WEST LONG BRANCH SCHOOL DISTRICT
West Long Branch, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2010

Prepared by
West Long Branch School District
Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE WEST LONG BRANCH SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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INTRODUCTORY SECTION

WEST LONG BRANCH BOARD OF EDUCATION

Administrative Offices
135 Locust Avenue
West Long Branch, New Jersey 07764-1698
Phone (732) 222-5900
Fax (732) 222-9325

Karen M. Wood
Superintendent of Schools

Patricia S. Peterson
Interim Business Administrator/Board Secretary

October 7, 2010

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

Dear Board Members:

The comprehensive annual financial report of the West Long Branch School District for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards, Board Statement 34. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: 1) Introductory; 2) financial; 3) statistical; 4) single audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings, and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels Pre-K, and K through 8. These include regular instruction and special education for handicapped youngsters in and out of district. The District completed the 2009-10 fiscal year with an enrollment of 652 students, which reflects a decrease of 64 of the students from previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Fiscal Year	Student Enrollment	Percent Change
2009-2010	623	(4.44%)
2008-2009	652	1.56%
2007-2008	642	(9.07%)
2006-2007	706	(4.34%)

2. ECONOMIC CONDITION AND OUTLOOK

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

3) MAJOR INITIATIVES

During the 2010 –2011 school year, the district will be undertaking the following initiatives to support the four district goals:

I Goal Area: Student Achievement/Curriculum & Instruction

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

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

II. Goal Area: Finance

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

- Identify three cost saving initiatives that could be implemented without impacting the thorough and efficient education provided to the children of West Long Branch.
- Investigate alternatives to the current Business Office organizational and staffing

structures that support increased efficiency while preserving excellence in all business and fiscal practices.

III. Goal Area: Long Range Planning

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

- Develop alternatives to transportation throughout the district followed by a Long Range Plan for implementation of the alternative.
- Examine feasibility of combining Business Office operations with another district.
- Continue to explore opportunities for shared services, improved efficiencies and cost reduction activities.

4) INTERNAL ACCOUNTING CONTROLS

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

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

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

5) BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

6) ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system

of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT

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

8) RISK MANAGEMENT

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

9) OTHER INFORMATION

Independent Audit – State Statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The Board selected the firm of Paduano, DiTommaso & Golda, LLC. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

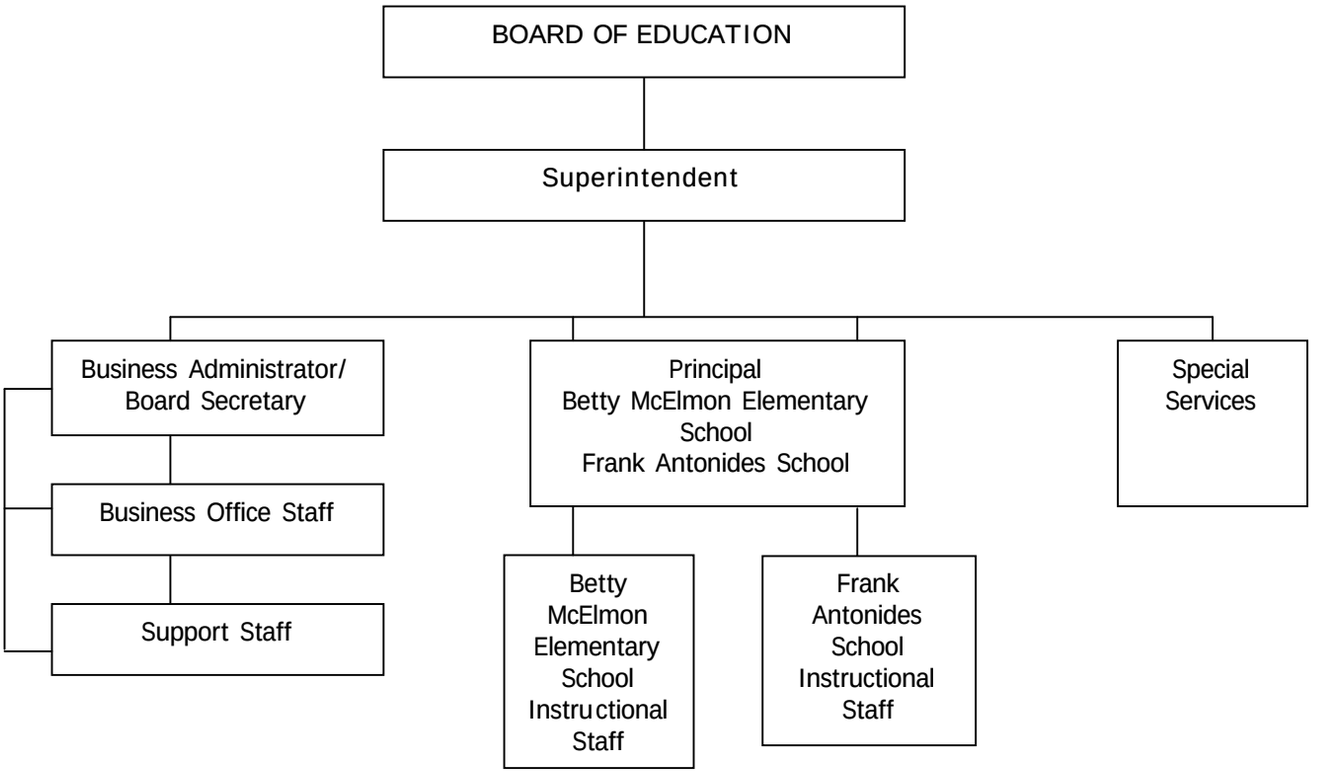
10) ACKNOWLEDGMENTS

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

Respectfully submitted,

Karen M. Wood
Superintendent of Schools

WEST LONG BRANCH BOARD OF EDUCATION
Organizational Chart
June 30, 2010



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

ROSTER OF OFFICIALS
JUNE 30, 2010

Members of the Board of Education	Term Expires
Mary Orendorff-Gassman, President	2012
Richard Santangelo, Vice President	2011
Patricia Bambach McLaughlin	2013
Susan Trocchia	2013
Teresa Vaccaro	2013
Erin Hegglin	2012
Dr. Edwin T. Hunter	2012
Dr. Paul J. Christopher	2011
Kerry Kennedy	2011

Other Officials

Karen M. Wood, Superintendent

Philip J. Acosta, School Business Administrator/Board Secretary (resigned September 24, 2010)

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

Samuel Siciliano, Treasurer

Viola Lordi, Esq., Solicitor

WEST LONG BRANCH BOARD OF EDUCATION
Consultants and Advisors
June 30, 2010

Board Attorney

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

Board Auditor

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

Fiscal Agent

Chase Bank
55 Water Street
New York, NY 10041

Official Depository

TD Bank
359 Monmouth Road
West Long Branch, NJ 07764

FINANCIAL SECTION

PADUANO,
DITOMMASO
& GOLDA, LLC

Certified Public Accountants and Consultants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Long Branch Board of Education's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the West Long Branch Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2010 on our consideration of the West Long Branch Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

PO Box 206, 220 Monmouth Road, Oakhurst, NJ 07755
732-531-4100 • Fax 732-531-4130 • www.pdgcpa.com

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

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

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

Paduano, DiTommaso & Golda, LLC

Laura A. DiTommaso

Paduano, DiTommaso & Golda, LLC
October 7, 2010

Certified Public Accountant
Licensed Public School Accountant #CS00164

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REQUIRED SUPPLEMENTARY INFORMATION

PART I

WEST LONG BRANCH SCHOOL DISTRICT
WEST LONG BRANCH, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

The management's discussion and analysis of the West Long Branch School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic annual financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between current fiscal year (2009-2010) and the prior fiscal year (2008-2009) is presented in the Management's Discussion and Analysis.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets increased $1,586,350 primarily due to reduction of debt.
- General revenues were $10,724,761, which represented 90% of revenues for the year. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $1,343,786 or 11 percent of total revenues of $12,064,482.
- Total assets of governmental activities increased by $786,642 as cash and cash equivalents increased by $192,280, receivables decreased by $60,494 and net capital assets increased by $224,875. The increase in net capital assets represents depreciation net of the completed construction for the Frank Antonides School Roof and major repair project which was completed in September 2009.
- The School District had $9,138,411 in expenses, which were not offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and State of New Jersey and Federal Aid) of $10,724,761 were adequate to provide for these programs.
- Among major funds, the General Fund had $10,017,087 in revenues and $9,234,981 in expenditures. The General Fund's balance increased $115,438 over 2009. This increase was primarily attributed to tighter controls on spending and a less than projected number of children requiring special services.
- Fund Balance for the General Fund on a budgetary basis as of fiscal year end was $1,650,811. The undesignated portion of surplus was $1,129,633. Based on our calculation of excess surplus, the maximum of undesignated fund balance (2%) is $271,133. The excess $858,500 must be utilized for tax relief in the succeeding year's budget.
- The revenues for operating grants and contributions were recorded as an offset to expenses in this current year rather than as general revenue on Schedule A-2.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

The Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District reports two types of activities.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 21. Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Proprietary Funds

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

Long Term Debt

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 29 to 44 of this report.

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net assets for 2010 and 2009.

Table 1
Net Assets

	2010	2009
Assets		
Current and other assets	$ 2,137,807	$ 1,568,011
Capital assets	9,718,055	9,494,345
Total Assets	$ 11,855,862	$ 11,062,356
Liabilities		
Long-term liabilities	$ 3,368,150	$ 3,358,451
Other liabilities	191,325	1,024,432
Total Liabilities	$ 3,559,475	$ 4,382,883
Net Assets		
Invested in capital assets, net of debt	$ 6,465,055	$ 5,311,345
Restricted	1,711,843	1,340,990
Unrestricted	119,489	27,138
Total Net Assets	$ 8,296,387	$ 6,679,473

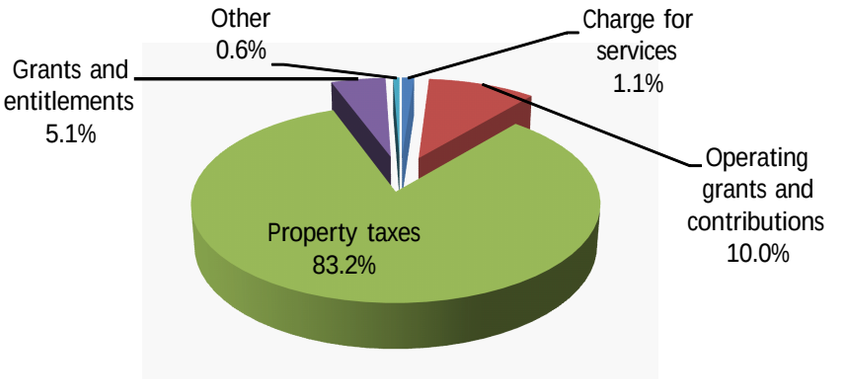
The District's combined net assets of $8,296,387 on June 30, 2010 results in an increase of 24 percent from the prior year.

Table 2 shows the changes in net assets for fiscal year 2010 and 2009.

Table 2
Changes In Net Assets

	2010	2009
Revenues		
Program revenues:		
Charge for services	$ 137,383	$ 136,909
Operating grants and contributions	1,206,403	1,125,675
General revenues:		
Property taxes	10,040,010	9,744,943
Grants and entitlements	610,696	467,815
Other	69,990	(77,116)
Total revenues	$ 12,064,482	$ 11,398,226
Program Expenses		
Instruction	$ 5,720,331	$ 5,534,918
Support services:		
Pupils and instructional staff	1,513,563	1,737,429
General administration, school administration, business	1,262,472	1,148,048
Operations and maintenance of facilities	1,086,021	1,197,769
Pupil transportation	569,270	720,539
Interest on debt	147,064	174,055
Food service	137,109	167,560
Other	11,738	19,984
Total program expenses	10,447,568	10,700,302
Increase in Net Assets	$ 1,616,914	$ 697,924

SOURCES OF REVENUES FOR FISCAL YEAR 2010

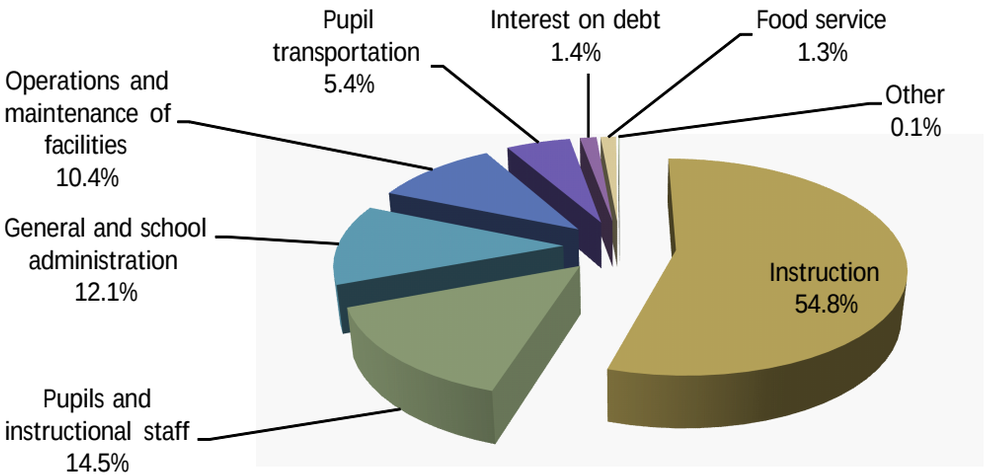


Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 83 percent of revenues for governmental activities for fiscal year 2010 and 85 percent for fiscal year 2009. Property tax revenues increased by $295,067, which is a 3 percent increase over the prior year. The District's total revenue for governmental activities was $12,064,482 for the year ended June 30, 2010. Federal, state, and local grants accounted for another 5 percent of revenues.

