

**Comprehensive Annual  
Financial Report**

**of the**

**City of Absecon Board of Education**

**Absecon, New Jersey**

**For the Fiscal Year Ended June 30, 2019**



# TABLE OF CONTENTS

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	8-10
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	11-19
<b>Basic Financial Statements</b>	
<b>A. District-Wide Statements</b>	
A-1 Statement of Net Position	20
A-2 Statement of Activities	21
<b>B. Fund Financial Statements:</b>	
Governmental Funds:	
B-1 Balance Sheet	22
B-2 Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	23
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Proprietary Funds:	
B-4 Statement of Net Position	25
B-5 Statement of Revenues, Expenses, and Changes in Net Position	26
B-6 Statement of Cash Flows	27
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	28
B-8 Statement of Changes in Fiduciary Net Position	29
<b>Notes to the Financial Statements</b>	30-57

## TABLE OF CONTENTS (Continued)

	Page
<b>Required Supplementary Information - Part II</b>	
<b>C. Budgetary Comparison Schedules</b>	
C-1 Budgetary Comparison Schedule - General Fund	58-63
C-1b Community Development Block Grant - Budget to Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	64
<b>Notes to Required Supplementary Information</b>	
C-3 Budget-to-GAAP Reconciliation	65
<b>Required Supplementary Information - Part III</b>	
L-1 Schedule of District's Proportionate Share of Net Pension Liability (PERS)	66
L-2 Schedule of District Contributions (PERS)	67
L-3 Schedule of District's Proportionate Share of Net Pension Liability (TPAF)	68
M-1 Schedule of District's Proportionate Share of Net OPEB Liability (PERS) and (TPAF)	69
<b>Other Supplementary Information</b>	
<b>E. Special Revenue Fund</b>	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	70-72
<b>F. Capital Projects Fund:</b>	
F-1 Summary Schedule of Project Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	73
F-2 Summary Schedule of Revenues and Expenditures	74
F-2a Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis - Roof/Bathroom/Lighting/Misc Upgrades	75
<b>G. Proprietary Funds:</b>	
Enterprise Funds:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

## TABLE OF CONTENTS (Continued)

	Page
<b>H. Fiduciary Funds:</b>	
H-1 Combining Statement of Fiduciary Net Position	76
H-2 Combining Statement of Changes in Fiduciary Net Position	77
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	78
H-4 Payroll Agency Fund Schedule fo Receipts and Disbursements	79
<b>I. Long-Term Debt:</b>	
I-1 Schedule of Serial Bonds	80
I-2 Schedule of Obligations under Capital Leases	81
I-3 Debt Service Fund Budgetary Comparison Schedule	82
<b>STATISTICAL SECTION (Unaudited)</b>	
<b>Financial Trends</b>	
J-1 Net Position by Component	83
J-2 Changes in Net Position	84-86
J-3 Fund Balances - Governmental Funds	87
J-4 Changes in Fund Balances - Governmental Funds	88
J-5 General Fund Other Local Revenue by Source	89
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	90
J-7 Direct and Overlapping Property Tax Rates	91
J-8 Principal Property Taxpayers	92
J-9 Property Tax Levies and Collections	93
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	94
J-11 Ratios of General Bonded Debt Outstanding	95
J-12 Direct and Overlapping Governmental Activities Debt	96
J-13 Legal Debt Margin	97
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	98
J-15 Principal Employers	99
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	100
J-17 Operating Statistics	101
J-18 School Building Information	102
J-19 Schedule of Required Maintenance Expenditures by School Facility	103
J-20 Insurance Schedule	104

## TABLE OF CONTENTS (Continued)

	<b>Page</b>
<b>SINGLE AUDIT SECTION</b>	
K-1 Independent Auditor's Report - In Accordance with Government Auditing Standards	105-106
K-2 Independent Auditor's Report - In Accordance with Uniform Guidance and NJ OMB 15-08	107-109
K-3 Schedule of Expenditures of Federal Awards, Schedule A	110
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	111
K-5 Notes to Schedules of Awards and Financial Assistance	112-113
K-6 Schedule of Findings and Questioned Costs	114-116
K-7 Summary Schedule of Prior Audit Findings	116

# **Introductory Section**







# ABSECON PUBLIC SCHOOLS

800 Irelan Avenue, Absecon NJ 08201  
(609) 641-5375 FAX (609) 641-8692



Dr. Daniel J. Dooley  
Superintendent of Schools

Tina Maruca  
Business Administrator

Joseph Giardina, Principal  
H. Ashton Marsh Elementary School

Lindsay Reed  
Director of Special Services/Curriculum

Kevin Burns, Principal  
Emma C. Attales Middle School

Honorable President and Members of the Board of Education  
Citizens of Absecon  
Absecon School District  
Absecon, New Jersey 08201

December 6, 2019

Dear Board Members:

The Comprehensive Annual Financial Report of the Absecon City Board of Education for the fiscal year ended June 30, 2019 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 Absecon Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains the table of contents, this Letter of Transmittal, the District's organizational chart and a roster of officials.
- The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## **Reporting Entity**

The City of Absecon Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Absecon City Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped students. The District completed the 2018-19 fiscal year with an average daily enrollment of 853.43 (according to the New Jersey State Attendance Records). The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Student Enrollment	Percent Change
2018-19	853.4	-2.84%
2017-18	877.6	7.06%
2016-17	819.7	-3.80%
2015-16	852.1	-0.64%
2014-15	857.6	-0.08%
2013-14	858.3	2.94%
2012-13	833.8	1.09%
2011-12	824.8	-2.84%
2010-11	848.9	4.15%
2009-10	815.1	0.31%
2008-09	812.6	-0.17%

### **Economic Condition and Outlook**

The Absecon area has started to come out of the economic downside, particularly caused by the closing of three Atlantic City casino properties. Student enrollment is starting to increase due to the opening of new housing complexes. Hopefully, additional commercial growth will occur to further increase the tax base.

### **Major Initiatives**

Throughout the 2018-2019 school year, the theme of improved instructional practices continued with supports provided to District staff through personnel additions, implementation of language arts programs and resources, a STEAM course to maximize higher level thinking skills, significant increases to professional development offerings, and curricular modifications to support achievement. Initiatives set in motion to address school climate and culture include increased security measures throughout both schools, alignment of disciplinary practices with social-emotional learning concepts, development and implementation of special education programming that provides a less restrictive environment for students with higher level of needs, and collaborative meetings across grade levels to discuss student data trends and interventions for improvement.

Curricular improvements continue into the 2019-2020 school year with approval for STEAM and Social Emotional Learning units this year. We are looking forward to finalizing Personal Financial Literacy units in the middle school, updating our ELL, and strengthening our Library Media units this school year. Through the continuation of our literacy initiatives, significant professional development opportunities are being provided to our instructional and support staff members. Ms. Steven Hempel will spend approximately 15 days in district to provide in-depth consultation on guided reading practices, while Ms. Akilah Bond will join us in January to discuss writer's workshop. These efforts are supported by our literacy coach Dr. Horner in the classroom settings each day. After a thorough data analysis and research effort, the district identified two math programs that will support our efforts in increasing achievement for our students in grades kindergarten through eighth. At the conclusion of the 2019-2020 school year, a comprehensive comparative analysis will determine if the district moves forward with Eureka Math or Go Math to replace our current array of math programs.

A bond referendum to complete the major projects in the Plan was passed in March, 2014. The projects for the H. Ashton Marsh and Emma C. Attales Schools included roof replacement, toilet room renovations, interior/exterior lighting, unit ventilator replacement, door/hardware replacement and various smaller projects were initiated in June, 2015. These projects were all closed out by June, 2019. The Long Range Facility Report was updated July, 2019.

## **Financial Information**

### **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 accounting principles generally accepted in the United States of America (GAAP). The internal control structure 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 management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's Management.

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

### **Budgetary Controls**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2017.

### **Accounting System and Reports**

The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements", Note 1.

### **Debt Administration**

On April 24, 2014, the District issued bonds in the amount of \$5,210,000 to undertake repairs and renovations to the H. Ashton Marsh School and the Emma C. Attales School. The bonds are scheduled to be paid off July 15, 2031. The District was approved for debt service aid at 40%.

### **Cash Management**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements," Note 3. 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 1980 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 funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**Risk Management**

The Board of Education 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.

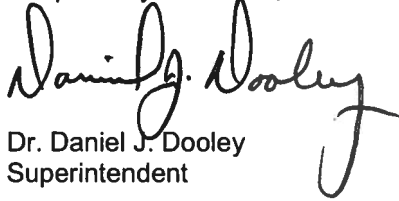
**Independent Audit**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.L.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related State Treasury Circular Letter NJ OMB 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**Acknowledgements**

We would like to express our appreciation to the members of the Absecon 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 have not been accomplished without the efficient and dedicated services of our financial and accounting personnel and support staff.

Respectfully submitted,

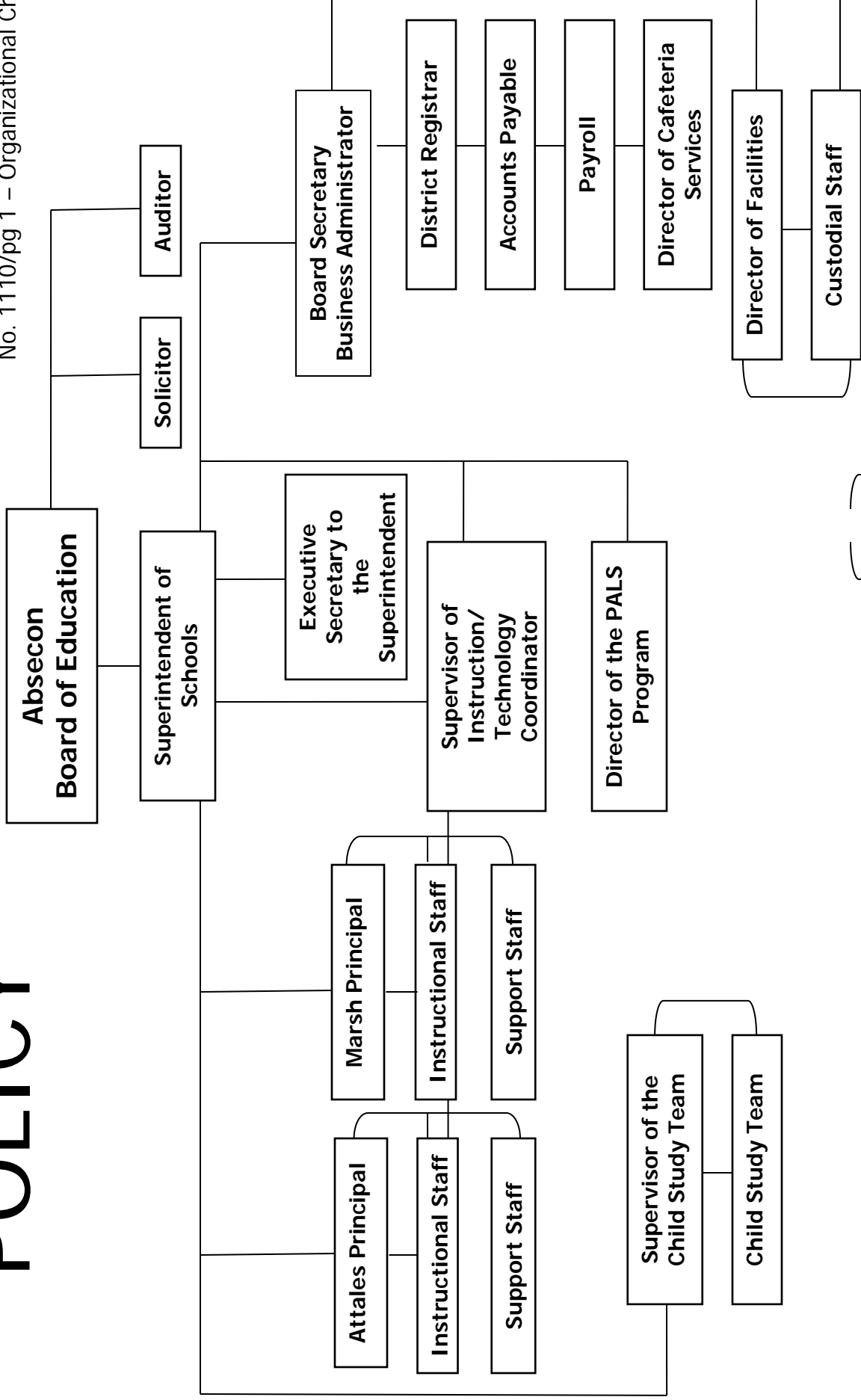


Dr. Daniel J. Dooley  
Superintendent



Tina Maruca  
Business Administrator/  
Board Secretary

# POLICY



— Solid lines indicate direct control

- - - These lines indicate coordination

Adopted: November 10, 1987  
 Revised: November 14, 1989  
 Revised: April 20, 2010  
 Updated: September 1, 2015

ABSECON BOARD OF EDUCATION  
ABSECON, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2019

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Dr. Thomas Grites, President	2020
Christopher Cottrell	2021
Megan Marczyk	2021
Eric Neal	2020
Linda Wallace	2019
Raquel Law	2019
John Rynkiewicz	2019

**Other Officials**

Dr. Daniel Dooley, Superintendent

Tina Maruca, Board Secretary/School Business Administrator

**ABSECON BOARD OF EDUCATION  
Consultants and Advisors**

**Architect**

Settembrino Architects  
25 Bridge Avenue  
Suite 201  
Red Bank, NJ 07701

As of July 1, 2019:  
Spiezle Architectural Group, Inc.  
1395 Yardville Hamilton Sq Rd.  
Suite 2A  
Hamilton, NJ 08691

**Audit Firm**

Ford, Scott & Associates, L.L.C.  
Certified Public Accountants  
1535 Haven Avenue  
P.O. Box 538  
Ocean City, NJ 08226

**Attorney**

The Busch Law Group LLC  
450 Main Street  
Metuchen, NJ 08840

**Official Depository**

Ocean First Bank  
778 White Horse Pike  
Absecon, NJ 08201

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## **Financial Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

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 City of Absecon School District, County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Absecon School District, County of Atlantic, State of New Jersey, as of June 30, 2019, 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Absecon School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, 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), the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019 on our consideration of the City of Absecon 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Absecon 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**

*Leon P. Costello*  
**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**December 6, 2019**

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## **Required Supplementary Information – Part I**





**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED**

The discussion and analysis of the City of Absecon School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2019 are as follows:

- In total, net position increased \$791,126.31 which represents a 10 percent increase from 2018.
- General revenues accounted for \$14,021,945.75 in revenue or 67 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$7,026,193.04 or 33 percent of total revenues of \$21,048,138.79.
- Total assets of governmental activities increased by \$368,854.95 as cash and cash equivalents increased by \$174,756.20, receivables increased by \$115,163.09 and capital assets increased by \$80,715.34.
- The School District had \$20,280,581.82 in expenses; only \$7,026,193.04 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14,021,945.75 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$17,159,956.16 in revenues and \$16,815,510.56, in expenditures. The General Fund's fund balance increased \$344,445.60 over 2018.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

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**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED  
(CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

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

**Reporting the School District's Most Significant Funds**

Fund Financial Statements

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

Governmental Funds

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

**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED  
(CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**The School District as a Whole**

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

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

Table 1 provides a summary of the School District's net position for 2019 and 2018.

**Table 1  
Net Position**

	<u>2019</u>	<u>2018</u>
Assets		
Current and Other Assets	\$ 2,400,895.84	2,112,756.23
Capital Assets	15,074,930.01	14,994,214.67
Total Assets	<u>17,475,825.85</u>	<u>17,106,970.90</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	<u>872,932.00</u>	<u>772,696.00</u>
Liabilities		
Long-Term Liabilities	7,600,706.91	8,055,178.09
Other Liabilities	645,559.77	731,739.95
Total Liabilities	<u>8,246,266.68</u>	<u>8,786,918.04</u>
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	<u>1,216,260.00</u>	<u>997,644.00</u>
Net Position		
Net Investment in Capital Assets	10,477,195.05	10,013,062.61
Restricted	1,524,142.97	1,116,422.15
Unrestricted	(3,115,106.85)	(3,034,379.90)
Total Net Position	<u>\$ 8,886,231.17</u>	<u>8,095,104.86</u>

The District's combined net position was \$8,886,231.17 on June 30, 2019. This is an increase from 2018 of \$791,126.31.

**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED  
(CONTINUED)**

Table 2 shows changes in net position for fiscal year 2019 and 2018.

**Table 2  
Changes in Net Position**

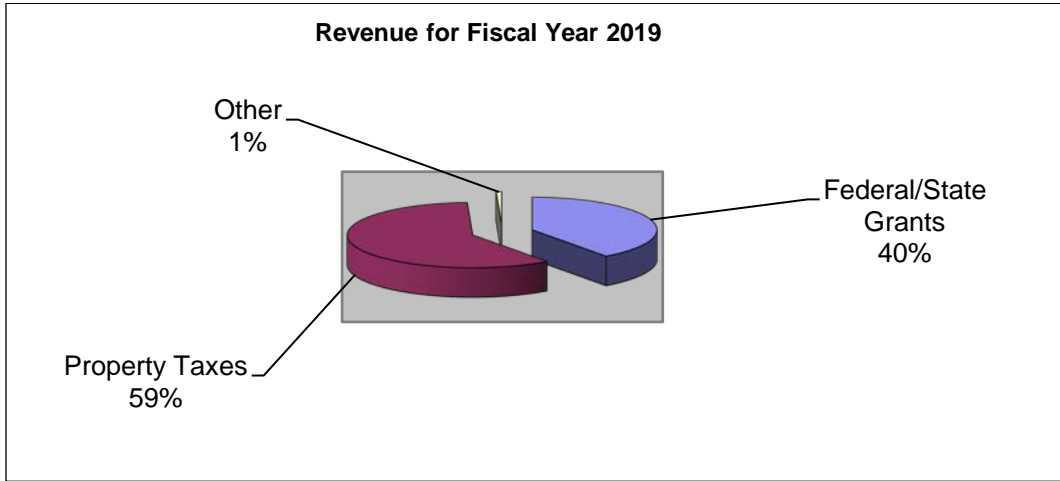
	2018	2018
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 407,646.80	326,395.46
Operating Grants and Contributions	6,618,546.24	7,009,608.36
General Revenues:		
Property Taxes	12,174,453.00	11,920,491.00
Grants and Entitlements	1,831,610.41	1,140,460.26
Other	15,882.34	18,909.11
Total Revenues	21,048,138.79	20,415,864.19
<b>Program Expenses</b>		
Instruction	11,348,408.53	11,605,159.03
Support Services:		
Tuition	2,384,819.70	2,225,990.58
Pupils and Instructional Staff	2,324,460.08	2,216,830.48
General and School Administration	1,172,077.12	1,079,971.12
Central Services	494,247.61	463,217.49
Operation and Maintenance of Facilities	521,953.07	1,339,385.58
Pupil Transportation	700,091.23	616,661.54
Interest on Long-Term Debt	117,328.13	123,511.25
Food Service	331,677.02	324,684.34
Other	915,519.33	617,201.91
Extraordinary Items:		
Fixed Asset Adjustment	(30,236.00)	-
Loss on Disposal of Capital Assets	6,666.66	7,438.81
Total Expenses	20,287,012.48	20,620,052.13
Increase/(Decrease) in Net Position	\$ 761,126.31	(204,187.94)

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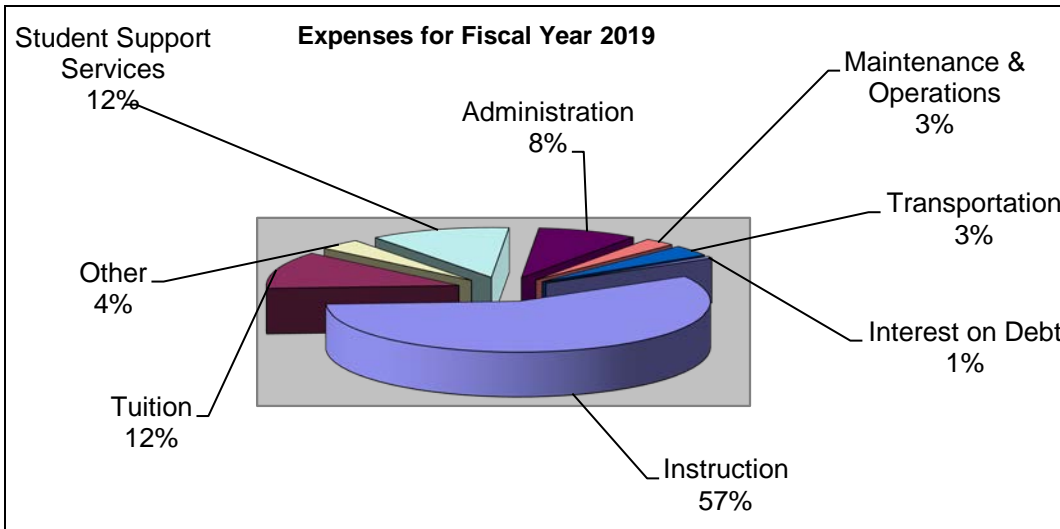
**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED  
(CONTINUED)**

**Governmental Activities**

The District's total revenues were \$20,512,994.61 for the year ended June 30, 2019. Property taxes made up 59 percent of revenues for governmental activities for the City of Absecon School District for fiscal year 2019. Federal, state, and local grants accounted for 40 percent of the revenue. Local revenue and charges for service make up 1 percent of the revenue.



