

SCHOOL DISTRICT
OF
BOROUGH OF LONGPORT

Borough of Longport Board of Education
Longport, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

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Introductory Section

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

October 25, 2024

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

Dear Board Members and Constituents of Longport:

The annual comprehensive financial report of the Borough of Longport School District for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

Fiscal	Student	Percent
<u>Year</u>	<u>Enrollment</u>	<u>Change</u>
2023-2024	50	(17%)
2022-2023	60	(5%)
2021-2022	63	11%
2020-2021	57	2%
2019-2020	56	0%

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2024.

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

DEBT ADMINISTRATION: As of June 30, 2024, the District had no outstanding debt issues.

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

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

OTHER INFORMATION:

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

ACKNOWLEDGEMENTS:

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

Respectfully submitted,

Teri Weeks

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

LONGPORT BOARD OF EDUCATION

LONGPORT, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Clete Schwegman, President	2025
Ryan Slaven, Vice President	2024
Anthony Thalassinios	2024
<u>Other Officials</u>	
Teri Weeks CPA, Board Secretary/School Business Administrator	
George K. Miller, Solicitor	

**LONGPORT BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

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

Attorney

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

Official Depository

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

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

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 Borough of Longport School District, in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Longport School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Borough of Longport School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Longport School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Longport School District’s basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024 on our consideration of the Borough of Longport School District'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 solely 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 effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Longport School District's internal control over financial reporting and compliance.

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

Nancy Sbrolla

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

October 25, 2024

Required Supplemental Information

PART I

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MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Longport Borough Sending School District (“Non-operating School District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal years that ended on June 30, 2024 and 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased \$53,581 due to an excess of revenues over expenditures.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Restricted Fund Balance – Excess surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2024 and 2023, the District had \$1,124,288 and \$1,069,964 excess surplus respectively.
- During the fiscal year ended June 30, 2024, the District’s expenses incurred were \$53,581 less than total revenues realized. During the prior fiscal year, the District’s expenses were \$219,458 less than total revenues.
- This district has no business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

The District has one kind of fund:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District’s governmental activities net position increased between fiscal years 2024 and 2023 due to an excess of revenues over expenditures.

Governmental Activities		
	2024	2023
Current Assets	\$ 1,366,429	1,312,848
Total Assets	<u>1,366,429</u>	<u>1,312,848</u>
Liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted	1,124,913	1,070,545
Unrestricted	241,516	242,303
	<u>\$ 1,366,429</u>	<u>1,312,848</u>

As required by New Jersey Statutes, the unrestricted net position of the District are not permitted to exceed 2% of total general fund expenditures or \$250,000, whichever is greater. Any excess must be appropriated as budgeted fund balance in the subsequent years’ budget. As of June 30, 2024 and 2023, the District had \$241,516 and \$242,303 excess fund balance respectively.

Changes in net position. The total revenue of the District decreased \$116,320 due to a decrease in the tax levy.

Approximately 7% of the District’s revenue comes from the State of New Jersey in the form of nonrestricted state aid. This aid is based on the District’s enrollment as well as other factors such as growth in the Borough. The Borough of Longport levies property taxes on properties located in the Borough. This tax is remitted to the District every other month. The District expenses are primarily related to tuition, transportation and insurance. The following table summarizes the district’s revenues for 2024 and 2023:

	2024	2023	Change	% Change
Property Taxes	\$ 1,480,493	1,627,757	(147,264)	-9%
Unrestricted State Aid	89,222	83,611	5,611	7%
Other	35,413	10,080	25,333	251%
Total	<u>\$ 1,605,128</u>	<u>1,721,448</u>	<u>(116,320)</u>	<u>-7%</u>

Governmental Activities

The following schedule summarizes the governmental activities of the District during the 2024 and 2023 fiscal year:

Revenues	2024	2023	Change	% Change
General Revenues				
Property Taxes	\$ 1,480,493	1,627,757	(147,264)	-9%
State Aid	89,222	83,611	5,611	7%
Other	35,413	10,080	25,333	251%
Total Revenues	1,605,128	1,721,448	(116,320)	-7%
Expenses				
Tuition	1,439,062	1,383,810	55,252	4%
Transportation	78,547	84,067	(5,520)	-7%
General & Bsns. Admin	33,938	34,113	(175)	-1%
Total Expenses	1,551,547	1,501,990	49,557	3%
Change in Net Position	\$ 53,581	219,458	(165,877)	-76%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year-end, the governmental funds reported a fund balance of \$1,366,429 which is \$53,581 higher than the beginning of the year. The budget increased by approximately \$146,000 compared to the prior year. The majority of the increase is the result of higher tuition costs.