Total expenses for the fiscal year were $10,447,568.

EXPENSES FOR THE FISCAL YEAR 2010



Program expenses include instruction that comprises 55 percent of total expenses. Support services comprise 45 percent of total expenses.

Business-Type Activities are shown above. Revenues for the Food Service Fund totaled $171,738 which was comprised of charges for services in the amount of $137,383 and federal and state reimbursements in the amount of $34,355. Total operation expenses totaled $137,109.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services for the year ended June 30, 2010. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3
Cost of Services

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2009	Net Cost of Services 2009
Instruction	$ 5,720,331	$ 4,984,143	$ 5,534,918	$ 4,843,100
Support services				
Pupils and instructional staff	1,513,563	1,364,184	1,737,429	1,599,820
General administration, school administration and business	1,262,473	1,094,938	1,148,048	1,022,097
Operation and maintenance of facilities	1,086,021	1,006,730	1,197,769	1,106,149
Pupil transportation	569,270	529,614	720,539	677,335
Interest and fiscal charges	147,064	147,064	174,055	174,055
Other	11,738	11,738	19,984	19,984
Total expenses	$ 10,310,460	$ 9,138,411	$ 10,532,742	$ 9,442,540

- Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- General administration, school administration and business include expenses associated with administrative and financial supervision of the district.
- Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.
- Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.
- Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.
- Other includes special schools.

The dependence upon tax revenues is apparent. Over 99 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 99.9 percent. The community, as a whole, is the primary support for the West Long Branch School District.

The School District's Funds

Information about the School District's governmental funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $11,892,639 and expenditures of $11,449,208. The net positive change in fund balance for the year was due to general fund operations, an increase of $447,601. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

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

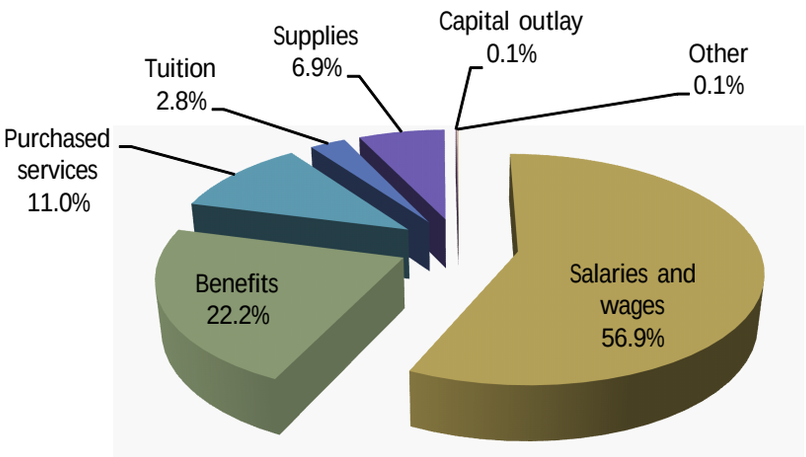


Table 4
Expenditures by Object for the Fiscal Year Ended June 30,

	2010	2009	% Change
Salaries and wages	$ 5,254,335	$ 5,034,774	4.36%
Benefits	2,047,258	1,979,132	3.44%
Purchased services	1,015,547	1,297,139	-21.71%
Tuition	263,105	452,371	-41.84%
Supplies	635,046	661,063	-3.94%
Capital outlay	7,952	122,822	-93.53%
Other	11,738	19,984	-41.26%
Total	$ 9,234,981	$ 9,567,285	-3.47%

Expenditures have decreased $332,304 or 3 percent over the prior year mostly due to reductions in capital outlay and students receiving special services.

General Fund Budgeting Highlights

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

During the course of the 2009-2010 school year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Revisions in the budget were made to recognize revenues and expenditures that were not anticipated and to prevent over expenditures in specific expense accounts. Significant revisions are noted below.

- There were excess funds in the budget for tuition for special education out-of-district placements.
- There were excess funds in Health Benefits due to lower premium costs.
- There were excess funds in Instruction Grades 1-5 due to staff reassignment.

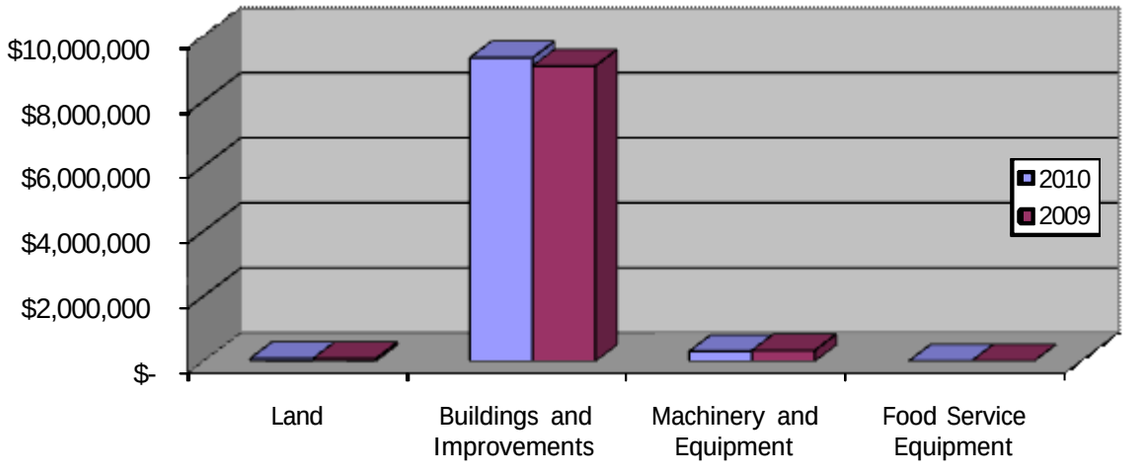
Capital Assets

At the end of the fiscal year 2010, the School District had $9,718,055 invested in buildings, furniture and equipment, and vehicles. Table 5 shows fiscal 2010 balances compared to 2009.

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

	2010	2009
Governmental Activities		
Land	$ 82,140	$ 82,140
Buildings and improvements	9,330,780	9,077,668
Machinery and equipment	303,535	331,772
	9,716,455	9,491,580
Business-Type Activities		
Food service equipment	1,600	2,765
Total	$ 9,718,055	$ 9,494,345

An increase of $223,710 in capital assets is due primarily to the investment in the roof replacement project at Frank Antonides School. For more detailed information, please refer to the Notes to Financial Statements.



Debt Administration

At June 30, 2010, the School District had $3,368,150 as outstanding debt. Of this amount, $115,150 is for compensated absences and the balance of $3,253,000 is for bonds for school additions and renovations.

At June 30, 2010, the School District's overall legal debt margin was $39,471,318. For more detailed information, please refer to the Notes to Financial Statements.

For the Future

The West Long Branch School District is in good financial condition. The Borough of West Long Branch is primarily a residential community, thus the burden is on the homeowner to fund the taxes needed to operate the schools. State funding has remained frozen and future finances will be with challenges. However in the Summer of 2010 the District was awarded a State grant for capital outlay work to be completed during the Summer of 2011. The Grant provides 40% reimbursement of eligible costs for the replacement of the attic insulation and ceiling tiles at the Betty Mc Elmon School, gutter replacement at the Frank Antonides School, etc. The local share of this project has been budgeted for 2010-11.

The 2010-2011 school budget was defeated by sixty-five (65) votes. The School District looks forward to effectively continuing to educate its students. The School District is committed to continue its sound fiscal management goals and is dedicated to maintain proper planning, budgeting and financial controls to achieve these goals.

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,468,384	$ 42,177	$ 1,510,561
Receivables, net	4,170	8,902	13,072
Inventory	-	5,452	5,452
Restricted assets:			
Cash and Cash equivalents	291,355	-	291,355
Reserve accounts	171,873	-	171,873
Intergovernmental receivable	145,494	-	145,494
Deferred bond issuance costs, net	-	-	-
Capital assets, net	9,716,455	1,600	9,718,055
Total assets	11,797,731	58,131	11,855,862
LIABILITIES			
Accounts payable	182,973	-	182,973
Accrued interest	-	-	-
Interfund payable	-	4,170	4,170
Deferred revenue	307	3,875	4,182
Noncurrent liabilities:			
Due within one year	412,412	-	412,412
Due beyond one year	2,955,738	-	2,955,738
Total liabilities	3,551,430	8,045	3,559,475
NET ASSETS			
Invested in capital assets, net of related debt	6,463,455	1,600	6,465,055
Restricted for:			
Capital Projects	332,164	-	332,164
Debt service	1	-	1
Other purposes	1,379,678	-	1,379,678
Unrestricted	71,003	48,486	119,489
Total net assets	$ 8,246,301	$ 50,086	$ 8,296,387

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Activities
June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:						
Instruction:						
Regular	$ 4,534,616	$ -	$ 571,568	$ (3,963,048)	$ -	$ (3,963,048)
Special education	651,830	-	132,307	(519,523)	-	(519,523)
Other instruction	533,885	-	32,313	(501,572)	-	(501,572)
Support services:						
Instruction	263,105	-	-	(263,105)	-	(263,105)
Student and instruction related services	1,250,458	-	149,379	(1,101,079)	-	(1,101,079)
School administrative services	548,042	-	85,697	(462,345)	-	(462,345)
General and business administrative services	360,662	-	40,758	(319,904)	-	(319,904)
Central administration	353,768	-	41,079	(312,689)	-	(312,689)
Plant operations and maintenance	1,086,021	-	79,291	(1,006,730)	-	(1,006,730)
Pupil transportation	569,270	-	39,656	(529,614)	-	(529,614)
Special schools	11,738	-	-	(11,738)	-	(11,738)
Interest on long-term debt	147,064	-	-	(147,064)	-	(147,064)
Total governmental activities	10,310,459	-	1,172,048	(9,138,411)	-	(9,138,411)
Business-type activities:						
Food Service	137,109	137,383	34,355	-	30,459	34,629
Total business-type activities	137,109	137,383	34,355	-	34,629	34,629
Total primary government	$ 10,447,568	$ 137,383	$ 1,206,403	$ (9,138,411)	$ 34,629	$ (9,103,782)
General revenues:						
Property taxes levied for:						
General purposes				$ 8,969,374	$ -	$ 8,969,374
Debt service				1,070,636	-	1,070,636
Federal and state aid not restricted				610,696	-	610,696
Investment earnings				7,633	105	7,738
Transfers				4,170	(4,170)	-
Miscellaneous income				62,252	-	62,252
Total general revenues, special items, extraordinary items and transfers				10,724,761	(4,065)	10,720,696
Change in net assets				1,586,350	30,564	1,616,914
Net assets—beginning				6,659,951	19,522	6,679,473
Net assets—ending				$ 8,246,301	$ 50,086	$ 8,296,387

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

FUND FINANCIAL STATEMENTS

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

WEST LONG BRANCH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Fund
ASSETS					
Cash and cash equivalents	$ 1,468,383	$ -	$ 291,355	$ 1	$ 1,759,739
Due from other funds	90,654	-	-	-	90,654
Receivables from other governments	-	104,685	40,809	-	145,494
Restricted cash and cash equivalents	171,873	-	-	-	171,873
Total assets	$ 1,730,910	$ 104,685	$ 332,164	$ 1	$ 2,167,760
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 165,079	$ 1,150	$ -	$ -	$ 166,229
Interfund payable	-	86,484	-	-	86,484
Payable to state government	-	16,744	-	-	16,744
Deferred revenue	-	307	-	-	307
Total liabilities	165,079	104,685	-	-	269,764
Fund balances:					
Reserved for:					
Encumbrances	29,222	-	-	-	29,222
Capital reserve account	1,095	-	-	-	1,095
Maintenance reserve account	70,619	-	-	-	70,619
Emergency reserve account	100,159	-	-	-	100,159
Excess surplus	858,500	-	-	-	858,500
Excess surplus - designated for subsequent year's expenditures	320,083	-	-	-	320,083
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Unreserved, undesignated, reported in:					
General fund	186,153	-	-	-	186,153
Special revenue fund	-	-	-	-	-
Debt service fund	-	-	-	1	1
Capital projects fund	-	-	332,164	-	332,164
Total fund balances	1,565,831	-	332,164	1	1,897,996
Total liabilities and fund balances	$ 1,730,910	$ 104,685	$ 332,164	$ 1	

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance costs are $58,050 and the accumulated amortization is $58,050.	-
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $15,204,386 and the accumulated depreciation is $5,487,931.	9,716,455
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,368,150)
Net assets of governmental activities	$ 8,246,301