The total cost of all program and services was \$19,764,924.15. Instruction comprises 57 percent of District expenses.



**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED  
(CONTINUED)**

**Business-Type Activities**

Revenues for the District's business-type activities (food service and after school child care programs) were comprised of charges for services and federal and state reimbursements.

- Revenues exceeded expenses before investment income by \$19,159.97.
- Charges for services represent \$278,571.17 of revenue. This represents amounts paid by patrons for daily food service and childcare.
- For the food service operation, federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$256,246.47.

**Governmental Activities**

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

**Table 3**

	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Instruction	\$ 11,348,408.53	6,617,176.88	11,605,159.03	6,400,962.90
Support Services:				
Pupils and Instructional Staff	4,709,279.78	3,829,855.37	4,442,821.06	3,429,296.94
General and School Administration	1,172,077.12	1,032,180.88	1,079,971.12	916,609.90
Central Services	494,247.61	412,559.62	463,217.49	369,057.12
Operation and Maintenance of Facilities	521,953.07	352,735.55	1,339,385.58	1,183,290.10
Pupil Transportation	700,091.23	350,740.38	616,661.54	526,892.23
Interest on Long-Term Debt	117,328.13	(17,032.87)	123,511.25	(11,234.75)
Other	701,538.68	695,332.94	470,187.17	463,250.07
Total Expenses	<u>\$ 19,764,924.15</u>	<u>13,273,548.75</u>	<u>20,140,914.24</u>	<u>13,278,124.51</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Also included is out of district tuition.

General administration, school administration, and business and other support services include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as provided by State law.

"Other" includes special schools, charter schools, and unallocated depreciation.

**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED  
(CONTINUED)**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$18,867,280.61 and expenditures were \$18,519,747.98. The net positive change in fund balance for the year of \$347,532.63 was most significant in the Capital Projects Fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds, for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

<b>Revenue</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2018</b>	<b>Percent of Increase (Decrease)</b>
Local Sources	\$ 12,265,394.43	65.01%	235,762.64	1.96%
State Sources	5,616,620.08	29.77%	1,779,332.43	46.37%
Federal Sources	985,266.10	5.22%	7,605.88	0.78%
Total	<u>\$ 18,867,280.61</u>	<u>100.00%</u>	<u>2,022,700.95</u>	<u>12.01%</u>

The following schedule represents a summary of general fund, special revenue fund, and capital projects fund expenditures for the fiscal year ended June 30, 2019, and the percentage of increases and decreases in relation to prior year amounts.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2018</b>	<b>Percent of Increase (Decrease)</b>
Current expense:				
Instruction	\$ 6,430,509.47	34.72%	363,970.02	6.00%
Undistributed expenditures	10,867,231.03	58.68%	1,142,846.93	11.75%
Special/Charter Schools	689,753.77	3.72%	231,515.92	50.52%
Debt Service	395,181.25	2.13%	(1,131.25)	-0.29%
Capital Outlay	137,072.46	0.74%	(630,643.64)	-82.15%
Total	<u>\$ 18,519,747.98</u>	<u>100.00%</u>	<u>1,106,557.98</u>	<u>6.35%</u>

Changes in expenditures were the results of varying factors. The current expense increase of undistributed expenditures is attributed to tuition, transportation and health benefits.

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**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED  
(CONTINUED)**

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Revenue was realized from the prior year for the e-rate program and tuition adjustment for students received from other districts.
- The district applied for and received extraordinary aid.
- Tuition expense for special education students attending special service and regional day schools decreased significantly than expected.

**Capital Assets**

At the end of the fiscal year 2019, the School District had \$15,074,930.01 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2019 balances compared to 2018.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	2019	2018
Land	\$ 1,956,141.00	1,956,141.00
Construction in Progress	-	5,166,098.55
Site Improvements	54,139.97	61,611.93
Building and Building Improvements	12,805,634.04	7,606,149.90
Machinery and Equipment	259,015.00	204,213.29
Total	\$ 15,074,930.01	14,994,214.67

Overall capital assets increased \$80,715.34 from fiscal year 2018 to fiscal year 2019. The increase is the net of added capital assets, construction in progress and annual depreciation. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2019, the School District had \$4,968,225.91 of outstanding debt. Of this amount \$424,481.30 is for compensated absences, \$313,744.61 is for capital leases and \$4,230,000.00 of serial bonds for school construction.

At June 30, 2019, the School District's overall legal debt margin was \$18,022,223.00. For more detailed information, please refer to the Notes to the Financial Statements.

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**CITY OF ABSECON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
UNAUDITED  
(CONTINUED)**

**For the Future**

The Absecon School District is in good financial condition presently. The School District is proud of its community support of the public schools.

In conclusion, the City of Absecon School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Tina Maruca, Business Administrator/Board Secretary at City of Absecon Board of Education, 800 Ireland Avenue, Absecon, NJ 08201, (609) 641-5375, extension 1014.

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# **Basic Financial Statements**



## DISTRICT – WIDE FINANCIAL STATEMENTS

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



**CITY OF ABSECON SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,532,577.48	151,137.81	1,683,715.29
Receivables, Net	496,738.46	18,815.85	515,554.31
Internal Balances	175.00		175.00
Inventory		1,580.02	1,580.02
Restricted Assets:			
Capital Reserve Account	199,871.22		199,871.22
Capital Assets:			
Capital Assets, not depreciated	1,956,141.00		1,956,141.00
Capital Assets being Depreciated, net	13,069,974.09	48,814.92	13,118,789.01
<b>Total Assets</b>	<b><u>17,255,477.25</u></b>	<b><u>220,348.60</u></b>	<b><u>17,475,825.85</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	872,932.00		872,932.00
<b>Total Deferred Outflows of Resources</b>	<b><u>872,932.00</u></b>	<b><u>-</u></b>	<b><u>872,932.00</u></b>
<b>LIABILITIES</b>			
Accounts Payable	426,373.63	60,575.36	486,948.99
Payable to State Government	34,674.46		34,674.46
Unearned Revenue	65,917.34	4,028.63	69,945.97
Accrued Interest	53,990.35		53,990.35
Noncurrent Liabilities			
Due Within One Year	359,835.87		359,835.87
Due Beyond One Year	4,608,390.04		4,608,390.04
Net Pension Liability	2,632,481.00		2,632,481.00
<b>Total Liabilities</b>	<b><u>8,181,662.69</u></b>	<b><u>64,603.99</u></b>	<b><u>8,246,266.68</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	1,216,260.00		1,216,260.00
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,428,380.13	48,814.92	10,477,195.05
Restricted for:			
Other Purposes	1,524,142.97		1,524,142.97
Unrestricted	(3,222,036.54)	106,929.69	(3,115,106.85)
<b>Total Net Position</b>	<b><u>\$ 8,730,486.56</u></b>	<b><u>155,744.61</u></b>	<b><u>8,886,231.17</u></b>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

Function/Programs	Expenses	Indirect Cost Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular	\$ 6,409,075.11	2,464,755.96	128,625.63	3,114,707.90		(5,630,497.54)		(5,630,497.54)
Special Education	1,300,063.82	576,590.52		1,333,399.30		(543,255.04)		(543,255.04)
Other Special Instruction	417,001.21	180,921.91		154,498.82		(443,424.30)		(443,424.30)
<b>Support Services:</b>								
Tuition	2,384,819.70					(2,384,819.70)		(2,384,819.70)
Student & Instruction Related Services	1,826,277.79	498,182.29		879,424.41		(1,445,035.67)		(1,445,035.67)
School Administrative Services	457,545.16	217,140.04		128,225.61		(546,459.59)		(546,459.59)
General Administrative Services	393,471.41	103,920.51		11,670.63		(485,721.29)		(485,721.29)
Plant Operation and Maintenance	305,174.73	216,778.34		169,217.52		(352,735.55)		(352,735.55)
Pupil Transportation	696,680.95	3,410.28	450.00	348,900.85		(350,740.38)		(350,740.38)
Central Services	365,915.39	138,332.22		81,687.99		(412,559.62)		(412,559.62)
Unallocated Employee Benefits	4,410,541.01	(4,410,541.01)						
Interest on Long-Term Debt	117,328.13			134,361.00		17,032.87		17,032.87
Special Schools	19,991.74	10,508.94		6,205.74		(24,294.94)		(24,294.94)
Charter Schools	671,038.00					(671,038.00)		(671,038.00)
Total Governmental Activities	<u>19,764,924.15</u>	<u>0.00</u>	<u>129,075.63</u>	<u>6,362,299.77</u>	<u>-</u>	<u>(13,273,548.75)</u>	<u>-</u>	<u>(13,273,548.75)</u>
<b>Business-Type Activities:</b>								
Food Service	331,677.02		82,596.05	256,246.47		7,165.50		7,165.50
After School Child Care	183,980.65		195,975.12			11,994.47		11,994.47
Total Business-Type Activities	<u>515,657.67</u>	<u>-</u>	<u>278,571.17</u>	<u>256,246.47</u>	<u>-</u>	<u>19,159.97</u>	<u>-</u>	<u>19,159.97</u>
<b>Total Primary Government</b>	<u>\$ 20,280,581.82</u>	<u>0.00</u>	<u>407,646.80</u>	<u>6,618,546.24</u>	<u>-</u>	<u>(13,273,548.75)</u>	<u>19,159.97</u>	<u>(13,254,388.78)</u>

**General Revenues:**

Taxes:								
Property Taxes, Levied for General Purposes, Net	\$	11,914,429.00				11,914,429.00		11,914,429.00
Taxes Levied for Debt Service		260,024.00				260,024.00		260,024.00
Federal and State Aid not Restricted		1,831,610.41				1,831,610.41		1,831,610.41
Investment Earnings		6,502.07				6,502.07	326.54	6,828.61
Miscellaneous Income		9,053.73				9,053.73		9,053.73
Extraordinary Items:								
Loss on Disposal of Assets		(6,666.66)				(6,666.66)		(6,666.66)
Fixed Asset Adjustment							30,236.00	30,236.00
Total General Revenues, Special Items, Extraordinary Items and Transfers		<u>14,014,952.55</u>				<u>14,014,952.55</u>	<u>30,562.54</u>	<u>14,045,515.09</u>
Change in Net Position		<u>741,403.80</u>				<u>741,403.80</u>	<u>49,722.51</u>	<u>791,126.31</u>
Net Position - Beginning		<u>7,989,082.76</u>				<u>7,989,082.76</u>	<u>106,022.10</u>	<u>8,095,104.86</u>
Net Position - Ending	\$	<u>8,730,486.56</u>				<u>8,730,486.56</u>	<u>155,744.61</u>	<u>8,886,231.17</u>

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



## FUND FINANCIAL STATEMENTS

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



**CITY OF ABSECON SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,427,936.16	36,035.80	68,022.73	582.79	1,532,577.48
Due from Other Funds	175.00			66,647.73	66,822.73
Receivables from Other Governments	197,796.16	230,063.10			427,859.26
Other Receivables	42,852.16	26,027.04			68,879.20
Restricted Cash & Cash Equivalents	199,871.22				199,871.22
<b>Total Assets</b>	<b>1,868,630.70</b>	<b>292,125.94</b>	<b>68,022.73</b>	<b>67,230.52</b>	<b>2,296,009.89</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	214,591.49	210,407.14	1,375.00		426,373.63
Payable to Other Governments		34,674.46			34,674.46
Payable to Other Funds			66,647.73		66,647.73
Deferred Revenue		65,917.34			65,917.34
<b>Total Liabilities</b>	<b>214,591.49</b>	<b>310,998.94</b>	<b>68,022.73</b>	<b>-</b>	<b>593,613.16</b>
Fund Balances:					
Restricted for:					
Excess Surplus	433,280.77				433,280.77
Excess Surplus - Designated Subsequent Year	99,016.00				99,016.00
Capital Projects Fund			-		-
Debt Service Fund				67,230.52	67,230.52
Committed to:					
Capital Reserve	187,871.22				187,871.22
Maintenance Reserve	165,008.00				165,008.00
Tuition Reserve	131,854.00				131,854.00
Assigned to:					
Maintenance Reserve Designated by BOE for Subsequent Expenditures	20,000.00				20,000.00
Capital Reserve Designated by BOE for Subsequent Expenditures	12,000.00				12,000.00
Tuition Reserve Designated by BOE for Subsequent Expenditures	165,030.00				165,030.00
Designated by BOE for Subsequent Expenditures	250,984.00				250,984.00
Other Purposes	59,098.98				59,098.98
Unassigned, Reported in:					
General Fund	129,896.24				129,896.24
Special Revenue Fund		(18,873.00)			(18,873.00)
<b>Total Fund Balances</b>	<b>1,654,039.21</b>	<b>(18,873.00)</b>	<b>-</b>	<b>67,230.52</b>	<b>1,702,396.73</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,868,630.70</b>	<b>292,125.94</b>	<b>68,022.73</b>	<b>67,230.52</b>	

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not resources and therefore are not reported in the funds. The cost of the assets is \$26,213,397.74 and the accumulated depreciation is \$11,187,282.65	15,026,115.09
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,968,225.91)
Pension Liabilities Net of Deferred Outflows & Inflows	(2,975,809.00)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(53,990.35)
Net Position of governmental activities	<b>\$ 8,730,486.56</b>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 11,914,429.00			260,024.00	12,174,453.00
Tuition From Other LEAs Within the State	74,935.63				74,935.63
Interest Earned on Investments	6,023.79		468.28	10.00	6,502.07
Transportation Fees from Individuals	450.00				450.00
Miscellaneous	9,053.73				9,053.73
Total Local Sources	<u>12,004,892.15</u>	-	<u>468.28</u>	<u>260,034.00</u>	<u>12,265,394.43</u>
State Sources	5,129,058.60	353,200.48		134,361.00	5,616,620.08
Federal Sources	26,005.41	959,260.69			985,266.10
Total Revenues	<u>17,159,956.16</u>	<u>1,312,461.17</u>	<u>468.28</u>	<u>394,395.00</u>	<u>18,867,280.61</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	4,167,503.20	917,933.10			5,085,436.30
Special Education Instruction	1,018,106.74				1,018,106.74
Other Special Instruction	326,966.43				326,966.43
Support Services:					
Tuition	2,384,819.70				2,384,819.70
Student & Instruction Related Serv.	1,089,334.06	372,195.57			1,461,529.63
School Administrative Services	404,344.48				404,344.48
General Administrative Services	357,149.92				357,149.92
Plant Operation and Maintenance	834,566.26				834,566.26
Pupil Transportation	696,266.88				696,266.88
Central Services	318,013.15				318,013.15
Employee Benefits	4,410,541.01				4,410,541.01
Special Schools	18,715.77				18,715.77
Transfer to Charter School	671,038.00				671,038.00
Debt Service:					
Principal on Bonds				275,000.00	275,000.00
Interest on Bonds				120,181.25	120,181.25
Capital Outlay	118,144.96	41,205.50	(22,278.00)		137,072.46
Total Expenditures	<u>16,815,510.56</u>	<u>1,331,334.17</u>	<u>(22,278.00)</u>	<u>395,181.25</u>	<u>18,519,747.98</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>344,445.60</u>	<u>(18,873.00)</u>	<u>22,746.28</u>	<u>(786.25)</u>	<u>347,532.63</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in				66,647.73	66,647.73
Transfer out			(66,647.73)		(66,647.73)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(66,647.73)</u>	<u>66,647.73</u>	<u>-</u>
Net Changes in Fund Balance	344,445.60	(18,873.00)	(43,901.45)	65,861.48	347,532.63
Fund Balance - July 1	1,309,593.61	-	43,901.45	1,369.04	1,354,864.10
Fund Balance - June 30	<u>\$ 1,654,039.21</u>	<u>(18,873.00)</u>	<u>-</u>	<u>67,230.52</u>	<u>1,702,396.73</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2019**

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	347,532.63
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	(559,935.95)	
Capital Outlay	621,529.48	
Loss on Disposal of Assets	<u>(6,666.66)</u>	54,926.87
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds Payable	275,000.00	
Capital Leases Payable	<u>105,563.98</u>	380,563.98
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS		
Cost of benefits earned net of employee contributions	<u>(4,271.00)</u>	(4,271.00)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).</p>		
		(40,201.80)
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		2,853.12
Change in Net Position of Governmental Activities	<u>\$</u>	<u><u>741,403.80</u></u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2019**

	Business-Type Activities - Enterprise Fund		
	Major Fund	Major Fund	Totals
	Food Service	After School Child Care	
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 59,147.46	91,990.35	151,137.81
Accounts Receivable	18,815.85		18,815.85
Inventory	1,580.02		1,580.02
Total Current Assets	<u>79,543.33</u>	<u>91,990.35</u>	<u>171,533.68</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	144,957.45	43,300.00	188,257.45
Less: Accumulated Depreciation	<u>(96,142.53)</u>	<u>(43,300.00)</u>	<u>(139,442.53)</u>
Total Noncurrent Assets	<u>48,814.92</u>	<u>-</u>	<u>48,814.92</u>
Total Assets	<u><u>128,358.25</u></u>	<u><u>91,990.35</u></u>	<u><u>220,348.60</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Unearned Revenue	2,703.63	1,325.00	4,028.63
Accounts Payable	8,569.96	52,005.40	60,575.36
Total Current Liabilities	<u>11,273.59</u>	<u>53,330.40</u>	<u>64,603.99</u>
Noncurrent Liabilities:			
None	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>11,273.59</u>	<u>53,330.40</u>	<u>64,603.99</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	48,814.92	-	48,814.92
Unrestricted	68,269.74	38,659.95	106,929.69
Total Net Position	<u><u>\$ 117,084.66</u></u>	<u><u>38,659.95</u></u>	<u><u>155,744.61</u></u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Fund		
	Major Fund	Major Fund	Totals Enterprise
	Food Service	After School Child Care	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 62,951.10		62,951.10
Daily Sales - Non-reimbursable Programs	19,644.95		19,644.95
Tuition Fees		193,050.12	193,050.12
Registration Fees		2,925.00	2,925.00
Total Operating Revenue	<u>82,596.05</u>	<u>195,975.12</u>	<u>278,571.17</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	135,209.20		135,209.20
Cost of Sales - Non-reimbursable Programs	8,321.42		8,321.42
Salaries	13,670.62	119,398.06	133,068.68
Employee Benefits		9,002.64	9,002.64
Food Service Management	137,361.64		137,361.64
Depreciation	4,447.53		4,447.53
Support and Maintenance	11,711.83	2,050.00	13,761.83
Supplies and Materials	2,507.94	53,529.95	56,037.89
Write Off	18,446.84		18,446.84
Total Operating Expenses	<u>331,677.02</u>	<u>183,980.65</u>	<u>515,657.67</u>
Operating Income (Loss)	(249,080.97)	11,994.47	(237,086.50)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch/Breakfast Program	3,765.81		3,765.81
Federal Sources:			
National School Lunch	174,313.83		174,313.83
National School Breakfast Program	49,330.73		49,330.73
Supplemental Nutrition Assistance	4,211.46		4,211.46
Food Distribution Program	24,624.64		24,624.64
Interest and Investment Income	136.74	189.80	326.54
Fixed Asset Adjustment	30,236.00		30,236.00
Total Nonoperating Revenues (Expenses)	<u>286,619.21</u>	<u>189.80</u>	<u>286,809.01</u>
Income (Loss) before Contributions & Transfers	37,538.24	12,184.27	49,722.51
Transfers In (Out)	-	-	-
Changes in Net Position	37,538.24	12,184.27	49,722.51
Total Net Position - Beginning	<u>79,546.42</u>	<u>26,475.68</u>	<u>106,022.10</u>
Total Net Position - Ending	<u>\$ 117,084.66</u>	<u>38,659.95</u>	<u>155,744.61</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Fund		
	Major Fund	Major Fund	Total Enterprise
	Food Service	After School Center	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 88,844.90		88,844.90
Receipts for Tuition and Registration		195,925.12	195,925.12
Payments to Employees		(128,400.70)	(128,400.70)
Payments to Suppliers	(334,676.62)	(3,870.70)	(338,547.32)
Net Cash Provided by (Used for) Operating Activities	<u>(245,831.72)</u>	<u>63,653.72</u>	<u>(182,178.00)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	4,275.08		4,275.08
Federal Sources	255,341.94		255,341.94
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>259,617.02</u>	<u>-</u>	<u>259,617.02</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets			-
Net Cash (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest and Dividends	136.74	189.80	326.54
Net Cash Provided by (Used for) Investing Activities	<u>136.74</u>	<u>189.80</u>	<u>326.54</u>
Net Increase (Decrease) in Cash and Cash Equivalents	13,922.04	63,843.52	77,765.56
Balance - Beginning of Year	45,225.42	28,146.83	73,372.25
Balance - End of Year	<u>59,147.46</u>	<u>91,990.35</u>	<u>151,137.81</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	(249,080.97)	11,994.47	(237,086.50)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	4,447.53		4,447.53
Federal Commodities	24,624.64		24,624.64
(Increase) Decrease in Inventories	485.28		485.28
(Increase) Decrease in Accounts Receivable	5,902.47		5,902.47
Increase (Decrease) in Accounts Payable	(32,557.05)	51,709.25	19,152.20
Increase (Decrease) in Unearned Revenue	346.38	(50.00)	296.38
Total Adjustments	<u>3,249.25</u>	<u>51,659.25</u>	<u>54,908.50</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (245,831.72)</u>	<u>63,653.72</u>	<u>(182,178.00)</u>



