

# **Comprehensive Annual Financial Report**

**of the**

**Cape May County Schools  
For Special Services  
Board of Education**  
(A Component Unit of the County of Cape May)

**Cape May County, New Jersey**

**For the Fiscal Year Ended June 30, 2021  
Prepared by the Finance Department**



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# **Introductory Section**

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**Cape May County**  
**SPECIAL SERVICES SCHOOL DISTRICT**

4 Moore Road, DN 704, Cape May Court House, NJ 08210 • (609) 465-2720 • Fax (609) 465-8220

**Nancy M. Hudanich, Ed.D.**  
Superintendent

**Jamie P. Moscony**  
Assistant Superintendent

**Kathleen M. Allen**  
Business Administrator

**Jonathan Price**  
Related Services Director

**Annamarie Haas**  
Principal

**Nicholas Bailey**  
Assistant Principal

March 7, 2022

Honorable President and  
Members of the Board of Education  
Cape May County Special Services School  
Cape May Court House, New Jersey

Dear Board Members:

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

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the basic financial statements, schedules and the Management Discussion and Analysis as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** The Board of Education of the Cape May County Special Services School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Cape May County Special Services Board of Education and all its schools constitute the District's reporting entity.

The District provides Preschool Disabled, Behavior Disabilities, Multiple Disabilities, Cognitive Severe and Autism programs and related services for the low incident and/or moderately and severely disabled youth of Cape May County. Additionally, students are received from many surrounding counties in Southern New Jersey.

**2. ECONOMIC CONDITION AND OUTLOOK:** The 2020-21 school year ended with enrollment up over the prior year and on target with what was budgeted. The original budget was based on 235 students while the average daily enrollment for the year was 229 students. Tuition adjustments for the 2018-2019 school year were completed resulting in a net refund to the sending districts of approximately \$932,000. We continue to closely monitor enrollment in light of the overall decline in year-round population in the County as well as the effects of the "least restrictive environment" mandate. We remain steadfast in our philosophy that we offer the optimum environment for a segment of the disabled youth of our County and surrounding area in a cost-effective manner.

**3. MAJOR INITIATIVES:** During the 2020-2021 school year the district continued to offer professional development for all staff in 3 targeted programs to support district goals that included the development of additional resources and programming. These areas included behavior, autism and vocational programs. Our behavior program staff which included teachers, instructional aides, behavior support, case managers and support staff participated in a year-long professional development that included revising the district behavior disabilities program. Our autism and vocational staff, as well as our community based agencies worked together to enhance transition programming options for students who were getting ready to graduate. Various stakeholders were also involved in developing additional opportunities for our students to participate in prevocational training and occupational skill development. In March 2020, CMCSSSD moved to full time remote programming due to the COVID-19 pandemic. Our professional development focus shifted to digital tools and online platforms to support our student and staff's technology needs. In addition, Chromebooks and/or iPads were provided to students to support remote learning. Professional development was ongoing and supported families, students, staff and all stakeholders.

We continued to address facility related issues with plans for secured entrance vestibules, a Pay-for-Performance Energy initiative with the NJ Board of Public Utilities and through our relationship with the County of Cape May, remediation of our masonry spalling.

**4. 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. The District is 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.

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate of the county. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2020.

**6. ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the GASB. The accounting system of the District is organized on the basis of entity-wide governmental and business type activities as well as various governmental, enterprise and fiduciary funds. These funds are explained in the "Notes to the Financial Statements," Note 1.

**7. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to 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 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The

law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

**9. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates L.L.C., CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as revised and the related Budget Uniform Guidance and New Jersey OMB Circular Letter 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.

**ACKNOWLEDGMENTS:**

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

Respectfully submitted,

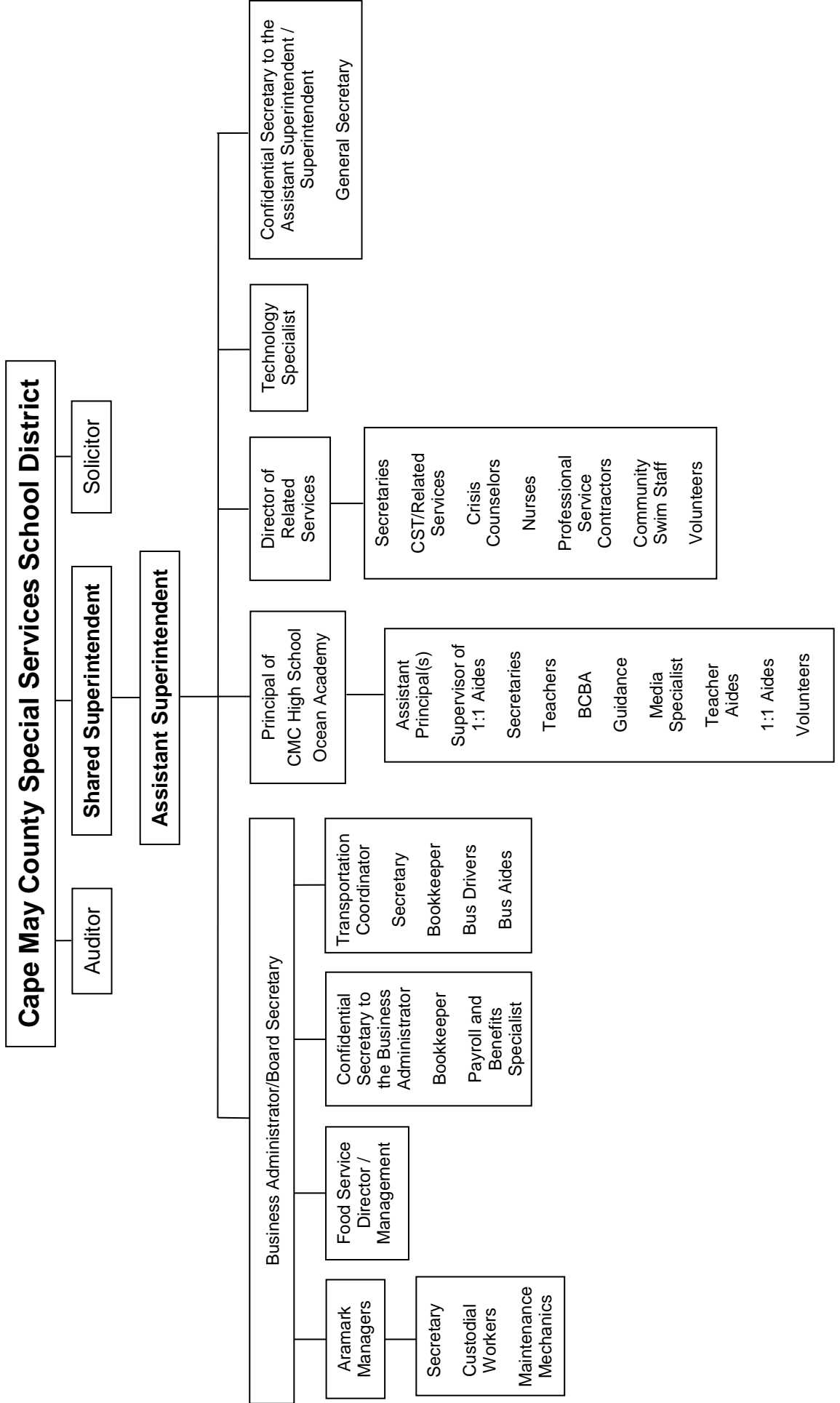
*Kathleen M. Allen*

Kathleen M. Allen  
School Business Administrator/Board Secretary

2020 - 2021 ORGANIZATIONAL CHART

Effective July 1, 2021

**BOARD OF EDUCATION OF THE SPECIAL SERVICES SCHOOL DISTRICT & THE VOCATIONAL SCHOOL DISTRICT OF THE COUNTY OF CAPE MAY COUNTY**



**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
BOARD OF EDUCATION  
(A Component Unit of the County of Cape May)  
CAPE MAY COUNTY, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2021**

**Members of the Board of Education**

**Term Expires**

Alan I. Gould, President	2021 *
Jane Elwell, Vice President	2020 *
Christopher Kobik	2022
Kenneth R. Merson	2021 *
Nancy Ramundo	2022
Dr. Judith DeStafano-Anen	Ex-officio – with Vote

**Other Officials**

- Dr. Nancy M. Hudanich, Superintendent
- Jamie Moscony, Assistant Superintendent
- Kathleen M. Allen, School Business Administrator/Board Secretary
- Amy L. Houck-Elco, Esq., Solicitor

\*-board members have not yet been reappointed by the County of Cape May

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
BOARD OF EDUCATION  
(A Component Unit of the County of Cape May)  
CONSULTANTS AND ADVISORS**

**Audit Firm**

Ford, Scott & Associates, L.L.C.  
Certified Public Accountants  
1535 Haven Avenue  
Ocean City, NJ 08226-0538

**Attorney**

Amy Houck-Elco, Esquire  
1125 Atlantic Avenue  
Atlantic City, NJ 8401

**Official Depository**

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

## **Financial Section**

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# F O R D - S C O T T

& A S S O C I A T E S , L . L . C .