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	$ 8,969,374	$ -	$ -	$ 1,070,636	$ 10,040,010
Interest earned on investments	6,694	-	939	-	7,633
Miscellaneous	54,962	7,290	-	-	62,252
Total - local sources	9,031,030	7,290	939	1,070,636	10,109,895
State sources	986,057	274,800	226,409	-	1,487,266
Federal sources	-	295,478	-	-	295,478
Total revenues	10,017,087	577,568	227,348	1,070,636	11,892,639
EXPENDITURES					
Current:					
Regular instruction	$ 2,913,242	$ 424,656	$ -	$ -	$ 3,337,898
Special education instruction	451,707	-	-	-	451,707
Other instruction	389,340	-	-	-	389,340
Support services and undistributed costs:					
Instruction	263,105	-	-	-	263,105
Student and instruction related services	802,298	100,693	-	-	902,991
School administrative services	368,614	-	-	-	368,614
Business administrative services	275,325	-	-	-	275,325
Central services and administrative information technology	302,463	-	-	-	302,463
Plant operations and maintenance	920,005	-	-	-	920,005
Pupil transportation	470,934	-	-	-	470,934
Unallocated benefits	2,058,258	-	-	-	2,058,258
Special schools	11,738	-	-	-	11,738
Debt service:					
Principal	-	-	-	930,000	930,000
Interest and other charges	-	-	-	140,637	140,637
Capital outlay	7,952	52,219	566,022	-	626,193
Total expenditures	9,234,981	577,568	566,022	1,070,637	11,449,208
Excess (Deficiency) of revenues over expenditures	782,106	-	(338,674)	(1)	443,431
OTHER FINANCING SOURCES (USES)					
Transfers in	5,109	-	671,777	-	676,886
Transfers out	(671,777)	-	(939)	-	(672,716)
Total other financing sources (uses)	(666,668)	-	670,838	-	4,170
Net change in fund balances	115,438	-	332,164	(1)	447,601
Fund balance—July 1	1,450,393	-	-	2	1,450,395
Fund balance—June 30	$ 1,565,831	$ -	$ 332,164	$ 1	$ 1,897,996

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

WEST LONG BRANCH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Total net change in fund balances - governmental funds (from B-2)		$ 447,601
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	$ (401,318)	
Capital outlay	626,193	224,875
Repayment of long-term debt, i.e. bond principal, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		930,000
Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		(7,149)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition in the reconciliation. (+)		722
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation. (+)		(9,699)
Change in net assets of governmental activities		$ 1,586,350

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Food Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 42,177
Intergovernmental receivables	5,005
Sodexho receivable	3,633
Student meals receivables, net	264
Inventories	5,452
Total current assets	56,531
Non-current assets:	
Furniture, machinery and equipment	38,303
Less: accumulated depreciation	(36,703)
Total non-current assets	1,600
Total assets	$ 58,131
LIABILITIES	
Current liabilities:	
Accounts payable	$ -
Due to general fund-excess cash balance	4,170
Deferred revenue	3,875
Total current liabilities	8,045
NET ASSETS	
Unrestricted	50,086
Total liabilities and net assets	$ 58,131

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Food Service Fund
Operating Revenues	
Charges for services:	
Daily sales - reimbursable program	$ 88,053
Daily sales - non-reimbursable program	47,894
Special functions	1,436
Total operating revenues	137,383
Operating Expenses	
Cost of sales	58,319
Salaries	44,092
Employee benefits	8,848
Management fees	15,247
Insurance	5,010
General supplies	2,429
Bad debt expense-student lunches	2,000
Depreciation	1,164
Total operating expenses	137,109
Operating loss	274
NON-OPERATING REVENUES	
State sources:	
State school lunch program	2,042
Federal sources:	
National school lunch program	23,176
Food distribution program	9,137
Sodexho Inc guarantee	-
Interest and investment revenue	105
Total non-operating revenues	34,460
Income (loss) before transfers	34,734
Transfers Out	(4,170)
Change in net assets	30,564
Total Net Assets - Beginning	19,522
Total Net Assets - Ending	$ 50,086

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

	Food Service Fund
Cash Flows from Operating Activities	
Receipts from customers	$ 135,079
Payments to vendor's employees	(44,092)
Payments for vendor's employee benefits	(8,847)
Payments to suppliers	(112,541)
Net cash used for operating activities	(30,401)
Cash Flows from Non-capital Financing Activities	
State sources	1,836
Federal sources	29,855
Sodexho guarantee	-
Net cash provided by non-capital financing activities	31,691
Cash Flows from Investing Activities	
Interest and dividends	105
Net cash provided by investing activities	105
Net increase in cash and cash equivalents	1,395
Balance - Beginning of Year	40,782
Balance - End of Year	$ 42,177
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating loss	$ 274
Adjustments to reconcile operating income (loss) to net cash used for operating activities	
Depreciation	1,164
Bad debt expense-student lunches	2,000
(Increase) in student meal receivables	(2,264)
(Increase) in inventories	(71)
(Decrease) in accounts payable	(31,678)
Increase in deferred revenue	174
Total adjustments	(30,675)
Net Cash Used for Operating Activities	$ (30,401)

Noncash noncapital financing activites:

The Board of Education received $9,137 of food commodities from the US Department of Agriculture for the year ended June 30, 2010.

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund
ASSETS			
Cash and cash equivalents	$ 3,876	$ 10,013	$ 225
State receivable	-	-	-
Total Assets	3,876	10,013	$ 225
LIABILITIES			
Payroll deduction and withholding	72	-	$ 225
Due to student groups	-	-	-
Total Liabilities	72	-	$ 225
NET ASSETS			
Held in trust for unemployment claims and other purposes	$ 3,084		
Reserved for scholarships		$ 10,013	

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

WEST LONG BRANCH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan Member	$ 19,435	$ -
Other	-	500
Total Contributions	19,435	500
Investment Earnings:		
Interest	35	27
Net Investment Earnings	35	27
Total Additions	19,470	527
DEDUCTIONS		
Unemployment Claims	34,934	-
Scholarships awards	-	400
Total Deductions	34,934	400
Change in Net Assets	(15,464)	127
Net Assets - Beginning of Year	19,268	9,886
Net Assets - End of Year	$ 3,804	$ 10,013

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the West Long Branch School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The District's Proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

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

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

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

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

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

B. District-Wide and Fund Financial Statements

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

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

Continued

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considered revenue to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and capital leases, are recorded only when payment is due.

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

The District reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

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

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Fund).

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

The District reports the following major proprietary fund:

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

Continued

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Additionally, the District reports the following fiduciary fund types:

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

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

Agency Funds (Payroll and Student Activity Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

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

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

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

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

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

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

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

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

Continued

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets, except for the Special Revenue Fund, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments/transfers must be approved by School Board resolutions. Budgetary transfers were made during the current year and were within allowable limits permitted by the State. The District did not deem them to be significant or unusual in nature. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary-basis of accounting and GAAP with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. Cash, Cash Equivalents and Investments

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

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

F. Interfund Receivables/Payables

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

G. Inventories

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

Inventories in the enterprise fund are expensed using the consumption method. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. At June 30, 2010, the unused Food Donation Program commodities of $3,875 are reported as deferred revenue in the Enterprise Fund.

Continued

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

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

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

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

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

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

I. Compensated Absences

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010, no material liability existed for compensated absences in the Food Service Fund.

Continued

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Deferred Revenue

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

K. Accrued Liabilities and Long-term Obligations

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

L. Unamortized Bond Premiums, Discounts and Bond Issuance Costs

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

M. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose that are subject to change. Components of fund equity are presented on Exhibit B-1.

N. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Education Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve fund balance of the General Fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The District has excess fund balance generated during the 2010 fiscal year in the amount of $858,500 which will be designated for tax relief in 2011-2012.

O. Net Assets

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

P. Management Estimates

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

Continued

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. On-Behalf Payments

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

R. Allocation of Expenses

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

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

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

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net asset – governmental activities as reported in the District-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this $3,368,150 difference are as follows:

Bonds payable	$ 3,253,000
Compensated absences	115,150
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	$ 3,368,150

NOTE 3. DEPOSITS AND INVESTMENTS

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

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

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

Continued

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Deposits

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

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

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

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

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

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2010, the carrying amount of the District's deposits was $1,932,552 and the bank balance was $2,177,160.

Based on levels of risk, $250,000 of the District's cash deposits on June 30, 2010 were secured by federal depository insurance. The remaining balance of $1,927,160 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA).

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

At June 30, 2010, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for the management of custodial credit risk, other than depositing all its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by financial institutions, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

There were no investments at June 30, 2010.

Continued

NOTE 4. RECEIVABLES

Receivables at June 30, 2010, consisted accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	$ 40,809	$ 41,208
Federal Aid	88,110	92,716
Other	107,229	20,745
Gross Receivables	236,148	154,669
Less: Allowance for Uncollectibles	-	-
Total Receivables, net	$ 236,148	$ 154,669

NOTE 5. RESTRICTED ASSETS

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

NOTE 6. CAPITAL ASSETS

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2010:

	Beginning Balance	Adjustments and additions	Retirements	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 82,140	$ -	$ -	$ 82,140
Total capital assets not being depreciated	82,140	-	-	82,140
Capital assets being depreciated:				
Site improvements	130,534	-	-	130,534
Building and building improvements	12,480,910	566,022	-	13,046,932
Machinery and equipment	1,884,609	60,171	-	1,944,780
Totals at historical cost	14,496,053	626,193	-	15,122,246
Less accumulated depreciation for:				
Building and improvements	3,533,776	312,910	-	3,846,686
Equipment	1,552,837	88,408	-	1,641,245
	5,086,613	401,318	-	5,487,931
Total capital assets being depreciated, net of accumulated depreciation	9,409,440	224,875	-	9,634,315
Government activity capital assets, net	$ 9,491,580	$ 224,875	$ -	$ 9,716,455

Continued

NOTE 6. CAPITAL ASSETS (continued)

Depreciation expense was charged to the following governmental programs:

Instruction	$ 242,461
General and Business Administrative Services	60,519
Plant Operations and Maintenance	26,114
Pupil Transportation	28,368
Support Services - students and staff	43,856
Total	$ 401,318

The following is a summary of the business-type capital assets for the year ended June 30, 2010:

	Beginning Balance	Adjustments and additions	Retirements	Ending Balance
Business-type activities				
Capital assets being depreciated:				
Equipment	$ 38,303	$ -	$ -	$ 38,303
Less accumulated depreciation	35,539	1,164	-	36,703
Enterprise fund capital assets, net	$ 2,764	$ (1,164)	$ -	$ 1,600

NOTE 7. LONG-TERM LIABILITIES

Bonds Payable

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	$ 390,000	$ 111,913	$ 501,913
2012	405,000	100,213	505,213
2013	410,000	87,050	497,050
2014	410,000	73,725	483,725
2015	410,000	59,888	469,888
2016-2018	1,228,000	91,513	1,319,513
	$ 3,253,000	$ 524,302	$ 3,777,302

Bonds Authorized But Not Issued

As of June 30, 2010, the District had no authorized but not issued bonds.

Unamortized Premium

Unamortized bond premium as of June Bond 30, 2010 and 2009 is $0 and $7,149.

Continued

NOTE 7. LONG-TERM LIABILITIES (continued)

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2010, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Amounts due within One Year
Compensated absences payable	$ 105,451	$ 9,699		$ 115,150	$ 22,412
Serial bonds payable with interest rates of 2% to 3.75%	4,183,000	-	930,000	3,253,000	390,000
	$ 6,185,660	$ 9,699	$ 930,000	$ 3,368,150	$ 412,412

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

NOTE 8. PENSION PLANS

Plan Descriptions

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

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66, to provide coverage including post-retirement health care to substantially all full-time public employees of the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available for those under age 55 participating in TPAF with 25 or more years of credited services. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Continued

NOTE 8. PENSION PLANS (continued)

Public Employees' Retirement System (PERS)

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

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of five percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

Funding Policy (continued)

The Board's actuarially determined contributions to PERS for the years ended June 30, 2010, 2009 and 2008 were $80,329, $69,540, and $50,322, respectively, equal to the required contributions for each year. During the fiscal year ended June 30, 2010, the State of New Jersey made a $250,506 contribution to the TPAF for post-retirement benefits and normal costs of pension on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $308,492 during the fiscal year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws of 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees, statewide, eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

Continued

NOTE 9. POST-RETIREMENT BENEFITS (continued)

The State made post-retirement (PRM) contributions of $1.38 billion for fiscal year 2009 and $3.22 million for fiscal year 2008.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

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

NOTE 10. RISK MANAGEMENT

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

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

NOTE 11. DEFERRED COMPENSATION

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

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

Continued

NOTE 12. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2010, the interfund receivables and payables that resulted from regularly recurring operational transfers are detailed below:

Due to the General Fund from the Special Revenue Fund to cover cash overdraft	$ 86,484
Due to the General Fund from the Enterprise Fund to cover excess cash resources	4,170
	$ 90,654

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

Interfund transfers during the year were as follows:

	Transfers from Other Funds	Transfers to Other Funds
General Fund	$ 5,109	$ 671,777
Capital Projects Fund	671,777	939
Enterprise Fund		4,170
	$ 676,886	$ 676,886

New Jersey statute requires that interest earned on the investments in the Capital Projects Fund be credited to the general or debt service fund. The general fund transferred $671,777 to the Capital Projects Fund for the Frank Antonides Roof replacement project in accordance with the approved budget. The Enterprise transferred $4,170 to the General fund due to resources in excess of three months of expenditures.

NOTE 13. ECONOMIC DEPENDENCY

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

NOTE 14. CONTINGENT LIABILITIES

Litigation

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

Grant Programs

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

Continued

NOTE 15. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve account for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning balance, July 1, 2009	$	1,092
Interest earnings		3
Deposits		-
Withdrawals		
Board resolution (per approved budget)		-
Ending balance, June 30, 2009	$	1,095

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2010 is $4,520,439.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1)

Of the $1,561,661 General Fund fund balance at June 30, 2010, $29,222 is reserved for encumbrances, $858,500 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; $320,083 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); $1,095 has been reserved in the capital reserve account; $100,159 has been reserved in the emergency reserve account; $70,619 has been reserved in the maintenance reserve account; and $186,153 is unreserved and undesignated.

Debt Service Fund

Of the Debt Service Fund fund balance at June 30, 2010, $ 1 is unreserved and undesignated.

NOTE 17. MAINTENANCE RESERVE

A maintenance reserve account of $70,500 was established in June 2008 to accumulate funds for the required maintenance of the facility in accordance with State regulations.