**CITY OF ABSECON DISTRICT**  
**Fiduciary Funds**  
**Statement of Net Position**  
**June 30, 2019**

	<u>Unemployment Compensation</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ <u>168,623.97</u>	<u>37,136.84</u>
Total Assets	<u>168,623.97</u>	<u>37,136.84</u>
<b>LIABILITIES</b>		
Accounts Payable	3,333.78	159.96
Payroll Deductions and Withholdings		10,106.85
Payable to Other Funds		175.00
Flexible Spending Claims		1,713.89
Payable to Student Groups		<u>24,981.14</u>
Total Liabilities	<u>3,333.78</u>	<u>37,136.84</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and Other Purposes	\$ <u><u>165,290.19</u></u>	

**CITY OF ABSECON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2019**

	<u>Unemployment Compensation</u>
<b>ADDITIONS</b>	
Contributions:	
Plan Member	\$ 13,779.27
Total Contributions	<u>13,779.27</u>
Investment Earnings:	
Interest	467.28
Total Additions	<u>467.28</u> <u>14,246.55</u>
<b>DEDUCTIONS</b>	
Unemployment Claims	<u>5,518.20</u>
Total Deductions	<u>5,518.20</u>
Changes in Net Position	8,728.35
Net Position - Beginning of the Year	<u>156,561.84</u>
Net Position - End of the Year	\$ <u><u>165,290.19</u></u>

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Absecon 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 superintendent 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 City of Absecon 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 City of Absecon 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 board is comprised of seven members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The City of Absecon School District had an enrollment at June 30, 2019 of 858 students.

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 FINANCIAL 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 and special revenue activities are classified as governmental activities. The District's Food Service and After School Child Care programs are classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type 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.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

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. Fiduciary funds are not included in the government-wide statements.

**B. 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 either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Standards set 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 nonmajor funds are combined in a column in the fund financial statements. 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. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

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

- a. **General Fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special Revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital Projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. **Debt Service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**Fund Balances – Governmental Funds**

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, etc.) 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:

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

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise Funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.

The District's Enterprise Funds are comprised of the Food Service Fund and the After School Child Care Fund.

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**3. Fiduciary Funds:**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

**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:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund 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.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

**2. Investments:**

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

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2019, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	\$	1,580.02
	\$	<u>1,580.02</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**4. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**5. 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 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. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**6. Expenditures:**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**7. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**8. Interfund Activity:**

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

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. 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 and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Program - Instruction	
Grades 1 - 5 - Salaries of Teachers	218,659.68
Grades 6 - 8 - Salaries of Teachers	(125,992.47)
Undistributed - General Supplies	61,874.84
Special Education - Instruction	
Resource Room - Salaries of Teachers	
Undistributed Expenditures	
Tuition to zccounty Voc School Dist - Regular	(267,059.49)
Tuition to CSSD & Regional Day Schools	(127,144.06)
Tuition to Private Schools for the Disabled-W/I State	279,445.26
Tuition to Private Schools for the Disabled-Out of State	(159,000.00)
Speech, OT, PT and Related Services - Purchased Professional	79,564.57
Other Support Serv. Students-	
Extraordinary Services - Salaries	49,312.28
Guidance - Salaries of Other Professional Staff	59,238.14
Improvement of Instructional Services - Salaries of Supervisor	55,500.00
Improvement of Instructional Services - Purchased Professional	53,320.22
Unallocated Benefits - Personal Services - Employee Benefits	
Health Benefits	97,504.57
Transfer of Funds to Charter Schools	162,001.00

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 payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**10. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on agreements with the Port Republic, Hamilton Township, Jersey City and Atlantic City school districts.

**11. Tuition Payable:**

Tuition charges for the fiscal years 2018-2019 were based on estimated costs established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. 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.

**13. Allocation of Costs:**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

**14. Pensions:**

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 Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. 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 January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities". This statement, which is effective for fiscal periods after December 15, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 1, 2019, may have an effect on the District's financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement, which is effective for fiscal periods beginning after June 15, 2019, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District's financial reporting.

**NOTE 2 – 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, 2019, \$287,975.82 of the government's bank balance of \$2,563,833.56 was exposed to custodial credit risk.

**NOTE 3 – RECEIVABLES**

Receivables at June 30, 2019, consisted of accounts (tuition), interfund, and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State Aid	\$ 197,796.16	198,063.75
Federal Aid	230,063.10	248,611.36
Other	68,879.20	68,879.20
Gross Receivables	496,738.46	515,554.31
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 496,738.46	515,554.31

**NOTE 4 – INTERFUND TRANSFERS AND BALANCES**

The following interfund balances remained on the fund financial statements at June 30, 2019:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 175.00	
Capital Projects Fund		66,647.73
Debt Service Fund	66,647.73	
Agency Fund		175.00
Total	\$ 66,822.73	66,822.73

The general fund receivable is comprised of one interfund due from the Agency Fund for \$175.00. This receivable is for expenses paid during the fiscal year. The Debt Service Fund receivable is comprised of one interfund due from the Capital Projects Fund in the amount of \$66,647.73. This is result of interest earned on the deposits and the close out of the Capital Project.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,956,141.00			1,956,141.00
Construction in Progress	5,166,098.55		(5,166,098.55)	-
Total capital assets not being depreciated	<u>7,122,239.55</u>	<u>-</u>	<u>(5,166,098.55)</u>	<u>1,956,141.00</u>
Capital assets being depreciated:				
Site Improvements	622,846.25			622,846.25
Buildings and building improvements	17,003,626.88	5,667,189.55		22,670,816.43
Equipment	963,858.49	120,438.48	(120,702.91)	963,594.06
Total capital assets being depreciated at historical cost	<u>18,590,331.62</u>	<u>5,787,628.03</u>	<u>(120,702.91)</u>	<u>24,257,256.74</u>
Less accumulated depreciation for:				
Site Improvements	(561,234.32)	(7,471.96)		(568,706.28)
Buildings and improvements	(9,397,476.98)	(467,705.41)		(9,865,182.39)
Equipment	(782,671.65)	(84,758.58)	114,036.25	(753,393.98)
Total capital assets being depreciated, net of accumulated depreciation	<u>7,848,948.67</u>	<u>5,227,692.08</u>	<u>(6,666.66)</u>	<u>13,069,974.09</u>
Governmental activity capital assets, net	<u>14,971,188.22</u>	<u>5,227,692.08</u>	<u>(5,172,765.21)</u>	<u>15,026,115.09</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	142,721.45		2,236.00	144,957.45
Less accumulated depreciation	(119,695.00)	(4,447.53)	28,000.00	(96,142.53)
Enterprise Fund capital assets, net	<u>\$ 23,026.45</u>	<u>(4,447.53)</u>	<u>30,236.00</u>	<u>48,814.92</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 317,394.40
Special Instruction	63,542.51
Other Special Instruction	20,406.77
Student & Instruction Related Services	91,217.60
School Administration Services	25,236.12
General Administration Services	22,290.59
Central Services	19,847.96
	<u>\$ 559,935.95</u>

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 6 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Issues or Additions	Payments or Expenditures	Balance June 30, 2019	Amounts Due Within One Year
Compensated Absences \$	384,279.50	40,201.80		424,481.30	
Capital Leases Payable	419,308.59		105,563.98	313,744.61	74,835.87
Bonds Payable	4,505,000.00		275,000.00	4,230,000.00	285,000.00
Net Pension Liability	2,746,590.00	1,235,138.00	1,349,247.00	2,632,481.00	
	<u>\$ 8,055,178.09</u>	<u>1,275,339.80</u>	<u>1,729,810.98</u>	<u>7,600,706.91</u>	<u>359,835.87</u>

Compensated absences have been liquidated in the General Fund.

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

At June 30, 2019, bonds payable consisted of the following issue:

\$5,210,000 School Bonds dated May 8, 2014, due in annual installments beginning July 15, 2015 through July 15, 2031, bearing interest at various rates. The balance remaining as of June 30, 2019 is \$4,230,000.00.

Debt service requirements on serial bonds payable at June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 285,000.00	113,881.25	398,881.25
2021	295,000.00	106,987.50	401,987.50
2022	305,000.00	99,487.50	404,487.50
2023	310,000.00	91,800.00	401,800.00
2024	320,000.00	83,925.00	403,925.00
2025-2029	1,665,000.00	288,887.50	1,953,887.50
2030-2032	1,050,000.00	50,750.00	1,100,750.00
	<u>\$ 4,230,000.00</u>	<u>835,718.75</u>	<u>5,065,718.75</u>

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

Capital Leases

The District is leasing a telephone communication system, Chromebooks and various other capital equipment and vehicles amounting to \$487,545.19 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2019:

Fiscal Year Ending June 30,	Amount
2020	\$ 84,690.53
2021	84,690.53
2022	84,690.53
2023	84,690.53
Total minimum lease payments	338,762.12
Less amount representing interest	25,017.51
Present value of lease payments	\$ 313,744.61

**NOTE 7 – PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund 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 Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide 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 (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 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 of New Jersey 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.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.5% and the PERS rate is 7.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2019, 2018 and 2017 were \$1,112,996.00, \$790,590.00 and \$608,072.00 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, 2019, 2018 and 2017 were \$133,603.00, \$110,666.00 and \$125,148.00 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2019, 2018 and 2017, the State of New Jersey contributed \$504,497.00, \$510,119.00 and \$505,888.00, 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 \$442,005.60, \$408,721.98 and \$425,331.05, 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 with GASB Standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were 19 employees enrolled in the DCRP for the year ended June 30, 2019.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PERS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS and employer contributions to the retirement systems.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 8 – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2019, the District reported a liability of \$2,632,481.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 0.01336986890%, which was an increase of 13.31% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$137,258.00. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,201.00	13,574.00
Changes of assumptions	433,786.00	841,721.00
Net difference between projected and actual earnings on pension plan investments		24,693.00
Changes in proportion and differences between District contributions and proportionate share of contributions	388,945.00	336,272.00
District contributions subsequent to the measurement date	132,987.00	
Total	\$ 1,005,919.00	\$ 1,216,260.00

\$132,987.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ (13,853.00)
2020	23,742.00
2021	152,280.00
2022	136,433.00
2023	44,726.00
Total	\$ 343,328.00

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the collective net pension liability of the participated employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the net pension liability	\$ 3,158,341.71	2,632,481.00	2,194,941.41

*Pension plan fiduciary net position.*

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

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 9 – TEACHERS PENSIONS AND ANNUITY FUND (TPAF)**

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		33,310,958.00
Total	\$	33,310,958.00

The net pension liability was measured as of June 30, 2018 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$1,941,912.00 and revenue of \$1,941,912.00 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 743,652.00	50,387.00
Changes of assumptions	5,787,862.00	8,418,998.00
Net difference between projected and actual earnings on pension plan investments		3,034.00
Changes in proportion and differences between District contributions and proportionate share of contributions		1,469,317.00
District contributions subsequent to the measurement date	791,517.00	
Total	\$ 7,323,031.00	9,941,736.00

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

\$1,469,317.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ (369,447.00)
2020	(192,217.00)
2021	205,089.00
2022	137,287.00
2023	676,236.00
Thereafter	2,953,275.00
Total	<u>\$ 3,410,223.00</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2018 actuarial valuation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.25%
Salary increases	
2012-2021	1.55-4.55%
Thereafter	2.00-5.45%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return.</u>
Risk Mitigation Services	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts Venture Capital	8.25%	13.08%

*Discount rate.* The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.78% as of June 30, 2018, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.86% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.86%) or 1-percentage point higher (5.86%) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
District's proportionate share of the net pension liability	\$ -	-	-

*Pension plan fiduciary net position.*

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

**NOTE 10 – OTHER POST-RETIREMENT BENEFITS**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirement. In Fiscal Year 2018, the State paid PRM benefits for 148,401 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 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, and increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

*Total OPEB Liability*

The State, a nonemployer 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 District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District 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. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

*Actuarial assumptions and other imputes:*

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Discount Rate:** The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate will be based on this index rate that is reported on the last Friday prior to the measurement date.

The discount rates as of June 30, 2016, 2017, and 2018 are 2.58%, 3.58%, and 3.87%, respectively.

**Health Care Trend:** For pre-Medicare PPO medical benefits, the initial amount is 5.8% and decreases to 5.0% long term trend rate after 8 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after 8 years. For prescription drug benefits, the initial trend rate is 8% decreasing to a 5.0% long-term trend rate after 7 years.

**Salary Scale:** The salary scale assumptions in the calculation of Entry Age Normal (Level Percent) liability and normal costs will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on RP-2006 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

Pre-retirement Healthy Mortality: RP-2006 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2006 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2006 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

*Changes in the Total OPEB liability reported by the State of New Jersey:*

Balance at 6/30/17	\$	53,639,841,858.00
Changes for the year:		
Service cost		1,984,642,729.00
Interest		1,970,236,232.00
Differences between Expected & Actual Experiences		(5,002,065,740.00)
Changes in assumptions or other inputs		(5,291,448,855.00)
Contributions: Member		42,614,005.00
Benefit payments		<u>(1,232,987,247.00)</u>
Net changes		<u>(7,529,008,876.00)</u>
Balance at 6/30/18	\$	<u>46,110,832,982.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

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

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability (School Retirees)	54,512,391,175.00	46,110,832,982.00	39,432,461,816.00

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

The following presents the total OPEB liability of the State, as well as what the State's total OPB 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)	38,113,289,045.00	46,110,832,982.00	56,687,891,003.00

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$1,005,438.00 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.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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, 2018, 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 expensed and actual experience		\$ 4,476,086,167.00
Changes of assumptions		10,335,978,867.00
Net difference between projected and actual earnings on investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
District contributions subsequent to the measurement date		
Total	\$ -	14,812,065,034.00

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,	
2019	\$ (1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	(5,685,972,069)
Total	\$ (14,812,065,034)

(Contributions made after June 30, 2018 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 11 – COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years as long as it does not violate Title 18A. Upon retirement employees shall be paid by the District for unused sick leave in accordance with the District's agreements with the various employee unions.

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, there was no liability for compensated absences in the Food Service Enterprise Fund.

**NOTE 12 – DEFERRED COMPENSATION**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Equitable Life  
Lincoln Investment Planning, Inc.  
Syracusa

**NOTE 13 – TUITION RESERVE ACCOUNT**

A tuition reserve account was established by the City of Absecon Board of Education in accordance with N.J.A.C. 6A:23-3.1(f)(8). This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective year. The tuition reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the tuition reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$	300,270.00
June Board Transfer		131,854.00
Withdrawals:		(135,240.00)
Per Approved Budget		(135,240.00)
Ending balance, June 30, 2019	\$	296,884.00

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**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 14 – MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the City of Absecon Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$	125,006.00
Interest earnings	2.00	
June Board Transfer	<u>100,000.00</u>	
		<u>100,002.00</u>
Withdrawals:		
Per Approved Budget	<u>(40,000.00)</u>	
		<u>(40,000.00)</u>
Ending balance, June 30, 2019	\$	<u><u>185,008.00</u></u>

**NOTE 15 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by City of Absecon Board of Education by the inclusion of \$1 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-2.13(g) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$	139,452.82
Interest earnings	418.40	
June Board Transfer	<u>100,000.00</u>	
		<u>100,418.40</u>
Withdrawals:		
Per Approved Budget	<u>(40,000.00)</u>	
		<u>(40,000.00)</u>
Ending balance, June 30, 2019	\$	<u><u>199,871.22</u></u>

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 16 – 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.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Interest on Investment</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 13,779.27	467.28	5,518.20	165,290.19
2017-2018	11,791.95	227.62	10,492.88	156,561.84
2016-2017	12,096.77	197.21	513.82	155,035.15

**NOTE 17 – CONTINGENT LIABILITIES**

Federal and State Grants

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

**NOTE 18 – ECONOMIC DEPENDENCY**

The District receives support from the federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

**NOTE 19 – 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 20 – COMMITMENTS**

The District does not have an encumbrance policy for the fiscal year end to determine significant encumbrances. All encumbrances are classified as Assigned Fund Balance in the General Fund and Special Revenue Fund. Significant encumbrances at June 30<sup>th</sup> are as follows:

<u>Fund</u>	<u>Amount</u>
General Fund Encumbered Orders	\$ 59,098.98
	<u>\$ 59,098.98</u>

**CITY OF ABSECON SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**NOTE 21 – FUND BALANCE APPROPRIATED**

General Fund – Of the \$1,654,039.21 General Fund fund balance, at June 30, 2019, \$59,098.98 is reserved for encumbrances, \$532,296.77 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$99,016.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2019), \$199,871.22 has been reserved in the Capital Reserve Account; \$196,884.00 has been reserved in a Tuition Reserve Account; \$185,008.00 has been reserved in a Maintenance Reserve Account; \$250,984.00 is designated by BOE for subsequent expenditures; and \$129,896.24 is classified as unassigned.

**NOTE 22 – CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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 of budgeted fund balance in their subsequent years' budget. The excess fund balance generated in June 30, 2019 is \$433,280.77.

**NOTE 23 – DEFICIT FUND BALANCES**

The District has a deficit unassigned fund balance of (\$18,873.00) in the Special Revenue Fund as of June 30, 2019 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the Special revenue fund in the GAAP fund statements of (\$18,873.00) is equal to the last state aid payment for that fund.