C E R T I F I E D P U B L I C A C C O U N T A N T S

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

## **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Cape May County Schools for Special Services  
(a component unit of the County of Cape May)  
County of Cape May  
Cape May Court House, 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 Cape May County Schools for Special Services (a component unit of the County of Cape May), State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

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 Cape May County Schools for Special Services (a component unit of the County of Cape May), in the County of Cape May, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cape May County Schools for Special Services' (a component unit of the County of Cape May) basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022 on our consideration of the Cape May County Schools for Special Services' (a component unit of the County of Cape May) 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 Cape May County Schools for Special Services' (a component unit of the County of Cape May) 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**

**March 7, 2022**

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**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

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**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

The discussion and analysis of Cape May County Schools for Special Services' financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. 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 2021 are as follows:

- In total, net position increased by \$749,737, as compared to an increase of \$1,619,281 for the 2020 fiscal year. This change is primarily attributed to a decrease in revenues, particularly non-resident tuition fees, as well as an increase in expenses, excluding capital outlay, specifically special education instruction. The net position also reflects GASB 68 regarding pension liabilities.
- General revenues accounted for \$4,348,426 in revenue or 27 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$17,231,806 or 80 percent of total revenues of \$21,584,529.
- Total assets of governmental activities increased by \$877,517 as cash and cash equivalents decreased by \$582,832, and capital assets increased by \$1,438,168. Cash decreased due to the decrease in tuition revenue in 2021.
- The School District had \$20,834,792 in expenses; \$17,231,806 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily the county appropriation) of \$4,135,400 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$14,259,283 in revenues and other financing sources and \$15,397,255 in expenditures and other financing uses. The General Fund's fund balance decreased \$1,148,143 over 2020. This change was the result of a decrease in tuition charges over 2020, as well as an increase in equipment purchased for required maintenance.

**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 Cape May County Schools for Special Services 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 Cape May County Schools for Special Services, the General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question.

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

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 net position. This change 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 County'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, Shared Services Itinerant, Shared Service Transportation, Community Use and Extended School Year enterprise funds along with several "non-major" enterprise funds are 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 and Special Revenue 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.

Enterprise Fund

The enterprise funds use 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 notes to the financial statements can be found in this report as shown in the table of contents.



**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

**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 assets for 2021 and 2020.

**Table 1  
Net Position**

	2021	2020
<b>Assets</b>		
Current and Other Assets	\$ 6,888,313	\$ 9,881,034
Capital Assets	3,931,601	2,308,870
Total Assets	10,819,914	12,189,904
<b>Liabilities</b>		
Long-Term Liabilities	6,696,826	6,521,284
Other Liabilities	790,109	783,169
Total Liabilities	7,486,935	7,304,453
<b>Net Position</b>		
Net Investment in Capital Assets	3,931,601	2,308,870
Restricted	1,606,796	1,745,526
Unrestricted	(2,142,781)	(1,682,204)
Total Net Position	\$ 3,395,616	\$ 2,372,192

The District's combined net position was \$3,395,616 on June 30, 2021. This was an increase of 43 percent from the prior year. The increase was caused by an increase in deferred outflows related to pensions. Table 2 shows changes in net position for fiscal year 2021.

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**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

**Table 2  
Changes in Net Position**

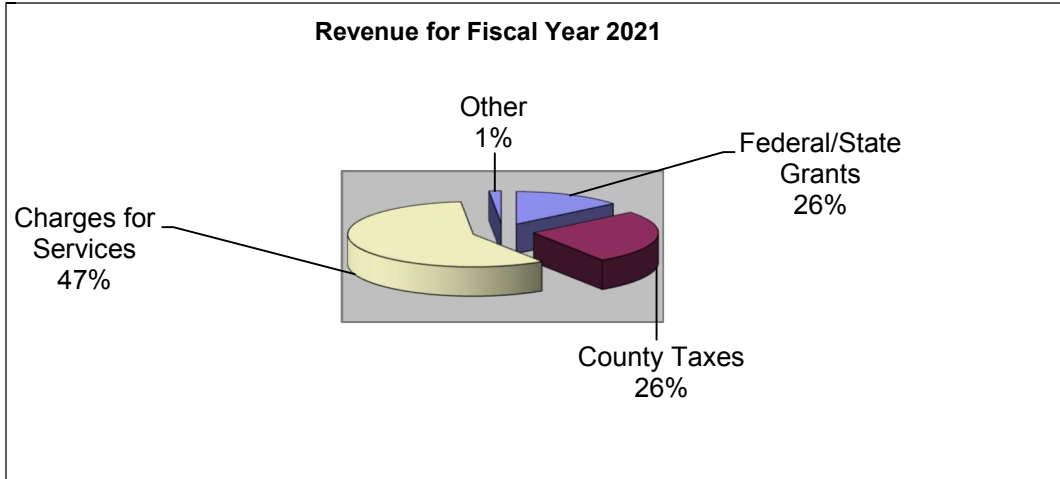
	2021	2020
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 12,895,095	\$ 15,340,029
Operating Grants and Contributions	4,336,711	2,308,323
General Revenues:		
County Appropriation	4,135,400	4,135,400
Other	217,323	244,259
Total Revenues	21,584,529	22,028,011
<b>Program Expenses</b>		
Instruction	7,433,494	7,442,609
Support Services:		
Pupils and Instructional Staff	3,407,611	2,943,457
General Administration, School Administration, Business Operations and Maintenance of Facilities	4,605,319	3,918,715
Food Service	162,004	146,494
Shared Services	4,844,344	5,361,675
Other Enterprise Funds	382,020	595,780
Total Expenses	20,834,792	20,408,730
Change in Net Position	\$ 749,737	\$ 1,619,281

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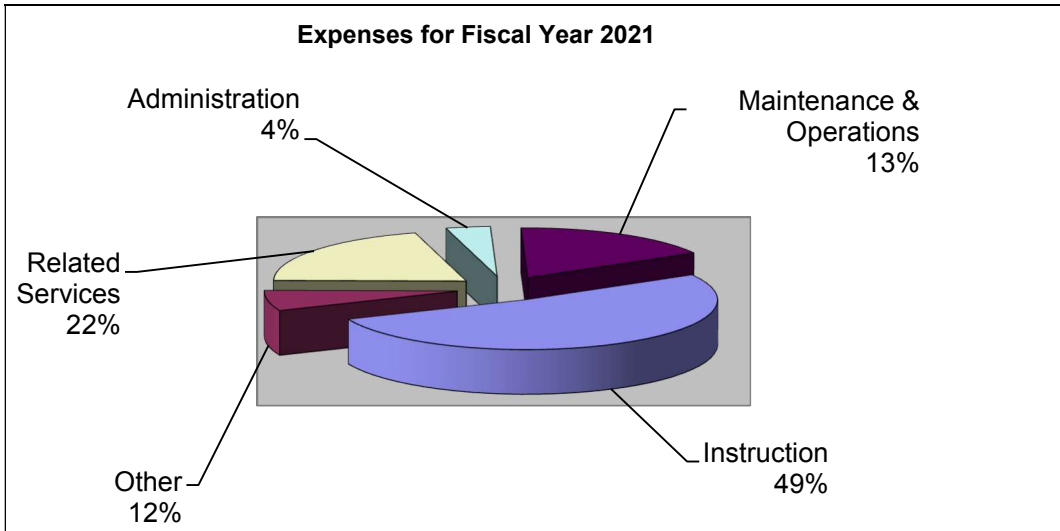
**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

**Governmental Activities**

Charges for services (mostly tuition from sending districts) made up 47 percent of revenues for governmental activities for the Cape May County Schools for Special Services for fiscal year 2021 and 58 percent of revenues for fiscal 2020. Tuition received from sending districts and nonresident fees decreased by \$1,337,943, which is an 15% decrease from the prior year. The District's total revenues were \$15,523,897 for the year ended June 30, 2020. The county appropriation accounted for 27 percent of revenue.



