-	-	-	-	-
General administrative services	52,124	64,149	62,338	61,056	60,156	36,926	35,522	36,118	33,498	38,961
Pupil transportation	87,169	94,604	75,388	80,063	84,826	77,151	65,383	71,976	46,308	58,565
Supplies and Materials	-	-	-	-	-	-	-	-	-	1,425
Employee Benefits	-	-	-	-	-	-	22,057	-	-	-
Charter Schools	41,642	40,330	44,340	24,051	-	-	-	-	-	-
Total expenditures	1,018,593	1,054,936	1,108,623	1,249,845	1,184,369	973,809	1,227,683	1,190,358	1,368,116	1,491,119
Excess (Deficiency) of revenues over (under) expenditures	(25,080)	(25,561)	(36,203)	(158,354)	(71,116)	157,145	(57,320)	108,701	193,865	282,152
Other Financing sources (uses)										
Cancellation of Prior Year Receivable	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (25,080)	(25,561)	(36,203)	(158,354)	(71,116)	157,145	(57,320)	108,701	193,865	282,152

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Misc.	Total
2012	1,426	202	1,628
2013	576	202	778
2014	695	-	695
2015	594	2	596
2016	474	3,307	3,781
2017	584	2,029	2,613
2018	671	82,646	83,317
2019	735	-	735
2020	999	17,089	18,088
2021	1,353	82,646	83,999

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Clam	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	School Tax Rate b	Estimated Actual (County Equalized Value)
2012	64,703,000	1732,374,900	-	-	3,888,300	-	-	1,800,764,200	56,289,800	173,384	1,744,647,794	0.051	1,925,632,148
2013	88,046,100	1,684,835,000	-	-	3,188,300	-	-	1,776,067,400	56,887,800	150,421	1,719,330,221	0.056	1,946,976,408
2014	79,728,900	1,690,843,800	-	-	2,838,300	-	-	1,789,762,000	56,887,800	100,901	1,732,975,301	0.056	1,937,637,186
2015	74,426,900	1,726,333,900	-	-	2,838,300	-	-	1,809,744,000	57,437,800	101,746	1,752,306,254	0.057	1,988,896,582
2016	85,751,700	1,739,687,600	-	-	2,836,300	-	-	1,820,275,600	57,437,800	101,746	1,762,137,054	0.058	1,988,253,697
2017	83,394,000	1,749,526,500	-	-	2,836,300	-	-	1,828,756,800	57,437,800	-	1,828,756,800	0.068	1,941,628,373
2018	84,908,300	1,767,761,200	-	-	2,836,300	-	-	1,855,505,800	-	-	1,855,505,800	0.079	1,999,288,572
2019	64,740,100	1,806,978,300	-	-	2,353,300	-	-	1,874,071,700	-	-	1,874,071,700	0.085	2,021,909,913
2020	70,761,400	1,816,487,100	-	-	2,353,300	-	-	1,889,601,800	-	-	1,889,601,800	0.085	-
2021	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: District records Tax list summary & Municipal Tax Assessor.

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$10C

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

Fiscal Year Ended June 30,	Borough of Longport School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate a	General Obligation Debt Service b	Total Direct	Borough of Longport	Atlantic County	
2012	0.051		0.051	0.319	0.402	0.772
2013	0.055		0.055	0.329	0.513	0.897
2014	0.056		0.056	0.332	0.510	0.898
2015	0.057		0.057	0.331	0.519	0.907
2016	0.058		0.058	0.331	0.518	0.907
2017	0.058		0.058	0.330	0.576	0.964
2018	0.066		0.066	0.330	0.588	0.984
2019	0.079		0.079	0.361	0.623	1.063
2020	0.085		0.085	0.361	0.540	0.986
2021	0.085		0.085	0.361	0.527	0.973

Source: District Records and Municipal Tax Collector

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
110 S 26 Ave LLC	9,805,300	1	0.005189083			
The Galman Family Trust	9,232,500	2	0.00488595			
Taxpayer #1	6,991,900	3	0.003700198			
Taxpayer #2	6,950,000	4	0.003678024			
Taxpayer #3	6,793,400	5	0.003595149			
Rock Realty LLC	6,702,500	6	0.003547044			
GM 22Beach LLC	6,661,600	7	0.003525399			
Taxpayer #4	6,646,300	8	0.003517302			
Taxpayer #5	6,626,800	9	0.003506982			
Realm LLC	6,541,100	10	0.003461629			
					Information not available	
Total	72,951,400		3.861%	-		0.000%