NOTE 18. EMERGENCY RESERVE

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

Continued

NOTE 19. ENVIRONMENTAL MATTERS

On June 17, 1998 the New Jersey Department of Environmental Protection (DEP) established a Groundwater Classification Exception area (CEA) at the Antonides School Site due to benzene contamination related to a discharge from underground storage tanks. The duration of the CEA was eleven years and was part of a natural attenuation remedy to allow contaminant concentrations to decrease to an acceptable level via degradation and dispersion. The effective termination date has passed and two rounds of confirmatory groundwater sampling are required to determine if benzene concentrations have decreased to or below Class IIA Ground Water Quality Standards (GWQS). Based on the sampling that was conducted on November 5 and December 11, 2009, benzene concentrations have decreased to below the Class IIA GWQS. The Board proposed no further action in its report to the DEP on January 13, 2010.

The DEP determined that although the report is in compliance with the Technical requirements for Site remediation, the Department can only approve a proposal for no further action if the sampling events are separated by a period of time to account for seasonal fluctuations. The Board is in the process of complying with that request. It anticipates the liability for the last round of sampling to be no greater than $2,000.

NOTE 20. SUBSEQUENT EVENT

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2010 through October 7, 2010, the date that the financial statements were issued, for possible disclosure and recognition in the financial statements. The following item occurred subsequent to June 30, 2010.

On August 31, 2010 the Board approved a school facilities project grant of $192,334 from the NJ Department of Education's Office of School Facilities for Attic insulation replacement in the Betty McElmon Elementary School. The Preliminary Eligible Cost was determined to be $480,834 of which $288,500 will be budgeted from the general fund and the balance funded by the grant. The project is expected to be scheduled for the summer of 2011.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULES

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 8,969,374	$ -	$ 8,969,374	$ 8,969,374	$ -
Interest earned on Capital Reserve Funds	1,020	-	1,020	282	(738)
Interest earned on investments	40,000	-	40,000	6,412	(33,588)
Miscellaneous	-	-	-	54,962	54,962
Total - local sources	9,010,394	-	9,010,394	9,031,030	20,636
State sources:					
Categorical special education aid	334,002	-	334,002	217,103	(116,899)
Categorical security aid	47,628	-	47,628	30,958	(16,670)
Extraordinary aid	50,000	-	50,000	20,312	(29,688)
Categorical transportation aid	85,693	-	85,693	55,700	(29,993)
Aid in lieu adjustment	-	-	-	35,107	35,107
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	250,506	250,506
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	308,492	308,492
Total - state sources	517,323	-	517,323	918,178	400,855
Total revenues	9,527,717	-	9,527,717	9,949,208	421,491
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	42,520	500	43,020	40,459	2,561
Kindergarten	182,450	66,275	248,725	248,600	125
Grades 1-5	1,446,692	(61,929)	1,384,763	1,362,070	22,693
Grades 6-8	1,054,554	(13,090)	1,041,464	992,315	49,149
Regular programs - home instruction:					
Salaries of teachers	2,000	-	2,000	197	1,803
Purchased professional educational services	1,500	-	1,500	1,425	75
Regular programs - undistributed instruction:					
Purchased technical services	11,500	5,500	17,000	14,962	2,038
Other purchased services (400 - 500 series)	30,000	50	30,050	16,733	13,317
General supplies	251,429	(357)	251,072	212,476	38,596
Textbooks	16,521	8,000	24,521	23,611	910
Other objects	1,500	-	1,500	394	1,106
Total regular programs	3,040,666	4,949	3,045,615	2,913,242	132,373

(Continued)

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

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special education - instruction:					
Auditory impairment:					
Salaries of teachers	$ 47,710	$ -	$ 47,710	$ 44,036	$ 3,674
General supplies	600	-	600	438	162
Total auditory impairment	48,310	-	48,310	44,474	3,836
Resource room:					
Salaries of teachers	273,130	4,410	277,540	277,249	291
Other salaries for instruction	34,445	-	34,445	33,258	1,187
General supplies	8,219	-	8,219	6,564	1,655
Textbooks	500	-	500	500	-
Other objects	500	-	500	-	500
Total resource room	316,794	4,410	321,204	317,571	3,633
Preschool disabilities - part time:					
Salaries of teachers	33,800	400	34,200	33,420	780
Other salaries for instruction	33,840	(15,004)	18,836	16,666	2,170
Purchased professional education services	25,000	14,474	39,474	39,474	-
General supplies	2,000	-	2,000	102	1,898
Textbooks	500	-	500	-	500
Other expense	500	-	500	-	500
Total preschool disabilities	95,640	(130)	95,510	89,662	5,848
Total special education - instruction	460,744	4,280	465,024	451,707	13,317
Basic skills/remedial - instruction:					
Salaries of teachers	170,700	(11,274)	159,426	155,470	3,956
General supplies	2,966	-	2,966	458	2,508
Total basic skills/remedial - instruction	173,666	(11,274)	162,392	155,928	6,464
Bilingual education - instruction:					
Salaries of teachers	65,070	-	65,070	65,005	65
General supplies	1,101	-	1,101	268	833
Total bilingual education - instruction	66,171	-	66,171	65,273	898
School sponsored cocurricular activities - instruction:					
Salaries	41,676	-	41,676	39,749	1,927
Supplies and materials	4,000	-	4,000	442	3,558
Other objects	15,300	(898)	14,402	12,062	2,340
Total school sponsored cocurricular activities - instruction	60,976	(898)	60,078	52,253	7,825

(Continued)

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

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School sponsored athletics - instruction:					
Salaries	$ 30,528	$ 1,504	$ 32,032	$ 32,032	$ -
Purchased services (300 - 500 series)	11,500	-	11,500	11,313	187
Supplies and materials	7,500	1,398	8,898	8,768	130
Other objects	1,000	-	1,000	990	10
Total school sponsored athletics - instruction	50,528	2,902	53,430	53,103	327
Academically talented - instruction					
Purchased services 400 - 500 series)	58,700	6,107	64,807	62,783	2,024
Total academically talented - instruction	58,700	6,107	64,807	62,783	2,024
Total - instruction	3,911,451	6,066	3,917,517	3,754,289	163,228
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within state - regular	-	6,788	6,788	-	6,788
Tuition to other LEAs within state - special	136,681	(18,500)	118,181	112,880	5,301
Tuition to private schools for disabled within state	275,654	(41,451)	234,203	150,225	83,978
Total undistributed expenditures - instruction	412,335	(53,163)	359,172	263,105	96,067
Attendance and social work services:					
Salaries	700	-	700	150	550
Total attendance and social work services	700	-	700	150	550
Health services:					
Salaries	62,230	-	62,230	61,282	948
Purchased professional and technical services	6,000	-	6,000	4,874	1,126
Supplies and materials	4,000	-	4,000	2,974	1,026
Other objects	150	-	150	-	150
Total health services	72,380	-	72,380	69,130	3,250
Speech, occupational therapy, physical therapy, related services:					
Salaries	65,067	-	65,067	62,744	2,323
Purchased professional/educational services	59,300	16,363	75,663	63,445	12,218
Supplies and materials	800	-	800	236	564
Total speech, occupational therapy, physical therapy, related services	125,167	16,363	141,530	126,425	15,105
Other support services - students - extra services:					
Salaries	33,490	(3,200)	30,290	12,257	18,033
Purchased professional/educational services	72,000	(7,200)	64,800	-	64,800
Total other support services - students - extra services	105,490	(10,400)	95,090	12,257	82,833

(Continued)

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

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other support services - guidance:					
Salaries of other professional staff	$ 71,510	$ -	$ 71,510	$ 71,510	$ -
Salaries of secretarial and clerical assistants	4,867	-	4,867	3,613	1,254
Purchased professional/educational services	3,772	-	3,772	1,701	2,071
Other purchased professional and technical services	1,000	-	1,000	-	1,000
Supplies and materials	6,800	-	6,800	1,143	5,657
Total other support services - guidance	87,949	-	87,949	77,967	9,982
Other support services - child study team					
Salaries of other professional staff	306,399	(300)	306,099	301,936	4,163
Salaries of secretarial and clerical assistants	30,560	-	30,560	30,462	98
Purchased professional/educational services	20,425	7,500	27,925	27,925	-
Miscellaneous purchased services (400-500)	1,200	-	1,200	106	1,094
Supplies and materials	8,980	-	8,980	6,251	2,729
Other expense	1,200	-	1,200	920	280
Total other support services - child study team	368,764	7,200	375,964	367,600	8,364
Improvement of instructional services:					
Salaries of other professional staff	25,000	-	25,000	20,015	4,985
Purchased professional educational services	35,000	-	35,000	34,825	175
Supplies and materials	1,600	-	1,600	346	1,254
Other objects	500	-	500	-	500
Total improvement of instructional services	62,100	-	62,100	55,186	6,914
Educational media services/school library:					
Salaries	70,593	-	70,593	68,405	2,188
Supplies and materials	18,316	(349)	17,967	14,163	3,804
Other objects	-	349	349	349	-
Total educational media services/school library	88,909	-	88,909	82,917	5,992
Instructional staff training services:					
Purchased professional/education services	12,000	-	12,000	2,925	9,075
Other purchased services (400 - 500 series)	13,000	-	13,000	7,741	5,259
Supplies and materials	2,300	-	2,300	-	2,300
Other objects	1,000	-	1,000	-	1,000
Total instructional staff training services	28,300	-	28,300	10,666	17,634
Support services - general administration:					
Salaries	170,979	1,710	172,689	172,542	147
Legal services	22,828	22,036	44,864	39,640	5,224
Audit fees	18,000	300	18,300	18,300	-
Other purchased professional services	1,500	4,814	6,314	6,314	-
Communications/telephone	16,000	204	16,204	16,204	-
BOE other purchased professional services	2,500	(1,688)	812	394	418
Other purchased services (400 - 500 series)	9,000	(6,320)	2,680	1,532	1,148
General supplies	6,816	(449)	6,367	6,061	306
Miscellaneous expenditures	2,000	4,247	6,247	6,247	-
BOE Membership Dues and Fees	10,000	(1,900)	8,100	8,091	9
Total support services - general administration	259,623	22,954	282,577	275,325	7,252

(Continued)

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

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - school administration:					
Salaries of principals/assistant principals	$ 217,858	$ -	$ 217,858	$ 217,858	$ -
Salaries of secretarial and clerical assistants	144,008	1,000	145,008	144,927	81
Other purchased services (400 - 500 series)	1,000	-	1,000	102	898
Supplies and materials	6,000	(1,000)	5,000	2,096	2,904
Other objects	4,000	309	4,309	3,631	678
Total support services - school administration	372,866	309	373,175	368,614	4,561
Central services:					
Salaries	197,640	(20,510)	177,130	173,902	3,228
Purchased professional services	1,000	40,360	41,360	41,360	-
Purchased technical services	900	(293)	607	528	79
Other purchased services (400 - 500 series)	9,716	2,000	11,716	11,081	635
Supplies and materials	3,000	1,030	4,030	3,736	294
Other objects	1,400	1,015	2,415	2,415	-
Total central services	213,656	23,602	237,258	233,022	4,236
Administrative information technology:					
Salaries	69,132	-	69,132	68,664	468
Other purchased services (400 - 500 series)	-	735	735	735	-
Supplies and materials	-	43	43	43	-
Total administrative information technology	69,132	778	69,910	69,442	468
Required allowable maintenance for school facilities:					
Salaries	43,045	-	43,045	40,777	2,268
Cleaning, repair and maintenance services	114,544	765	115,309	98,499	16,810
General supplies	18,637	-	18,637	2,963	15,674
Other objects	1,000	1,398	2,398	2,398	-
Total required allowable maintenance for school facilities	177,226	2,163	179,389	144,637	34,752
Other operation and maintenance of plant services:					
Salaries	217,121	(1,795)	215,326	187,149	28,177
Salaries of non-instructional aids	96,820	-	96,820	82,962	13,858
Purchased professional and technical services	30,740	5,805	36,545	32,381	4,164
Cleaning, repair and maintenance services	66,540	1,500	68,040	55,219	12,821
Rental of land and buildings other than lease purchase agreements	1,000	-	1,000	575	425
Other purchased property services	66,000	7,000	73,000	65,528	7,472
Insurance	50,000	2,858	52,858	52,858	-
General supplies	25,000	-	25,000	18,809	6,191
Energy (natural gas)	125,000	-	125,000	84,516	40,484
Energy (electricity)	205,686	(9,000)	196,686	161,443	35,243
Other objects	500	-	500	438	62
Total operation and maintenance of plant services	884,407	6,368	890,775	741,878	148,897
Care and upkeep of grounds:					
Salaries	30,201	-	30,201	24,779	5,422
Cleaning, repair and maintenance services	12,000	-	12,000	3,592	8,408
General supplies	3,000	2,119	5,119	5,119	-
Other objects	500	-	500	-	500
Total care and upkeep of grounds	45,701	2,119	47,820	33,490	14,330

(Continued)