The total cost of all program and services was \$15,446,424. Instruction comprises 49 percent of District expenses and Related Services another 22%.



**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

**Business-Type Activities**

Revenues for the District's business-type activities (food service program, two shared services programs and other enterprise funds) were comprised of charges for the various services and federal and state reimbursements.

- Food service expenses exceeded revenues, both operating and non-operating by \$2,275 prior to a contribution from the general fund of \$10,172. These amounts are similar to the prior year as anticipated.
- Charges for services in the food service fund represent \$13,624 of total revenue compared to \$24,090 in the prior year. This represents amounts paid by patrons for daily food service and amount received from catering and special functions.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$146,105 compared to \$112,060 in the prior year. This increase is due to all eligible meals being reimbursed at the higher free lunch rate during the 2021 fiscal year.
- Shared Services expenses for Itinerant Services exceeded revenue by \$90,370. Shared Services revenue for Transportation Services exceeded expenses by \$70,708.
- Charges for services in the Shared Service Fund for Itinerant Services represent \$2,865,712 of revenue. This represents amounts paid by users for itinerant services of other local school districts. Charges for services in the Shared Service Fund for Transportation Services represent \$1,958,970 of revenue. This represents amounts paid by users for transportation services provided by the district.

**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 County taxpayers and sending districts by each of these functions.

**Table 3  
Costs of Services**

	Total Cost of Services 2021	Net Cost/(Profit) of Services 2021	Total Cost of Services 2020	Net Cost/(Profit) of Services 2020
Instruction	\$ 7,433,494	\$ 2,307,356	\$ 7,442,609	\$ 2,791,777
Support Services:				
Pupils and Instructional Staff	3,407,611	(2,446,849)	2,943,457	(2,448,080)
General Administration, School Administration, Business Operations	2,567,597	(2,168,846)	1,449,092	(1,296,883)
Operation and Maintenance of Facilities	2,037,722	(1,337,405)	2,469,622	(2,207,153)
Total Expenses	<u>\$ 15,446,424</u>	<u>\$ (3,645,744)</u>	<u>\$ 14,304,780</u>	<u>\$ (3,160,339)</u>

The net cost of services in 2021 is comparable to 2020.

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

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

Pupils and Instructional Staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$14,305,717 compared to \$15,263,107 in 2020. The change is directly related to a decrease in tuition charges and non-resident fees. Expenditures and other financing uses were \$15,447,433 compared to \$14,706,807 in 2020. The increase was due to an increase in capital outlay expenses offset by a decrease in instruction costs. The net decrease in fund balance for the year was directly related to an increase in expenses.

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, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

**Table 4  
Summary of Revenues – Governmental Funds**

Revenue	Amount	Percent of Total	Increase (Decrease) from 2020	Percent of Increase (Decrease)
Local Sources	\$ 11,869,390	83%	\$ (1,420,138)	-11%
State Sources	2,300,824	16%	419,813	23%
Federal Sources	135,503	1%	42,935	36%
<b>Total</b>	<b>\$ 14,305,717</b>	<b>100%</b>	<b>\$ (957,390)</b>	<b>-6%</b>

The decrease in local revenues of \$957,390 is due to a decrease in tuition revenue.

State aid increased by \$419,813 primarily related to an increase in on-behalf TPAF pension and post retirement contributions-GASB 75

Federal aid increased by \$42,935 primarily due to additional funding received through the CARES Act and the County Workforce Investment Board.

The following schedule represents a summary of general fund, special revenue fund and capital outlay expenditures for the fiscal year ended June 30, 2021, and the percentage of increases and decreases in relation to prior year amounts.

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

**Table 5  
Summary of Expenditures – Governmental Funds**

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2020</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 4,070,385	26%	\$ (610,942)	-13%
Undistributed Expenditures	9,791,403	63%	152,841	2%
Capital Outlay	1,585,645	10%	1,198,727	475%
Total	<u>\$ 15,447,433</u>	<u>100%</u>	<u>\$ 740,626</u>	<u>5%</u>

Instruction expense increased specifically in the areas of behavioral and multiple disabilities salaries. Undistributed expenditures increased and were mostly attributable to an increase in health benefits and on-behalf contributions.

**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:

- Actual tuition revenue was less than the budgeted amount by \$237,868.
- Salaries for Behavioral Disabilities Instruction were decreased by approximately \$76,170.
- Salaries for Multiple Disabilities Teachers and Other Staff were decreased by approximately \$189,192.
- Salaries for Autism Teachers and Other Staff were decreased by approximately \$112,277.
- Salaries for Preschool Disabilities Teachers and Other Staff were decreased by approximately \$73,712.
- Salaries for Other Instructional Programs were decreased by approximately \$111,723.

**Capital Assets**

At the end of the fiscal year 2021, the School District had \$3,792,173 invested in land and building improvements, furniture and equipment, and vehicles. Table 6 shows fiscal year 2021 balances as compared to 2020.

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

**Table 6  
Capital Assets (Net of Depreciation) at June 30**

**Governmental Activities:**

	<u>2021</u>	<u>2020</u>
Capital Assets Being Depreciated:		
Building Improvements	\$ 1,630,428	\$ 1,238,655
Infrastructure	140,734	143,140
Machinery and Equipment	1,835,268	782,275
Licensed Vehicles	23,968	28,160
Total Capital Assets Being Depreciated at Historical Cost	<u>3,630,398</u>	<u>2,192,230</u>

**Business-Type Activities:**

Capital Assets Being Depreciated:		
Equipment	<u>301,203</u>	<u>116,640</u>
	<u>\$ 3,931,601</u>	<u>\$ 2,308,870</u>

Overall capital assets increased \$1,483,303 from fiscal year 2020 to fiscal year 2021. For more detailed information, please refer to the Notes to the Basic Financial Statements.

**For the Future**

The Cape May County Schools for Special Services is in good financial condition presently. The School District is proud of its Board of Chosen Commissioner's support of the school.

In conclusion, the Cape May County Schools for Special Services has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the School District's Management**

This financial report is designed to provide our citizens, 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 Kathleen M. Allen, Cape May County Schools for Special Services, Business Administrator/Board Secretary at the Board Offices, 4 Moore Road, DN 704, Cape May Court House, NJ 08210.

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## **BASIC FINANCIAL STATEMENTS**

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## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

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**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Statement of Net Position**  
**June 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,243,920	4,802,006	8,045,926
Internal Balances	39,486	(39,486)	-
Receivables, Net	91,801	734,064	825,865
Inventory	-	16,522	16,522
Capital Assets:			
Capital Assets Being Depreciated, Net	3,630,398	301,203	3,931,601
<b>Total Assets</b>	<b>7,005,605</b>	<b>5,814,309</b>	<b>12,819,914</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	1,359,147		1,359,147
<b>Total Deferred Outflows of Resources</b>	<b>1,359,147</b>	<b>-</b>	<b>1,359,147</b>
<b>LIABILITIES</b>			
Accounts Payable	635,960	129,446	765,406
Unearned Revenue	15,160		15,160
Advances from Students	-	5,171	5,171
Deposits Payable	-	4,372	4,372
Noncurrent Liabilities			
Due Beyond One Year	344,906	36,199	381,105
Net Pension Liability	6,315,721		6,315,721
<b>Total Liabilities</b>	<b>7,311,747</b>	<b>175,188</b>	<b>7,486,935</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	3,296,509		3,296,509
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	3,630,398	301,203	3,931,601
Restricted for:			
Capital Projects	377,821	-	377,821
Other Purposes	1,228,975	-	1,228,975
Unrestricted (Deficit)	(7,480,699)	5,337,918	(2,142,781)
<b>Total Net Position</b>	<b>\$ (2,243,504)</b>	<b>5,639,121</b>	<b>3,395,617</b>