**NOTE 24 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2019 through December 6, 2019, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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## **Required Supplementary Information – Part II**





# **Budgetary Comparison Schedules**



**CITY OF ABSECON SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 12,167,429.00	(253,000.00)	11,914,429.00	11,914,429.00	-
Tuition From Other LEAs Within the State	8,927.00		8,927.00	74,935.63	66,008.63
Interest Earned on Capital Reserve Funds	10.00		10.00	418.40	408.40
Interest Earned on Investments	2.00		2.00	5,605.39	5,603.39
Transportation Fees from Individuals			-	450.00	450.00
Unrestricted Miscellaneous Revenues	4,100.00		4,100.00	9,053.73	4,953.73
<b>Total Local Sources</b>	<b>12,180,468.00</b>	<b>(253,000.00)</b>	<b>11,927,468.00</b>	<b>12,004,892.15</b>	<b>77,424.15</b>
State Sources:					
Categorical Special Education Aid	515,308.00	241,168.00	756,476.00	756,476.00	-
Equalization Aid	952,393.00	749,776.00	1,702,169.00	1,702,169.00	-
Categorical Security Aid	51,965.00	209,447.00	261,412.00	261,412.00	-
Categorical Transportation Aid	259,870.00	84,012.00	343,882.00	343,882.00	-
Extraordinary Aid			-	88,029.00	88,029.00
Non-public Transportation Aid			-	3,005.00	3,005.00
Homeless Tuition			-	53,690.00	53,690.00
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)			-	504,497.00	504,497.00
TPAF Pension (On-Behalf - Non-Budgeted)			-	1,112,210.00	1,112,210.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)			-	786.00	786.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	442,005.60	442,005.60
<b>Total State Sources</b>	<b>1,779,536.00</b>	<b>1,284,403.00</b>	<b>3,063,939.00</b>	<b>5,268,161.60</b>	<b>2,204,222.60</b>
Federal Sources:					
Medicaid Reimbursement	21,227.00		21,227.00	26,005.41	4,778.41
<b>Total Federal Sources</b>	<b>21,227.00</b>	<b>-</b>	<b>21,227.00</b>	<b>26,005.41</b>	<b>4,778.41</b>
<b>Total Revenues</b>	<b>13,981,231.00</b>	<b>1,031,403.00</b>	<b>15,012,634.00</b>	<b>17,299,059.16</b>	<b>2,286,425.16</b>
<b>EXPENDITURES:</b>					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of Teachers	374,599.00	(26,934.00)	347,665.00	341,205.00	6,460.00
Grades 1 - 5 - Salaries of Teachers	1,866,832.00	218,659.68	2,085,491.68	2,027,941.36	57,550.32
Grades 6 - 8 - Salaries of Teachers	1,624,807.00	(125,992.47)	1,498,814.53	1,497,334.53	1,480.00
Regular Programs - Home Instruction					
Salaries of Teachers	2,500.00	22,490.00	24,990.00	24,990.00	-
Purchased Prof - Educational Serv	2,500.00		2,500.00		2,500.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		15,920.00	15,920.00	5,949.15	9,970.85
Purchased Professional - Educational Services	2,100.00	3,500.00	5,600.00	2,008.26	3,591.74
Purchased Technical Services	4,600.00	1,271.17	5,871.17	5,871.17	-
Other Purchased Services (400-500 series)	60,100.00	5,168.00	65,268.00	65,070.19	197.81
General Supplies	134,300.00	61,874.84	196,174.84	188,531.43	7,643.41
Textbooks	11,000.00	30,465.50	41,465.50	7,125.11	34,340.39
Other Objects	900.00	743.50	1,643.50	1,477.00	166.50
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>4,084,238.00</b>	<b>207,166.22</b>	<b>4,291,404.22</b>	<b>4,167,503.20</b>	<b>123,901.02</b>
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities					
Salaries of Teachers	79,524.00		79,524.00	79,300.00	224.00
Other Salaries for Instruction	26,625.00	416.13	27,041.13	26,706.13	335.00
General Supplies	3,550.00	(416.13)	3,133.87	1,012.56	2,121.31
Textbooks	400.00		400.00	105.00	295.00
<b>Total Multiple Disabilities</b>	<b>110,099.00</b>	<b>-</b>	<b>110,099.00</b>	<b>107,123.69</b>	<b>2,975.31</b>
Resource Room/Resource Center					
Salaries of Teachers	679,891.00	23,280.69	703,171.69	701,071.69	2,100.00
Other Salaries for Instruction	123,456.00	(5,756.60)	117,700.00	116,253.74	1,446.26
General Supplies	4,000.00	(350.00)	3,650.00	3,329.81	1,320.19
Textbooks	1,800.00		1,800.00		1,800.00
<b>Total Resource Room/Resource Center</b>	<b>809,147.00</b>	<b>17,174.69</b>	<b>826,321.69</b>	<b>819,655.24</b>	<b>6,666.45</b>

**CITY OF ABSECON SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Preschool Disabilities - Full Time					
Salaries of Teachers	64,488.00	6,712.30	71,200.30	71,070.30	130.00
Other Salaries for Instruction	14,243.00	7,442.10	21,685.10	20,083.05	1,602.05
General Supplies	500.00	-	500.00	174.46	325.54
Total Preschool Disabilities - Full Time	<u>79,231.00</u>	<u>14,154.40</u>	<u>93,385.40</u>	<u>91,327.81</u>	<u>2,057.59</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>998,477.00</u>	<u>31,329.09</u>	<u>1,029,806.09</u>	<u>1,018,106.74</u>	<u>11,699.35</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	93,230.00	12,830.78	106,060.78	89,624.95	16,435.83
General Supplies	500.00	-	500.00	168.44	331.56
Total Basic Skills/Remedial - Instruction	<u>93,730.00</u>	<u>12,830.78</u>	<u>106,560.78</u>	<u>89,793.39</u>	<u>16,767.39</u>
Bilingual Education - Instruction					
Salaries of Teachers	174,233.00	985.95	175,218.95	174,918.95	300.00
General Supplies	2,000.00	-	2,000.00	1,009.00	991.00
Total Bilingual Education - Instruction	<u>176,233.00</u>	<u>985.95</u>	<u>177,218.95</u>	<u>175,927.95</u>	<u>1,291.00</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	28,800.00	6,400.00	35,200.00	33,760.00	1,440.00
Supplies and Materials	-	8,000.00	8,000.00	7,223.36	776.64
Total School-Spon. Cocurricular Activities - Inst.	<u>28,800.00</u>	<u>14,400.00</u>	<u>43,200.00</u>	<u>40,983.36</u>	<u>2,216.64</u>
School-Sponsored Athletics - Instruction					
Salaries	7,200.00	800.00	8,000.00	7,600.00	400.00
Total School-Sponsored Athletics - Instruction	<u>7,200.00</u>	<u>800.00</u>	<u>8,000.00</u>	<u>7,600.00</u>	<u>400.00</u>
Before/After School Programs - Instruction					
Salaries of Teachers	28,000.00	16,000.00	44,000.00	12,420.00	31,580.00
Supplies & Materials	7,000.00	-	7,000.00	56.09	6,943.91
Total Before/After School Programs - Instruction	<u>35,000.00</u>	<u>16,000.00</u>	<u>51,000.00</u>	<u>12,476.09</u>	<u>38,523.91</u>
Community Services Programs/Operations					
Supplies and Materials	350.00	-	350.00	185.64	164.36
Total Community Services Programs/Operations	<u>350.00</u>	<u>-</u>	<u>350.00</u>	<u>185.64</u>	<u>164.36</u>
<b>TOTAL INSTRUCTION</b>	<u>5,424,028.00</u>	<u>283,512.04</u>	<u>5,707,540.04</u>	<u>5,512,576.37</u>	<u>194,963.67</u>
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction					
Tuition to Other LEA's Within the State - Regular	613,687.00	47,666.77	661,353.77	660,363.11	990.66
Tuition to Other LEA's Within the State - Special	112,200.00	47,182.40	159,382.40	150,861.53	8,520.87
Tuition to County Voc School Dist - Regular	1,310,446.00	(267,059.49)	1,043,386.51	1,043,386.00	0.51
Tuition to CSSD & Regional Day Schools	417,484.00	(127,144.06)	290,339.94	252,809.00	37,530.94
Tuition to Private Schools for the Disabled -W/I State	-	279,445.26	279,445.26	277,400.06	2,045.20
Tuition to Private Schols for the Disabled - Out of State	159,000.00	(159,000.00)	-	-	-
Tuition - Other	27,162.00	(16,612.11)	10,549.89	-	10,549.89
Total Undistributed Expenditures - Instruction	<u>2,639,979.00</u>	<u>(195,521.23)</u>	<u>2,444,457.77</u>	<u>2,384,819.70</u>	<u>59,638.07</u>
Undist. Expend. - Attendance and Social Work					
Salaries	50,928.00	-	50,928.00	50,808.72	119.28
Purchased Professional & Technical Services	12,000.00	-	12,000.00	8,955.00	3,045.00
Supplies & Materials	300.00	-	300.00	-	300.00
Total Undist. Expend. - Attendance and Social Work	<u>63,228.00</u>	<u>-</u>	<u>63,228.00</u>	<u>59,763.72</u>	<u>3,464.28</u>
Undistributed Expend. - Health Services					
Salaries	87,379.00	-	87,379.00	86,436.00	943.00
Purchased Professional & Technical Services	8,000.00	4,000.00	12,000.00	10,460.00	1,540.00
Other Purchased Services (400-500 series)	250.00	-	250.00	105.00	145.00
Supplies & Materials	3,000.00	1,929.64	4,929.64	4,871.60	58.04
Total Undistributed Expend. - Health Services	<u>98,629.00</u>	<u>5,929.64</u>	<u>104,558.64</u>	<u>101,872.60</u>	<u>2,686.04</u>
Undist. Expend. - Speech, OT, PT and Related Services					
Salaries	119,581.00	1,158.51	120,739.51	120,739.51	-
Purchased Professional - Educational Services	65,395.00	79,564.57	144,959.57	138,542.49	6,417.08
Supplies & Materials	300.00	147.65	447.65	447.65	-
Total Undist. Expend. - Speech, OT, PT and Related Services	<u>185,276.00</u>	<u>80,870.73</u>	<u>266,146.73</u>	<u>259,729.65</u>	<u>6,417.08</u>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	88,406.00	49,312.28	137,718.28	132,303.16	5,415.12
Supplies & Materials	-	30.00	30.00	8.64	21.36
Total Undist. Expend. - Other Supp. Serv. Students - Extraordinary Services	<u>88,406.00</u>	<u>49,342.28</u>	<u>137,748.28</u>	<u>132,311.80</u>	<u>5,436.48</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Other Support Serv. Students - Guidance					
Salaries of Other Professional Staff	59,140.00	59,238.14	118,378.14	118,378.14	-
Other Purchased Professional & Technical Services	5,123.38	(2,108.14)	3,015.24	555.24	2,460.00
Supplies & Materials	7,950.00	1,134.94	9,084.94	2,416.48	6,668.46
Total Undist. Expend. - Other Support Services Students - Guidance	<u>72,213.38</u>	<u>58,264.94</u>	<u>130,478.32</u>	<u>121,349.86</u>	<u>9,128.46</u>
Undist. Expend. - Other Support Serv. Students - Child Study Team					
Salaries of Other Professional Staff	220,117.00		220,117.00	176,421.54	43,695.46
Salaries of Secretarial and Clerical Assistants	38,939.00	595.60	39,534.60	39,534.60	-
Other Salaries	6,300.00	(595.60)	5,704.40		5,704.40
Other Purchased Professional & Technical Services	4,650.00		4,650.00	4,420.00	230.00
Misc. Purchased Services (400-500 series o/than res)	3,500.00	(902.00)	2,598.00	2,188.90	409.10
Supplies & Materials	4,500.00	902.00	5,402.00	5,351.03	50.97
Total Undist. Expend. - Other Support Services Students - Child Study Team	<u>278,006.00</u>	<u>-</u>	<u>278,006.00</u>	<u>227,916.07</u>	<u>50,089.93</u>
Undist. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction		55,500.00	55,500.00	46,666.80	8,833.20
Other Salaries	11,200.00	15,550.00	26,750.00	1,450.00	25,300.00
Purchased Professional - Educational Services		53,320.22	53,320.22	12,700.00	40,620.22
Total Undist. - Improvement of Instructional Services	<u>11,200.00</u>	<u>124,370.22</u>	<u>135,570.22</u>	<u>60,816.80</u>	<u>74,753.42</u>
Undist. Expend. - Edu. Media Serv./Library					
Salaries	58,903.00		58,903.00	50,670.72	8,232.28
Salaries of Technology Coordinators	42,542.00		42,542.00	40,250.98	2,291.02
Purchased Professional and Technical Services	4,263.00		4,263.00	3,012.00	1,251.00
Other Purchased Services (400-500 series)	700.00		700.00		700.00
Supplies and Materials	7,500.00		7,500.00	3,289.27	4,210.73
Total Undistributed Expenditures - Educational Media Services - School Library	<u>113,908.00</u>	<u>-</u>	<u>113,908.00</u>	<u>97,222.97</u>	<u>16,685.03</u>
Undist. Expend. - Instructional Staff Training Services					
Other Purchased Professional & Technical Services		39,843.25	39,843.25	18,454.38	21,388.87
Other Purchased Services (400-500 series)	6,600.00	10,156.75	16,756.75	9,896.21	6,860.54
Total Undistributed Expenditure - Instructional Staff Training Services	<u>6,600.00</u>	<u>50,000.00</u>	<u>56,600.00</u>	<u>28,350.59</u>	<u>28,249.41</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	190,000.00		190,000.00	182,843.43	7,156.57
Legal Services	25,623.00	21,427.44	47,050.44	29,654.79	17,395.65
Audit Services	21,000.00		21,000.00	20,000.00	1,000.00
Architectural/Engineering Services	9,609.00		9,609.00		9,609.00
Other Purchased Professional Services	7,944.00	38,572.56	46,516.56	41,866.95	4,649.61
Purchased Technical Services	2,800.00	(504.80)	2,295.20	1,853.25	441.95
Communications/Telephone	37,000.00	(1,550.00)	35,450.00	27,318.28	8,131.72
BOE - Other Purchased Services	2,500.00	368.01	2,868.01	2,712.41	155.60
Misc. Purch Serv (400-500 series)	42,000.00	(404.29)	41,595.71	38,611.74	2,983.97
General Supplies	2,500.00	1,412.34	3,912.34	3,907.68	4.66
BOE In-House Training/Meeting Supplies	250.00		250.00	189.39	60.61
Miscellaneous Expenditures	750.00		750.00	667.00	83.00
BOE Membership Dues and Fees	6,500.00	1,025.00	7,525.00	7,525.00	-
Total Undistributed Expenditures - Support Services - General Administration	<u>348,476.00</u>	<u>60,346.26</u>	<u>408,822.26</u>	<u>357,149.92</u>	<u>51,672.34</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Prog Dir	230,233.00	49,172.96	279,405.96	267,748.23	11,657.73
Salaries of Secretarial and Clerical Assistants	108,951.00	6,327.04	115,278.04	114,299.84	978.20
Purchased Professional and Technical Services	3,000.00		3,000.00	2,729.00	271.00
Other Purchased Services (400-500 series)	6,500.00	458.00	6,958.00	6,717.54	240.46
Supplies and Materials	6,250.00	4,627.14	10,877.14	10,055.87	821.27
Other Objects	2,500.00	650.00	3,150.00	2,794.00	356.00
Total Undistributed Expenditures - Support Services - School Administration	<u>357,434.00</u>	<u>61,235.14</u>	<u>418,669.14</u>	<u>404,344.48</u>	<u>14,324.66</u>
Undist. Expend. - Central Services					
Salaries	205,021.00		205,021.00	204,389.28	631.72
Purchased Professional Services	5,000.00	9,060.00	14,060.00	8,560.00	5,500.00
Purchased Technical Services	17,000.00	2,320.68	19,320.68	17,280.68	2,040.00
Misc. Purchased Services (400-500 series O/T 594)	2,500.00	3,286.70	5,786.70	5,101.12	685.58
Sale/Lease-back Payments	12,803.00	(3,989.48)	8,813.52	8,803.00	10.52
Supplies and Materials	1,500.00	3,542.39	5,042.39	5,003.23	39.16
Interest on Current Loans	6,937.00	1,008.61	7,945.61	7,945.61	-
Miscellaneous Expenditures	1,560.00		1,560.00	1,444.00	116.00
Total Undistributed Expenditures - Central Services	<u>252,321.00</u>	<u>15,228.90</u>	<u>267,549.90</u>	<u>258,526.92</u>	<u>9,022.98</u>
Undist. Expend. - Admin Info Technology					
Salaries	39,000.00		39,000.00	39,000.00	-
Purchased Technical Services	19,200.00	(1,154.90)	18,045.10	17,099.50	945.60
Supplies and Materials	3,350.00	1,000.00	4,350.00	3,386.73	963.27
Total Undistributed Expenditures - Admin Info Technology	<u>61,550.00</u>	<u>(154.90)</u>	<u>61,395.10</u>	<u>59,486.23</u>	<u>1,908.87</u>
Undist. Expend. - Required Maint. For School Fac.					
Salaries	50,000.00		50,000.00	49,737.95	262.05
Cleaning, Repair and Maintenance Service	77,000.00	34,251.50	111,251.50	79,579.97	31,671.53
General Supplies	16,000.00	1,145.27	17,145.27	17,145.27	-
Other Objects	720.00		720.00	720.00	-
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>143,720.00</u>	<u>35,396.77</u>	<u>179,116.77</u>	<u>147,183.19</u>	<u>31,933.58</u>
Undist. Expend. - Custodial Services					
Salaries	316,752.00		316,752.00	292,980.69	23,771.31
Salaries of Non-Instructional Aides	23,400.00	(2,000.00)	21,400.00	6,855.00	14,545.00
Cleaning, Repair and Maintenance Service	16,900.00		16,900.00	16,188.37	711.63
Other Purchased Property Services	27,840.00	(2,164.70)	25,675.30	25,124.86	550.44
Insurance	40,385.00	(1,616.07)	38,768.93	38,287.01	481.92
Miscellaneous Purchased Service		250.00	250.00	250.00	-
General Supplies	40,000.00	2,426.90	42,426.90	42,426.90	-
Energy - (Natural Gas)	45,760.00	600.00	46,360.00	40,097.47	6,262.53
Energy - (Electricity)	180,000.00	(1,895.96)	178,104.04	148,693.87	29,410.17
Other Objects	300.00		300.00	90.00	210.00
Total Undistributed Expenditures - Custodial Services	<u>691,337.00</u>	<u>(4,399.83)</u>	<u>686,937.17</u>	<u>610,994.17</u>	<u>75,943.00</u>
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	32,603.00		32,603.00	31,838.03	764.97
Cleaning, Repair and Maintenance Services	5,000.00	24,965.96	29,965.96	3,695.96	26,270.00
General Supplies	5,000.00	2,051.78	7,051.78	6,921.10	130.68
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>42,603.00</u>	<u>27,017.74</u>	<u>69,620.74</u>	<u>42,455.09</u>	<u>27,165.65</u>
Undist. Expend. - Security					
Repair and Maintenance Services	5,700.00		5,700.00	4,494.50	1,205.50
General Supplies	7,100.00	33,800.00	40,900.00	29,439.31	11,460.69
Total Undistributed Expenditures - Security	<u>12,800.00</u>	<u>33,800.00</u>	<u>46,600.00</u>	<u>33,933.81</u>	<u>12,666.19</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>890,460.00</u>	<u>91,814.68</u>	<u>982,274.68</u>	<u>834,566.26</u>	<u>147,708.42</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Student Transportation Serv.					
Sal for Pupil Trans -(Bet Home & Sch)-Reg.	4,000.00	0.08	4,000.08	4,000.08	-
Sal for Pupil Trans -(Bet Home & Sch)- Sp. Ed	1,000.00	0.08	1,000.08	1,000.08	-
Sal for Pupil Trans -(Bet Home & Sch)-NonPublic	1,000.00	0.08	1,000.08	1,000.08	-
Contract. Serv. - Aid In Lieu Pymts - Non Public	10,000.00	(3,200.24)	6,799.76	6,781.55	18.21
Contract. Serv. - Aid In Lieu Pymts - Charter Schools	4,000.00	(550.00)	3,450.00	2,500.00	950.00
Contract. Serv. - Aid In Lieu Pymts - Choice Schools	48,000.00	(41,204.54)	6,795.46	6,749.25	46.21
Contract. Serv. - (Bet. Home & School) - Vendors	5,100.00		5,100.00		5,100.00
Contract. Serv. - (Oth. than Bet. Home & School) - Vendors		1,439.38	1,439.38	1,438.30	1.08
Contract. Serv. - (Bet. Home & School) - Joint Agrmnts	286,000.00	46,341.49	332,341.49	330,342.80	1,998.69
Contract. Serv. - (Sp Ed Stds) - Joint Agrmnts	238,300.00	68,708.19	307,008.19	303,137.42	3,870.77
Contract. Serv. - (Regular Students) ESCs & CTASs	63,600.00	(23,600.00)	40,000.00	39,317.32	682.68
Total Undistributed Expenditures - Student Transportation Services	<u>661,000.00</u>	<u>47,934.52</u>	<u>708,934.52</u>	<u>696,266.88</u>	<u>12,667.64</u>
Unallocated Benefits - Personal Services - Employee Benefits					
Social Security Contributions	125,000.00	(596.81)	124,403.19	111,685.51	12,717.68
Other Retirement Contributions - PERS	125,000.00	10,712.49	135,712.49	135,712.49	-
Other Retirement Contributions - Regular	12,400.00		12,400.00	8,917.92	3,482.08
Workmen's Compensation	87,500.00	(4,086.75)	83,413.25	83,413.25	-
Health Benefits	1,960,328.00	97,504.57	2,057,832.57	1,873,828.30	184,004.27
Tuition Reimbursement	37,000.00		37,000.00	29,999.98	7,000.02
Other Employee Benefits	88,500.00	7,509.96	96,009.96	96,009.96	-
Unused Sick Payments to Retired Staff	11,475.00		11,475.00	11,475.00	-
Total Unallocated Benefits - Personal Services - Employee Benefits	<u>2,447,203.00</u>	<u>111,043.46</u>	<u>2,558,246.46</u>	<u>2,351,042.41</u>	<u>207,204.05</u>
On-Behalf Contributions					
On-Behalf TPAF Post Retirement Pension Contribution (non-bud)			-	504,497.00	(504,497.00)
On-Behalf TPAF Pension Contribution (non-bud)			-	1,112,210.00	(1,112,210.00)
On-Behalf TPAF Long-Term Disability Insurance (non-bud)			-	786.00	(786.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	442,005.60	(442,005.60)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,059,498.60</u>	<u>(2,059,498.60)</u>
Total Personal Services - Employee Benefits	<u>2,447,203.00</u>	<u>111,043.46</u>	<u>2,558,246.46</u>	<u>4,410,541.01</u>	<u>(1,852,294.55)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>8,575,889.38</u>	<u>560,704.64</u>	<u>9,136,594.02</u>	<u>10,495,035.46</u>	<u>(1,358,441.44)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>13,999,917.38</u>	<u>844,216.68</u>	<u>14,844,134.06</u>	<u>16,007,611.83</u>	<u>(1,163,477.77)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Equipment - Grades K - 8		3,938.48	3,938.48	3,938.48	-
Equipment - Required Maintenance	44,125.00	21,246.84	65,371.84	65,371.84	-
Equipment - Custodial Services	7,000.00		7,000.00	6,630.39	369.61
Total Equipment	<u>51,125.00</u>	<u>25,185.32</u>	<u>76,310.32</u>	<u>75,940.71</u>	<u>369.61</u>
Facilities Acquisition & Construction Services					
Construction Services	40,000.00		40,000.00	16,462.25	23,537.75
Assessment Debt Service on SDA Funding	25,742.00		25,742.00	25,742.00	-
Total Facilities Acquisition & Construction Services	<u>65,742.00</u>	<u>-</u>	<u>65,742.00</u>	<u>42,204.25</u>	<u>23,537.75</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>116,867.00</u>	<u>25,185.32</u>	<u>142,052.32</u>	<u>118,144.96</u>	<u>23,907.36</u>
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Salaries of Teachers	14,080.00	2,160.00	16,240.00	16,240.00	-
Other Salaries for Instruction	4,700.00	(2,160.00)	2,540.00	2,250.00	290.00
Purchased Professional and Technical Services	4,310.00	(0.77)	4,309.23		4,309.23
General Supplies	225.00	0.77	225.77	225.77	-
Total Summer School - Instruction	<u>23,315.00</u>	<u>-</u>	<u>23,315.00</u>	<u>18,715.77</u>	<u>4,599.23</u>
<b>TOTAL SPECIAL SCHOOLS</b>	<u>23,315.00</u>	<u>-</u>	<u>23,315.00</u>	<u>18,715.77</u>	<u>4,599.23</u>
Transfer of Funds to Charter Schools	509,037.00	162,001.00	671,038.00	671,038.00	-
<b>TOTAL EXPENDITURES</b>	<u>14,649,136.38</u>	<u>1,031,403.00</u>	<u>15,680,539.38</u>	<u>16,815,510.56</u>	<u>(1,134,971.18)</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(667,905.38)	-	(667,905.38)	483,548.60	1,151,453.98
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(667,905.38)	-	(667,905.38)	483,548.60	1,151,453.98
Fund Balance July 1	1,426,748.61		1,426,748.61	1,426,748.61	-
Fund Balance June 30	<u>\$ 758,843.23</u>	<u>-</u>	<u>758,843.23</u>	<u>1,910,297.21</u>	<u>1,151,453.98</u>
Recapitulation:					
Nonspendable Fund Balance					
None				\$ -	
Restricted Fund Balance:					
Excess Surplus - Current Year				433,280.77	
Excess Surplus - Designated for Subsequent Year's Expenditures				99,016.00	
Committed Fund Balance:					
Capital Reserve				187,871.22	
Maintenance Reserve				165,008.00	
Tuition Reserve				131,854.00	
Assigned Fund Balance:					
Other Purposes				59,098.98	
Designated for Subsequent Year's Expenditures				250,984.00	
Tuition Reserve Designated for Subsequent Year's Expenditures				165,030.00	
Maintenance Reserve Designated for Subsequent Year's Expenditures				20,000.00	
Capital Reserve Designated for Subsequent Year's Expenditures				12,000.00	
Unassigned Fund Balance				<u>386,154.24</u>	
				1,910,297.21	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				<u>256,258.00</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,654,039.21</u>	