Source: District CAFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	877,770	877,770	100%	
2013	933,957	911,482	98%	22,475
2014	975,365	975,365	100%	
2015	994,872	994,875	100%	
2016	1,014,769	1,014,769	100%	
2017	1,035,064	1,035,064	100%	
2018	1,055,769	1,055,765	100%	
2019	1,196,879	1,196,879	100%	
2020	1,473,652	1,473,652	100%	
2021	1,601,690	1,601,690	100%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income a	Per Capita a
	General Obligation Bonds b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2012								
2013								
2014								
2015								
2016								
2017								
2018								
2019								
2020								
2021								

Not applicable - the district does not have any debt

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value a of Property	<u>Per Capita b</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>		
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					

Not applicable - the district does not have any debt

Borough of Longport School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2021
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Longport	8,642,015	100.000%	8,642,015
Other debt			
County of Atlantic (as of December 31, 2020)	168,081,327	6.17%	10,366,229
Subtotal, overlapping debt			19,008,244
Borough of Longport School District Direct Debt	-		-
Total direct and overlapping debt			19,008,244

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized valuation basis	
2018	1,969,794,054
2019	2,001,192,623
2020	1,958,482,287
[A]	5,929,468,964
[A/3]	1,976,489,655
[B]	59,294,690
[C]	-
[B-C]	59,294,690

Debt limit (3 % of average equalization)^a
 Net bonded school debt
 Legal debt margin

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit										
Total net debt applicable to limit										
Legal debt margin										
Total net debt applicable to the limit as a percentage of debt limit										

Not applicable - the district does not have any debt

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

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

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

Year	Population a	Personal Income (thousands of dollars) b	Per Capita Personal Income c	Unemployment Rate d
2012	890	34,091,450	38,305	8.70%
2013	893	35,468,174	39,718	9.10%
2014	885	35,800,905	40,453	3.80%
2015	878	35,864,544	40,848	6.20%
2016	882	36,995,490	41,945	5.10%
2017	876	37,645,224	42,974	5.10%
2018	876	38,766,504	44,254	4.10%
2019	858	39,945,906	46,557	3.80%
2020	851	41,416,468	48,668	2.60%
2021	845	42,783,195	50,631	9.30%

Source:

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

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

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

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

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

Unaudited

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Support Services:										
General administrative services	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff b	Elementary	Middle School				
2012	55	1,018,593	18,520	2.95%							
2013	55	1,054,936	19,181	3.57%							
2014	50	1,108,623	22,172	15.60%							
2015	41	1,249,845	30,484	37.49%							
2016	52	1,184,369	22,776	-25.28%							
2017	42	973,809	23,186	1.80%							
2018	53	1,227,683	23,164	-0.10%							
2019	56	1,190,358	21,256	-8.23%							
2020	56	1,368,116	24,431	14.93%							
2021	57	1,489,694	26,135	6.98%							

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

Note: Enrollment based on annual October district count.

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

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

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

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
------	------	------	------	------	------	------	------	------	------

Not Applicable - non-operating district

Source: District records, ASSA

Note: Enrollment is based on the annual October district count.

Borough of Longport School District
General Fund
Schedule of Required Maintenance for School Facilities
Last Nine Years
Unaudited

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

School Facilities	Project # (s)	2021	2020	2019	2018	2017	2016	2015	2014	2013
	N/A									
Total School Facilities		-	-	-	-	-	-	-	-	-
Other Facilities										
Grand Total		-	-	-	-	-	-	-	-	-

Not Applicable - non-operating district

Borough of Longport School District
Insurance Schedule
June 30, 2021
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy		
Contents	\$21,000	
General Liability	1,000,000/2,000,000	
Fire Damage Liability	100,000	
Medical Payments	5,000	
Automobile Liability		
Hired/Non-owned Vehicles	1,000,000	
Umbrella Liability	1,000,000	5,000
Worker's Compensation	Statutory	
Surety Bonds		
Board Administrator	140,000	
Treasurer	110,000	

Source: District Records

Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-1

Report on Internal Control over Financial Reporting and on Compliance
And Other Matter Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, and each major fund of the Longport School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated February 18, 2022.