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

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

Function/Programs	Expenses	Indirect Expense Allocation	Program Revenue			Net (Expense Revenue and Changes in Net Assets)		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
Instruction:								
Special Education	\$ 4,603,982	1,975,340	7,262,250	1,889,988	-	2,572,916	2,572,916	
Other Instruction	595,601	258,571	347,782	240,830	-	(265,560)	(265,560)	
Support Services:								
Student & Instruction Related Services	2,376,074	1,031,537		960,762	-	(2,446,849)	(2,446,849)	
School Administrative Services	398,280	223,948		147,569	-	(474,659)	(474,659)	
Plant Operation and Maintenance	1,656,534	381,189		700,317	-	(1,337,406)	(1,337,406)	
General Administrative and Business Services	882,579	1,062,790		251,182	-	(1,694,187)	(1,694,187)	
Unallocated Benefits	4,933,375	(4,933,375)			-			
<b>Total Governmental Activities</b>	<b>15,446,424</b>	<b>(0)</b>	<b>7,610,032</b>	<b>4,190,648</b>	<b>-</b>	<b>(3,645,744)</b>	<b>(3,645,744)</b>	
<b>Business-Type Activities:</b>								
Food Service	162,004		13,624	146,063	-	(2,317)	(2,317)	
Shared Services - Itinerant	2,956,082		2,865,712		-	(90,370)	(90,370)	
Shared Services - Transportation	1,888,262		1,958,970		-	70,708	70,708	
Community Use	58,131		81,607		-	23,476	23,476	
Shop Rite	68,031		51,436		-	(16,595)	(16,595)	
Extended School Year	323,889		365,150		-	41,261	41,261	
Non-major Enterprise Funds								
Total Business-Type Activities	5,456,399	-	5,336,499	146,063	-	26,163	26,163	
<b>Total Primary Government</b>	<b>\$ 20,902,823</b>	<b>(0)</b>	<b>12,946,531</b>	<b>4,336,711</b>	<b>-</b>	<b>(3,645,744)</b>	<b>(3,619,581)</b>	
<b>General Revenues:</b>								
Taxes:								
County Appropriation, Levied for General Purposes, Net					\$	4,135,400	4,135,400	
Federal Aid Not Restricted						103,140	103,140	
Investment Earnings						6,500	11,045	
Miscellaneous Income						103,387	103,387	
Contributed Capital Assets								
Transfers						(10,172)	-	
Total General Revenues, Special Items, Extraordinary Items and Transfers						4,338,254	4,352,971	
Change in Net Position						692,511	733,391	
Net Position (Deficit) - Beginning (as restated)						(2,936,015)	2,662,226	
Net Position (Deficit) - Ending					\$	(2,243,504)	3,395,617	

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

## **FUND FINANCIAL STATEMENTS**

The individual fund financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

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**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2021**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,142,141	\$ 34,932	\$ 3,177,073
Due from Other Funds	39,486		39,486
Receivables from Other Governments	91,801		91,801
<b>Total Assets</b>	<b><u>3,273,428</u></b>	<b><u>34,932</u></b>	<b><u>3,308,360</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	635,960		635,960
Unearned Revenue	1,596	13,564	15,160
<b>Total Liabilities</b>	<b><u>637,556</u></b>	<b><u>13,564</u></b>	<b><u>651,120</u></b>
Fund Balances:			
Restricted Fund Balance:			
Maintenance Reserve	948,225		948,225
Capital Reserve	377,821		377,821
Assigned to:			
Designated by BOE for Subsequent Years Expenditures	400,000		400,000
Other Purposes	575		575
Unemployment	280,750		280,750
Unassigned			
General Fund	628,501		628,501
Special Revenue Fund		21,368	21,368
<b>Total Fund Balances</b>	<b><u>2,635,872</u></b>	<b><u>21,368</u></b>	<b><u>2,657,240</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 3,273,428</u></b>	<b><u>\$ 34,932</u></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 \$4,753,185 and the accumulated depreciation is \$1,122,787.

3,630,398

Long-term liabilities are not due and payable in the current period and therefore not reported as liabilities in the funds

(344,906)

Pension Liabilities Net of Deferred Outflows & Inflows

(8,253,083)

Internal service funds are used by management to charge costs of certain activities, such as extra services, to individual funds or other governmental entities. The net revenue (expense) of internal service funds is reported with governmental activities. (See B-5)

66,847

Net position of governmental activities

**\$ (2,243,504)**

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

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2021**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local Sources:			
County Line Item Appropriation	\$ 4,135,400	\$ -	\$ 4,135,400
Tuition Charges	7,262,250		7,262,250
Non-Resident Fees	347,782		347,782
Miscellaneous	109,887	14,071	123,958
Total Local Sources	11,855,319	14,071	11,869,390
State Sources	2,300,824	-	2,300,824
Federal Sources	103,140	32,363	135,503
Total Revenues	<u>14,259,283</u>	<u>46,434</u>	<u>14,305,717</u>
<b>EXPENDITURES</b>			
Current:			
Special Education Instruction	3,554,875	50,178	3,605,053
Other Instruction	465,332		465,332
Support Services:			
Student & Instruction Related Serv.	1,856,381		1,856,381
School Administrative Services	403,023		403,023
Other Administrative Services	685,998		685,998
Plant Operation and Maintenance	1,912,626		1,912,626
Employee Benefits	4,933,375		4,933,375
Capital Outlay	1,585,645		1,585,645
Total Expenditures	<u>15,397,255</u>	<u>50,178</u>	<u>15,447,433</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,137,971)</u>	<u>(3,744)</u>	<u>(1,141,715)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(10,172)		(10,172)
Total Other Financing Sources and Uses	<u>(10,172)</u>	<u>-</u>	<u>(10,172)</u>
Net Changes in Fund Balance	(1,148,143)	(3,744)	(1,151,887)
Fund Balance - July 1, As Restated	3,784,015	25,112	3,809,127
Fund Balance - June 30	<u>\$ 2,635,872</u>	<u>\$ 21,368</u>	<u>\$ 2,657,240</u>

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

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**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, 2021**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ (1,151,887)

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

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

	Depreciation expense	\$ (138,403)	
	Adjustment to prior balances	(9,074)	
	Capital Outlays	<u>1,585,645</u>	1,438,168

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions - PERS	423,678	
Cost of benefits earned net of employee contributions	<u>(2,464)</u>	421,214

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 (+). (14,984)

Internal service funds are used by management to charge the costs of certain activities, such as extra services, to individual funds or other governmental entities. The net revenue (expense) of the internal service funds is reported with governmental activities. (See B-5) -

Change in Net Position of Governmental Activities \$ 692,511

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2021**

	Business Type Activities - Enterprise Funds						Governmental Activities		
	Food Service	Itinerant Services	Shared Services Transportation	Community Use	Extended School Year	Shop Rite	Business Services	Total 2021	Internal Service Fund
<b>ASSETS</b>									
Current Assets:									
Cash and Cash Equivalents	\$ 7,924.00	\$ 2,123,666.00	\$ 570,206.00	\$ 604,740.00	\$ 1,460,041.00	\$ 25,423.00	\$ 10,006.00	\$ 4,802,006.00	\$ 66,847.00
Accounts Receivable	11,863	406,281	315,920					734,064	
Inventory	15,672					850		16,522	
Total Current Assets	<u>35,459</u>	<u>2,529,947</u>	<u>886,126</u>	<u>604,740</u>	<u>1,460,041</u>	<u>26,273</u>	<u>10,006</u>	<u>5,552,592</u>	<u>66,847</u>
Noncurrent Assets:									
Furniture, Machinery & Equipment	166,253		454,109	39,995		2,546		662,903	
Less Accumulated Depreciation	(161,319)		(187,310)	(11,876)		(1,195)		(361,700)	
Total Noncurrent Assets	<u>4,934</u>	<u>-</u>	<u>266,799</u>	<u>28,119</u>	<u>-</u>	<u>1,351</u>	<u>-</u>	<u>301,203</u>	<u>-</u>
Total Assets	<u>40,393</u>	<u>2,529,947</u>	<u>1,152,925</u>	<u>632,859</u>	<u>1,460,041</u>	<u>27,624</u>	<u>10,006</u>	<u>5,853,795</u>	<u>66,847</u>
<b>LIABILITIES</b>									
Current Liabilities:									
Accounts Payable			128,240			1,206		129,446	
Intergovernmental Accounts Payable:									
State								-	
Interfunds Payable	39,486							39,486	
Unearned Revenue	2,271				2,900			5,171	
Deposits Payable				4,372				4,372	
Total Current Liabilities	<u>41,757</u>	<u>-</u>	<u>128,240</u>	<u>4,372</u>	<u>2,900</u>	<u>1,206</u>	<u>-</u>	<u>178,475</u>	<u>-</u>
Noncurrent Liabilities:									
Compensated Absences		24,002	12,197					36,199	
Total Noncurrent Liabilities	<u>-</u>	<u>24,002</u>	<u>12,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,199</u>	<u>-</u>
<b>NET POSITION</b>									
Invested in Capital Assets Net of Related Debt Unrestricted	4,934 (6,298)	-	266,799 745,689	28,119 600,368	1,457,141	1,351 25,067	10,006	301,203 5,337,918	- 66,847
Total Net Position	<u>\$ (1,364)</u>	<u>\$ 2,505,945</u>	<u>\$ 1,012,488</u>	<u>\$ 628,487</u>	<u>\$ 1,457,141</u>	<u>\$ 26,418</u>	<u>\$ 10,006</u>	<u>\$ 5,639,121</u>	<u>\$ 66,847</u>