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

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	$ 122,657	$ 12,000	$ 134,657	$ 126,583	$ 8,074
Salaries for pupil transportation (between home and school) - special education	22,500	(641)	21,859	20,651	1,208
Salaries for pupil transportation (other than between home and school)	20,000	641	20,641	20,641	-
Management fee - ESC transportation programs	-	-	-	-	-
Other purchased professional and technical services	14,100	-	14,100	13,782	318
Rental payments - school buses	5,000	(1,900)	3,100	3,100	-
Contracted services (other than between home and school) - vendors	3,000	(2,755)	245	-	245
Contracted services (special education students) - vendors	15,000	2,500	17,500	16,945	555
Contracted services - regular students ESC's	85,000	(1,272)	83,728	78,873	4,855
Contracted services (special education students) ESC's	200,000	-	200,000	75,332	124,668
Contracted services - aid in lieu payments	50,000	1,272	51,272	51,272	-
Miscellaneous purchased services - transportation	54,650	1,480	56,130	41,169	14,961
Supplies and materials	19,000	3,457	22,457	22,250	207
Miscellaneous expenditures	1,500	-	1,500	336	1,164
Total student transportation services	612,407	14,782	627,189	470,934	156,255
Personal services - employee benefits:					
Unallocated benefits:					
Social security contributions	113,500	(2,628)	110,872	100,238	10,634
Other retirement contribution - regular	82,185	-	82,185	80,329	1,856
Other retirement contribution - ERIP	-	-	-	-	-
Unemployment compensation	10,000	3,782	13,782	13,782	-
Workman's compensation	75,000	(2,610)	72,390	65,950	6,440
Health benefits	1,373,004	(39,980)	1,333,024	1,232,834	100,190
Tuition reimbursement	12,000	-	12,000	3,608	8,392
Other employee benefits	700	2,295	2,995	2,519	476
Total unallocated benefits	1,666,389	(39,141)	1,627,248	1,499,260	127,988
Food service operations					
Transfers to cover deficit	-	-	-	-	-
Total food service operations	-	-	-	-	-
On-behalf contributions:					
TPAF Pension on Behalf (non-budgeted)	-	-	-	250,506	(250,506)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	308,492	(308,492)
Total on-behalf contributions	-	-	-	558,998	(558,998)
Total personal services - employee benefits	1,666,389	(39,141)	1,627,248	2,058,258	(431,010)
Total undistributed expenditures	5,653,501	(6,066)	5,647,435	5,461,003	186,432
Total current expense	9,564,952	-	9,564,952	9,215,292	349,660

(Continued)

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

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	$ 3,125	$ -	$ 3,125	$ 3,122	$ 3
Undistributed expenditures:					
Operation and maintenance of plant services	4,830	-	4,830	4,830	-
Total equipment	7,955	-	7,955	7,952	3
Facilities acquisition and construction services:					
Other purchased professional and technical services	-	-	-	-	-
Transfer to capital projects	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-
Total assets acquired under capital leases (non-budgeted)	-	-	-	-	-
Total capital outlay	7,955	-	7,955	7,952	3
SPECIAL SCHOOLS:					
Summer school - instruction:					
Salaries of teachers	15,750	-	15,750	11,737	4,013
Total summer school - instruction	15,750	-	15,750	11,737	4,013
Total special schools	15,750	-	15,750	11,737	4,013
Transfer of funds to Charter Schools	-	-	-	-	-
Total expenditures	9,588,657	-	9,588,657	9,234,981	353,676
Excess (deficiency) of revenues over (under) expenditures	(60,940)	-	(60,940)	714,227	775,167
Other financing sources (uses):					
Operating transfers in	-	-	-	5,109	5,109
Transfer to capital projects fund	(671,777)	-	(671,777)	(671,777)	-
Total other financing sources (uses)	(671,777)	-	(671,777)	(666,668)	5,109
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(732,717)	-	(732,717)	47,559	780,276
Fund balance, July 1	1,603,252	-	1,603,252	1,603,252	-
Fund balance, June 30	$ 870,535	$ -	$ 870,535	$ 1,650,811	$ 780,276

(Continued)

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

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation					
Reserve for encumbrances				$ 29,222	
Reserve for excess surplus				858,500	
Reserve for excess surplus - designated for subsequent year's expenditures				320,083	
Capital reserve				1,095	
Maintenance reserve				70,619	
Emergency reserve				100,159	
Unreserved - designated for subsequent year's expenditures				-	
Unrestricted fund balance				271,133	
Reconciliation to governmental funds statements (GAAP)				1,650,811	
Last state aid payment not recognized on GAAP basis				(84,980)	
Fund Balance per governmental funds (GAAP)				$ 1,565,831	

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

WEST LONG BRANCH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	$ 229,142	$ 62,233	$ 291,375	$ 274,800	$ (16,575)
Federal sources	192,293	288,956	481,249	328,636	(152,613)
Local sources	-	10,229	10,229	9,614	(615)
Total Revenues	421,435	361,418	782,853	613,050	(169,803)
EXPENDITURES:					
Instruction					
Salaries of teachers	27,748	(14,848)	12,900	12,900	-
Purchased professional and technical services	202,612	(137,380)	65,232	48,082	17,150
General supplies	-	40,786	40,786	11,762	29,024
Tuition	-	100,000	100,000	100,000	-
Textbooks	18,575	7,857	26,432	26,328	104
Other purchased services	172,500	61,101	233,601	227,227	6,374
Total Instruction	421,435	57,516	478,951	426,299	52,652
Support Services					
Salaries of supervisor of instruction	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-
Salaries of program directors	-	-	-	-	-
Salaries of secretaries and clerical assistants	-	-	-	-	-
Other salaries	-	-	-	-	-
Personal services - employee benefits	-	1,885	1,885	-	1,885
Purchased professional - educational services	-	248,757	248,757	133,853	114,904
Travel	-	-	-	-	-
Supplies and materials	-	366	366	4	362
Purchased service	-	675	675	675	-
Miscellaneous expenditures	-	-	-	-	-
Total Support Services	-	251,683	251,683	134,532	117,151
Facilities Acquisition and Construction Services:					
Instructional equipment	-	-	-	-	-
Noninstructional equipment	-	52,219	52,219	52,219	-
Total Facilities Acquisition and Construction Services	-	52,219	52,219	52,219	-
Total Expenditures	421,435	361,418	782,853	613,050	169,803
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	-	-
Transfer Out to Whole School Reform (General Fund)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	421,435	361,418	782,853	613,050	169,803
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

WEST LONG BRANCH SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Budget-to-GAAP Reconciliation
Fiscal Year ended June 30, 2010

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$ 9,949,208	$ 613,050
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(35,482)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(84,980)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	152,859	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$ 10,017,087	$ 577,568
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 9,234,981	$ 613,050
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	(35,482)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	$ 9,234,981	$ 577,568

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	I.D.E.A. Part B			Title I		Total Other Special Projects	Total Nonpublic Programs	Totals
	Preschool 2009-2010	Regular 2009-2010	Regular Carryover	2009-2010	Carryover	(Ex. E-1a)	(Ex. E-1b)	2010
REVENUES:								
Local sources	$ -	$ -	$ -	$ -	$ -	$ 9,614	$ -	$ 9,614
State sources	-	-	-	-	-	-	274,800	274,800
Federal sources	11,692	188,808	15,282	12,945	100	99,809	-	328,636
Total revenues	$ 11,692	$ 188,808	$ 15,282	$ 12,945	$ 100	$ 109,423	$ 274,800	$ 613,050
EXPENDITURES:								
Instruction:								
Salaries of teachers	$ -	$ -	$ -	$ 12,900	$ -	$ -	$ -	$ 12,900
Purchased professional and technical services	-	15,757	-	-	-	1,058	31,267	48,082
Textbooks	-	-	-	-	-	-	26,328	26,328
General supplies	-	-	-	38	96	11,628	-	11,762
Tuition	-	100,000	-	-	-	-	-	100,000
Purchased services	10,022	-	-	-	-	-	217,205	227,227
Total instruction	10,022	115,757	-	12,938	96	12,686	274,800	426,299
Support services:								
Salaries of program directors	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-
Other purchased professional services	1,670	72,376	15,282	7	-	44,518	-	133,853
Personnel services - employee benefits	-	-	-	-	-	-	-	-
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	4	-	-	4
Other purchased services	-	675	-	-	-	-	-	675
Total support services	1,670	73,051	15,282	7	4	44,518	-	134,532
Facilities Acquisition and Construction:								
Non-Instructional Equipment	-	-	-	-	-	52,219	-	52,219
Total expenditures	$ 11,692	$ 188,808	$ 15,282	$ 12,945	$ 100	$ 109,423	$ 274,800	$ 613,050

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2010

	Title II A		Title II D		Safe & Drug Free Title IV		ARRA	Teacher	Carryforward to Ex. E-1 Total
	2009-2010	Carryover	2009-2010	Carryover	2009-2010	Carryover	2009-2010	Grants	Other Special Programs
REVENUES:									
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,614	$ 9,614
State sources	-	-	-	-	-	-	-	-	-
Federal sources	11,438	1,706	97	31	1,260	89	85,188	-	99,809
Total revenues	$ 11,438	$ 1,706	$ 97	$ 31	$ 1,260	$ 89	$ 85,188	$ 9,614	$ 109,423
EXPENDITURES:									
Instruction:									
Salaries of teachers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchased professional and technical services	-	-	-	-	1,058	-	-	-	1,058
Textbooks	-	-	-	-	-	-	-	-	-
General supplies	-	-	97	31	202	89	1,595	9,614	11,628
Tuition	-	-	-	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-	-	-	-
Total instruction	-	-	97	31	1,260	89	1,595	9,614	12,686
Support services:									
Salaries of program directors	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-
Other purchased professional services	11,438	1,706	-	-	-	-	31,374	-	44,518
Personnel services - employee benefits	-	-	-	-	-	-	-	-	-
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-	-
Total support services	11,438	1,706	-	-	-	-	31,374	-	44,518
Facilities Acquisition and Construction:									
Non-Instructional Equipment	-	-	-	-	-	-	52,219	-	52,219
Total expenditures	$ 11,438	$ 1,706	$ 97	$ 31	$ 1,260	$ 89	$ 85,188	$ 9,614	$ 109,423

WEST LONG BRANCH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2009

	N.J. Nonpublic Handicapped Services Ch. 193			N.J. Nonpublic Auxiliary Services Ch. 192					Carryforward to Ex. E-1
	Examination and Classification	Speech Correction	Supplemental Instruction	Compensatory	English as a Second Language	Transportation	Nonpublic Textbooks	Nonpublic Nursing	Total Nonpublic Programs
REVENUES:									
State sources	$ 40,586	$ 31,654	$ 29,468	$ 97,793	$ 3,915	$ 13,789	$ 26,328	$ 31,267	$ 274,800
Federal sources	-	-	-	-	-	-	-	-	-
Total revenues	$ 40,586	$ 31,654	$ 29,468	$ 97,793	$ 3,915	$ 13,789	$ 26,328	$ 31,267	$ 274,800
EXPENDITURES:									
Instruction:									
Salaries of teachers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchased professional and technical services	-	-	-	-	-	-	-	31,267	31,267
Textbooks	-	-	-	-	-	-	26,328	-	26,328
General supplies	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Other purchased services	40,586	31,654	29,468	97,793	3,915	13,789	-	-	217,205
Total instruction	40,586	31,654	29,468	97,793	3,915	13,789	26,328	31,267	274,800
Support services:									
Salaries of program directors	-	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-	-	-	-
Personnel services - employee benefits	-	-	-	-	-	-	-	-	-
Contracted services - transportation (other than between home and school)	-	-	-	-	-	-	-	-	-
Tuition	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-	-
Total support services	-	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction:									
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-
Total expenditures	$ 40,586	$ 31,654	$ 29,468	$ 97,793	$ 3,915	$ 13,789	$ 26,328	$ 31,267	$ 274,800

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

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

WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2010

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date Prior Years	GAAP Expenditures to Date Current Year	Unexpended Appropriations June 30, 2010
FAS School roof and gutter repairs	6/22/2009	$ 1,119,628	$ -	$ 566,022	$ 553,606

WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

Revenues and Other Financing Sources	
State Sources - Schools Development Authority Grant	$ 447,851
Transfers from general fund	671,777
Total revenues	1,119,628
Expenditures and Other Financing Uses	
Purchased professional and technical services	63,857
Construction services	502,165
Total expenditures	566,022
Excess (deficiency) of revenues over (under) expenditures	553,606
Fund balance - beginning	-
Fund balance - ending	$ 553,606

Reconciliation to Fund Financial Statements

Fund balance, June 30, 2010 - budgetary basis	$ 553,606
GAAP basis revenues not recognized	(221,442)
Fund balance, June 30, 2010 - GAAP basis	$ 332,164

WEST LONG BRANCH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Frank Antonides School Roof Replacement
From Inception and for the Fiscal Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SDA Grant	$ -	$ 447,851	$ 447,851	$ 447,851
Transfers from general fund	-	671,777	671,777	671,777
Total revenues	-	1,119,628	1,119,628	1,119,628
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	63,857	63,857	80,391
Construction services	-	502,165	502,165	1,039,237
Total expenditures	-	566,022	566,022	1,119,628
Excess (deficiency) of revenues over (under) expenditures	$ -	$ 553,606	$ 553,606	$ -

Additional project information	
Project number	5640-050-09-0TAI
Grant date	6/22/2009
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	$ 1,119,628
Additional authorized cost	$ -
Revised authorized cost	$ 1,119,628
Percentage increase over original authorized cost	0.00%
Percentage completion	100%
Original target completion date	Sep-09
Revised target completion date	Sep-09

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

FIDUCIARY FUNDS
DETAIL STATEMENTS

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

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

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

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

WEST LONG BRANCH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Assets
Trust and Agency Funds
June 30, 2010

	Trust			Agency		
	Unemployment Compensation	Private Purpose	Total Trust Fund	Student Activity	Payroll	Total Agency Fund
ASSETS:						
Cash and cash equivalents	$ 3,876	$ 10,013	$ 13,889	$ 23,114	$ 225	$ 23,339
Receivable from State of New Jersey	-	-	-	-	-	-
Total assets	3,876	10,013	13,889	23,114	225	23,339
LIABILITIES						
Payroll deductions and withholdings	72	-	72	-	225	225
Due to student groups	-	-	-	23,114	-	23,114
Total liabilities	72	-	72	$ 23,114	$ 225	$ 23,339
NET ASSETS						
Unreserved	3,804	10,013	13,817			
Total net assets	$ 3,804	$ 10,013	$ 13,817			