**CITY OF ABSECON SCHOOL DISTRICT  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2019**

	Original Budget	Amendments/ Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
State Sources	\$ 173,299.00	295,286.00	468,585.00	372,073.48	96,511.52
Federal Sources	803,219.00	201,821.01	1,005,040.01	959,260.69	45,779.32
Total Revenues	<u>976,518.00</u>	<u>497,107.01</u>	<u>1,473,625.01</u>	<u>1,331,334.17</u>	<u>142,290.84</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	265,308.00	93,184.48	358,492.48	353,345.41	5,147.07
Other Salaries for Instruction	67,406.00	19,749.46	87,155.46	85,861.04	1,294.42
Other Purchased Professional-Educational Service		1,980.00	1,980.00	1,980.00	-
Other Purchased Services (400-500 series)	297,614.00	121,194.00	418,808.00	407,019.71	11,788.29
General Supplies	46,314.00	49,204.86	95,518.86	49,502.21	46,016.65
Textbooks			-	20,224.73	(20,224.73)
Total Instruction	<u>676,642.00</u>	<u>285,312.80</u>	<u>961,954.80</u>	<u>917,933.10</u>	<u>44,021.70</u>
Support Services:					
Salaries of Program Director	1,000.00	4,500.00	5,500.00	1,000.00	4,500.00
Salaries of Sec and Clerical Assistants	5,869.00		5,869.00	5,869.00	-
Other Salaries		3,500.00	3,500.00	6,000.00	(2,500.00)
Personal Services - Employee Benefits	143,686.00	43,615.03	187,301.03	159,445.90	27,855.13
Purchased Professional Technical Services	38,070.00	3,349.00	41,419.00	-	41,419.00
Other Purchased Professional - Educational Services	71,686.00	10,722.74	82,408.74	106,598.07	(24,189.33)
Other Purchased Services (400-500 series)	9,000.00	14,653.32	23,653.32	18,809.32	4,844.00
Contr Serv-Trans. (Bet. Home & School)	9,065.00	20,130.60	29,195.60	10,524.60	18,671.00
Contr Serv-Trans. (Field Trips)	350.00	925.00	1,275.00	1,113.00	162.00
Supplies and Materials	21,150.00	69,192.52	90,342.52	62,835.68	27,506.84
Total Support Services	<u>299,876.00</u>	<u>170,588.21</u>	<u>470,464.21</u>	<u>372,195.57</u>	<u>98,268.64</u>
Facilities Acquisition and Constr. Services:					
Non-Instructional Equipment		41,206.00	41,206.00	41,205.50	0.50
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>41,206.00</u>	<u>41,206.00</u>	<u>41,205.50</u>	<u>0.50</u>
Total Outflows	<u>976,518.00</u>	<u>497,107.01</u>	<u>1,473,625.01</u>	<u>1,331,334.17</u>	<u>142,290.84</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

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## **Notes to the Required Supplementary Information**



**CITY OF ABSECON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to RSI**  
**For the Year Ended June 30, 2019**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
<b>Sources / inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 17,299,059.16	[C-2]	1,331,334.17
<b>Difference - budget to GAAP:</b>				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
None				
Prior year final State Aid payment was delayed until July 2018 and is recorded as revenue in current year under GAAP.		117,155.00		
Final State Aid payment delayed until July 2019 is recorded as budgetary revenue but is not recognized under GAAP.		(256,258.00)		(18,873.00)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	17,159,956.16	[B-2]	1,312,461.17
<b>Uses / outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	16,815,510.56	[C-2]	1,331,334.17
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
None				
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 16,815,510.56	[B-2]	1,331,334.17

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## **Required Supplementary Information – Part III**





**CITY OF ABSECON SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Six Fiscal Years**

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0133698689%	0.0117988776%	0.0139894190%	0.0129518298%	0.0129093719%	0.0136813264%
District's proportionate of the net pension liability (asset)	\$ 2,632,481.00	\$ 2,746,590.00	\$ 4,143,265.00	\$ 2,907,426.00	\$ 2,416,987.00	\$ 2,614,773.00
District's covered payroll	\$ 903,323.00	\$ 898,970.00	\$ 886,756.00	\$ 926,248.00	\$ 884,408.00	\$ 884,879.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	291.42%	305.53%	467.24%	313.89%	273.29%	295.49%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

**CITY OF ABSECON SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Six Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 132,987.00	\$ 110,666.00	\$ 125,148.00	\$ 111,351.00	\$ 106,423.00	\$ 103,086.00
Contributions in relation to the contractually required contribution	<u>132,987.00</u>	<u>110,666.00</u>	<u>125,148.00</u>	<u>111,351.00</u>	<u>106,423.00</u>	<u>103,086.00</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 903,323.00	\$ 898,970.00	\$ 886,756.00	\$ 926,248.00	\$ 884,408.00	\$ 884,879.00
Contributions as a percentage of covered-employee payroll	14.72%	12.31%	14.11%	12.02%	12.03%	11.65%

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

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

**CITY OF ABSECON SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Six Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	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	<u>33,310,958.00</u>	<u>36,393,672.00</u>	<u>41,297,508.00</u>	<u>33,271,066.00</u>	<u>29,509,732.00</u>	<u>28,153,528.00</u>
Total	<u>\$ 33,310,958.00</u>	<u>\$ 36,393,672.00</u>	<u>\$ 41,297,508.00</u>	<u>\$ 33,271,066.00</u>	<u>\$ 29,509,732.00</u>	<u>\$ 28,153,528.00</u>
District's covered payroll	\$ 5,785,208.00	\$ 5,780,432.00	\$ 5,480,247.00	\$ 5,453,395.00	\$ 5,329,417.00	\$ 5,187,432.00
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%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

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

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

**CITY OF ABSECON 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 Three Fiscal Years**

	2018	2017	2016
District's proportion of the net OPEB liability (asset)	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	\$ 27,853,457.00	\$ 32,431,986.00	35,220,850.00
<b>Total</b>	<b>\$ 27,853,457.00</b>	<b>\$ 32,431,986.00</b>	<b>35,220,850.00</b>
District's covered payroll	6,688,531.00	6,679,402.00	6,367,003.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:			
Service Cost	944,968.00	1,138,080.00	
Interest Cost	1,182,137.00	1,025,992.00	
Differences between Expected & Actual	(2,790,259.00)		
Changes in Assumptopns	(3,196,324.00)	(4,229,403.00)	
Member Contributions	25,741.00	27,661.00	
Benefit Payments	(744,792.00)	(751,194.00)	
Change in Total Opeb Liability	(4,578,529.00)	(2,788,864.00)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	32,431,986.00	35,220,850.00	
Ending Balance	\$ 27,853,457.00	\$ 32,431,986.00	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	416.44%	485.55%	

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 three years.  
Additional years will be presented as they become available.

## **Other Supplementary Information**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.





**CITY OF ABSECON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2019**

	Total Brought Forward (Ex. E-1a)	Title I Part A	Title I SIA	Title IIA	Title III Immigrant	Title IV	Preschool Education Expansion Aid	Totals 2019
<b>REVENUES:</b>								
State Sources	248,351.01							372,073.48
Federal Sources	662,817.71	216,100.17	20,887.00	35,413.48	13,698.33	10,344.00	123,722.47	959,260.69
<b>Total Revenues</b>	<b>911,168.72</b>	<b>216,100.17</b>	<b>20,887.00</b>	<b>35,413.48</b>	<b>13,698.33</b>	<b>10,344.00</b>	<b>123,722.47</b>	<b>1,331,334.17</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	103,865.00		5,340.00	21,803.48	5,720.00	3,270.00	52,451.00	353,345.41
Other Salaries for Instruction	68,428.46	160,895.93					17,432.58	85,861.04
Other Purchased Professional-Educational Service	-					1,980.00		1,980.00
Other Purchased Services (400-500 series)	407,019.71	589.17	11,468.00		2,722.19		17,299.68	407,019.71
General Supplies	17,423.17							49,502.21
Textbooks	20,224.73							20,224.73
<b>Total Instruction</b>	<b>616,961.07</b>	<b>161,485.10</b>	<b>16,808.00</b>	<b>21,803.48</b>	<b>8,442.19</b>	<b>5,250.00</b>	<b>87,183.26</b>	<b>917,933.10</b>
Support Services:								
Salaries of Program Director	1,000.00							1,000.00
Salaries of Secr and Clerical Assistants	5,869.00							5,869.00
Other Salaries	-	51,426.00	409.00	7,664.00	1,500.00	4,500.00	27,029.80	6,000.00
Personal Services - Employee Benefits	71,769.60				563.50	594.00		159,445.90
Purchased Professional Technical Services	-							-
Other Purchased Professional - Educational Services	102,928.07		3,670.00	5,946.00	2,474.25			106,598.07
Other Purchased Services (400-500 series)	7,200.00	3,189.07						18,809.32
Contr Serv-Trans. (Bet. Home & School)	4,195.60						6,329.00	10,524.60
Contr Serv-Trans. (Field Trips)	275.00						838.00	1,113.00
Travel	-							-
Supplies and Materials	59,764.88				728.39		2,342.41	62,835.68
<b>Total Support Services</b>	<b>253,002.15</b>	<b>54,615.07</b>	<b>4,079.00</b>	<b>13,610.00</b>	<b>5,256.14</b>	<b>5,094.00</b>	<b>36,539.21</b>	<b>372,195.57</b>
Facilities Acquisition and Constr. Services:								
Non-Instructional Equipment	41,205.50							41,205.50
<b>Total Facilities Acquisition and Constr. Services</b>	<b>41,205.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,205.50</b>
<b>Total Outflows</b>	<b>911,168.72</b>	<b>216,100.17</b>	<b>20,887.00</b>	<b>35,413.48</b>	<b>13,698.33</b>	<b>10,344.00</b>	<b>123,722.47</b>	<b>1,331,334.17</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF ABSECON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2019**

	Total Brought Forward (Ex. E-1b)	Preschool Expansion Aid	Title I Reallocated	Home Instruction	Nonpublic Speech	Nonpublic Supplemental Instruction	Nonpublic Examination & Classification	Nonpublic Auxiliary Comp. Ed.	Subtotals 2019
<b>REVENUES:</b>									
State Sources	\$ 128,701.72			3,004.14	6,339.00	21,886.00	27,489.76	60,930.39	248,351.01
Federal Sources	316,672.19	340,566.10	5,579.42						662,817.71
<b>Total Revenues</b>	<b>445,373.91</b>	<b>340,566.10</b>	<b>5,579.42</b>	<b>3,004.14</b>	<b>6,339.00</b>	<b>21,886.00</b>	<b>27,489.76</b>	<b>60,930.39</b>	<b>911,168.72</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	-	103,865.00							103,865.00
Other Salaries for Instruction	-	68,428.46							68,428.46
Other Purchased Professional-Educational Service									
Other Purchased Services (400-500 series)	281,791.00		5,579.42	3,004.14	6,339.00	21,886.00	27,489.76	60,930.39	407,019.71
General Supplies	13,042.41	4,380.76							17,423.17
Textbooks	20,224.73								20,224.73
<b>Total Instruction</b>	<b>315,058.14</b>	<b>176,674.22</b>	<b>5,579.42</b>	<b>3,004.14</b>	<b>6,339.00</b>	<b>21,886.00</b>	<b>27,489.76</b>	<b>60,930.39</b>	<b>616,961.07</b>
Support Services:									
Salaries of Program Director	-	1,000.00							1,000.00
Salaries of Sec and Clerical Assistants	-	5,869.00							5,869.00
Other Salaries	-								-
Personal Services - Employee Benefits	-	71,769.60							71,769.60
Purchased Professional Technical Services									
Other Purchased Professional - Educational Services	74,550.89	28,377.18							102,928.07
Other Purchased Services (400-500 series)	-	7,200.00							7,200.00
Contr Serv-Trans. (Bet. Home & School)	-	4,195.60							4,195.60
Contr Serv-Trans. (Field Trips)	-	275.00							275.00
Travel	-								-
Supplies and Materials	55,764.88	4,000.00							59,764.88
<b>Total Support Services</b>	<b>130,315.77</b>	<b>122,686.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253,002.15</b>
Facilities Acquisition and Constr. Services:									
Non-Instructional Equipment	-	41,205.50							41,205.50
<b>Total Facilities Acquisition and Constr. Services</b>	<b>-</b>	<b>41,205.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,205.50</b>
<b>Total Outflows</b>	<b>445,373.91</b>	<b>340,566.10</b>	<b>5,579.42</b>	<b>3,004.14</b>	<b>6,339.00</b>	<b>21,886.00</b>	<b>27,489.76</b>	<b>60,930.39</b>	<b>911,168.72</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF ABSECON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2019**

	IDEA Part B	IDEA Preschool	Nonpublic Nursing	Nonpublic Security Aid	Nonpublic Textbooks	Nonpublic Technology Aid	Subtotals 2019
<b>REVENUES:</b>							
State Sources	307,485.19	9,187.00	39,669.70	55,764.88	20,224.73	13,042.41	128,701.72
Federal Sources	307,485.19	9,187.00	39,669.70	55,764.88	20,224.73	13,042.41	316,672.19
<b>Total Revenues</b>							<b>445,373.91</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers							-
Other Salaries for Instruction							-
Other Purchased Professional-Educational Service	272,604.00	9,187.00				13,042.41	281,791.00
Other Purchased Services (400-500 series)					20,224.73		13,042.41
General Supplies							20,224.73
Textbooks							
<b>Total Instruction</b>	<b>272,604.00</b>	<b>9,187.00</b>	<b>-</b>	<b>-</b>	<b>20,224.73</b>	<b>13,042.41</b>	<b>315,058.14</b>
Support Services:							
Salaries of Program Director							-
Salaries of Sec and Clerical Assistants							-
Other Salaries							-
Personal Services - Employee Benefits							-
Purchased Professional - Technical Services			39,669.70				74,550.89
Other Purchased Professional - Educational Services	34,881.19						-
Other Purchased Services (400-500 series)							-
Contr Serv-Trans. (Bet. Home & School)							-
Contr Serv-Trans. (Field Trips)							-
Travel							-
Supplies and Materials				55,764.88			55,764.88
<b>Total Support Services</b>	<b>34,881.19</b>	<b>-</b>	<b>39,669.70</b>	<b>55,764.88</b>	<b>-</b>	<b>-</b>	<b>130,315.77</b>
Facilities Acquisition and Constr. Services:							
Non-Instructional Equipment							-
<b>Total Facilities Acquisition and Constr. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Outflows</b>	<b>307,485.19</b>	<b>9,187.00</b>	<b>39,669.70</b>	<b>55,764.88</b>	<b>20,224.73</b>	<b>13,042.41</b>	<b>445,373.91</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

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



**CITY OF ABSECON SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Summary Statement of Project Expenditures**  
**June 30, 2019**

Project Title/Issue	Date	Original Appropriations	Expenditures to Date		Transferred to Debt Service Fund	Unexpended Balance June 30, 2019
			Prior Years	Current Years		
Capital Project-Roof/Bathroom/Lighting	2014	\$ 5,210,000.00	5,166,098.55	(22,278.00)	66,179.45	(0.00)
		\$ <u>5,210,000.00</u>	<u>5,166,098.55</u>	<u>(22,278.00)</u>	<u>66,179.45</u>	<u>(0.00)</u>

**ABSECON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, Project Balance**  
**and Project Status - Budgetary Basis**  
**June 30, 2019**

Revenues and Other Financing Sources		
Miscellaneous	\$	468.28
		468.28
Total Revenues		468.28
Expenditures and Other Financing Uses		
Project Expenditures		(22,278.00)
		(22,278.00)
Total Expenditures		(22,278.00)
Excess (Deficiency) of Revenues Over (Under) Expenditures		22,746.28
<b>Other Financing Sources (Uses):</b>		
Operating Transfers Out:		
Transfer to Debt Service Fund		(66,647.73)
		(66,647.73)
Total Other Financing Sources (Uses)		(66,647.73)
Excess (Deficiency) of revenues and other financing sources sources over (under) expenditures and other financing sources (uses)		(43,901.45)
Fund Balance, Beginning		43,901.45
Fund Balance, Ending	\$	-