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

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Fund						Governmental Activities Internal Service	
	Food Service	Itinerant Services	Shared Services Transportation	Community Use	Extended School Year	Shop Rlts		Business Services
<b>Operating Revenue:</b>								
Charges for Service:								
Daily Sales - Non-reimbursable Programs	\$ 10,616	\$ -	\$ -	\$ -	\$ -	\$ 51,436	\$ -	\$ 62,052
Special Functions and Other Revenue	3,008							3,008
Itinerant and Professional Services		2,865,712						2,865,712
Transportation Fees from Other LEA's Within the State			1,958,970					1,958,970
Day Care Facility Rental			48,570					48,570
Pool/Gym Use and Community Swim Tuition and Fees			33,037		365,150			33,037
Total Operating Revenue	<u>13,624</u>	<u>2,865,712</u>	<u>1,958,970</u>	<u>81,607</u>	<u>365,150</u>	<u>51,436</u>	<u>-</u>	<u>5,336,499</u>
<b>Operating Expenses:</b>								
Cost of Sales - reimbursable programs	45,208					67,865		45,208
Cost of Sales - non-reimbursable programs	14,510							82,375
Salaries	80,391	2,039,674	181,915	31,512	276,169			2,609,661
Employee Benefits		664,388	85,508	16,079	28,491			794,466
Transportation - Contracted Services			1,530,154					1,530,154
Other Purchased Professional Services	2,000	2,600	1,000		900			6,500
Other Purchased Services	13,568	240,133		1,300	11,705			266,706
Cleaning, Repair and Maintenance Services			25,426					25,426
Utilities and Gasoline			9,711					9,711
Insurance			8,815					8,815
General Supplies	5,944	8,403	17,811	548	6,624			39,330
Other		884	2,271	5,311				8,466
Depreciation	383		25,651	3,381		166		29,581
Total Operating Expenses	<u>162,004</u>	<u>2,956,082</u>	<u>1,888,262</u>	<u>58,131</u>	<u>323,889</u>	<u>68,031</u>	<u>-</u>	<u>5,456,399</u>
Operating Income (Loss)	<u>(148,380)</u>	<u>(90,370)</u>	<u>70,708</u>	<u>23,476</u>	<u>41,261</u>	<u>(16,595)</u>	<u>-</u>	<u>(119,900)</u>
<b>Nonoperating Revenues (Expenses):</b>								
State Sources:								
State School Lunch Program	3,816							3,816
Federal Sources:								
National School Lunch Program	72,709							72,709
School Breakfast Program	50,285							50,285
Food Distribution Program	19,253							19,253
Interest and Investment Income	42	-	-	4,254	-	249		4,545
Total Nonoperating Revenues (Expenses)	<u>146,105</u>	<u>-</u>	<u>-</u>	<u>4,254</u>	<u>-</u>	<u>249</u>	<u>-</u>	<u>150,608</u>
Income (loss) before Contributions & Transfers	<u>(2,275)</u>	<u>(90,370)</u>	<u>70,708</u>	<u>27,730</u>	<u>41,261</u>	<u>(16,346)</u>	<u>-</u>	<u>30,708</u>
Capital Contributions (Uses)								
Transfers In (Out)	10,172							10,172
Changes in Net Position	7,897	(90,370)	70,708	27,730	41,261	(16,346)		40,880
Total Net Position - Beginning	(9,261)	2,596,315	941,780	600,757	1,415,880	42,764	10,006	5,598,241
Total Net Position - Ending	<u>(1,364)</u>	<u>2,505,945</u>	<u>1,012,488</u>	<u>628,487</u>	<u>1,457,141</u>	<u>26,418</u>	<u>10,006</u>	<u>66,847</u>

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

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Proprietary Funds**  
**Comparative Statement of Cash Flows**  
**For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Fund							Governmental Activities Internal Service Fund	
	Food Service	Itinerant Services	Shared Services Transportation	Community Use	Extended School Year	Shop Rite	Business Services		Total 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from Customers	\$ 4,438	\$ 3,156,924	\$ 2,020,195	\$ 81,607	\$ 368,050	\$ 51,436	\$ -	\$ 5,682,650	\$ -
Payments to Employees	(80,391)	(2,015,672)	(169,718)	(31,512)	(276,169)	-	-	(2,573,462)	-
Payments for Employee Benefits	-	(684,599)	(95,620)	(16,079)	(28,491)	-	-	(824,789)	-
Payments for Supplies and Services	(83,240)	(251,136)	(2,008,890)	(7,637.00)	(19,229)	(67,506)	-	(2,437,638)	-
Net Cash Provided by (Used for) Operating Activities	<u>(159,193)</u>	<u>205,517</u>	<u>(254,033)</u>	<u>26,379</u>	<u>44,161</u>	<u>(16,070)</u>	<u>-</u>	<u>(153,239)</u>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
State Sources	3,375							3,375	
Federal Sources	133,353							133,353	
Operating Subsidies and Transfers to Other Funds	34,513							34,513	
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>171,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,241</u>	<u>-</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Purchase of Capital Assets	(4,407)		(75,482)	(6,019)				(85,908)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(4,407)</u>	<u>-</u>	<u>(75,482)</u>	<u>(6,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,908)</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>									
Interest and Dividends	42			4,254		249		4,545	
Net Cash Provided by (Used for) Investing Activities	<u>42</u>	<u>-</u>	<u>-</u>	<u>4,254</u>	<u>-</u>	<u>249</u>	<u>-</u>	<u>4,545</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,683	205,517	(329,515)	24,614	44,161	(15,821)	-	(63,361)	-
Balance - Beginning of Year	241	1,918,149	899,721	580,126	1,415,890	41,244	10,006	4,865,367	66,847
Balance - End of Year	<u>7,924</u>	<u>2,123,666</u>	<u>570,206</u>	<u>604,740</u>	<u>1,460,041</u>	<u>25,423</u>	<u>10,006</u>	<u>4,802,006</u>	<u>66,847</u>

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

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
 (A Component Unit of the County of Cape May)  
 Proprietary Funds  
 Comparative Statement of Cash Flows  
 For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Fund						Governmental Activities Internal Service Fund	
	Food Service	Itinerant Services	Shared Services Transportation	Community Use	Extended School Year	Shop Rlts		Business Services
\$	(148,380)	(80,370)	70,708	23,476	41,261	(16,595)	-	(119,900)
	383		25,651	3,381		166		29,581
	-	282,096	61,225	-		-		353,321
	1,233					(850)		383
	(3,243)		(413,702)	(478)		1,209		(416,214)
	(9,186)				2,900	-		(6,286)
	-	3,791	2,085					5,876
	(10,813)	285,887	(324,741)	2,903	2,900	525		(33,339)
\$	(159,193)	205,517	(254,033)	26,379	44,161	(16,070)	-	(153,239)

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:**  
 Operating Income (Loss)  
 Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities  
 Depreciation and Net Amortization (Increase) Decrease in Accounts Receivable  
 Increase Decrease in Inventories  
 Increase (Decrease) in Accounts Payable  
 Increase (Decrease) in Deferred Revenue  
 Increase (Decrease) in Accrued Salaries  
 Total Adjustments  
 Net Cash Provided by (Used for) Operating Activities

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

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## **NOTES TO THE FINANCIAL STATEMENTS**

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**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Financial Statements  
June 30, 2021**

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

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed 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 Cape May County Schools for Special Services (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**A. Reporting Entity**

The Cape May County Schools for Special Services is a Type I District located in the County of Cape May, State of New Jersey. As a Type I District, the School District functions independently through a Board of Education. The Board is comprised of six members appointed to three-year terms, and the County Superintendent of Schools and the County Mental Health Chairperson as ex-officio members. The operations of the District include early intervention (birth-3), pre-school handicapped (ages 3-5), Ocean Academy Elementary School (ages 5-10), individuals eligible for day training (ages 4-21), George E. Bailey Middle School (ages 11-14), the Alternative High School (ages 14-21), the Woodbine Developmental Center, the Alternative Education Program and the Department of Human Services Program.