WEST LONG BRANCH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Total Trusts
ADDITIONS:			
Contributions			
Plan member	$ 19,435	$ -	$ 19,435
Other	-	500	500
Total contributions	19,435	500	19,935
Investment earnings:			
Interest	35	27	62
Net investment earnings	35	27	62
Total Additions	19,470	527	19,997
DEDUCTIONS:			
Unemployment claims	34,934	-	34,934
Scholarships awarded	-	400	400
Total Deductions	34,934	400	35,334
Change in Net Assets	(15,464)	127	(15,337)
Net Assets - Beginning of Year	19,268	9,886	29,154
Net Assets - End of Year	$ 3,804	$ 10,013	$ 13,817

WEST LONG BRANCH SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Cash Receipts	Cash Disbursements	Balance June 30, 2010
ELEMENTARY SCHOOLS:				
Frank Antonides	$ 20,098	$ 24,796	$ 26,451	$ 18,443
Betty McElmon Elementary	6,028	3,925	5,282	4,671
Total elementary schools	$ 26,126	$ 28,721	$ 31,733	$ 23,114

WEST LONG BRANCH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS:				
Cash and cash equivalents	$ 532	$ 5,812,321	$ 5,812,628	$ 225
Total assets	$ 532	$ 5,812,321	$ 5,812,628	$ 225
LIABILITIES:				
Due to warrant account	$ 147	$ 42	$ 147	$ 42
Payroll deductions and withholding	385	183	385	183
Total liabilities	$ 532	$ 225	$ 532	$ 225

LONG-TERM DEBT SCHEDULES

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

WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Serial Bonds
As of June 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
Refunding of 1994 Bonds	11/15/2003	$ 2,995,000				$ 550,000	$ -	$ 550,000	$ -
Additions and renovations of McElmon Schools	11/15/2003	$ 5,538,000	6/30/2011	390,000	3.000%	3,633,000	-	380,000	3,253,000
			6/30/2012	405,000	3.250%				
			6/30/2013	410,000	3.250%				
			6/30/2014	410,000	3.375%				
			6/30/2015	410,000	3.500%				
			6/30/2016	410,000	3.625%				
			6/30/2017	410,000	3.750%				
			6/30/2018	408,000	3.750%				
						$ 4,183,000	$ -	$ 930,000	$ 3,253,000

WEST LONG BRANCH SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 1,070,636	$ -	$ 1,070,636	$ 1,070,636	$ -
Total revenues	1,070,636	-	1,070,636	1,070,636	-
EXPENDITURES:					
Regular debt service:					
Interest	140,638	-	140,638	140,637	1
Redemption of principal	930,000	-	930,000	930,000	-
Total expenditures	1,070,638	-	1,070,638	1,070,637	1
Excess (deficiency) of revenues over (under) expenditures	(2)	-	(2)	(1)	1
Fund balances, July 1	2	-	2	2	-
Fund balances, June 30	$ -	$ -	$ -	$ 1	$ 1
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted fund balance	$ 2	$ -	$ 2	$ 1	$ (1)

STATISTICAL SECTION

CONTENTS PAGE

Financial Trends 67 - 73

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity 74 - 77

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity 78 - 81

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information 82 - 83

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information 84 – 90

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

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

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

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

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

	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004
Expenses							
Governmental activities							
Instruction							
Regular	$ 4,534,616	$ 4,469,709	$ 4,553,586	$ 4,480,911	$ 4,126,005	$ 3,993,415	$ 3,751,638
Special education	651,830	793,679	886,182	789,271	565,229	402,925	364,100
Other special education	-	-	-	-	-	-	143,301
Other instruction	533,885	271,530	220,229	177,982	494,773	468,102	208,290
Support Services							
Instruction	263,105	452,371	476,225	398,835	551,614	501,042	630,654
Student & instruction related services	1,250,458	1,285,058	1,245,389	1,145,497	1,103,406	874,200	891,208
School Administrative services	548,042	511,660	553,046	525,182	485,795	450,144	457,445
General and business administrative services	360,662	327,026	509,682	421,373	422,161	371,771	593,239
Central services	353,768	309,362	232,555	218,853	207,022	207,193	-
Administrative information technology	-	-	64,213	61,974	59,852	57,322	-
Plant operations and maintenance	1,086,021	1,197,769	1,109,530	1,058,368	1,100,657	796,654	774,154
Pupil transportation	569,270	720,539	706,680	669,977	678,603	584,157	770,399
Special Schools	11,738	19,984	22,803	6,300	3,675	4,000	4,500
Interest on long-term debt	147,064	174,055	196,139	216,210	234,951	254,411	255,200
Total governmental activities expenses	10,310,459	10,532,742	10,776,259	10,170,733	10,033,743	8,965,336	8,844,128
Business-type activities:							
Food service	137,109	167,560	182,319	155,923	160,487	165,837	160,131
Total business-type activities expense	137,109	167,560	182,319	155,923	160,487	165,837	160,131
Total district expenses	$ 10,447,568	$ 10,700,302	$ 10,958,578	$ 10,326,656	$ 10,194,230	$ 9,131,173	$ 9,004,259
Program Revenues							
Governmental activities:							
Charges for services:							
Instruction (tuition)	$ -	$ -	$ -	$ 775	$ 14,597	$ 1,246	$ -
Operating grants and contributions	1,172,048	1,090,202	1,415,424	-	-	-	-
Total governmental activities program revenues	1,172,048	1,090,202	1,415,424	775	14,597	1,246	-
Business-type activities							
Charges for services:							
Food service	137,383	136,909	126,809	119,061	122,367	130,998	124,489
Operating grants and contributions	34,355	41,578	36,336	29,311	34,494	36,208	36,781
Total business-type activities program revenues	171,738	178,487	163,145	148,372	156,861	167,206	161,270
Total district program revenues	$ 1,343,786	$ 1,268,689	$ 1,578,569	$ 149,147	$ 171,458	$ 168,452	$ 161,270

(continued)

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

	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004
Net (Expense) Revenue							
Governmental activities	$ (9,138,411)	$ (9,442,540)	$ (9,360,835)	$ (10,169,958)	$ (10,019,146)	$ (8,964,090)	$ (8,844,128)
Business-type activities	34,629	10,927	(19,174)	(7,551)	(3,626)	1,369	1,139
Total district-wide net expense	$ (9,103,782)	$ (9,431,613)	$ (9,380,009)	$ (10,177,509)	$ (10,022,772)	$ (8,962,721)	$ (8,842,989)
General Revenues and Other Changes in Net Assets							
Governmental activities							
Property taxes levied for general purposed, net	$ 8,969,374	$ 8,744,590	$ 8,485,037	$ 8,201,959	$ 7,715,655	$ 7,421,800	$ 7,113,395
Taxes levied for debt service	1,070,636	1,000,353	1,077,688	1,037,688	953,497	938,188	606,479
Federal and state aid not restricted	610,696	467,815	550,581	1,849,117	1,600,234	1,531,342	3,704,566
Investment earnings	7,633	21,530	72,987	99,998	87,665	95,611	41,336
Asset revaluation adjustment	-	(138,525)	-	-	-	-	-
Transfers	4,170	-	-	-	-	-	-
Miscellaneous income	62,252	33,602	12,508	45,883	12,451	46,377	97,964
Transfers from defeased bond escrow account	-	-	-	-	-	-	470,000
Total governmental activities	10,724,761	10,129,365	10,198,801	11,234,645	10,369,502	10,033,318	12,033,740
Business-type activities:							
Investment earnings	105	172	909	2,075	1,929	-	-
Transfers	(4,170)	-	-	-	-	-	-
Total business-type activities	(4,065)	172	909	2,075	1,929	-	-
Total district-wide	$ 10,720,696	$ 10,129,537	$ 10,199,710	$ 11,236,720	$ 10,371,431	$ 10,033,318	$ 12,033,740
Change in Net Assets							
Governmental activities	$ 1,586,350	$ 686,825	$ 837,966	$ 1,064,687	$ 350,356	$ 1,069,228	$ 3,189,612
Business-type activities	30,564	11,099	(18,265)	(5,476)	(1,697)	1,369	1,139
Total district	$ 1,616,914	$ 697,924	$ 819,701	$ 1,059,211	$ 348,659	$ 1,070,597	$ 3,190,751

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

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

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

	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002	June 30, 2001
General Fund										
Reserved	$ 1,379,678	$ 475,028	$ 965,455	$ 832,944	$ 234,573	$ 903,249	$ 326,174	$ 32,879	$ 46,891	$ 29,221
Unreserved	186,153	885,365	226,417	226,551	409,536	221,907	296,838	274,374	326,444	326,537
Total general fund	$ 1,565,831	$ 1,360,393	$ 1,191,872	$ 1,059,495	$ 644,109	$ 1,125,156	$ 623,012	$ 307,253	$ 373,335	$ 355,758
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ 229,449	$ 760,579	$ 6,653,674	$ -	$ -	$ -
Unreserved										
Special revenue fund	-	-	-	-	(2,434)	-	-	-	-	-
Capital projects fund	332,164	-	95,360	95,360	53,192	216,638	376,342	-	-	-
Debt service fund	1	2	2	1	1	42,892	73,741	264	264	264
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 332,165	$ 2	$ 95,362	$ 95,361	$ 280,208	$ 1,020,109	$ 7,103,757	$ 264	$ 264	$ 264

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

Function	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002	June 30, 2001
Revenues										
Tax levy	$ 10,040,010	$ 9,744,943	$ 9,562,725	$ 9,239,647	$ 8,669,152	$ 8,359,988	$ 7,719,874	$ 7,179,964	$ 6,681,053	$ 6,143,406
Tuition charges	-	-	-	775	14,597	1,246	-	692	2,945	1,737
Interest earnings	7,633	21,530	72,987	99,998	87,665	95,611	41,336	11,797	18,768	53,897
Contributions	-	-	-	-	-	-	-	54,034	-	-
Miscellaneous	62,252	41,152	12,508	45,883	12,451	46,377	97,964	14,424	1,068	5,802
State sources	1,487,266	1,329,021	1,728,199	1,613,968	1,348,154	1,268,603	3,335,756	962,586	841,136	851,456
Federal sources	295,478	221,446	237,806	235,149	252,080	262,740	368,810	213,281	200,912	144,919
Total revenue	11,892,639	11,358,092	11,614,225	11,235,420	10,384,099	10,034,565	11,563,740	8,436,778	7,745,882	7,201,217
Expenditures										
Instruction										
Regular Instruction	3,337,898	3,290,615	3,230,358	3,258,086	3,123,692	3,093,242	2,982,262	2,701,724	2,676,961	2,580,395
Special education instruction	451,707	383,690	619,456	581,024	417,526	292,233	273,462	181,214	147,789	118,935
Other special instruction	-	-	-	-	-	345,780	107,204	103,779	91,930	154,647
Other instruction	389,340	365,378	135,332	141,848	358,786	-	166,184	146,538	136,147	52,784
Support Services:										
Instruction	263,105	452,371	476,225	398,835	551,614	501,042	630,654	832,280	727,595	575,508
Student & instruction related services	902,991	987,643	931,492	870,747	865,086	701,123	751,811	543,514	422,920	340,689
School administrative services	368,614	354,127	368,621	354,652	344,704	327,160	346,879	418,921	292,574	226,417
General & business administrative services	275,325	285,119	376,655	264,283	296,333	283,520	524,840	523,672	463,215	415,844
Central services	233,022	261,259	232,555	218,853	207,022	207,193	-	-	-	-
Administrative technology information	69,441	524	64,213	61,974	59,852	57,322	-	-	-	-
Plant operations and maintenance	920,005	999,750	931,100	895,821	959,014	692,574	685,528	567,415	535,719	500,813
Pupil transportation	470,934	596,805	598,875	569,623	589,294	504,628	604,066	594,959	524,417	494,317
Unallocated benefits	2,058,258	1,979,132	2,284,998	2,060,073	1,713,892	1,524,510	1,344,092	1,154,295	917,653	890,779
Special Schools	11,738	19,984	22,803	6,300	3,675	4,000	4,500	5,788	7,425	4,500
Transfer of funds to charter schools	-	-	-	-	-	-	-	-	4,707	-
Capital outlay	626,193	122,821	131,477	285,075	1,118,168	6,112,705	882,182	117,878	170,840	432,142
Debt service:										
Principal	930,000	930,000	890,000	830,000	770,000	725,000	425,000	425,000	405,000	560,017
Interest and other charges	140,637	165,713	187,688	207,688	226,388	244,037	305,880	185,883	203,413	-
Total expenditures	11,449,208	11,194,931	11,481,848	11,004,882	11,605,046	15,616,069	10,034,544	8,502,860	7,728,305	7,347,787
Excess (Deficiency) of revenues over (under) expenditures	443,431	163,161	132,377	230,538	(1,220,947)	(5,581,504)	1,529,196	(66,082)	17,577	(146,570)

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

Function	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003	June 30, 2002	June 30, 2001
Other Financing sources (uses)										
Capital leases (non-budgeted)	$ -	$ -	$ -	$ -	$ -	$ -	$ 193,919	$ -	$ -	$ -
Proceeds from refunding	-	-	-	-	-	-	8,533,000	-	-	-
Refunding funds in escrow	-	-	-	-	-	-	470,000	-	-	-
Payments to escrow agent	-	-	-	-	-	-	(3,305,000)	-	-	-
Transfers in	676,886	95,737	1,468	3,210	28,337	55,939	72,782	-	-	-
Transfers out	(672,716)	(95,737)	(1,468)	(3,210)	(28,337)	(55,939)	(72,782)	-	-	-
Total other financing sources (uses)	4,170	-	-	-	-	-	5,891,919	-	-	-
Net change in fund balances	$ 447,601	$ 163,161	$ 132,377	$ 230,538	$ (1,220,947)	$ (5,581,504)	$ 7,421,115	$ (66,082)	$ 17,577	$ (146,570)
Debt service as a percentage of noncapital expenditures	9.89%	9.90%	9.49%	9.68%	9.50%	10.20%	7.99%	7.29%	8.05%	8.10%

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.