General Fund Budgetary Highlights

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District budget for the 2025 fiscal year includes an decrease in tuition and capital outlay expenses. The budget also anticipates the use of \$501,622 in fund balance to balance the budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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DISTRICT - WIDE FINANCIAL STATEMENTS

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**Longport School District
Statement of Net Position
June 30, 2024**

	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 1,365,974	1,365,974
Due from other governments	455	455
Total Assets	1,366,429	1,366,429
 LIABILITIES		
None	-	-
Total liabilities	-	-
 NET POSITION		
Restricted for:		
Other purposes	1,124,913	1,124,913
Unrestricted	241,516	241,516
Total net position	\$ 1,366,429	1,366,429

Longport School District
Statement of Change in Net Position
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues				Total
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:						
Support services:						
Tuition	\$ 1,439,062				(1,439,062)	(1,439,062)
School administrative services	29,057		(4,881)		(33,938)	(33,938)
Pupil transportation	78,547				(78,547)	(78,547)
Total governmental activities	<u>1,546,666</u>	-	<u>(4,881)</u>	-	<u>(1,551,547)</u>	<u>(1,551,547)</u>
Total primary government	<u>1,546,666</u>	-	<u>(4,881)</u>	-	<u>(1,551,547)</u>	<u>(1,551,547)</u>
General revenues:						
Property taxes, levied for general purposes, net					1,480,493	1,480,493
Federal and State aid not restricted					89,222	89,222
Investment Earnings					35,413	35,413
Total general revenues, special items, extraordinary items and transfers					<u>1,605,128</u>	<u>1,605,128</u>
Change in Net Position					53,581	53,581
Net Position—beginning					1,312,848	1,312,848
Net Position—ending					<u>\$ 1,366,429</u>	<u>1,366,429</u>

FUND FINANCIAL STATEMENTS

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**Longport School District
Balance Sheet
Governmental Funds
June 30, 2024**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and cash equivalents	\$ 1,365,974	1,365,974
Other state aid receivable	455	455
 Total assets	<u>1,366,429</u>	<u>1,366,429</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
None		-
 Total liabilities	<u>-</u>	<u>-</u>
 Fund Balances:		
Restricted for:		
Excess Surplus	623,291	623,291
Excess Surplus - Designated for subsequent year's Expenditures	500,997	500,997
Assigned to:		
Legally assigned - designated for Subsequent year's expenditures	625	625
Unassigned:		
General fund	241,516	241,516
Total Fund balances	<u>\$ 1,366,429</u>	<u>1,366,429</u>

Longport School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>General Fund</u>	<u>Total Governmental Funds</u>
REVENUES		
Local tax levy	\$ 1,480,493	1,480,493
Interest	35,413	35,413
State sources	89,222	89,222
	<hr/>	<hr/>
Total revenues	<u>1,605,128</u>	<u>1,605,128</u>
EXPENDITURES		
Current:		
Support services and undistributed costs:		
Tuition	1,439,062	1,439,062
School administrative services	33,938	33,938
Pupil transportation	78,547	78,547
Total expenditures	<u>1,551,547</u>	<u>1,551,547</u>
(Deficit) of revenues over expenditures	<hr/> <u>53,581</u>	<hr/> <u>53,581</u>
Net change in fund balances	53,581	53,581
Fund balance—July 1	<u>1,312,848</u>	<u>1,312,848</u>
Fund balance—June 30	<u><u>\$ 1,366,429</u></u>	<u><u>1,366,429</u></u>

**Longport School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024**

Total net change in fund balances - governmental funds (from B-2) \$ 53,581

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

No adjustments necessary

Change in net assets of governmental activities \$ 53,581

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Longport School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A business administrator is appointed by the Board and is responsible for the administrative control of the District.

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

A. Reporting Entity:

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

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

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

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

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

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

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

2. Investments:

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

3. Fund Balances – Governmental Funds

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

4. Revenues:

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

5. Expenditures:

Expenses are recognized when the related fund liability is incurred.

6. Budgets/Budgetary Control:

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

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

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

7. Encumbrances:

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

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

8. Tuition Payable

Tuition charges for the fiscal year 2023-24 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

9. Use of Estimates

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

10. Pension

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, may have an effect on the District's financial reporting.