**CITY OF ABSECON SCHOOL DISTRICT**  
**Capital Projects Funds**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Roof/Bathroom/Lighting/Misc Upgrades**  
**From Inception and for the Year Ended June 30, 2019**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
Sale of Bonds	\$ 5,210,000.00		5,210,000.00	5,210,000.00
Total Revenues	<u>5,210,000.00</u>	<u>-</u>	<u>5,210,000.00</u>	<u>5,210,000.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	5,166,098.55	(22,278.00)	5,143,820.55	5,143,820.55
Total Expenditures	<u>5,166,098.55</u>	<u>(22,278.00)</u>	<u>5,143,820.55</u>	<u>5,143,820.55</u>
<b>Other Financing Uses:</b>				
Transfer out to Capital Reserve		(66,179.45)	(66,179.45)	(66,179.45)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(66,179.45)</u>	<u>(66,179.45)</u>	<u>(66,179.45)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 43,901.45</u>	<u>(43,901.45)</u>	<u>(0.00)</u>	<u>(0.00)</u>

**Additional Project Information:**

Project Number	0010-050-14-2000 & 0010-060-14-2000
Debt Service Approval Bond Authorization (Referendum) Date	2/21/2014 4/24/2014
Bonds Authorized	\$ 5,210,000.00
Bonds Issued	\$ 5,210,000.00
Original Authorized Cost	\$ 5,210,000.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 5,210,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	98.73%
Original Target Completion Date	9/1/15
Revised Target Completion Date	Sep-18

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## **FIDUCIARY FUNDS DETAIL STATEMENTS**

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

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

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



**CITY OF ABSECON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2019**

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 168,623.97	37,136.84	205,760.81
Total Assets	<u>168,623.97</u>	<u>37,136.84</u>	<u>205,760.81</u>
<b>LIABILITIES</b>			
Accounts Payable	3,333.78	159.96	3,493.74
Payroll Deductions & Withholdings		10,106.85	10,106.85
Payable to Other Funds		175.00	175.00
Flexible Spending Claims		1,713.89	1,713.89
Payable to Student Groups		24,981.14	24,981.14
Total Liabilities	<u>3,333.78</u>	<u>37,136.84</u>	<u>40,470.62</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ <u><u>165,290.19</u></u>		165,290.19
Total Net Position			<u>165,290.19</u>
Total Liabilities and Net Position			<u><u>205,760.81</u></u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2019**

	Unemployment Compensation Trust	Totals
	<u>                    </u>	<u>                    </u>
ADDITIONS		
Contributions:		
Plan Member	\$ 13,779.27	13,779.27
Total Contributions	<u>13,779.27</u>	<u>13,779.27</u>
Investments Earnings:		
Interest	467.28	467.28
Net Investment Earnings	<u>467.28</u>	<u>467.28</u>
Total Additions	<u>14,246.55</u>	<u>14,246.55</u>
Deductions		
Unemployment Claims	<u>5,518.20</u>	<u>5,518.20</u>
Total Deductions	<u>5,518.20</u>	<u>5,518.20</u>
Change in Net Position	8,728.35	8,728.35
Net Position - Beginning of the Year	<u>156,561.84</u>	<u>156,561.84</u>
Net Position - End of the Year	<u>\$ 165,290.19</u>	<u>165,290.19</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Cash and Cash Equivalents	\$ 17,385.50	37,345.58	29,589.98	25,141.10
Total Assets	\$ <u>17,385.50</u>	<u>37,345.58</u>	<u>29,589.98</u>	<u>25,141.10</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 16,548.08	13,497,131.07	13,501,683.41	11,995.74
<b>Total Assets</b>	<u><u>16,548.08</u></u>	<u><u>13,497,131.07</u></u>	<u><u>13,501,683.41</u></u>	<u><u>11,995.74</u></u>
<b>LIABILITIES:</b>				
Payroll Deductions & Withholding	14,448.95	8,588,862.11	8,593,204.21	10,106.85
Net Payroll	-	4,881,225.13	4,881,225.13	-
Payable to Other Funds	-	175.00		175.00
Flexible Spending Claims	2,099.13	26,868.83	27,254.07	1,713.89
<b>Total Liabilities</b>	<u><u>\$ 16,548.08</u></u>	<u><u>13,497,131.07</u></u>	<u><u>13,501,683.41</u></u>	<u><u>11,995.74</u></u>



### **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.



**CITY OF ABSECON SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2019**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2019				Interest Rate	Balance June 30, 2018	Increased	Decreased	Balance June 30, 2019
			Date	Amount	Amount	Interest Rate					
Renovations Project	5/8/2014	\$ 5,210,000	7/15/2019	285,000	2.250%	\$	4,505,000.00	-	275,000.00	4,230,000.00	
			7/15/2020	295,000	2.500%						
			7/15/2021	305,000	2.500%						
			7/15/2022	310,000	2.500%						
			7/15/2023	320,000	2.500%						
			7/15/2024	325,000	2.500%						
			7/15/2025	330,000	2.500%						
			7/15/2026	335,000	3.000%						
			7/15/2027	335,000	3.000%						
			7/15/2028	340,000	3.000%						
			7/15/2029	350,000	3.000%						
		7/15/2030	350,000	3.250%							
		7/15/2031	350,000	3.250%							
						\$	4,505,000.00	-	275,000.00	4,230,000.00	

**CITY OF ABSECON SCHOOL DISTRICT**  
**Schedule of Obligations Under Capital Lease**  
**As of June 30, 2019**

Description	Amount of Original Issue	Balance June 30, 2018	Issued Current Year	Retired Current Year	Balance June 30, 2019
Telephone Communication System & Chromebooks	\$ 102,545.19	\$ 34,308.59		34,308.59	-
Various Capital Equipment & Vehicles	385,000.00	385,000.00		71,255.39	313,744.61
		<u>\$ 419,308.59</u>	<u>-</u>	<u>105,563.98</u>	<u>313,744.61</u>

**CITY OF ABSECON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 260,024.00		260,024.00	260,024.00	-
Interest on Investments	10.00		10.00	10.00	-
Total - Local Sources	<u>260,034.00</u>	<u>-</u>	<u>260,034.00</u>	<u>260,034.00</u>	<u>-</u>
State Sources:					
Debt Service Aid Type II	<u>134,361.00</u>		<u>134,361.00</u>	<u>134,361.00</u>	<u>-</u>
Total - State Sources	<u>134,361.00</u>	<u>-</u>	<u>134,361.00</u>	<u>134,361.00</u>	<u>-</u>
Total Revenues	<u>394,395.00</u>	<u>-</u>	<u>394,395.00</u>	<u>394,395.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Redemption of Principal	275,000.00		275,000.00	275,000.00	
Interest on Bonds	<u>120,182.00</u>		<u>120,182.00</u>	<u>120,181.25</u>	<u>0.75</u>
Total Regular Debt Service	<u>395,182.00</u>	<u>-</u>	<u>395,182.00</u>	<u>395,181.25</u>	<u>0.75</u>
Total Expenditures	<u>395,182.00</u>	<u>-</u>	<u>395,182.00</u>	<u>395,181.25</u>	<u>0.75</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(787.00)</u>	<u>-</u>	<u>(787.00)</u>	<u>(786.25)</u>	<u>0.75</u>
Other Financing Sources(Uses):					
Operating Transfers In:					
Transfer from Capital Projects	<u>-</u>		<u>-</u>	<u>66,647.73</u>	<u>(66,647.73)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	<u>(787.00)</u>	<u>-</u>	<u>(787.00)</u>	<u>65,861.48</u>	<u>(66,646.98)</u>
Fund Balance, July 1	1,369.04		1,369.04	1,369.04	
Fund Balance, June 30	<u>\$ 582.04</u>	<u>-</u>	<u>582.04</u>	<u>67,230.52</u>	<u>(66,646.98)</u>

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## **Statistical Section**





Exhibit J-1

**Absecon Board of Education**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2010	2011	2012	2013	2014 *	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net Investment in Capital Assets										
Restricted	\$ 11,059,562.38	11,430,310.67	11,738,524.45	11,426,887.71	11,150,959.06	15,338,190.73	10,129,216.10	9,988,951.71	9,990,036.16	10,429,380.13
Unrestricted	641,303.97	694,501.65	725,231.82	971,459.89	942,808.64	(3,548,849.78)	1,124,869.16	966,751.89	1,116,422.15	1,524,142.97
Total governmental activities net position	<u>7,895.68</u>	<u>203,711.10</u>	<u>(134,003.00)</u>	<u>(93,219.88)</u>	<u>(2,577,375.00)</u>	<u>(2,627,743.43)</u>	<u>(2,404,141.81)</u>	<u>(2,760,717.45)</u>	<u>(3,117,375.55)</u>	<u>(3,222,036.54)</u>
	\$ 11,708,765.03	12,328,523.42	12,328,753.27	12,305,127.72	9,516,382.70	9,161,597.52	8,649,943.45	8,194,986.15	7,989,082.76	8,730,486.56
<b>Business-type activities</b>										
Net Investment in Capital Assets										
Restricted	69,830.91	57,214.40	57,022.60	68,132.89	94,783.31	102,345.86	94,929.42	94,976.55	82,995.65	106,929.69
Unrestricted	<u>69,830.91</u>	<u>57,214.40</u>	<u>57,572.60</u>	<u>68,462.89</u>	<u>94,893.31</u>	<u>107,361.89</u>	<u>99,599.52</u>	<u>104,306.65</u>	<u>106,022.10</u>	<u>155,744.61</u>
Total business-type activities net position										
	\$ 11,059,562.38	11,430,310.67	11,739,074.45	11,427,217.71	11,151,069.06	15,343,206.76	10,133,886.20	9,988,281.81	10,013,062.61	10,477,195.05
<b>District-wide</b>										
Net Investment in Capital Assets	641,303.97	694,501.65	725,231.82	971,459.89	942,808.64	(3,548,849.78)	1,124,869.16	966,751.89	1,116,422.15	1,524,142.97
Restricted	<u>777,293.59</u>	<u>263,925.50</u>	<u>(76,980.40)</u>	<u>(25,086.89)</u>	<u>(2,482,691.69)</u>	<u>(2,525,397.57)</u>	<u>(2,309,212.39)</u>	<u>(2,665,740.90)</u>	<u>(3,034,379.90)</u>	<u>(3,115,106.85)</u>
Unrestricted	<u>11,776,695.94</u>	<u>12,869,737.82</u>	<u>12,387,325.87</u>	<u>12,373,590.61</u>	<u>9,611,286.01</u>	<u>9,288,959.41</u>	<u>8,949,542.97</u>	<u>8,299,292.80</u>	<u>8,095,194.86</u>	<u>8,889,231.17</u>
Total district net position	\$ 11,776,695.94	12,869,737.82	12,387,325.87	12,373,590.61	9,611,286.01	9,288,959.41	8,949,542.97	8,299,292.80	8,095,194.86	8,889,231.17

\* As Restated

Source: CAFR Schedule A-1

**Absecon Board of Education  
Changes in Net Position,  
Last Ten Fiscal Years  
(accrual basis of accounting)**

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 5,913,087.52	5,751,853.58	6,182,712.52	6,049,730.18	6,114,169.81	7,294,968.98	7,844,722.07	9,052,296.47	9,036,874.32	8,873,831.07
Special Education	1,380,165.40	1,446,103.41	1,433,681.05	1,457,372.82	1,520,511.76	1,761,624.29	1,633,361.88	1,830,616.11	1,963,471.93	1,876,664.34
Other Special Education	351,625.16	379,012.88	294,977.22	291,764.40	292,917.49	337,357.92	352,175.85	405,625.92	604,812.78	597,923.12
Support Services:										
Tuition	792,370.00	511,715.65	1,281,326.96	1,612,350.20	1,858,910.31	1,795,883.97	2,121,738.40	2,047,890.57	2,225,980.58	2,384,519.70
Student & Instruction Related Services	1,594,354.26	1,572,427.39	1,507,887.93	1,481,799.92	1,371,959.20	1,614,393.31	1,727,244.59	2,110,549.46	2,216,830.48	2,324,460.08
School Administrative Services	451,193.90	458,536.12	461,991.19	488,032.72	509,952.05	488,292.21	557,706.44	631,893.86	592,829.75	674,685.20
General Administrative Services	596,569.65	579,662.20	633,369.67	389,640.73	400,362.49	408,597.74	499,559.45	531,195.15	487,141.37	497,391.92
Plant Operations and Maintenance	767,587.02	943,278.15	939,736.74	981,991.45	1,100,138.40	1,093,045.92	1,050,172.80	1,088,498.32	1,339,385.58	521,953.07
Pupil Transportation	409,148.72	407,227.06	504,634.31	492,605.74	544,866.82	520,206.01	587,043.19	625,936.49	616,661.54	700,091.23
Central Services	68,428.81	76,181.13	86,744.97	309,370.86	302,860.29	330,982.60	377,031.74	434,581.03	463,217.49	494,247.61
Special Schools	34,218.32	19,228.02	19,802.84	24,472.17	30,786.37	33,645.29	30,017.96	27,460.11	31,746.17	30,500.68
Charter Schools	292,853.00	415,335.00	437,675.00	337,374.00	398,003.00	360,470.00	393,649.00	377,905.00	438,441.00	671,038.00
Interest on Long-Term Debt	43,868.91	22,853.88	1,810.14	-	13,944.54	144,429.49	135,059.86	129,178.47	123,511.25	117,328.13
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	12,696,207.67	12,583,414.47	13,786,300.54	13,897,485.19	14,459,482.53	16,183,897.73	17,309,483.23	19,294,028.96	20,140,914.24	19,764,924.15

**Absecon Board of Education**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-Type Activities:</b>										
Food Service	230,154.76	230,110.36	230,410.56	245,587.32	228,224.49	233,668.86	310,237.81	276,467.94	324,684.34	331,671.02
Child Care	122,889.64	111,797.73	110,882.37	104,066.50	90,226.22	90,216.77	66,662.68	100,796.17	147,014.74	183,980.66
Other	353,014.40	341,908.09	341,292.93	349,643.82	318,450.71	323,885.63	376,920.49	377,264.11	471,699.08	515,657.67
Total Business-Type Activities Expenses	706,058.80	683,816.18	682,585.86	703,297.64	636,901.42	647,771.27	753,821.98	754,528.22	943,798.16	1,031,309.35
Total District Expenses	13,049,222.07	12,925,322.56	14,127,583.47	14,247,193.01	14,777,933.24	16,507,783.36	17,686,403.72	19,671,293.07	20,612,613.32	20,280,881.82
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Instruction (Tuition)	57,747.00	39,313.02	33,278.50	28,909.80	55,599.00	45,080.97	69,900.82	99,168.82	89,982.12	128,625.63
Pupil Transportation										450.00
Operating Grants and Contributions	2,417,745.47	2,253,634.74	2,287,279.02	2,443,532.23	2,251,819.14	3,791,484.31	4,733,472.68	6,052,473.33	6,772,807.61	6,362,299.77
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	2,475,492.47	2,292,947.76	2,320,557.52	2,472,442.03	2,307,418.14	3,836,565.28	4,803,373.50	6,151,642.15	6,862,789.73	6,491,375.40
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	121,948.69	107,579.65	107,170.73	101,650.80	75,648.87	67,687.64	82,996.16	82,462.57	80,458.85	82,596.05
Child Care	126,830.61	111,167.84	97,417.30	93,732.50	99,624.84	76,852.57	77,808.90	102,554.31	155,954.49	195,975.12
Operating Grants and Contributions	103,983.22	110,104.96	136,456.87	164,964.40	169,486.65	191,674.59	208,235.00	196,787.24	236,800.75	256,246.47
Capital Grants and Contributions										
Total Business-Type Activities Program Revenue	352,762.52	328,852.45	341,044.90	360,337.70	344,759.36	336,214.80	369,040.06	381,804.12	473,214.09	534,817.64
Total District Program Revenue	2,828,254.99	2,621,800.21	2,661,602.42	2,832,779.73	2,652,177.50	4,172,780.08	5,172,413.56	6,533,446.27	7,336,003.82	7,026,193.04

**Absecon Board of Education  
Changes in Net Position,  
Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(10,220,715.20)	(10,290,486.71)	(11,465,743.03)	(11,425,063.16)	(12,152,064.39)	(12,347,332.45)	(12,506,109.73)	(13,142,386.81)	(13,278,124.51)	(13,273,548.75)
Business-Type Activities	(251.68)	313,055.64	(248.03)	10,693.88	26,308.66	22,223.17	(7,880.43)	4,940.01	1,515.01	19,158.92
Total District-Wide Net Expense	<u>(10,220,967.08)</u>	<u>(10,003,572.35)</u>	<u>(11,465,991.05)</u>	<u>(11,414,369.28)</u>	<u>(12,125,755.74)</u>	<u>(12,325,109.28)</u>	<u>(12,513,990.16)</u>	<u>(13,137,446.80)</u>	<u>(13,276,609.50)</u>	<u>(13,254,389.79)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property Taxes Levied for General Purposes, Net	9,565,974.00	9,518,290.00	9,950,651.00	10,480,379.00	10,866,757.00	10,921,920.00	11,033,864.00	11,254,562.00	11,661,111.00	11,914,425.00
Taxes levied for debt service	601,011.00	676,340.00	647,509.00	-	-	94,718.00	172,082.00	251,167.00	259,380.00	260,024.00
Unrestricted grants and contributions	1,408,418.00	686,511.00	851,531.00	890,205.00	971,744.60	965,821.00	965,530.00	987,410.00	1,140,460.26	1,831,610.41
Investment earnings	3,396.09	8,497.70	12,468.04	5,473.92	3,821.60	10,036.77	5,060.00	3,428.75	3,055.54	6,502.07
Miscellaneous income	11,218.14	20,586.40	4,823.83	24,369.69	32,593.17	8,621.50	22,392.53	13,060.76	15,653.13	9,053.73
Special Items						(8,580.00)	(4,492.87)	(22,200.00)	(7,438.81)	(6,666.66)
Transfers										
Total governmental activities	<u>11,590,017.23</u>	<u>10,910,225.10</u>	<u>11,466,972.87</u>	<u>11,400,427.61</u>	<u>11,875,016.37</u>	<u>11,992,537.27</u>	<u>12,194,455.66</u>	<u>12,487,429.51</u>	<u>13,072,221.12</u>	<u>14,014,552.55</u>
Business-type activities:										
Investment earnings	272.29	439.13	606.23	196.41	121.77	139.41	118.06	167.12	200.44	326.54
Miscellaneous										
Transfers										
Total business-type activities	<u>272.29</u>	<u>439.13</u>	<u>606.23</u>	<u>196.41</u>	<u>121.77</u>	<u>139.41</u>	<u>118.06</u>	<u>167.12</u>	<u>200.44</u>	<u>326.54</u>
Total district-wide	<u>11,590,289.52</u>	<u>10,910,664.23</u>	<u>11,467,579.10</u>	<u>11,400,624.02</u>	<u>11,875,138.14</u>	<u>11,992,676.68</u>	<u>12,194,573.72</u>	<u>12,487,596.63</u>	<u>13,072,421.56</u>	<u>14,015,279.09</u>
Changes in Net Position	1,369,302.03	619,758.39	1,229.85	(24,625.55)	(277,048.02)	(354,795.18)	(311,654.07)	(654,957.30)	(205,903.39)	741,403.80
Governmental activities	20.41	(12,646.51)	368.20	10,880.29	26,430.42	12,468.58	(7,762.37)	4,707.13	1,715.45	19,486.51
Business-type activities										
Total district	<u>1,369,322.44</u>	<u>607,111.88</u>	<u>1,588.05</u>	<u>(13,735.26)</u>	<u>(250,617.60)</u>	<u>(342,326.60)</u>	<u>(319,416.44)</u>	<u>(650,250.17)</u>	<u>(204,187.94)</u>	<u>760,890.31</u>