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

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

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

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

Source: District records

WEST LONG BRANCH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities [a]	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [b]
2001	$ 6,537,000	$ 515,868,800	$ 304,800	$ 15,000	$ 149,373,200	$ 2,111,600	$ 1,078,500	$ 675,288,900	$ -	$ 1,189,126	$ 676,478,026	$ 674,874,092	1.402
2002	6,201,400	518,116,500	304,800	15,000	145,656,500	2,111,600	1,078,500	673,484,300	-	1,111,369	674,595,669	736,077,471	1.507
2003	6,003,800	520,326,800	304,800	15,000	146,459,600	2,111,600	966,000	676,187,600	-	1,020,828	677,208,428	835,561,003	1.610
2004	6,087,600	521,308,400	973,200	20,300	147,193,800	1,506,000	966,000	678,055,300	-	928,605	678,983,905	921,880,967	1.719
2005	7,072,100	523,224,400	973,200	12,800	135,726,000	1,506,000	966,000	669,480,500	-	769,833	670,250,333	1,065,546,755	1.860
2006	13,726,300	1,071,212,300	2,489,900	15,750	264,299,200	3,254,900	1,907,600	1,356,905,950	-	1,125,666	1,358,031,616	1,209,654,810	0.972
2007	12,951,100	1,075,993,300	1,625,900	17,600	262,126,700	3,254,900	1,907,600	1,357,877,100	-	1,104,472	1,358,981,572	1,423,756,655	1.013
2008	11,834,400	1,081,943,400	1,625,900	17,600	254,243,700	3,254,900	1,907,600	1,354,827,500	-	1,121,950	1,355,949,450	1,463,073,787	1.013
2009	14,361,500	1,080,916,700	1,625,900	17,600	254,648,500	3,254,900	1,907,600	1,356,732,700	-	1,213,791	1,357,946,491	1,431,169,976	1.049
2010	18,132,300	1,082,524,800	1,625,900	17,600	247,955,700	3,254,900	1,907,600	1,355,418,800		1,260,759	1,356,679,559	1,378,188,012	1.100

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

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per $100

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

	West Long Branch School District Direct Rate			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct School Tax Rate	Borough of West Long Branch	Monmouth County	Total Direct and Overlapping Tax Rate
2000	1.186	0.117	1.303	0.453	0.427	2.183
2001	1.274	0.128	1.402	0.452	0.462	2.316
2002	1.370	0.137	1.507	0.473	0.481	2.461
2003	1.473	0.137	1.610	0.530	0.517	2.657
2004	1.584	0.135	1.719	0.600	0.510	2.829
2005	1.651	0.209	1.860	0.684	0.526	3.070
2006	0.865	0.107	0.972	0.355	0.267	1.594
2007	0.902	0.111	1.013	0.384	0.284	1.681
2008	0.909	0.104	1.013	0.384	0.284	1.681
2009	0.937	0.112	1.049	0.404	0.275	1.728
2010	0.979	0.121	1.100	0.469	0.280	1.849

Source: Borough Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

b Rates for debt service are based on each year's requirements. At the time of the CAFR completition, this data was not available.

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

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

	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value
BG Monmouth, LLC	$ 47,575,000	3.51%
WLB of New Jersey, LLC	21,300,000	1.57%
185 Monmouth Parkway Associates	16,985,500	1.25%
136 Monmouth Road Holding, LLC	11,105,600	0.82%
West Long Branch Shopping Center	6,651,000	0.49%
West Long Branch Lodging Realty, LLC	6,182,200	0.46%
Cedar Village Group, LLC	5,732,200	0.42%
MAMTA Enterprises, Inc.	5,553,300	0.41%
Schneider-Nelson Realty, LLC	5,186,200	0.38%
PRC Commercial Development, LLC	3,642,500	0.27%
TOTAL	$ 129,913,500	9.58%

	2001	
	Taxable Assessed Value	% of Total District Net Assessed Value
RB-3 Associates	$ 31,238,000	4.62%
185 Monmouth Park Highway	27,362,300	4.04%
WLB of NJ, LLC	12,956,400	1.92%
Rudin & Glaberson	8,320,200	1.23%
Modern Health Realty Corp.	4,387,900	0.65%
WLB Shopping Center	3,775,000	0.56%
Esplanade WLB, LLC	3,400,000	0.50%
McIntosh Inn	3,384,000	0.50%
JAT Associates, LLC	2,446,500	0.36%
Individual Taxpayer #1	2,020,700	0.30%
TOTAL	$ 99,291,000	14.68%

Source: Municipal Tax Assessor

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

Year Ended December 31,	Total Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2000	$ 14,843,441	$ 14,585,024	98.26%	$ 214,785
2001	15,708,927	15,449,991	98.35%	251,884
2002	16,692,670	16,440,918	98.49%	213,398
2003	18,041,791	17,836,555	98.86%	183,849
2004	19,404,083	19,285,752	99.39%	110,044
2005	20,733,864	20,526,556	99.00%	147,620
2006	21,718,651	21,375,133	98.42%	269,012
2007	22,941,062	22,559,849	98.34%	280,393
2008	23,481,959	23,083,958	98.31%	313,116
2009	24,395,876	24,015,382	98.44%	307,832

Source: Borough Tax Collector

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

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

Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District Debt	Percentage of Personal Income [a]	Per Capita [a]
	Serial Bonds	Capital Leases	Capital Leases			
2001	$ -	$ 4,574,245	$ -	$ 4,574,245	1.26%	$ 553
2002	-	4,068,177	-	4,068,177	1.13%	491
2003	-	3,621,016	-	3,621,016	1.00%	436
2004	8,328,000	244,201	-	8,572,201	2.21%	1,030
2005	7,603,000	173,425	-	7,776,425	1.95%	936
2006	6,833,000	118,272	-	6,951,272	1.58%	829
2007	6,003,000	63,323	-	6,066,323	1.30%	724
2008	5,113,000	25,198	-	5,138,198	1.08%	614
2009	4,183,000	-	-	4,183,000	N/A	500
2010	3,253,000	-	-	3,253,000	N/A	387

Sources: District records

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

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

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

	General Bonded Debt Outstanding				
Year Ended June 30,	Serial Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property [a]	Net Bonded Debt Per Capita [b]
2001	$ -	$ -	$ -	0.000%	$ -
2002	-	-	-	0.000%	-
2003	-	-	-	0.000%	-
2004	8,328,000	-	8,328,000	1.227%	1,001
2005	7,603,000	-	7,603,000	1.134%	915
2006	6,833,000	-	6,833,000	0.503%	815
2007	6,003,000	-	6,003,000	0.442%	716
2008	5,113,000	-	5,113,000	0.377%	611
2009	4,183,000	-	4,183,000	0.308%	500
2010	3,253,000	-	3,253,000	0.240%	387

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

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

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

a See Exhibit J-6 for property tax data
b Population data can be found in Exhibit J-14

WEST LONG BRANCH SCHOOL DISTRICT
Direct and Overlapping Government Activities Debt
For the Year Ended December 31, 2009
Unaudited

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of West Long Branch	12,900,135	100.00%	$ 12,900,135
Monmouth County General Obligation Debt	467,533,612	1.10%	5,142,870
Other debt	-	-	-
Subtotal overlapping debt			18,043,005
West Long Branch School District Direct Debt			3,253,000
Total Direct and Overlapping Debt			$ 21,296,005

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of West Long Branch. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis		
	2010	$ 1,378,188,012
	2009	1,431,169,976
	2008	1,463,073,789
		$ 4,272,431,777
Average equalized valuation of taxable property		$ 1,424,143,926
Debt limit (3 % of average equalization value)		42,724,318
Total Net Debt Applicable to Limit		3,253,000
Legal debt margin		$ 39,471,318

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limit	$ 42,724,318	$ 43,180,004	$ 40,964,853	$ 36,989,582	$ 31,970,825	$ 28,199,279	$ 24,901,981	$ 22,340,120	$ 20,135,981	$ 18,600,516
Total net debt applicable to limit	3,253,000	4,183,000	5,113,000	6,003,000	6,833,000	7,603,000	8,328,000	-	-	-
Legal debt margin	$ 39,471,318	$ 38,997,004	$ 35,851,853	$ 30,986,582	$ 25,137,825	$ 20,596,279	$ 16,573,981	$ 22,340,120	$ 20,135,981	$ 18,600,516
Total net debt applicable to the limit as a percentage of debt limit	7.61%	9.69%	12.48%	16.23%	21.37%	26.96%	33.44%	0.00%	0.00%	0.00%

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

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

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

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2001	8,277	$ 363,054,051	$ 43,863	3.90%
2002	8,293	359,808,391	43,387	5.40%
2003	8,310	362,598,540	43,634	5.60%
2004	8,319	387,207,855	46,545	4.60%
2005	8,307	399,334,104	48,072	4.30%
2006	8,385	440,204,115	52,499	4.40%
2007	8,383	467,989,358	55,826	4.00%
2008	8,370	475,039,350	56,755	5.20%
2009	8,358	N/A	N/A	8.50%
2010	8,416	N/A	N/A	N/A

Sources:

a Population information provided by the NJ Dept of Labor and Workforce Development. Estimate is based on July 1 of the audit year.

b Personal income has been estimated based upon the municipal population and per capita personal income presented.

c Per Capita Income by Municipality information not available at the time of the CAFR completion. Per capita estimates presented are for Monmouth County provided by the State of New Jersey, Department of Education, Division of Finance.

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

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

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

	2010		2001	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Monmouth University	1,351	39.34%	N/A	
Home Depot	286	8.33%	N/A	
Shop Rite	270	7.86%	N/A	
K-Mart	88	2.56%	N/A	
JAT Associates	63	1.83%	N/A	
Circle Infinity	59	1.72%	N/A	
Sports Authority	52	1.51%	N/A	
McDonalds	40	1.16%	N/A	
Zachary's Restaurant	30	0.87%	N/A	
Goddard School	21	0.61%	N/A	

Source: Borough of West Long Branch Tax Assessor

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

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

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:										
Regular	60	58	55	55	58	57	57	57	57	57
Special education	8	6	6	6	3	2	2	2	2	2
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student and instruction related services	8	7	8	8	8	8	8	8	8	8
General Administration	2	2	2	2	2	2	2	2	2	2
School administration services	11	6	6	6	6	6	6	6	6	6
Other administration services	-	-	-	-	-	-	-	-	-	-
Central services	2	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	-	-	-
Plant operations and maintenance	6	6	7	7	7	7	7	7	7	7
Pupil transportation	6	6	6	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	104	95	94	88	88	86	86	85	85	85

Source: District records.

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

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio: Elementary	Pupil/Teacher Ratio: Middle School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	794	$ 6,355,628	$ 8,005	N/A	59	12.4:1	14.5:1	794	759	N/A	95.59%
2002	785	6,949,052	8,852	10.59%	59	17.8:1	17.7:1	785	755	-1.13%	96.18%
2003	778	7,774,099	9,992	12.88%	59	19.1:1	17.1:1	778	743	-0.89%	95.50%
2004	758	8,421,482	11,110	11.19%	59	19.1:1	23.1:1	756	726	-2.83%	96.03%
2005	746	8,534,327	11,440	2.97%	59	16.4:1	15.7:1	746	718	-1.32%	96.25%
2006	738	9,490,490	12,860	12.41%	61	15.9:1	14.8:1	738	704	-1.07%	95.39%
2007	709	9,682,119	13,656	6.19%	61	18:1	24:1	699	667	-5.28%	95.42%
2008	695	10,272,683	14,781	8.24%	64	17:1	20:1	681	654	-2.58%	96.04%
2009	652	9,976,397	15,301	3.52%	64	10:1	10:1	641	624	-5.87%	97.35%
2010	604	9,752,378	16,146	5.52%	68	8:1	10:1	604	577	-5.77%	95.53%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

District Building	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary										
Betty McElmon Elementary School										
Square feet	30,858	30,858	30,858	30,858	30,858	39,052	39,052	39,052	39,052	39,052
Capacity (students)	320	320	320	320	320	305	305	305	305	305
Enrollment	260	286	291	291	276	284	289	304	351	323
Middle School										
Frank Antonides School										
Square feet	63,388	63,388	63,388	63,388	63,388	32,089	32,089	32,089	32,089	32,089
Capacity (students)	510	510	510	510	510	475	475	475	475	475
Enrollment	344	366	404	418	462	459	467	474	434	471

Number of Schools at June 30, 2010

Elementary = 1

Middle = 1

Source: District records.