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, "Certain Risk Disclosures". This statement is effective for fiscal years beginning after June 15, 2024, and will not have any effect on the District's financial reporting.

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement is effective for fiscal years beginning after June 15, 2025, and will not have any effect on the District's financial reporting.

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

NOTE 2 - INVESTMENTS

As of June 30, 2024, the district had no investments.

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

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

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

NOTE 3 – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2024, \$0 of the government’s bank balance of \$1,367,532.33 was exposed to custodial credit risk.

NOTE 4 - PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees’ Retirement System or the Teacher’s Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers’ Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>.

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF. The School District's contributions to TPAF for the years ending June 30, 2024, 2023 and 2022 were \$0, \$0 and \$0 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2024, 2023 and 2022 were \$0, \$0, and \$0 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2024, 2023 and 2022, the State of New Jersey contributed \$0, \$0, and \$0, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$0, \$0, and \$0 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

NOTE 5 – OTHER POST RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be reported on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contributions. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2023, actuarial valuation reported by the State in the State’s most recently issued ACFR was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases

TPAF/ABP	PERS	PFRS
2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2020 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Balance at 6/30/23 (Based on 6/30/2022 measurement date)	\$ 50,646,262,966.00
Changes for the year:	
Service cost	2,136,235,476.00
Interest	1,844,113,951.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	(980,424,863.00)
Changes in assumptions or other inputs	105,539,463.00
Contributions: Member	47,258,104.00
Benefit payments	<u>(1,437,516,858.00)</u>
Net changes	<u>1,715,205,273.00</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u>\$ 52,361,468,239.00</u>

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

The following presents the total OPEB liability as of June 20, 2023, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 61,385,066,712.00	\$ 52,361,668,239.00	\$ 45,116,926,835.00

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

The following presents the total OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 43,468,257,358.00	\$ 52,361,668,239.00	\$ 63,998,719,320.00

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

For the year ended June 30, 2023, the board of education recognized OPEB expense of (\$4,881) determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,639,717,639.00	\$ (13,791,541,217.00)
Changes in assumptions	7,445,895,322.00	(14,449,948,556.00)
	\$ 15,085,612,961.00	\$ (28,241,489,773.00)

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

	Year Ended June 30,	
	2024	\$ (2,611,225,301.00)
	2025	(2,611,225,301.00)
	2026	(2,269,523,460.00)
	2027	(1,338,024,839.00)
	2028	(273,877,609.00)
	Thereafter	(4,052,000,302.00)
		\$ (13,155,876,812.00)

**LONGPORT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

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

NOTE 6 – FUND BALANCE APPROPRIATED

General Fund – Of the \$1,375,368 General Fund balance at June 30, 2024, \$0 is reserved for encumbrances; \$1,124,288 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$500,997 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2025); \$625 has been legally restricted and included as anticipated revenue for the year ended June 30, 2025; and \$250,455 is unassigned.

NOTE 7 – CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$1,124,288 of which \$500,997 has been appropriated and included as anticipated revenue for the year ending June 30, 2025.

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ended June 30, 2024, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

NOTE 9 – LITIGATION

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

NOTE 10 – SUBSEQUENT EVENTS

The District has evaluated events through October 25, 2024, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

Required Supplemental Information

PART II

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Longport School District
 Budgetary Comparison Schedule
 General Fund

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,480,493	-	1,480,493	1,480,493	-
Interest	-	-	-	35,413	35,413
Miscellaneous	-	-	-	-	-
Total - Local Sources	1,480,493	-	1,480,493	1,515,906	35,413
State Sources:					
Transportation Aid	20,694	-	20,694	20,694	-
Special Education Aid	53,157	-	53,157	53,157	-
Security Aid	4,178	-	4,178	4,178	-
Adjustment Aid	11,356	-	11,356	11,356	-
Other State Aid	-	-	-	455	455
Total - State Sources	89,385	-	89,385	89,840	455
Total Revenues	1,569,878	-	1,569,878	1,605,746	35,868