Internal Control over Financial Reporting

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

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

significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC
Certified Public Accountants

Nancy Sbrolla

Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

February 18, 2022

LONGPORT SCHOOL DISTRICT
Schedule of Expenditures of Federal Financial Assistance
for the Fiscal Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	Federal Funds Number	Federal Funds Number	Grant or State Project Number	Program or Award Amount	From	To	Deferred Balance June 30, 2020	Carryover (Amount) Amount	Cash Received	Budgetary Expenditures		(MEMO) Payable to State-Participants	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2021	
										Budgetary Pass Through	Source				Direct	Total
U.S. Department of the Treasury																
Passed-through State Department of Education																
Special Revenue Fund																
Coronavirus Relief Fund	21.019	SLT0007		\$ 1,425	3/1/2020	12/30/2020	\$ -	-	1,425	1,425	1,425	-	-	-	-	-
Total Special Revenue Fund				\$ 1,425			\$ -	-	1,425	1,425	1,425	-	-	-	-	-
Total Federal Financial Assistance				\$ 1,425			\$ -	-	1,425	1,425	1,425	-	-	-	-	-

LONGPORT SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue/	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Categorical Special Education Aid	21-495-034-5120-089	\$ 44,828	7/1/2020	6/30/2021				44,828	44,828	-				4,483	44,828
Categorical Security Aid	21-495-034-5120-084	4,178	7/1/2020	6/30/2021				4,178	4,178	-				418	4,178
Adjustment Aid	21-495-034-5120-085	15,383	7/1/2020	6/30/2021				15,383	15,383	-				1,538	15,383
Transportation Aid	21-495-034-5120-014	20,694	7/1/2020	6/30/2021				20,694	20,694					2,070	20,694
Non-Public Transportation Aid	21-495-034-5120-014	870	7/1/2020	6/30/2021					870			870			870
Total General Fund								85,083	85,953	-		870		8,509	85,953
Total State Financial Assistance								85,083	85,953	-		870		8,509	85,953
Less: On-Behalf Payments															
Total State Financial Assistance								85,083	85,953	-		870		8,509	85,953

The accompanying Notes to the Schedules of State Awards and Financial Assistance are an integral part of this statement

NOTE 1. GENERAL

The accompanying schedules of expenditures of state financial assistance include state award activity of the Longport School District. The Board of Education is defined in Note 1 to the Board's general-purpose financial statements. All state awards received directly from federal and state agencies, as well as 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 state financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's general-purpose financial statements. The District has elected not to use the 10% de minimus indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$204 for the general fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund. Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as follows:

Longport School District
Notes to the Schedules of Expenditures of State Financial Assistance
June 30, 2021

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General

State Assistance:

Actual amounts (budgetary)
"revenues" from the Schedule
of Expenditures of State
Financial Assistance

\$ 85,953.00

Difference-budget to "GAAP"

State aid payment recognized
for GAAP statements in the
current year, previously
recognized for budgetary
purposes

8,713.00

The last state aid payment is
recognized as revenue for
budgetary purposes, and differs
from GAAP which does not
recognize this revenue until the
subsequent year when the State
recognizes the related expense
(GASB 33)

(8,509.00)

Total State revenue as reported
on the statement of revenues,
expenditures and changes in
fund balances

\$ 86,157.00

Longport School District
Notes to the Schedules of Expenditures of State Financial Assistance
June 30, 2021

K-5

	Special Revenue
Federal Assistance:	
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Financial Assistance	<u>\$ 1,425.00</u>
Total Federal Revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund balance	<u><u>\$ 1,425.00</u></u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

**LONGPORT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____	no
• Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> _____	no
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> _____	no

Federal Awards - N/A

Internal Control over major programs:			
• Material weakness(es) identified?	_____ yes	_____	no
• Significant deficiency(ies) identified?	_____ yes	_____	none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs: \$ _____

Auditee qualified as low-risk auditee? _____ yes _____ no

State Awards - N/A

Internal Control over major programs:

- Material weakness(es) identified? _____ yes _____ no
- Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on compliance major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 15-08

_____ yes _____ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs:

\$ _____

Auditee qualified as low-risk auditee?

_____ yes _____ no

**LONGPORT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SCHEDULE OF FINANCIAL STATEMENT FINDINGS – N/A

NONE

STATUS OF PRIOR YEAR FINDINGS – N/A

NONE