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

The following organizations are considered component units; however, the School District has determined that they are not significant and, therefore, have not been included in the basic financial statements;

Cape May County Special Services Education Foundation  
148 Crest Haven Road  
Cape May Court House, N.J. 08210

Requests for information should be addressed to the organization listed above.

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**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Financial Statements  
June 30, 2021**

**B. Basic Financial Statements – Government-Wide Statements**

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

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.

**C. Basic Financial Statements – Fund Financial Statements**

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The 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.

**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Financial Statements  
June 30, 2021**

The following fund types are used by the District:

**Governmental Funds**

The District reports the following 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.

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue fund is specifically used to account for federal and state grant monies that have been allocated to the District.

**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.

**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:

**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Financial Statements  
June 30, 2021**

**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.

**Internal Service Fund** is treated as governmental fund for the entity-wide financial reporting. This fund is used to account for extra services provided that are over the contractual amounts.

The District reports the following proprietary fund:

**Enterprise Funds** - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the following;

A Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

An Itinerant Shared Services Fund, which accounts for all revenues and expenses pertaining to the itinerant services provided to other districts in the state.

A Transportation Shared Services Fund, which accounts for all revenues and expenses pertaining to the transportation services provided to other districts in the state.

A Day Care/Community Use of Facilities Fund, which accounts for all revenues and expenses pertaining to the day care operations in the district provided to families in the community and which accounts for all revenues and expenses pertaining to Community Pool operations.

A Shop Rite Fund, which accounts for all revenue and expenses pertaining to the sale of goods from a Shop Rite store maintained in the school.

An Extended School Year Fund, which accounts for all revenues and expenses pertaining to the extended school year program operated over the summer months.

A Business Office Services Fund, which accounts for all revenues and expenses pertaining to the outsourcing of business office functions to other local education associations.

**Internal Service Fund** - Internal Service funds are used to charge costs for certain activities to individual funds or other governmental entities. The District's internal service fund is comprised of charges for additional related services over contractual amounts.

**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.

**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Financial Statements  
June 30, 2021**

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.

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.

**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Financial Statements  
June 30, 2021**

**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, 2021, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	2,266
Supplies		<u>14,256</u>
	\$	<u><u>16,522</u></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 non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2021 is \$12,431.

**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.

**5. Revenues:**

Substantially all governmental fund revenues are accrued. The Districts primary source of revenue is a line item appropriation in the annual County of Cape May budget. The District records the entire approved appropriation 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.



**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Financial Statements  
June 30, 2021**

**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.

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and then to the Board of School Estimates for approval. 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.

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**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Financial Statements  
June 30, 2021**

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

Behavioral Disabilities	
Salaries of Teachers	\$ (38,779.00)
Other Salaries for Instruction	(37,391.00)
Multiple Disabilities	
Salaries of Teachers	(118,442.00)
Other Salaries for Instruction	(70,750.00)
Autism	
Salaries of Teachers	(77,000.00)
Other Salaries for Instruction	(35,277.00)
Preschool Disabilities	
Salaries of Teachers	(44,769.00)
Other Instructional Programs	
Salaries	(111,723.00)
Undistributed Expenditures - Health Services	
Purchased Professional and Technical Services	(58,360.00)
Undistributed Expenditures - Speech, OT, PT	
Salaries of Other Professional Staff	(47,498.00)
Purchased Professional - Education Services	43,119.00
Undistributed Expenditures - Required Maintenance	
Cleaning Services	28,859.00
Undistributed Expenditures - Custodial Services	
General Supplies	32,409.00
Unallocated Benefits	
Social Security Contribution	(35,300.00)
Other Retirement Contributions - PERS	34,036.00
Unemployment Compensation	35,000.00
Health Benefits	(508,485.00)
Equipment	
Required Maintenance	1,041,336.00
Architectural/Engineering Services	(28,151.00)
Construction Services	37,500.00

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.

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**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 a determination by the State of New Jersey Department of Education pursuant to the provisions of NJAC 6A:23-17.1.

**11. 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.

**12. 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.

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

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement, which is effective for fiscal periods beginning after December 31, 2021, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangement". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

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

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement which is effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

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

**NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of \$9,478,798.13 of June 30, 2021, \$80,486 was uninsured and uncollateralized.

**NOTE 3 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by Board of Education by the inclusion of \$1.00 on October 17, 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.

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 general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the Board of School Estimates has been obtained. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 801,801
Increased by:	
Interest earned	2,000
Transfer by Board Resolution	-
Decreased by:	
Board approved Withdrawal	<u>(425,980)</u>
Ending balance, June 30, 2021	<u>\$ 377,821</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects at June 30, 2021 is greater than \$377,821.

**NOTE 4 – MAINTENANCE RESERVE**

A maintenance reserve account was established by the Board 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 fiscal year is as follows:

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Beginning balance, July 1, 2020	\$ 943,725
Increased by:	
Interest earned	4,500
Transfer by Board Resolution	-
Decreased by:	
Budgeted withdrawal	-
Ending Balance, June 30, 2021	<u>\$ 948,225</u>

**NOTE 5 – RECEIVABLES**

Receivables at June 30, 2021, consisted of accounts (tuition and miscellaneous), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of accounts receivable follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government-Wide Financial Statements</u>
State Aid	\$ 91,801	\$ 91,801
Federal Aid		
Interfunds	39,486	
Other		734,064
Gross Receivables	<u>131,287</u>	<u>825,865</u>
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u>\$ 131,287</u>	<u>\$ 825,865</u>

**NOTE 6 – INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) repay expenses paid by another fund; and (2) make a permanent contribution to the Enterprise Funds or (3) loan monies to other funds.

The following interfund balances remained on the fund financial statements at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 39,486	
Food Service Fund		39,486
Total	<u>\$ 39,486</u>	<u>39,486</u>

The general fund receivable relates to \$39,486 owed to the general fund, which the food service enterprise fund received to pay food service charges. It is not anticipated that this interfund will be cleared in the current fiscal year.

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**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets being depreciated:				
Land Improvements	\$ 83,402			83,402
Construction in Progress	28,301		28,301	-
Building Improvements	1,476,433	463,630		1,940,063
Infrastructure	156,390			156,390
Machinery and Equipment	1,363,815	1,162,487	5,604	2,520,698
Licensed Vehicles	68,273		15,641	52,632
Total capital assets being depreciated at historical cost	<u>3,176,614</u>	<u>1,626,117</u>	<u>49,546</u>	<u>4,753,185</u>
Less accumulated depreciation for:				
Land Improvements	(7,888)	(4,170)		(12,058)
Building Improvements	(341,593)	(39,386)		(380,979)
Infrastructure	(13,250)	(2,406)		(15,656)
Machinery and Equipment	(581,540)	(109,494)	(5,604)	(685,430)
Licensed Vehicles	(40,113)	(4,192)	(15,641)	(28,664)
Total accumulated depreciation	<u>(984,384)</u>	<u>(159,648)</u>	<u>(21,245)</u>	<u>(1,122,787)</u>
Governmental activity capital assets, net	<u>\$ 2,192,230</u>	<u>\$ 1,466,469</u>	<u>\$ 28,301</u>	<u>\$ 3,630,398</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 448,755	\$ 231,871	17,723	\$ 662,903
Less accumulated depreciation	(332,115)	(47,308)	(17,723)	(361,700)
Enterprise Fund capital assets, net	<u>\$ 116,640</u>	<u>\$ 184,563</u>	<u>\$ -</u>	<u>\$ 301,203</u>

Depreciation expense was charged to governmental functions as follows:

Special Education Instruction	\$ 70,634
Other Special Education Instruction	9,246
Student and Instruction Related Services	36,885
School Administrative Services	8,008
Other Administrative Services	13,630
	<u>\$ 138,403</u>

No interest on debt was capitalized during the year.

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**NOTE 8 – GENERAL LONG-TERM DEBT**

Changes in long-term obligations for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Issues or Additions	Payments or Expenditures	Balance June 30, 2021	Within One Year
Compensated Absences				-	
General Fund	\$ 329,921	\$ 70,255	\$ 55,270	\$ 344,906	-
Business Type Funds	30,323	5,876		36,199	-
	<u>\$ 360,244</u>	<u>\$ 76,131</u>	<u>\$ 55,270</u>	<u>\$ 381,105</u>	<u>-</u>

Compensated absences have been liquidated in the General Fund and the Enterprise Funds.