Longport School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2024

EXPENDITURES:					
Current Expense:					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	1,427,976	1,427,976	1,405,509	22,467	
Tuition to Other LEAs Within the State - Special	33,553	33,553	33,553	-	
Tuition to Private Schools for Disabled within the State	210,697	210,697		210,697	
Total Undistributed Expenditures - Instruction	1,672,226	1,672,226	1,439,062	233,164	
Undistributed Expenditures - Attendance and Social Work					
Other Purchased Services (400-500 series)	50,000	50,000		50,000	
Supplies	10,000	10,000		10,000	
Total Undistributed Expenditures - Attendance and Social Work	60,000	60,000	-	60,000	
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	11,200	11,200	11,200	-	
Legal Services	14,000	14,000	4,200	9,800	
Audit Fees	6,500	6,500	6,500	-	
Communications	1,000	1,000	40	960	
BOE Other Purchased Services	1,500	2,000	1,541	459	
Miscellaneous Purchased Services	9,500	9,000	2,709	6,291	
Board Dues and Fees	1,000	1,000	71	929	
Total Undistributed Expenditures - Support Services - Gen. Admin.	44,700	44,700	26,261	18,439	
Undistributed Expenditures - Central Services:					
Salaries	5,000	5,000	5,000	-	
Supplies and Materials	1,000	1,000		1,000	
Total Undistributed Expenditures - Central Services	6,000	6,000	5,000	1,000	
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Insurance	6,500	6,500	1,075	5,425	
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	6,500	6,500	1,075	5,425	
Undistributed Expenditures - Student Transportation Services:					
Contracted Services - (Between Home and School) - Joint Agreements	115,000	115,000	77,382	37,618	
Contracted Services - (Sp Ed Students) - Vendors	72,000	72,000		72,000	
Contracted Services - Aid in Lieu of Payments -Non-Public	10,000	10,000	1,165	8,835	
Total Undistributed Expenditures - Student Transportation Serv.	197,000	197,000	78,547	118,453	

**Longport School District
Budgetary Comparison Schedule
General Fund**

For the Fiscal Year Ended June 30, 2024

Unallocated Benefits:					
Unemployment Benefits	500	500	97	403	403
Workers Compensation Insurances	500	500	266	234	234
Social Security Contributions	2,000	2,000	1,239	761	761
	<u>3,000</u>	<u>3,000</u>	<u>1,602</u>	<u>1,398</u>	<u>1,398</u>
Total Unallocated Benefits					437,879
Total Expenditures - Current Expense	1,989,426	1,989,426	1,551,547		
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
School Buses - Regular	150,000	150,000			150,000
Total Equipment	150,000	150,000	-		150,000
Total Capital Outlay	150,000	150,000	-		150,000
Transfer to Charter Schools		-			-
Total Expenditures	2,139,426	2,139,426	1,551,547		587,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	(569,548)	(569,548)	54,199		623,747
Fund Balances, July 1	1,321,169	1,321,169	1,321,169		-
Fund Balances, June 30	<u>751,621</u>	<u>751,621</u>	<u>1,375,368</u>		<u>623,747</u>
Reconciliation:					
Restricted Fund Balance:			\$ 623,291		
Restricted Fund Balance - Excess Surplus			500,997		
Assigned Fund Balance:				625	
Legally Assigned - Designated for subsequent year's expenditures				250,455	
Unassigned Fund Balance				<u>1,375,368</u>	
Reconciliation to Governmental Funds Statements (GAAP)				(8,939)	
Last State Aid payment not recognized on GAAP basis				<u>1,366,429</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,366,429</u>	

Exhibit C-3

Longport School District
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

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

	<u>General Fund</u>
Sources/inflows of resources	
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 1,605,746
Difference - budget to GAAP:	
Receipt of prior year final state aid payment	8,321
Deferral of final state aid payment	<u>(8,939)</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>1,605,128</u></u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	1,551,547
No differences - budget to GAAP:	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 1,551,547</u></u>

Required Supplemental Information

PART III

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-	-	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	-	-	-	-	-	-	-	-	91,320.00	81,909.00
Total	\$ -	-	-	-	-	-	-	-	91,320.00	81,909.00
District's covered payroll										
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

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

	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-	-	-	-	-	-	-
State's proportionate share of the net OPEB liability (asset) associated with the District	-	-	-	-	-	-	55,204.00	42,114.00
Total	\$ -	-	-	-	-	-	55,204.00	42,114.00
District's covered payroll	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Statistical Section