Source: CAFR Schedule A-2

**Absecon Board of Education  
Fund Balances, Governmental Funds,  
Last Nine Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit J-3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Restricted	-	333,732.42	266,625.71	265,679.66	436,019.37	502,441.97	317,317.04	158,095.07	205,960.95	532,296.77
Committed		358,587.59	229,922.11	215,773.04	270,543.94	293,968.32	307,508.49	319,493.96	349,488.82	484,733.22
Assigned		212,293.68	217,803.00	479,126.19	313,132.18	316,454.31	500,043.63	489,162.86	560,972.38	507,112.98
Unassigned		242,743.12	187,077.00	205,732.00	206,238.00	173,207.00	172,342.27	190,960.75	193,171.46	129,896.24
Reserved	674,176.08									
Unreserved	266,395.73									
<b>Total general fund</b>	<b>940,571.81</b>	<b>1,147,356.81</b>	<b>901,427.82</b>	<b>1,166,310.89</b>	<b>1,225,933.49</b>	<b>1,286,071.60</b>	<b>1,297,211.43</b>	<b>1,157,712.64</b>	<b>1,309,593.61</b>	<b>1,654,039.21</b>
<b>All Other Governmental Funds</b>										
Restricted	-	10,881.00	10,881.00	10,881.00	5,147,057.69	603,270.01	379,100.31	377,798.15	43,901.45	-
Assigned										
Unassigned										
Unreserved, reported in:										
Special revenue fund	10,881.00	-	-	-	-	-	-	-	-	-
Capital projects fund	23.69	1.00	-	-	-	8,672.00	9,687.04	2,963.65	1,369.04	67,230.52
Debt service fund										
Permanent fund										
<b>Total all other governmental funds</b>	<b>10,904.69</b>	<b>10,882.00</b>	<b>10,881.00</b>	<b>10,881.00</b>	<b>5,147,057.69</b>	<b>611,942.01</b>	<b>388,787.35</b>	<b>380,761.80</b>	<b>45,270.49</b>	<b>48,357.52</b>

\* - FY 2011 was the first year of reporting under GASB 54 - Fund Balance Classifications

Source: CAFR Schedule B-1

**Absecon Board of Education  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

Exhibit J-4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 10,166,985.00	10,194,630.00	10,598,160.00	10,480,379.00	10,866,757.00	10,921,920.00	11,205,966.00	11,505,729.00	11,920,491.00	12,174,453.00
Tuition charges	57,747.00	39,313.02	33,278.50	28,909.80	55,599.00	45,080.97	69,900.82	99,168.82	69,982.12	74,935.63
Interest earnings	3,396.09	8,497.70	12,458.04	5,476.32	3,921.60	10,036.77	5,060.00	3,429.75	3,055.54	6,502.07
Transportation Fees from Individuals							150.00	700.00	450.00	450.00
Miscellaneous	12,268.14	22,203.40	5,123.83	24,369.69	32,593.17	8,621.50	22,392.53	13,060.76	15,653.13	9,053.73
State sources	2,987,242.43	2,145,616.79	2,459,819.09	2,790,395.22	2,705,696.40	2,906,168.74	3,140,674.02	3,445,942.83	3,837,287.65	5,616,620.08
Federal sources	837,871.04	792,911.95	678,690.93	550,863.61	522,219.74	642,547.57	809,584.66	908,393.50	977,660.22	985,266.10
Total revenue	14,065,509.70	13,203,172.86	13,787,530.39	13,880,393.64	14,186,786.91	14,534,375.55	15,253,728.03	15,976,424.66	16,844,579.66	18,867,280.61
<b>Expenditures</b>										
Instruction:										
Regular instruction	4,320,227.26	4,126,607.41	4,215,006.85	4,092,232.61	4,263,679.78	4,454,357.43	4,529,886.53	4,869,726.60	4,775,884.17	5,085,436.30
Special education instruction	956,353.89	976,142.09	937,327.40	946,000.79	1,019,578.28	1,032,534.44	924,907.91	954,779.21	986,832.35	1,018,106.74
Other special education instruction	243,991.57	256,388.60	194,817.04	190,126.69	196,147.31	198,841.03	196,539.54	211,630.73	303,822.93	326,966.43
Support Services:										
Tuition	792,370.00	511,715.65	1,281,326.96	1,612,350.20	1,858,910.31	1,795,883.97	2,121,738.40	2,047,890.57	2,225,990.58	2,384,819.70
Student & instruction related services	1,202,908.65	1,184,932.40	1,115,375.15	1,063,957.47	975,662.38	1,025,952.78	1,060,832.60	1,211,800.55	1,283,029.86	1,461,529.63
School administrative services	310,670.57	308,289.68	305,946.14	317,627.65	329,981.24	328,903.97	327,413.29	343,039.28	344,874.04	404,344.48
General administrative services	512,017.50	487,776.33	519,058.86	501,841.37	520,942.33	540,290.56	555,673.64	574,667.13	621,514.94	675,163.07
Plant operations and maintenance	690,911.07	772,734.62	734,294.81	772,622.00	873,733.42	870,488.85	823,408.20	816,216.94	761,999.95	834,566.26
Pupil transportation	406,766.62	404,633.60	501,754.48	489,657.21	542,047.46	517,414.63	584,111.90	622,917.28	612,366.75	696,266.88
Unallocated employee benefits	2,589,625.44	2,757,867.64	3,055,740.07	3,185,446.26	3,061,566.76	3,166,829.24	3,344,006.53	3,641,537.47	3,874,607.98	4,410,541.01
Special schools	24,539.04	13,468.80	13,907.10	17,643.36	22,524.39	24,301.15	21,067.76	19,096.89	19,796.85	18,715.77
Charter Schools	292,853.00	415,335.00	437,675.00	337,374.00	398,003.00	360,470.00	393,649.00	377,905.00	438,441.00	671,038.00
Capital outlay	1,210,882.60	103,855.23	73,720.02	88,630.96	131,858.56	4,598,367.43	271,207.56	143,336.54	767,716.10	137,072.46
Debt service:										
Principal	550,000.00	645,000.00	637,000.00	-	-	-	175,000.00	260,000.00	270,000.00	275,000.00
Interest and other charges	51,381.00	31,663.50	10,510.50	-	-	94,717.64	136,300.00	131,950.00	126,312.50	120,181.25
Total Expenditures	14,155,498.21	12,996,410.55	14,033,460.38	13,615,510.57	14,196,635.22	19,009,353.12	15,465,742.86	16,226,494.19	17,413,190.00	18,519,747.98
Excess (Deficiency) of revenues over (under) expenditures	(89,988.51)	206,762.31	(245,929.99)	264,883.07	(9,848.31)	(4,474,977.57)	(212,014.83)	(250,069.53)	(568,610.34)	347,532.63
<b>Other Financing Sources (Uses)</b>										
Bond Proceeds										
Canceled SDA Grant					5,210,000.00	-	-	-	-	-
Capital Lease Proceeds					(4,352.40)	-	-	-	-	-
Operating Transfers In					7,690.85	7,493.75	2,175.04	102,545.19	385,000.00	66,647.73
Operating Transfers Out					(7,690.85)	(7,493.75)	(2,175.04)	(784.61)	(581.89)	(66,647.73)
Total other financing sources (uses)					5,205,647.60	-	-	102,545.19	385,000.00	-
Net change in fund balances	(89,988.51)	206,762.31	(245,929.99)	264,883.07	5,195,799.29	(4,474,977.57)	(212,014.83)	(147,524.34)	(183,610.34)	347,532.63
Debt service as a percentage of noncapital expenditures	4.65%	5.25%	4.64%	0.00%	0.00%	0.66%	2.05%	2.44%	2.38%	2.15%

Source: CAFR Schedule B-2

**Absecon Board of Education**  
**General Fund Other Local Revenue by Source,**  
**Last Ten Fiscal Years**  
 Unaudited

**Exhibit J-5**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Totals</u>
2010	3,396.09	12,268.14	15,664.23
2011	8,196.89	22,203.40	30,400.29
2012	12,458.04	5,123.83	17,581.87
2013	5,473.32	24,369.69	29,843.01
2014	3,921.60	32,593.17	36,514.77
2015	10,036.77	8,621.50	18,658.27
2016	5,060.00	22,392.53	27,452.53
2017	3,429.75	13,060.76	16,490.51
2018	3,055.54	16,103.13	19,158.67
2019	6,023.79	9,053.73	15,077.52

Source: District Records

Exhibit J-6

Absecon Board of Education  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q. Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2010	37,483,145	817,257,600	-	-	174,051,200	-	-	1,028,791,945	-	1,648,926	1,030,440,871	0.989	979,041,208
2011	36,332,745	816,324,700	-	-	176,591,200	-	-	1,029,248,645	-	1,380,160	1,030,628,805	1.029	952,522,001
2012	34,987,100	810,551,700	-	-	171,436,200	-	-	1,016,975,000	-	1,353,424	1,018,328,424	1.029	929,980,296
2013	23,149,600	568,982,900	-	-	123,823,800	-	-	715,956,300	-	1,228,960	717,185,260	1.515	784,066,098
2014							Information Not Available	715,166,900	-	815,770	715,982,670	1.539	805,942,346
2015	22,592,800	567,248,500	-	-	123,620,900	-	-	713,462,200	-	863,731	714,325,931	1.593	770,562,305
2016							Information Not Available	709,592,700	-	-	709,592,700	1.622	772,029,138
2017	24,144,400	558,761,200	-	-	119,324,800	-	3,702,500	705,932,900	-	-	705,932,900	1.689	745,011,864
2018	22,460,400	556,961,200	-	-	118,027,300	-	6,852,500	704,301,400	-	-	704,301,400	1.729	727,161,002
2019	18,240,500	555,366,000	-	-	117,846,400	-	16,361,900	707,814,800	-	-	707,814,800	1.720	754,288,403

\* Reassessed

Source: County Abstract of Ratables & Municipal Tax Assessor



Exhibit J-7

**Absecon Board of Education  
Direct and Overlapping Property Tax Rates,  
Last Ten Fiscal Years**  
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Absecon Board of Education			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Municipal Library Tax	Municipal Local Purpose	
2010	0.931	0.058	0.989	0.254	0.005	0.017		0.695	1.960
2011	0.963	0.066	1.029	0.284	0.005	0.018	0.030	0.678	2.044
2012	0.963	0.066	1.029	0.284	0.005	0.018	0.030	0.678	2.044
2013	1.515	-	1.515	0.437	0.007	0.022	0.040	1.022	3.043
2014	1.539	-	1.539	0.450	0.006	0.035	0.038	1.024	3.092
2015	1.569	0.024	1.593	0.490	0.002	0.011	0.036	1.027	3.159
2016	1.598	0.024	1.622	0.497	0.002	0.023	0.036	0.996	3.176
2017	1.689	-	1.689	0.527	0.002	0.023	0.035	0.992	3.268
2018	1.692	0.037	1.729	0.512	0.001	0.022	0.034	0.994	3.292
2018	1.683	0.037	1.720	0.510	0.002	0.024	0.035	0.987	3.278

Source: District Records and Municipal Tax Collector

**Absecon Board of Education  
Principal Property Tax Payers,  
Current Year and Ten Years Ago**

**Exhibit J-8**

Taxpayer	2019				2009			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
Absecon MP Holding LLC	\$ 21,677,500.00	1	3.06%	19,344,800.00	1	1.86%		
RD Absecon Associates	13,200,000.00	2	1.86%	16,635,900.00	3	1.60%		
Home Depot	9,161,000.00	3	1.29%	12,168,700.00	4	1.17%		
Absecon Nursing Home	9,100,000.00	4	1.29%	7,202,100.00	5	0.69%		
Village Supermarket	5,300,000.00	5	0.75%	3,593,400.00	9	0.35%		
Ratan AC LLC	4,772,100.00	6	0.67%					
Renuka Hospitality LLC	4,630,000.00	7	0.65%					
HP Holding & 405 Hotel Realty LLC	4,500,000.00	8	0.64%					
Absecon Equities	3,620,700.00	9	0.51%					
Mill Road Associates	2,376,100.00	10	0.34%					
Foxmoor at Absecon City				3,219,200.00	10	0.31%		
539 Absecon Blvd LLC				16,896,000.00	2	1.63%		
Taxpayer #1				6,360,100.00	6	0.61%		
RJS Absecon LLC				6,304,500.00	7	0.61%		
				4,438,000.00	8	0.43%		
<b>Totals</b>	<b>\$ 78,337,400.00</b>		<b>11.07%</b>	<b>96,162,700.00</b>		<b>9.26%</b>		
							<b>\$ 1,038,939,327</b>	

Source: District CAFR & Municipal Tax Assessor

**Absecon Board of Education  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

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	
2010	10,166,985	10,166,985	100%	-
2011	10,194,630	10,194,630	100%	-
2012	10,598,160	10,598,160	100%	-
2013	10,480,379	10,480,379	100%	-
2014	10,866,757	10,866,757	100%	-
2015	11,016,638	11,016,638	100%	-
2016	11,205,966	11,205,966	100%	-
2017	11,505,729	11,505,729	100%	-
2018	11,920,491	12,174,453	102%	-
2019	12,174,453	12,174,453	100%	-

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

**Absecon Board of Education  
Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases				
2010	1,282,000	-	-	-	1,282,000	3.04%	38,964	
2011	637,000	-	-	-	637,000	6.40%	40,744	
2012	-	-	-	-	-	0.00%	41,664	
2013	-	-	-	-	-	0.00%	42,201	
2014	5,210,000	-	-	-	5,210,000	0.83%	43,244	
2015	5,210,000	-	-	-	5,210,000	0.85%	44,053	
2016	5,035,000	-	-	-	5,035,000	0.89%	44,771	
2017	4,775,000	-	419,309	419,309	5,194,309	0.90%	46,557	
2018	4,505,000	-	419,309	419,309	4,924,309	0.95%	46,557	
2019	4,230,000	-	313,745	313,745	4,543,745	1.02%	46,557	

Source: District CAFR Schedules I-1, I-2

**Absecon Board of Education  
Ratios of Net General Bonded Debt Outstanding,  
Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	1,282,000	-	1,282,000	0.12%	38,964
2011	637,000	-	637,000	0.06%	40,744
2012	-	-	-	0.00%	41,664
2013	-	-	-	0.00%	42,201
2014	5,210,000	-	5,210,000	0.73%	43,244
2015	5,210,000	-	5,210,000	0.73%	44,053
2016	5,035,000	-	5,035,000	0.71%	44,771
2017	4,775,000	-	4,775,000	0.68%	46,557
2018	4,505,000	-	4,505,000	0.64%	46,557
2019	4,230,000	-	4,230,000	0.60%	46,557

**Absecon Board of Education  
Direct and Overlapping Governmental Activities Debt,  
As of December 31, 2018**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Share</u>
<b>Debt Repaid with Property Taxes</b>				
Local Municipality	\$ 6,375,675	100.00%	\$	6,375,675
<b>Other Debt</b>				
County of Atlantic	148,371,554.26	2.41%		3,576,473
Subtotal, Overlapping Debt				9,952,148
<b>City of Absecon School District Direct Debt</b>			\$	<u>4,230,000</u>
<b>Total Direct and Overlapping Debt</b>			\$	<u><u>14,182,148</u></u>

Sources: Atlantic County Abstract of Ratables; City of Absecon; County of Atlantic.

**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 Absecon City. 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.

**Absecon Board of Education  
Legal Debt Margin Information,  
Last Ten Fiscal Years**

**Exhibit J-13**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 29,381,972	\$ 29,201,002	\$ 28,715,270	\$ 27,393,173	\$ 25,933,904	\$ 24,238,422	\$ 23,504,678	\$ 22,933,759	\$ 22,508,118	\$ 22,252,223
Total net debt applicable to limit	1,282,000	637,000	-	-	5,210,000	5,210,000	5,035,000	4,775,000	4,505,000	4,230,000
Legal debt margin	\$ 28,099,972	\$ 28,564,002	\$ 28,715,270	\$ 27,393,173	\$ 20,723,904	\$ 19,028,422	\$ 18,469,678	\$ 18,158,759	\$ 18,003,118	\$ 18,022,223
Total net debt applicable to the limit as a percentage of debt limit	4.36%	2.18%	0.00%	0.00%	20.09%	21.49%	21.42%	20.82%	20.02%	19.01%

	2018	2017	2016
Equalized valuation basis	\$ 749,575,777	727,840,911	747,805,564
	<u>\$ 2,225,222,252</u>	<u>2,225,222,252</u>	<u>2,225,222,252</u>
Average equalized valuation of taxable property	\$ 741,740,751		
Debt limit ( 3% of average)	22,252,223		
Net bonded school debt	4,230,000		
Legal debt margin	<u>\$ 18,022,223</u>	<u>\$ 18,022,223</u>	<u>\$ 18,022,223</u>

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

**Absecon Board of Education  
Demographic and Economic Statistics,  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	8,500	331,194.00	38,964	13.6%
2011	8,491	345,957.30	40,744	13.7%
2012	8,467	352,769.09	41,664	14.3%
2013	8,441	356,218.64	42,201	12.3%
2014	8,378	362,298.23	43,244	9.60%
2015	8,292	365,287.48	44,053	8.90%
2016	8,200	367,122.20	44,771	6.50%
2017	8,173	380,510.36	46,557	6.60%
2018	8,442	393,034.19	46,557	5.20%
2019	8,442	393,034.19	46,557	Not Available

Source: New Jersey Department of Labor and Workforce Development



Absecon Board of Education  
Principal Employers,  
Current Year and Nine Years Ago

Exhibit J-15

Employer	2019			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
		1	0.00%			0.00%
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Totals	-		0.00%	-		0.00%

This Information is not available for this district.

**Absecon Board of Education  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit J-16**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Function/Program</b>										
Instruction:										
Regular instruction	63	62	59	60	60	60	60	60	63	69
Special education instruction	6	5	6	6	6	6	6	6	2	2
Other special education instruction	9	7	7	7	7	7	7	7	9	13
Support Services:										
Student & instruction related services	12	9	11	9	9	9	9	9	7	11
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	5	5	5	5	5	5	5	5	5	5
Business administrative services	3	3	3	3	3	3	3	3	4	4
Plant operations and maintenance	9	9	9	9	9	9	9	9	9	10
Food Service	7	7	7	-	-	-	-	-	-	-
Child Care	9	9	9	9	9	9	9	9	9	9
<b>Total</b>	<b>125</b>	<b>117</b>	<b>117</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>110</b>	<b>125</b>

Source: District Personnel Records

**Absecon Board of Education  
Operating Statistics,  
Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2010	815	11,634,483	14,275	21.03%	75	12.3:1	11.2:1	N/A	815	775	0.25%	95.09%
2011	858	10,531,923	12,275	-14.01%	74	12.5:1	10.5:1	N/A	849	810	4.16%	95.45%
2012	834	9,904,584	11,876	-3.25%	74	16.5:1	8.6:1	N/A	824	790	-2.93%	95.81%
2013	872	9,777,085	11,212	-5.59%	71	12.9:1	13.3:1	N/A	834	795	1.21%	95.32%
2014	864	10,208,087	11,815	5.38%	71	13.2:1	12.2:1	N/A	858	820	2.91%	95.55%
2015	865	11,440,444	13,226	11.94%	71	14.1:1	12.3:1	N/A	858	815	-0.03%	94.99%
2016	858	11,458,194	13,355	0.97%	73	12.3:1	13.7:1	N/A	852	813	-0.69%	95.37%
2017	816	11,771,642	14,426	8.02%	73	12.3:1	13.7:1	N/A	819	778	-3.89%	94.99%
2018	869	11,105,077	12,779	-11.42%	74	12.3:1	13.7:1	N/A	867	825	5.86%	95.16%
2019	858	11,700,154	13,637	6.71%	84	16.8:1	12.0:1	N/A	853	814	-1.61%	95.43%

Source: A = Calculated based on ASSA - K-8 exclude;  
 B = School Register Summary  
 C - CAFR Report - Schedule C-1  
 D - CAFR Report - Schedule C-1 less tuition and charter school expenses

Absecon Board of Education  
 School Building Information,  
 Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
H. Ashton Marsh										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)	845	845	845	845	845	845	845	845	845	845
Enrollment	462	483	479	479	511	488	496	462	462	483
<b><u>Middle School</u></b>										
Emma C. Attales School										
Square Feet	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Capacity (students)	676	676	676	676	676	676	676	676	676	676
Enrollment	353	366	355	355	353	368	362	354	354	375
<b><u>Other</u></b>										
Administration										
Square Feet	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360

Number of Buildings at June 30, 2019  
 Elementary - 1  
 Middle - 1  
 Other - 1

Source: District Records, ASSA

Absecon Board of Education  
 General Fund  
 Schedule of Required Maintenance for School Facilities,  
 Last Ten Fiscal Years  
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Enma C. Attales School	N/A	\$ 39,006	41,324	39,856	51,577	72,848	67,082	66,218	63,257	49,195	66,232
H. Ashton Marsh School	N/A	47,673	50,507	48,713	63,038	89,036	81,990	80,933	77,314	60,127	80,951
Total School Facilities		86,679	91,831	88,570	114,615	161,884	149,072	147,151	140,571	109,322	147,183
Grand Total		\$ 86,679	91,831	88,570	114,615	161,884	149,072	147,151	140,571	109,322	147,183

Source: District Records

**Absecon Board of Education**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2019**  
*(Unaudited)*

**Exhibit J-20**

Company	Type of Coverage	Amount of Coverage	Deductible
NJ School Boards Assn Ins Gp	School Package Policy (1)		
	Property:		
	Blanket Buildings & Contents	\$ 32,663,468	\$ 1,000
	Extra Expense	50,000,000	
	Valuable Papers & Records	10,000,000	
	Construction	25,000,000	
	Pollutant Clean-Up	250,000	
	Earthquake	50,000,000	
	Flood	75,000,000	10,000
	Mold Clean-Up	25,000	
	Environmental	1,000,000	100,000
	Equipment Breakdown	100,000,000	1,000
	Crime:		500
	Employee Dishonesty	100,000	
	Money & Securities	25,000	
	Money Order & Counterfeit Paper	25,000	
Forgery & Alterations	100,000		
Computer Fraud	100,000		
Computer:		1,000	
Hardware/Software	500,000		
Computer Virus	250,000		
General Liability	11,000,000	1,000	
Business Auto	11,000,000	1,000	
NJ School Boards Assn Ins Gp	Worker's Compensation (2)	Statutory/\$2,000,000	N/A
Markel Ins. Co.	Excess over Worker's Compensation (3)	52 Weeks/\$2,500 wk	N/A
Berkley Life & Health	Student Accident Insurance (4)		
	Compulsory Participation (Maximum Limit)	1,000,000	25,000
NJ School Boards Assn Ins Gp	School Boards Legal Liability (2)		
	Coverage A	11,000,000	\$5,000/ claim
	Coverage B (limit \$300,000 / policy period)	100,000	\$5,000/ claim
Selective Ins Co	Surety Bonds:		
	Public Official Bonds: (1)		
	Business Administrator/Board Secretary	200,000	N/A
Beasley	Cyber Liability	1,000,000	N/A

Source: District Records

# **Single Audit Section**







# FORD - SCOTT

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## **K-1 INDEPENDENT AUDITOR'S REPORT**

Honorable President and  
Members of the Board of Education  
Absecon School District  
County of Atlantic  
Absecon, 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 City of Absecon School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Absecon School District's basic financial statements, and have issued our report thereon dated December 6, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Absecon School Districts' 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 City of Absecon School Districts' internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Absecon School Districts basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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 prescribed by the Division of Finance, Department of Education, and 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**

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**December 6, 2019**



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## **K-2 INDEPENDENT AUDITOR'S REPORT**

### **ON COMPLIANCE FOR EACH MAJOR PROGRAM; ON INTERNAL CONTROL OVER COMPLIANCE; AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

The Honorable President and  
Members of Board of Education  
City of Absecon School District  
Absecon, New Jersey  
County of Atlantic

#### **Report on Compliance for Each Major Federal and State Program**

We have audited the City of Absecon School District, County of Atlantic, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019. The City of Absecon School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Absecon School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB 15-08. Those standards, the Uniform Guidance and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the City of Absecon School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the City of Absecon School District's compliance.