**NOTE 9 – OPERATING LEASES**

The District has commitments to lease the school building annually for \$400,000 and certain office equipment under operating leases that expired in 2018. The District entered into a new office equipment lease during the school year. Total operating lease payments made during the year ended June 30, 2021 were \$415,031, which was for rent paid to the County of Cape May for use of the school building, and the final lease payment of the office equipment. Future minimum lease payments are as follows:

Year Ending June 30,	Principal
2022	421,179
2023	411,489
Total future minimum lease payments	<u>\$ 832,668</u>

**NOTE 10 – PENSION PLANS**

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at:

<http://www.state.nj.us/treasury/pensions/annrpts.shtml>

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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.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (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 5.5% 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, 2021, 2020 and 2019 were \$1,469,415, \$1,086,185, and \$1,016,883, respectively, and paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2021, 2020 and 2019 were \$423,678, \$333,745, and \$351,258, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2021, 2020 and 2019, the State of New Jersey contributed \$460,492, \$402,954, and \$461,257, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. During the fiscal years ended June 30, 2021, the State of New Jersey contributed \$1,266 to the TPAF for long-term disability insurance. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$369,651, \$388,351 and \$375,331, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 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 no employees enrolled in the DCRP for the year ended June 30, 2021.



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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.

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 and TPAF 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 systems 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. 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.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS and TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension

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service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

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.

**NOTE 11: PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2021, the District reported a liability of \$6,315,721 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the District's proportion was 0.03872920780%, which was an increase of 13.27% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$2,464. At June 30, 2021, 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	\$ 114,999	22,335
Changes of assumptions	204,889	2,644,452
Net difference between projected and actual earnings on pension plan investments	215,876	-
Changes in proportion and differences between District contributions and proportionate share of contributions	823,383	629,722
	<hr/>	<hr/>
Total	<u>\$ 1,359,147</u>	<u>\$ 3,296,509</u>

\$423,678 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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	Year ended June 30,	
	<u>          </u>	
2021	\$	(711,498.00)
2022		(662,746.00)
2023		(380,628.00)
2024		(152,440.00)
2025		<u>(30,050.00)</u>
Total	\$	<u>(1,937,362.00)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00% - 6.00% (based on years of service)
Thereafter	3.00% - 7.00% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disable Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to all projected benefit payments to determine 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, 2020, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 7,522,006	6,315,721	5,293,471

*Pension plan fiduciary net position.*

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

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*Additional Information*

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	3,993,096,777.00
Deferred inflows of resources		13,351,735,209.00
Net pension liability		38,659,583,951.00
District's proportion		6,315,721.00

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

**NOTE 12. TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2021, 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		<u>32,034,792</u>
Total	\$	<u>32,034,792</u>

The net pension liability was measured as of June 30, 2019 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, 2020, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$1,992,060 and revenue of \$1,992,060 for support provided by the State.

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

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Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	1.55% - 4.55% (based on years of service)
Thereafter	2.75% - 5.65% (based on years of service)
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

***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, 2020) 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, 2020 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

*Discount rate.* The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020, 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 based on 78% of the actuarially determined contributions for the State. 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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 District's proportionate share of the net pension liability calculated using the discount rate of 5.40% 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 (4.40%) or 1-percentage point higher (6.40%) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
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.

**Cape May County Schools for Special Services  
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**Additional Information**

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	9,626,548,228
Deferred inflows of resources	14,591,988,841
Net pension liability	65,848,796,740
District's proportion	32,034,792

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$4,099,006,933.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.5 years, respectively.

**NOTE 13 – OTHER POST-RETIREMENT BENEFITS**

*General Information about the OPEB Plan*

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

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

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

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).



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*Total OPEB Liability*

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

*Actuarial assumptions and other imputes:*

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

Inflation rate – 2.50%

Salary Increases –

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

Mortality Rates –

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

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

Health Care Trend Assumptions –

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

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Discount Rate –

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

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

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

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

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

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

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

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

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

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$949,985 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.

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

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

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

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

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

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

**NOTE 14 – COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as required by GASB standards. 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 and negotiated contracts. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees are paid by the District for unused sick leave in accordance with the District's negotiated contracts with administrators and various employee unions.

In the District-Wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

**Cape May County Schools for Special Services  
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Notes to Financial Statements  
June 30, 2021**

**NOTE 15 – 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:

- TPAF Tax Shelters
- MetLife
- Thomas Seely Agency, Inc.
- Lincoln Tax Shelters
- Travelers Tax Shelters
- Siracusa Tax Shelters
- Safeco Tax Shelters

**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>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 37,174	22,550	43,894	280,750
2019-2020	31,207	32,491	61,372	264,920
2018-2019	27,061	33,357	45,081	262,594

**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.

**Cape May County Schools for Special Services  
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Notes to Financial Statements  
June 30, 2021**

**NOTE 18 – ECONOMIC DEPENDENCY**

The District receives support from federal government and from the state governments through local school districts. 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 – FUND BALANCE APPROPRIATED**

General Fund – Of the \$2,635,872 General Fund fund balance, at June 30, 2021, \$575 is reserved for encumbrances; \$948,225 is reserved as Maintenance Reserve in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701), \$377,821 has been reserved in the Capital Reserve Account; \$280,750 is reserved for Unemployment Compensation; on June 22, 2021, the Board approved to have \$400,000 of fund balance to be designated for Subsequent Years Expenditures. \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; and \$628,501 is classified and Unassigned.

**NOTE 20 – CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:46-31, an undesignated fund balance of 10 percent of the general fund budget may be maintained. The New Jersey Department of Education calculates the District’s excess surplus using audited information and subsequently adjusts tuition rates and the cost per pupil for these calculations.

**NOTE 21 – DEFICIT IN NET POSITION – ENTERPRISE FUNDS**

The Food Services Enterprise Fund has a cumulative deficit in net position of \$1,364 as of June 30, 2021. This deficit will either be provided for in the 2021-22 budget or made up through operations.

**NOTE 22 – RESTATEMENT OF PRIOR FUND BALANCE**

Fund balance has been restated as required by the implementation of GASB 84:

<b>Beginning fund balance as previously reported at June 30, 2020</b>	\$ <u>3,519,094</u>
Implementation of GASB 84 - Restatement Prior Year Balance Required	
Unemployment Compensation Fund	264,921
Student Activities	<u>25,112</u>
	<u>290,033</u>
<b>Fund Balance as rested, July 1, 2020</b>	\$ <u><u>3,809,127</u></u>

**NOTE 23 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2021 through March 7, 2022, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

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## **BUDGETARY COMPARISON SCHEDULES**

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**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources:					
County Line Item Appropriation	\$ 4,135,400	\$ -	\$ 4,135,400	\$ 4,135,400	\$ -
Tuition from LEAs	7,500,118		7,500,118	7,262,250	(237,868)
Non-Resident Fees	319,000		319,000	347,782	28,782
Interest Earned on Capital Reserve	2,000		2,000	2,000	-
Interest Earned on Maintenance Reserve	4,500		4,500	4,500	-
Interest Earned on Deposits			-		-
Other Miscellaneous	110,000		110,000	103,387	(6,614)
Total Local Sources	<u>12,071,018</u>	<u>-</u>	<u>12,071,018</u>	<u>11,855,319</u>	<u>(215,699)</u>
State Sources:					
On-behalf TPAF - Pension Contributions (non-budgeted)			-	1,469,415	1,469,415
On-behalf TPAF Postretirement Contributions (non-budgeted)			-	460,492	460,492
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)			-	1,266	1,266
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	369,651	369,651
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,300,824</u>	<u>2,300,824</u>
Federal Sources:					
Medical Assistance Program	75,000		75,000	103,140	28,140
Total Federal Sources	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>103,140</u>	<u>28,140</u>
Total Revenues	<u>12,146,018</u>	<u>-</u>	<u>12,146,018</u>	<u>14,259,283</u>	<u>2,113,265</u>