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Restricted	\$ 83,112	-	76,349	12,145	-	185,265	652,478	1,132,863	1,070,545	1,124,913
Unrestricted	12,165	(188,494)	104,957	111,841	232,687	241,287	56,226	(39,473)	242,303	241,516
Total governmental activities net position	<u>95,277</u>	<u>(188,494)</u>	<u>181,306</u>	<u>123,986</u>	<u>232,687</u>	<u>426,552</u>	<u>708,704</u>	<u>1,093,390</u>	<u>1,312,848</u>	<u>1,366,429</u>
District-wide										
Restricted	\$ 83,112	-	76,349	12,145	-	185,265	652,478	1,132,863	1,070,545	1,124,913
Unrestricted	12,165	(188,494)	104,957	111,841	232,687	241,287	56,226	(39,473)	242,303	241,516
Total district net position	<u>95,277</u>	<u>(188,494)</u>	<u>181,306</u>	<u>123,986</u>	<u>232,687</u>	<u>426,552</u>	<u>708,704</u>	<u>1,093,390</u>	<u>1,312,848</u>	<u>1,366,429</u>

Source: ACFR Schedule A-1

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Support Services:										
Tuition	\$ 1,084,675	1,252,042	647,077	1,104,721	1,082,264	1,288,310	1,392,168	1,317,888	1,383,810	1,439,062
Student & Instruction related services	-	-	-	-	-	-	-	-	-	-
General administrative services	76,371	60,156	36,926	35,522	47,820	28,617	34,080	33,915	34,113	29,057
Pupil transportation	80,063	84,826	77,151	65,383	71,976	46,308	58,565	55,952	84,067	78,547
Supplies and Materials	-	-	-	-	-	-	1,425	2,200	-	-
Transfer to Charter Schools	24,051	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	1,265,160	1,397,024	761,154	1,205,626	1,202,060	1,363,235	1,486,238	1,409,955	1,501,989	1,546,666
Total district expenses	1,265,160	1,397,024	761,154	1,205,626	1,202,060	1,363,235	1,486,238	1,409,955	1,501,989	1,546,666
Program Revenues										
Governmental activities										
Operating grants and contributions	15,315	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	15,315	-	-	-	-	-	-	-	-	-
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	994,872	1,014,769	1,035,064	1,055,765	1,196,879	1,473,652	1,601,690	1,601,690	1,627,757	1,480,493
Unrestricted grants and contributions	96,023	94,703	93,277	91,870	101,445	87,330	87,582	82,040	83,611	89,222
Investment earnings	594	474	584	671	735	999	1,353	1,848	10,066	35,413
Miscellaneous income	2	3,307	2,029	14	-	-	82,646	113,945	14	-
Cancellation of Prior Year Receivable	-	-	-	-	-	-	-	-	-	-
Total governmental activities	1,091,491	1,113,253	1,130,954	1,148,320	1,299,059	1,561,981	1,773,271	1,799,522	1,721,447	1,605,128
Total district-wide	1,091,491	1,113,253	1,130,954	1,148,320	1,299,059	1,561,981	1,773,271	1,799,522	1,721,447	1,605,128
Change in Net Position										
Governmental activities	(158,354)	(283,771)	369,800	(57,306)	96,999	198,746	287,033	389,567	219,458	58,462
Total district	(158,354)	(283,771)	369,800	(57,306)	96,999	198,746	287,033	389,567	219,458	58,462

Source: ACFR Schedule A-2

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ -	-	-	-	-	185,265	652,478	1,131,993	1,069,964	1,124,288
Assigned	83,112	-	76,349	12,145	-	-	-	870	581	625
Unassigned	12,165	24,161	104,957	111,841	232,687	241,287	56,226	(39,473)	242,303	241,516
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 95,277	24,161	181,306	123,986	232,687	426,552	708,704	1,093,390	1,312,848	1,366,429