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

WEST LONG BRANCH SCHOOL DISTRICT
General Fund
Schedule of Allowable Maintenance Expenditures by School Facilities
For the Fiscal Year Ended June 30, 2010
Unaudited

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

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

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

Source: District Records

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2010
Unaudited

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

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2010
Unaudited

	Coverage	Deductible
Coverage Provided By: New Jersey School Boards Association Insurance Group		
Monmouth Ocean County Shared Services Insurance Fund		
Comprehensive General Liability		
Bodily Injury and Property Damage, Combined Single Limit	11,000,000	
Bodily Injury from Products and Completed Operations, annual aggregate	11,000,000	
Sexual Abuse		
Per occurrence	11,000,000	
Annual pool aggregate	17,000,000	
Personal Injury and Advertising Injury, per occurrence/annual aggregate	11,000,000	
Employee Benefits Liability, per occurrence/annual aggregate	11,000,000	
Each claim		1,000
Premise Medical Payments, per accident	10,000	
Per person		100
Limit per person		5,000
Terrorism, per occurrence/annual NJSBAIG aggregate	1,000,000	
Automobiles		
Liability		
Combined Single Limit for Bodily Injury and Personal Damage, per accident	11,000,000	
Uninsured/Underinsured Motorists - Private Passenger Auto, combined single limit	1,000,000	
Uninsured/Underinsured Motorists - All other vehicles		
Bodily Injury per Person	15,000	
Bodily Injury per Accident	30,000	
Property Damage per Accident	5,000	
Personal Injury Protection (including pedestrians)	250,000	
Medical Payments		
Private Passenger Vehicles	10,000	
All other vehicles	5,000	
Terrorism, per occurrence/NJSBAIG annual aggregate	1,000,000	
Physical Damage (Scheduled vehicles only)		
Comprehensive		1,000
Collision		1,000
Hired Car Physical Damage, $75,000 limit		1,000
School Leaders Errors & Omissions Liability Policy		
Coverage A		
Limit of Liability, each policy period	1,000,000	
Deductible, each claim		5,000
Coverage B, Limit of Liability		
Each Claim	100,000	5,000
Each policy period	300,000	
Workers' Compensation and Employers' Liability Declarations		
Estimated Professional and Clerical	4,908,704	
Estimated Non-Professional and Driver	475,524	
Limits		
Bodily injury by accident, each accident	2,000,000	
Bodily injury by disease, each employee	2,000,000	
Bodily injury by disease, aggregate limit	2,000,000	
Coverage Provided By: Selective Insurance Company of America		
Fidelity Bond		
Treasurer of School Monies	100,000	
Acting Superintendent	50,000	
School Business Administrator	50,000	

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2010
Unaudited

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

Source: District records

SINGLE AUDIT SECTION

PADUANO,
DITOMMASO
& GOLDA, LLC

Certified Public Accountants and Consultants

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

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

We have audited the financial statements of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2010, and have issued our report thereon dated October 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

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A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to the Board of Education of the West Long Branch School District in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated October 7, 2010.

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

Paduano, DiTommaso & Golda, LLC
October 7, 2010

Laura A. DiTommaso CPA
Certified Public Accountant
Licensed Public School Accountant #CS00164

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PADUANO,
DITOMMASO
& GOLDA, LLC

Certified Public Accountants and Consultants

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

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

Compliance

We have audited the compliance of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2010. The West Long Branch School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the West Long Branch School District Board of Education's management. Our responsibility is to express an opinion on the West Long Branch School District Board of Education's compliance based on our audit.

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

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In our opinion, the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Education of the West Long Branch School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered West Long Branch Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the West Long Branch Board of Education's internal control over compliance.

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

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

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

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

Paduano, DiTommaso & Golda, LLC
October 7, 2010

Certified Public Accountant
Licensed Public School Accountant #CS00164

WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2009 Deferred Revenue (Accts. Rec.)	Balance at June 30, 2009 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2010 Accounts Receivable	Balance at June 30, 2010 Deferred Revenue	Balance at June 30, 2010 Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I Part A Improving Basic Programs	84.010	NCLB-10	$ 16,335	9/1/09	8/31/10	$ -	$ -	$ -	$ -	$ (12,945)	$ -	$ -	$ (12,945)	$ -	$ -
Title I Part A Improving Basic Programs	84.010	NCLB-09	14,353	9/1/08	8/31/09	(4,293)	-	-	4,393	(100)	-	-	-	-	-
Title II-A Improving Teacher Quality	84.367	NCLB-10	19,663	9/1/09	8/31/10	-	-	-	6,500	(11,438)	-	-	(4,938)	-	-
Title II-A Improving Teacher Quality	84.367	NCLB-09	20,333	9/1/08	8/31/09	(15,637)	-	-	17,343	(1,706)	-	-	-	-	-
Title II-A Improving Teacher Quality	84.367	NCLB-07	19,949	9/1/06	8/31/07	-	9	-	-	-	-	(9)	-	-	-
Title II-D Education Technology	84.318	NCLB-10	167	9/1/09	8/31/10	-	-	-	-	(97)	-	-	(97)	-	-
Title II-D Education Technology	84.318	NCLB-09	119	9/1/08	8/31/09	(71)	-	-	102	(31)	-	-	-	-	-
Title II-D Education Technology	84.318	NCLB-08	115	9/1/07	8/31/08	-	15	-	-	-	-	(15)	-	-	-
Title IV Safe and Drug Free Schools	84.186	NCLB-10	1,722	9/1/09	8/31/10	-	-	-	202	(1,260)	-	-	(1,058)	-	-
Title IV Safe and Drug Free Schools	84.186	NCLB-09	1,829	9/1/08	8/31/09	(1,750)	-	-	1,829	(89)	-	-	(10)	-	-
I.D.E.A., Part B:															
IDEA Part B Basic Regular	84.027	FT-10	188,808	9/1/09	8/31/10	-	-	-	122,643	(188,808)	-	-	(66,165)	-	-
IDEA Part B Basic Regular	84.027	FT-09	192,121	9/1/08	8/31/09	(54,429)	-	-	69,711	(15,282)	-	-	-	-	-
ARRA-IDEA Part B Basic Regular	84.391	ARRA-10	213,104	7/1/09	8/31/11	-	-	-	32,406	(85,188)	-	-	(52,782)	-	-
IDEA Part B Preschool	84.173	PS-10	11,692	9/1/09	8/31/10	-	-	-	10,185	(11,692)	-	-	(1,507)	-	-
IDEA Part B Preschool	84.173	PS-09	11,732	9/1/08	8/31/09	(109)	-	-	109	-	-	-	-	-	-
ARRA-IDEA Part B Preschool	84.392	ARRA-10	7,709	9/1/09	8/31/11	-	-	-	-	-	-	-	-	-	-
Total Special Revenue Fund						(76,289)	24	-	265,423	(328,636)	-	(24)	(139,502)	-	-
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	9,137	7/1/09	6/30/10	-	-	-	9,137	(5,262)	-	-	-	3,875	-
Food Distribution Program	10.550	N/A	9,782	7/1/08	6/30/09	3,701	-	-	-	(3,701)	-	-	-	-	-
National School Lunch Program	10.555	N/A	23,176	7/1/09	6/30/10	-	-	-	18,570	(23,176)	-	-	(4,606)	-	-
National School Lunch Program	10.555	N/A	23,577	7/1/08	6/30/09	(2,147)	-	-	2,147	-	-	-	-	-	-
Total Enterprise Fund						1,554	-	-	29,854	(32,139)	-	-	(4,606)	3,875	-
						-	-	-	-	-	-	-	-	-	-
Total Federal Awards						$ (74,735)	$ 24	$ -	$ 295,277	$ (360,775)	$ -	$ (24)	$ (144,108)	$ 3,875	$ -

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

WEST LONG BRANCH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2009 Deferred Revenue (Accts. Rec.)	Balance at June 30, 2009 Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2010 Accounts Receivable	Balance at June 30, 2010 Deferred Revenue	Balance at June 30, 2010 Due to Grantor	Memo Budgetary Receivables	Memo Cumulative Total Expenditures
State Department of Education															
General Fund:															
Special Education Categorical Aid	10-495-034-5120-089	$ 217,103	7/1/09	6/30/10	$ -	$ -	$ 186,901	$ (217,103)	$ -	$ -	$ -	$ -	$ -	$ 30,202	$ 217,103
Categorical security aid	10-495-034-5120-084	30,958	7/1/09	6/30/10	-	-	26,194	(30,958)	-	-	-	-	-	4,764	30,958
Extraordinary Special Education Costs Aid	10-495-034-5120-044	20,312	7/1/09	6/30/10	-	-	-	(20,312)	-	-	-	-	-	20,312	20,312
Nonpublic Transportation Cost Aid	09-100-034-5120-068	13,974	7/1/08	6/30/09	-	-	13,974	(13,974)	-	-	-	-	-	-	13,974
Categorical Transportation Aid	10-495-034-5120-014	55,700	7/1/09	6/30/10	-	-	47,131	(55,700)	-	-	-	-	-	8,569	55,700
On behalf TPAF Pension Contribution	10-495-034-5095-006	250,506	7/1/09	6/30/10	-	-	250,506	(250,506)	-	-	-	-	-	-	250,506
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	308,492	7/1/09	6/30/10	-	-	308,492	(308,492)	-	-	-	-	-	-	308,492
Total General Fund					-	-	833,198	(897,045)	-	-	-	-	-	63,847	897,045
Special Revenue Fund:															
NJ Nonpublic Aid:															
Textbook Aid	10-100-034-5120-064	26,432	7/1/09	6/30/10	-	-	26,432	(26,328)	-	-	-	-	104	-	26,328
Textbook Aid	09-100-034-5120-064	23,219	7/1/08	6/30/09	-	1,439	-	-	-	(1,439)	-	-	-	-	-
Nursing	10-100-034-5120-070	31,342	7/1/09	6/30/10	-	-	31,342	(31,267)	-	-	-	-	75	-	31,267
Nursing	09-100-034-5120-070	31,344	7/1/08	6/30/09	-	156	-	-	-	(156)	-	-	-	-	-
Technology	09-100-034-5120-373	16,240	7/1/08	6/30/09	-	515	-	-	-	(515)	-	-	-	-	-
Auxiliary Services:															
Compensatory Education	10-100-034-512a-067	99,233	7/1/09	6/30/10	-	-	99,233	(97,793)	-	-	-	-	1,440	-	97,793
Compensatory Education	09-100-034-512a-067	94,756	7/1/08	6/30/09	-	-	-	-	-	-	-	-	-	-	-
English as a Second Language	10-100-034-512b-067	6,851	7/1/09	6/30/10	-	-	6,851	(3,915)	-	-	-	-	2,936	-	3,915
Transportation	10-100-034-5120-068	13,789	7/1/09	6/30/10	-	-	13,789	(13,789)	-	-	-	-	-	-	13,789
Handicapped Services:															
Examination and Classification	10-100-034-512b-066	51,013	7/1/09	6/30/10	-	-	51,013	(40,586)	-	-	-	-	10,427	-	40,586
Examination and Classification	09-100-034-512b-066	59,917	7/1/08	6/30/09	-	1,719	-	-	-	(1,719)	-	-	-	-	-
Corrective Speech	10-100-034-512a-066	31,654	7/1/09	6/30/10	-	-	31,654	(31,654)	-	-	-	-	-	-	31,654
Corrective Speech	09-100-034-512a-066	30,690	7/1/08	6/30/09	-	-	-	-	-	-	-	-	-	-	-
Supplemental Instruction	10-100-034-512c-066	31,061	7/1/09	6/30/10	-	-	31,061	(29,468)	-	-	-	-	1,593	-	29,468
Total Special Revenue Fund					-	3,829	291,375	(274,800)	-	(3,829)	-	-	16,575	-	274,800
Capital Projects Fund:															
Educational Facilities Construction And Financiing	5640-050-09-0TAI	447,851	7/1/09	6/30/10	-	-	185,600	(226,409)	-	-	(40,809)	-	-	-	226,409
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	10-100-010-3360-067	2,042	7/1/09	6/30/10	-	-	1,643	(2,042)	-	-	(399)	-	-	-	2,042
State School Lunch Program	09-100-010-3360-067	2,113	7/1/08	6/30/09	(192)	-	192	-	-	-	-	-	-	-	-
Total Enterprise Fund					(192)	-	1,835	(2,042)	-	-	(399)	-	-	-	2,042
Total State Financial Assistance					$ (192)	$ 3,829	$ 1,312,008	$ (1,400,296)	$ -	$ (3,829)	$ (41,208)	$ -	$ 16,575	$ 63,847	$ 1,400,296

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

WEST LONG BRANCH SCHOOL DISTRICT
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2010

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is $67,879 for the general fund and ($35,482) for the special revenue fund. See C-3 for reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following schedule:

	Federal	State	Total
General fund	$ -	$ 986,057	$ 986,057
Special revenue fund	295,478	274,800	570,278
Capital projects fund		226,409	226,409
Food service fund	32,313	2,042	34,355
Total awards and financial assistance	$ 327,791	$ 1,489,308	$ 1,817,099

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. ADJUSTMENTS

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

NOTE 6. OTHER

Revenues and expenditures reported under the food distribution program represent current year value received and current year distributions, respectively. The amount reported as TPAF pension contributions represent the amount paid by the State on behalf of the District for the year ended June 30, 2010. TPAF social security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2010 amounted to $250,506.

WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? ☐ yes ☒ no

Federal Awards

Internal Control over major programs:

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

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

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

Identification of Non-Major Programs tested as Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEA Part B Basic
84.391	ARRA IDEA Part B Basic

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010
(continued)

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

State Awards

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

Auditee qualifies as low-risk auditee? ☒ yes ☐ no

Internal Control over major programs:

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

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

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

Identification of Major Programs:

GMIS Number(s)	Name of State Program
10-495-034-5095-002	Reimbursed TPAF Social Security Contribution

Identification of Non Major Programs tested as Major Programs:

GMIS Number(s)	Name of State Program
10-495-034-5120-089	Special Education Categorical Aid

WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

Part II – Schedule of Financial Statement Findings

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

No matters were reported.

WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

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

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

No matters were reported.

WEST LONG BRANCH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2010

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

STATUS OF PRIOR-YEAR FINDINGS

There were no prior-year audit findings for the fiscal year ended June 30, 2009 that we are required to report on.