### ***Opinion on Each Major Program***

In our opinion, the City of Absecon School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of the City of Absecon School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Absecon School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Absecon School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedules of Expenditures of Federal Awards Required by the Uniform Guidance and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund of the City of Absecon School District as of and for the year ended June 30, 2019, and have issued our report thereon dated December 6, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and NJ Circular 15-08 and are not a required part of the 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 financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

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

*Leon P. Costello*

**Leon P. Costello**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 767**

**December 6, 2019**

CITY OF ABSECON SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or Project Number	From	To	Program or Award Amount	Balance at June 30, 2018	Carryover/ Amount	Cash Received	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients	Repayment of Prior Years' Balances	Accounts Receivable	Due to Grantor
										Pass Through	Source	Direct				
<b>U.S. Department of Education</b>																
<b>Passed-Through State Department of Education:</b>																
General Fund:																
Medical Assistance Program (SEMI)	93.778	1905NUSMAP	N/A	7/1/2016	6/30/2019	\$ 26,005.41	\$ -	-	26,005.41	(26,005.41)	-	-	-	-	-	-
Total General Fund									26,005.41	(26,005.41)	-	-	-	-	-	-
<b>U.S. Department of Education</b>																
<b>Passed-Through State Department of Education:</b>																
Special Education Cluster (IDEA):																
IDEA - Part B, Basic	84.027A	H027A170100	IDEA-0010-18	7/1/2017	6/30/2018	287,814.00	(19,403.44)	-	19,403.00	-	-	-	-	-	0.00	-
IDEA - Part B, Preschool	84.027A	H027A180100	IDEA-0010-18	7/1/2018	6/30/2019	308,202.00	(3,564.00)	-	304,638.00	(307,485.19)	-	-	-	-	(3,388.00)	-
IDEA - Part B, Preschool	84.172A	H172A180114	IDEA-0010-18	7/1/2018	6/30/2019	9,187.00	(22,967.44)	-	3,187.00	(9,187.00)	-	-	-	-	(3,388.00)	-
Total Special Education Cluster (IDEA)									336,628.00	(316,672.19)	-	-	-	-	(6,776.00)	-
Title I, Part A Cluster:																
Title I, Part A	84.010A	S010A170030	ESEA-0010-18	7/1/2017	6/30/2018	294,011.00	(44,295.00)	-	44,295.00	-	-	-	-	-	0.00	-
Title I, SEA	84.010A	S010A170030	ESEA-0010-18	7/1/2017	6/30/2018	38,755.00	(18,042.54)	-	16,433.00	-	-	-	-	-	(0.00)	-
Title I, SEA	84.010A	S010A180030	ESEA-0010-19	7/1/2018	6/30/2019	225,920.00	(143,388.00)	-	143,388.00	(216,100.17)	-	-	-	-	(72,712.00)	-
Title I, SEA	84.010A	S010A180030	ESEA-0010-19	7/1/2018	6/30/2019	29,451.00	(20,887.00)	-	20,887.00	(20,887.00)	-	-	-	-	(6,579.00)	-
Total Title I, Part A Cluster						12,000.00	(60,327.65)	-	224,603.00	(242,565.59)	-	-	-	-	(82,291.00)	-
Elementary and Secondary Education Act (ESEA):																
Title II - Part A	84.367A	S367A170029	ESEA-0010-18	7/1/2017	6/30/2018	34,514.00	(3,745.00)	-	3,745.00	-	-	-	-	-	-	-
Title II - Part A	84.367A	S367A180029	ESEA-0010-19	7/1/2018	6/30/2019	43,863.00	(99,918.24)	-	99,918.00	-	-	-	-	-	(0.00)	-
Title III - Immigrant	84.365A	S365A170030	ESEA-0010-18	7/1/2017	6/30/2018	11,946.00	(1,659.65)	-	1,660.00	(35,413.48)	-	-	-	-	(13,231.00)	-
Title III - Immigrant	84.365A	S365A180030	ESEA-0010-19	7/1/2018	6/30/2019	13,973.00	(2,874.00)	-	10,979.00	(13,688.33)	-	-	-	-	(0.00)	-
Title IV	84.424A	S424A170031	ESEA-0010-18	7/1/2017	6/30/2018	10,000.00	(2,874.00)	-	2,874.00	-	-	-	-	-	(2,719.00)	-
Title IV	84.424A	S424A180031	ESEA-0010-19	7/1/2018	6/30/2019	20,518.00	(8,278.65)	-	8,094.00	(10,344.00)	-	-	-	-	(2,250.00)	-
Total Elementary and Secondary Education Act (ESEA)						102,811.00	(124,285.54)	-	126,466.00	(149,455.81)	-	-	-	-	(18,200.00)	-
ARRA-Related to the Top:																
Preschool Development Grants-E-Extension	84.418B	S418B150020	N/A	7/1/2017	6/30/2018	389,450.84	(99,918.24)	-	99,918.00	-	-	-	-	-	(0.00)	-
Preschool Development Grants-E-Extension	84.418B	S418B150020	N/A	7/1/2018	6/30/2019	161,844.60	(166.00)	-	210,382.00	(340,566.10)	-	-	-	-	(130,194.10)	-
Preschool Development Grants-E-Extension	84.418B	S418B150020	N/A	9/1/2016	8/31/2017	366,972.05	(99,722.24)	-	310,300.00	(340,566.10)	-	-	-	-	(130,194.10)	-
Total ARRA-Related to the Top:						918,267.49	(365,806.48)	-	1,220,680.00	(681,232.20)	-	-	-	-	(260,384.10)	-
Temporary Emergency Impact Aid for Displaced Students:																
Temporary Emergency Impact Aid for Displaced Students	84.938C	S938C180005	N/A	7/1/2017	6/30/2018	14,875.00	(14,875.00)	-	14,875.00	-	-	-	-	-	-	-
Total Special Revenue Fund						14,875.00	(14,875.00)	-	14,875.00	(14,875.00)	-	-	-	-	-	-
<b>U.S. Department of Education</b>																
<b>Passed-Through State Department of Education:</b>																
Enterprise Fund:																
Food Distribution Program	10.555	191NJ304N1099	N/A	7/1/2018	6/30/2019	24,624.64	-	-	24,624.64	(24,624.64)	-	-	-	-	-	-
Child Nutrition Cluster:																
National School Lunch Program	10.555	181NJ304N1099	N/A	7/1/2017	6/30/2018	172,066.37	(36,388.13)	-	36,389.13	-	-	-	-	-	(0.00)	-
National School Lunch Program	10.555	181NJ304N1099	N/A	7/1/2018	6/30/2019	168,334.66	(8,645.05)	-	168,334.66	(178,525.29)	-	-	-	-	(14,646.31)	-
National School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/2017	6/30/2018	38,334.66	(46,034.18)	-	45,430.78	(49,330.73)	-	-	-	-	(3,899.95)	-
National School Breakfast Program	10.553	181NJ304N1099	N/A	7/1/2018	6/30/2019	49,330.73	(46,034.18)	-	255,441.94	(227,956.02)	-	-	-	-	(19,549.26)	-
Total Child Nutrition Cluster:						427,736.42	(90,091.49)	-	494,535.59	(477,242.05)	-	-	-	-	(18,195.46)	-
Total Enterprise Fund						272,363.06	(46,034.18)	-	279,966.58	(252,480.69)	-	-	-	-	(19,549.26)	-
Total Federal Financial Awards						\$ 1,241,534.99	(252,235.14)	-	1,241,534.99	(1,237,746.79)	-	-	-	-	(246,614.36)	-
																166.33

**CITY OF ARBECON SCHOOL DISTRICT**  
**Schedule B Financial Assistance**  
**for the Fiscal Year ended June 30, 2019**

State Grantor/Program Title General Fund:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018		Adjustments Amount	Cash Received	Budgetary Expenditures	Adjustments/ Payment of Prior Balances	Balance at June 30, 2019		MEMO Budgetary Receivable	Cumulative Total Expenditures
			From	To	Unexpended (Accts Rec.)	Due to Grantor					Unearned Revenue	Due to Grantor		
State Aid Public Cluster: Equalization Aid	19-495-034-5120-078	\$ 1,702,169.00	7/1/2018	6/30/2019	-	-	1,702,169.00	(1,702,169.00)	-	-	-	-	(142,383.94)	1,702,169.00
Special Education Aid	19-495-034-5120-089	756,476.00	7/1/2018	6/30/2019	-	-	756,476.00	(756,476.00)	-	-	-	-	(63,269.22)	756,476.00
Security Aid	19-495-034-5120-084	281,412.00	7/1/2018	6/30/2019	-	-	281,412.00	(281,412.00)	-	-	-	-	(21,863.66)	281,412.00
Total State Aid Public Cluster							2,720,057.00	(2,720,057.00)	-	-	-	-	(27,916.82)	2,720,057.00
Transportation Aid	19-495-034-5120-014	343,882.00	7/1/2018	6/30/2019	(17,400.00)	17,400.00	343,882.00	(343,882.00)	-	-	-	-	(28,761.18)	343,882.00
Non Public Transportation Aid	19-495-034-5120-014	17,400.00	7/1/2018	6/30/2019	(3,005.00)	3,005.00	17,400.00	(17,400.00)	-	-	-	-	3,005.00	17,400.00
Non Public Transportation Aid	19-495-034-5120-014	3,005.00	7/1/2018	6/30/2019	(25,719.00)	25,719.00	3,005.00	(3,005.00)	-	-	-	-	3,005.00	3,005.00
Extraordinary Aid	19-100-034-5120-044	25,719.00	7/1/2017	6/30/2018	-	-	25,719.00	(68,029.00)	(88,029.00)	-	-	-	88,029.00	88,029.00
On-Behalf TPAF Payments - Pension Contribution	19-495-034-5120-044	88,029.00	7/1/2016	6/30/2019	-	-	-	(88,029.00)	-	-	-	-	-	-
Post-Retirement Medical	19-495-034-5094-002	1,112,210.00	7/1/2018	6/30/2019	1,112,210.00	-	1,112,210.00	(1,112,210.00)	-	-	-	-	1,112,210.00	1,112,210.00
Long-Term Disability Insurance	19-495-034-5094-001	504,497.00	7/1/2018	6/30/2019	504,497.00	-	504,497.00	(504,497.00)	-	-	-	-	504,497.00	504,497.00
Long-Term Disability Insurance	19-495-034-5094-004	786.00	7/1/2018	6/30/2019	786.00	-	786.00	(786.00)	-	-	-	-	786.00	786.00
Reimbursed Social Security Contributions	19-495-034-5120-003	489,729.35	7/1/2017	6/30/2018	(20,148.74)	20,148.74	489,729.35	(489,729.35)	-	-	-	-	-	489,729.35
Reimbursed TPAF Social Security Contributions	19-495-034-5094-009	442,005.60	7/1/2018	6/30/2019	(63,267.74)	63,267.74	368,833.44	(442,005.60)	(53,072.16)	-	-	-	(256,236.00)	442,005.60
Total General Fund							5,133,633.18	(5,214,471.60)	(144,106.16)	-	-	-	(18,873.00)	5,214,471.60
Special Revenue Fund:														
Preschool Education Expansion Aid	19-495-034-5120-086	188,730.00	7/1/2018	6/30/2019	-	-	188,730.00	(123,722.47)	-	-	66,007.53	-	(18,873.00)	123,722.47
N.J. Nonpublic Aid:														
Nursing	18-100-034-5120-070	42,680.00	7/1/2017	6/30/2018	2,129.14	-	-	(39,669.70)	(2,129.14)	-	-	-	-	-
Security Aid	19-100-034-5120-070	41,419.00	7/1/2018	6/30/2019	-	-	41,419.00	(41,419.00)	-	-	-	-	1,749.30	39,669.70
Security Aid	19-100-034-5120-509	33,000.00	7/1/2017	6/30/2018	720.00	-	-	(55,764.88)	(720.00)	-	-	-	-	-
Textbook Aid	19-100-034-5120-509	64,050.00	7/1/2018	6/30/2019	608.19	-	64,050.00	(608.19)	-	-	-	-	8,285.12	56,764.88
Technology Aid	18-100-034-5120-064	24,103.00	7/1/2017	6/30/2018	-	-	22,321.00	(20,224.73)	(608.19)	-	-	-	2,096.27	20,224.73
Technology Aid	19-100-034-5120-373	16,280.00	7/1/2017	6/30/2018	154.00	-	-	(13,042.41)	(154.00)	-	-	-	-	-
Auxiliary Services:														
Compensatory Education	19-100-034-5120-067	75,297.00	7/1/2018	6/30/2019	-	-	75,297.00	(60,930.39)	-	-	14,366.61	-	60,930.39	60,930.39
Home Instruction	18-100-034-5120-066	23,868.00	7/1/2017	6/30/2018	-	-	-	(21,886.00)	-	-	-	-	-	-
Supplemental Instruction	19-100-034-5120-066	21,886.00	7/1/2018	6/30/2019	-	-	21,886.00	(21,886.00)	-	-	-	-	21,886.00	21,886.00
Supplemental Instruction	19-100-034-5120-066	36,219.00	7/1/2017	6/30/2018	-	-	-	(27,489.76)	-	-	-	-	-	-
Examination & Classification	19-100-034-5120-066	33,495.00	7/1/2018	6/30/2019	-	-	33,495.00	(27,489.76)	-	-	6,005.24	-	27,489.76	27,489.76
Speech	18-100-034-5120-066	5,335.00	7/1/2017	6/30/2018	-	-	6,339.00	(3,004.14)	-	-	-	-	-	6,339.00
Speech	19-100-034-5120-066	3,004.14	7/1/2018	6/30/2019	-	-	468,935.00	(372,073.48)	(3,004.14)	-	65,007.53	(18,873.00)	3,004.14	3,004.14
Total Special Revenue Fund							468,935.00	(372,073.48)	(3,004.14)	(3,611.33)	65,007.53	34,508.13	(18,873.00)	372,073.48
Debt Service Fund:														
School Construction Debt Service Aid	19-495-034-5120-075	134,361.00	7/1/2018	6/30/2019	-	-	134,361.00	(134,361.00)	-	-	-	-	-	134,361.00
Total Debt Service Fund							134,361.00	(134,361.00)	-	-	-	-	-	134,361.00
State Department of Agriculture: Enterprise Fund:														
Child Nutrition Cluster: National School Lunch Program (State Share)	18-100-010-3550-023	3,670.85	7/1/2017	6/30/2018	(776.86)	776.86	776.86	(3,765.81)	(287.50)	-	-	-	-	0.00
National School Lunch Program (State Share)	19-100-010-3550-023	3,765.81	7/1/2018	6/30/2019	-	-	4,275.08	(3,765.81)	(287.50)	-	-	-	-	3,765.81
Total Child Nutrition Cluster							4,275.08	(3,765.81)	(3,765.81)	-	-	-	-	3,765.81
Total Enterprise Fund							4,275.08	(3,765.81)	(3,765.81)	-	-	-	-	3,765.81
Total State Financial Assistance							\$ 5,740,854.26	(5,724,671.89)	(147,337.89)	(3,611.33)	65,007.53	34,508.13	(275,131.00)	5,724,671.89
Less: On-Behalf System Contributions														
Total for State Financial Assistance-Major Program Determination														
							\$ (4,107,178.89)							

**CITY OF ABSECON SCHOOL DISTRICT**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2019**

K-5

**Note 1: General**

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

**Note 2: Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**Note 3: Relationship to Basic Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,541.00) for the general fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>On-Behalf Payments</u>	<u>Total</u>
General Fund	\$ 26,005.41	5,214,471.60	(1,617,493.00)	3,622,984.01
Special Revenue Fund	959,260.69	372,073.48		1,331,334.17
Debt Service Fund		134,361.00		134,361.00
Food Service Fund	<u>252,480.66</u>	<u>3,765.81</u>		<u>256,246.47</u>
	<u>\$ 1,237,746.76</u>	<u>5,724,671.89</u>	<u>(1,617,493.00)</u>	<u>5,344,925.65</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.



**CITY OF ABSECON SCHOOL DISTRICT**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2019**  
**(Continued)**

K-5

**Note 4: Relationship to Federal and State Financial Reports**

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

**Note 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

**Note 6: Adjustments**

Both favorable and unfavorable differences incurred as a result of final grant payments being rounded by the grantor and are included in the schedule(s) of financial assistance in a column entitled "Adjustments."

**CITY OF ABSECON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2019**

**K-6**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unmodified Opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
  
- 2) Significant deficiencies identified? \_\_\_\_\_ Yes      X   None reported
  
- Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards**

Internal control over major programs:

- 1) Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
  
- 2) Significant deficiencies identified? \_\_\_\_\_ Yes      X   None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes      X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.419B	S419B150020	ARRA-Race to the Top-Preschool Development Grants-Expansion

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

**CITY OF ABSECON SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDING JUNE 30, 2019  
 (CONTINUED)**

K-6

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  X  Yes   No

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

Internal Control over major programs:

1) Material weakness(es) identified?   Yes  X  No

2) Significant deficiencies identified?   Yes  X  None reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08   Yes  X  No

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	<b>State Aid Public Cluster:</b>
495-034-5120-089	Equalization Aid
495-034-5120-084	Special Education Aid
	Security Aid

CITY OF ABSECON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING JUNE 30, 2019  
(CONTINUED)

K-6

**Section II – Financial Statement Findings**

In accordance with *Government Auditing Standards*, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

**Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs**

**FEDERAL AWARDS**

Our audit disclosed no matters to be reported.

**STATE AWARDS**

Our audit disclosed no matters to be reported.

**STATUS OF PRIOR YEAR FINDINGS**

There were no prior year findings.