Source: ACFR Schedule B-1

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	994,872	1,014,769	1,035,064	1,055,765	1,196,879	1,473,652	1,601,690	1,601,690	1,627,757	1,480,493
Interest earnings	594	474	584	671	735	999	1,353	1,848	10,066	35,413
Miscellaneous	2	3,307	2,029	-	-	-	82,646	113,945	14	-
State sources	96,023	94,703	93,277	113,927	101,445	87,330	86,157	82,040	83,611	89,222
Federal sources	-	-	-	-	-	-	1,425	-	-	-
Total revenue	1,091,491	1,113,253	1,130,954	1,170,363	1,299,059	1,561,981	1,773,271	1,799,522	1,721,447	1,605,128
Expenditures										
Support Services:										
Tuition	1,084,675	1,039,387	859,732	1,104,721	1,082,264	1,286,310	1,392,168	1,317,888	1,383,810	1,439,062
Student & instruction related services	-	-	-	-	-	-	-	-	-	-
General administrative services	61,056	60,156	36,926	35,522	36,118	33,498	38,961	38,796	34,113	33,938
Pupil transportation	80,063	84,826	77,151	65,383	71,976	46,308	58,565	55,952	84,067	78,547
Supplies and Materials	-	-	-	-	-	-	1,425	2,200	-	-
Employee Benefits	-	-	-	22,057	-	-	-	-	-	-
Charter Schools	24,051	-	-	-	-	-	-	-	-	-
Total expenditures	1,249,845	1,184,369	973,809	1,227,683	1,190,358	1,368,116	1,491,119	1,414,836	1,501,989	1,551,547
Excess (Deficiency) of revenues over (under) expenditures	(158,354)	(71,116)	157,145	(57,320)	108,701	193,865	282,152	384,686	219,458	53,581
Other Financing sources (uses)										
Cancellation of Prior Year Receivable	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(158,354)	(71,116)	157,145	(57,320)	108,701	193,865	282,152	384,686	219,458	53,581

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Misc.	Total
2015	594	2	596
2016	474	3,307	3,781
2017	584	2,029	2,613
2018	671	14	685
2019	735	-	735
2020	999	17,089	18,088
2021	1,353	82,646	83,999
2022	1,848	113,945	115,793
2023	10,066	14	10,080
2024	35,413	-	35,413

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Claim	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	School Tax Rate b	Total Direct	Estimated Actual (County Equalized Value)
2015	74,486,600	1,727,435,500	-	-	2,836,300	-	-	1,804,758,400	57,437,600	101,746	1,747,422,546	0.057	1,890,862,662	1,890,862,662
2016	54,342,100	1,768,335,900	-	-	2,836,300	-	-	1,825,514,300	57,437,600	101,746	1,768,176,246	0.058	1,896,216,555	1,896,216,555
2017	85,751,700	1,731,687,600	-	-	2,836,300	-	-	1,820,275,600	57,437,600	-	1,762,837,800	0.058	1,886,252,697	1,886,252,697
2018	83,394,000	1,742,526,500	-	-	2,836,300	-	-	1,828,756,800	-	-	1,828,756,800	0.066	1,941,828,373	1,941,828,373
2019	84,908,300	1,767,761,200	-	-	2,836,300	-	-	1,855,505,800	-	-	1,855,505,800	0.079	1,999,289,572	1,999,289,572
2020	64,740,100	1,806,978,300	-	-	2,353,300	-	-	1,874,071,700	-	-	1,874,071,700	0.085	2,021,909,913	2,021,909,913
2021	70,761,400	1,816,487,100	-	-	2,353,300	-	-	1,889,601,800	-	-	1,889,601,800	0.085	1,975,405,042	1,975,405,042
2022	86,325,400	1,815,672,900	-	-	2,353,300	-	-	1,904,351,600	-	-	1,904,351,600	0.085	2,136,322,203	2,136,322,203
2023	86,325,400	1,931,826,900	-	-	2,353,300	-	-	2,020,505,200	-	-	2,020,505,200	0.077	2,459,747,497	2,459,747,497
2024	56,001,300	1,908,456,700	-	-	2,353,300	-	-	1,966,811,300	58,525,300	-	1,908,286,000	0.066	2,958,367,679	2,958,367,679

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Borough of Longport School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate a	General Obligation Debt Service b	Total Direct	Borough of Longport	Atlantic County	
2015	0.057		0.057	0.331	0.519	0.907
2016	0.058		0.058	0.331	0.518	0.907
2017	0.058		0.058	0.330	0.576	0.964
2018	0.066		0.066	0.330	0.588	0.984
2019	0.079		0.079	0.361	0.623	1.063
2020	0.085		0.085	0.361	0.540	0.986
2021	0.085		0.085	0.361	0.527	0.973
2022	0.085		0.085	0.380	0.548	1.013
2023	0.077		0.077	0.399	0.590	1.066
2024	0.066		0.066	0.435	0.621	1.122

Source: District Records and Municipal Tax Collector

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

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

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

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
110 S. 26 Ave LLC	9,805,300	1	0.50%	6,504,200	9	0.36%
Taxpayer #1	9,232,500	2	0.47%			
Taxpayer #2	6,991,900	3	0.36%			
Taxpayer #3	6,950,000	4	0.35%			
Taxpayer #4	6,793,400	5	0.35%			
Rock Realty LLC	6,702,500	6	0.34%			
GM 22Beach LLC	6,661,600	7	0.34%			
Taxpayer #5	6,646,300	8	0.34%			
Taxpayer #6	6,626,800	9	0.34%			
Realm LLC	6,541,100	10	0.33%			
Philadelphia Suburban Development Corp.						
Taxpayer #7				8,148,700	1	0.45%
Taxpayer #8				7,267,100	2	0.40%
Taxpayer #9				6,793,400	3	0.38%
Taxpayer #10				6,655,600	4	0.37%
Taxpayer #11				6,646,300	5	0.37%
Taxpayer #12				6,611,200	6	0.37%
Taxpayer #13				6,611,200	7	0.37%
121 S. 13th Avenue LLC				6,541,100	8	0.36%
				6,079,000	10	0.34%
Total	72,951,400		3.71%	61,353,600		3.40%

Source: District ACFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	994,872	994,872	100%	
2016	1,014,769	1,014,769	100%	
2017	1,035,064	1,035,064	100%	
2018	1,055,769	1,055,769	100%	
2019	1,196,879	1,196,879	100%	
2020	1,473,652	1,473,652	100%	
2021	1,601,690	1,601,690	100%	
2022	1,601,690	1,601,690	100%	
2023	1,627,757	1,627,757	100%	
2024	1,480,493	1,480,493	100%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income a	Per Capita a
	General Obligation Bonds b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							

Not applicable - the district does not have any debt

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value a of Property	Per Capita b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						

Not applicable - the district does not have any debt

Borough of Longport School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2024
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Longport	9,483,678	100.000%	9,483,678
Other debt			
County of Atlantic (as of December 31, 2023)	233,275,018	6.17%	14,394,749
Subtotal, overlapping debt			23,878,427
Borough of Longport School District Direct Debt	-		-
Total direct and overlapping debt			23,878,427

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2021	2,119,100,370
2022	2,424,072,811
2023	2,905,002,256
[A]	<u>7,448,175,437</u>
[A/3]	2,482,725,146
Debt limit (3 % of average equalization value)	[B] 74,481,754 a
Net bonded school debt	[C] -
Legal debt margin	[B-C] <u>74,481,754</u>

2023

2022

2021

2020

2019

2018

2017

2016

2015

2014

Debt limit

Total net debt applicable to limit

Legal debt margin

Total net debt applicable to the limit
 as a percentage of debt limit

Not applicable - the district does not have any debt

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

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

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

Year	Population a	Personal Income (thousands of dollars) b	Per Capita Personal Income c	Unemployment Rate d
2015	878	35,864,544	40,848	6.20%
2016	882	36,995,490	41,945	5.10%
2017	876	37,645,224	42,974	5.10%
2018	876	38,766,504	44,254	4.10%
2019	858	39,945,906	46,557	3.80%
2020	851	41,416,468	48,668	2.60%
2021	845	42,783,195	50,631	9.30%
2022	887	49,496,374	55,802	7.10%
2023	884	51,546,040	58,310	3.10%
2024	878	49,096,004	55,918	3.70%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development -
most recent information is as of 7/1/22

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

c Per Capita information provided by the US Dept. of Commerce, Bureau of Economic Analysis -
most recent information is as of 7/1/22

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

**Borough of Longport School District
Principal Employers,
Current Year and Nine Years Ago
*Unaudited***

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
Borough of Longport		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
	-		-	-		-

Information is not available

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

<u>Function/Program</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Support Services:										
General administrative services	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b	Pupil/Teacher Ratio			Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Average Daily Enrollment (ADE) c			
2015	41	1,249,845	30,484	37.49%							
2016	52	1,184,369	22,776	-25.28%							
2017	42	973,809	23,186	1.80%							
2018	53	1,227,683	23,164	-0.10%							
2019	56	1,190,358	21,256	-8.23%							
2020	56	1,368,116	24,431	14.93%							
2021	57	1,489,694	26,135	6.98%							
2022	63	1,414,836	22,458	-14.07%							
2023	60	1,501,989	25,033	11.47%							
2024	50	1,551,547	31,031	23.96%							

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

Note: Enrollment based on annual October district count.

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

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

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

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
------	------	------	------	------	------	------	------	------	------

Not Applicable - non-operating district

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2024	2023	2022	2021	2020	2019	2018	2017	2016
	N/A	-	-	-	-	-	-	-	-	-
Total School Facilities		-	-	-	-	-	-	-	-	-
Other Facilities		-	-	-	-	-	-	-	-	-
Grand Total		-	-	-	-	-	-	-	-	-

Not Applicable - non-operating district

Borough of Longport School District
Insurance Schedule
June 30, 2024
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Atlantic Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBO JIF)		
Property/Inland Marine/Automobile Physical Damage - JIF Self Insured Retention	250,000	500
Crime - JIF Self Insured Retention	250,000	500
General Liability/Auto Liability - JIF Self Insured Retention	250,000	
Educators Legal Liability - JIF Self Insured Retention	250,000	
Workers Compensation - JIF Self Insured Retention	250,000	
School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)		
Property/Inland Marine/Automobile Physical Damage	175,000,000	
Crime	\$500,000	
Workers Compensation	Statutory	
Employers Liability	10,000,000	
General Liability/Auto Liability	27,000,000	
Educators' Legal Liability	27,000,000	
Travelers Insurance Company		
Boiler and Machinery	125,000,000	1,000
Beazley/Lloyd's of London Insurance		
Environmental/Pollution Legal Liability	3,000,000	25,000 - 250,000
Starr Indemnity & Liability Company		
Cyber Liability	2,000,000	50,000 - 100,000
Lloyd's of London Insurance		
Crisis Protection & Disaster Management Services	1,000,000	10,000
Selective Insurance Company of America		
Surety Bond		
Treasurer	180,000	

Source: District Records

Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Longport School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Borough of Longport School District's basic financial statements, and have issued our report thereon dated October 25, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla

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

October 25, 2024

LONGPORT SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Repayment of Prior Years' Balances	Balance at June 30, 2024		MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Categorical Special Education Aid	24-495-034-5120-089	\$ 53,157	7/1/2023	6/30/2024	\$			53,157	53,157	-			5,315	53,157
Categorical Security Aid	24-495-034-5120-084	4,178	7/1/2023	6/30/2024				4,178	4,178	-			418	4,178
Adjustment Aid	24-495-034-5120-083	11,356	7/1/2023	6/30/2024				11,356	11,356	-			1,136	11,356
Transportation Aid	24-495-034-5120-014	20,694	7/1/2023	6/30/2024		(624)		20,694	20,694	-			2,070	20,694
Non-Public Transportation Aid	23-495-034-5120-014	624	7/1/2022	6/30/2023				-	-					624
Non-Public Transportation Aid	24-495-034-5120-014	455	7/1/2023	6/30/2024		(624)		-	455			(455)		455
Total General Fund							90,009	89,840	89,840	-	(455)	-	8,939	90,464
Total State Financial Assistance						(624)	90,009	89,840	89,840	-	(455)	-	8,939	90,464
Less: On-Behalf Payments														
Total State Financial Assistance						(624)	90,009	89,840	89,840	-	(455)	-	8,939	90,464

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of state financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's general-purpose financial statements. The District has elected not to use the 10% de minimus indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$618) for the general fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund. Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as follows:

Longport School District
Notes to the Schedules of Expenditures of State Financial Assistance
June 30, 2024

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General

State Assistance:

Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 89,840
----------------------------------------------------------------------------------------------------------------	-----------

Difference-budget to "GAAP"

State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	8,321
--------------------------------------------------------------------------------------------------------------------------------	-------

The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(8,939)</u>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------

Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u><u>\$ 89,222</u></u>
------------------------------------------------------------------------------------------------------------------	-------------------------

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

**LONGPORT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I -- Summary of Auditor's Results

Financial Statement

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

Federal Awards - N/A

Internal Control over major programs:				
• Material weakness(es) identified?	yes	<u> </u>		no
• Significant deficiency(ies) identified?	yes	<u> </u>		none reported
Type of auditor's report issued on compliance for major programs		<u> </u>		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	yes	<u> </u>		no

Identification of major programs:

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

Dollar Threshold used to distinguish between type A and type B programs:	\$ <u> </u>
Auditee qualified as low-risk auditee?	yes <u> </u> no <u> </u>

Internal Control over major programs:

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

Type of auditor's report issued on compliance major programs

Unmodified

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

_____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

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

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

\$ _____

Auditee qualified as low-risk auditee?

_____ yes _____ no

**LONGPORT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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SCHEDULE OF FINDINGS AND QUESTIONS COSTS – N/A

NONE

K-7

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS – N/A

NONE