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>EXPENDITURES:</b>					
CURRENT EXPENSE					
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities					
Salaries of Teachers	612,532	(38,779)	573,753	546,838	26,915
Other Salaries for Instruction	231,020	(37,391)	193,629	189,947	3,683
Other Purchased Services (400-500 series)	25,000	1,100	26,100	11,074	15,026
General Supplies	15,500	(3,450)	12,050	10,952	1,098
Textbooks	4,000	(2,500)	1,500	804	696
Other Objects	750	350	1,100	1,051	49
Total Behavioral Disabilities	<u>888,802</u>	<u>(80,670)</u>	<u>808,132</u>	<u>760,665</u>	<u>47,467</u>
Multiple Disabilities					
Salaries of Teachers	1,057,156	(118,442)	938,715	880,724	57,990
Other Salaries for Instruction	437,961	(70,750)	367,211	297,087	70,124
Purchased Professional - Educational Services	3,500		3,500	3,500	3,500
Other Purchased Services (400-500 series)	5,500	-	5,500	3,801	1,699
General Supplies	31,600	(2,300)	29,300	26,621	2,679
Textbooks	13,000	(4,700)	8,300	804	7,496
Other Objects	29,000		29,000	16,142	12,858
Total Multiple Disabilities	<u>1,577,717</u>	<u>(196,192)</u>	<u>1,381,526</u>	<u>1,225,178</u>	<u>156,347</u>

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>Autism</b>					
Salaries of Teachers	942,217	(77,000)	865,217	846,719	18,498
Other Salaries for Instruction	489,140	(35,277)	453,863	432,862	21,000
Other Purchased Services (400-500 series)	1,500		1,500		1,500
General Supplies	27,100	(3,500)	23,600	21,256	2,344
Other Objects	24,422		24,422	10,186	14,236
<b>Total Autism</b>	<b>1,484,379</b>	<b>(115,777)</b>	<b>1,368,602</b>	<b>1,311,022</b>	<b>57,579</b>
<b>Preschool Disabilities - Full-Time</b>					
Salaries of Teachers	235,847	(44,769)	191,078	191,078	0
Other Salaries for Instruction	90,914	(28,943)	61,971	59,939	2,032
General Supplies	7,500		7,500	6,502	998
Other Objects	2,500		2,500	491	2,009
<b>Total Preschool Disabilities - Full-Time</b>	<b>336,761</b>	<b>(73,712)</b>	<b>263,049</b>	<b>258,009</b>	<b>5,040</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>4,287,659</b>	<b>(466,351)</b>	<b>3,821,308</b>	<b>3,554,875</b>	<b>266,434</b>
<b>Other Instructional Programs - Instruction</b>					
Salaries	562,495	(111,723)	450,772	428,209	22,563
Purchased Services (300-500 series)	2,500	(2,004)	496	496	-
Supplies & Materials	19,500	4,478	23,978	23,900	78
Other Objects	12,500	(7,369)	5,131	4,927	204
<b>Total Other Instructional Programs - Instruction</b>	<b>596,995</b>	<b>(116,618)</b>	<b>480,377</b>	<b>457,532</b>	<b>22,845</b>
<b>Community Service Programs - Instruction</b>					
Salaries	8,500		8,500	7,800	700
<b>Total Community Service Programs - Instruction</b>	<b>8,500</b>	<b>-</b>	<b>8,500</b>	<b>7,800</b>	<b>700</b>
<b>TOTAL INSTRUCTION</b>	<b>4,893,154</b>	<b>(582,969)</b>	<b>4,310,185</b>	<b>4,020,207</b>	<b>289,979</b>

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Health Services					
Salaries	190,726	6,400	197,126	196,950	176
Purchased Professional and Technical Services	75,400	(58,360)	17,040	16,815	225
Purchased Services (400-500 series)	300		300	300	300
Supplies & Materials	11,500	16,000	27,500	26,210	1,290
Other Objects	500		500	297	203
<b>Total Undistributed Expenditures - Health Services</b>	<b>278,426</b>	<b>(35,960)</b>	<b>242,466</b>	<b>240,271</b>	<b>2,195</b>
Undistributed Expenditures - Speech, OT, PT and Related Services					
Salaries of Other Professional Staff	970,416	(47,498)	922,918	904,328	18,590
Purchased Professional - Education Services	15,500	43,119	58,619	58,619	-
Supplies & Materials	13,500	4,379	17,879	17,879	-
Other Objects	500		500	140	360
<b>Total Undistributed Expenditures - Speech, OT, PT and Related Services</b>	<b>999,916</b>	<b>-</b>	<b>999,916</b>	<b>980,966</b>	<b>18,950</b>
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	397,540		397,540	384,944	12,596
Salaries of Secretarial and Clerical Assistants	60,454	(13,000)	47,454	45,107	2,347
Other Salaries	69,662		69,662	63,203	6,459
Purchased Professional and Technical Services	19,800	9,194	28,994	23,475	5,519
Other Purchased Services (400-500 series)	1,000	806	1,806	1,805	1
Supplies & Materials	6,500	3,240	9,740	9,740	-
Other Objects	3,055	(240)	2,815	1,666	1,149
<b>Total Undistributed Expenditures-Child Study Teams</b>	<b>558,011</b>	<b>0</b>	<b>558,011</b>	<b>529,940</b>	<b>28,071</b>

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	31,988	134	32,122	32,122	-
Supplies & Materials	7,500		7,500	6,508	992
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>39,488</b>	<b>134</b>	<b>39,622</b>	<b>38,630</b>	<b>992</b>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Education Services	7,300	(792)	6,508	6,508	-
Other Purchased Professional and Tech. Services	59,100	(1,255)	57,845	57,845	-
Supplies & Materials	4,500	(2,253)	2,247	2,220	27
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>70,900</b>	<b>(4,300)</b>	<b>66,600</b>	<b>66,573</b>	<b>27</b>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	189,762	(10,943)	178,819	178,819	(0)
Legal Services	20,000		20,000	18,569	1,431
Audit Fees	18,000		18,000	17,200	800
Architectural/Engineering Services	10,000		10,000	3,040	6,960
Other Purchased Professional Services	20,700		20,700	19,735	965
Communications/Telephone	57,700	(8,645)	49,055	46,154	2,900
Misc. Purch Serv (400-500 series)	36,500	712	37,212	37,212	-
General Supplies	5,750		5,750	4,231	1,519
BOE In- House Training/Meeting Supplies	3,000		3,000	764	2,236
Miscellaneous Expenditures	8,000		8,000	4,290	3,710
BOE Membership Dues and Fees	8,000		8,000	6,111	1,889
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>377,412</b>	<b>(18,876)</b>	<b>358,536</b>	<b>336,126</b>	<b>22,410</b>

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	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	192,752	7,613	200,365	200,365	-
Salaries of Other Professional Staff	50,213	1,837	52,050	52,050	0
Salaries of Secretarial and Clerical Assistants	134,797	1,332	136,129	134,558	1,571
Other Purchased Services (400-500 series)	750	(750)	-	-	-
Supplies & Materials	9,500		9,500	8,823	677
Other Objects	10,275	(1,200)	9,075	7,226	1,849
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>398,287</b>	<b>8,832</b>	<b>407,119</b>	<b>403,023</b>	<b>4,097</b>
Undistributed Expenditures - Central Services					
Salaries	198,518	1,900	200,418	200,374	44
Purchased Technical Services	14,700	141	14,841	14,286	555
Miscellaneous Purchased Services (400-500 series)	3,800	1,200	5,000	4,799	201
Supplies & Materials	7,500	(1,341)	6,159	1,469	4,690
Miscellaneous Expenditures	2,000		2,000	1,415	585
<b>Total Undistributed Expenditures - Central Services</b>	<b>226,518</b>	<b>1,900</b>	<b>228,418</b>	<b>222,342</b>	<b>6,076</b>
Undistributed Expenditures - Information Technology					
Salaries	84,616		84,616	84,500	116
Purchased Professional and Technical Services	10,000	6,659	16,659	16,618	41
Supplies & Materials	16,000	11,350	27,350	26,412	938
<b>Total Undistributed Expenditures - Info Technology</b>	<b>110,616</b>	<b>18,009</b>	<b>128,625</b>	<b>127,530</b>	<b>1,095</b>



**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Required Maint. School Fac.					
Salaries	194,606	(25,000)	169,606	163,732	5,874
Cleaning, Repair and Maintenance Service	70,000	28,859	98,859	98,859	-
General Supplies	105,500	(7,967)	97,533	83,640	13,893
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>370,106</b>	<b>(4,108)</b>	<b>365,998</b>	<b>346,231</b>	<b>19,767</b>
Undistributed. Expenditures. - Custodial Services					
Salaries	362,996	(4,000)	358,996	329,109	29,887
Purchased Professional and Technical Services	247,701	(4,800)	242,901	227,551	15,350
Cleaning, Repair and Maintenance Service	12,000		12,000	11,048	952
Rental of Land and Buildings	400,000		400,000	400,000	-
Other Purchased Property Services	39,700	3,567	43,267	43,267	-
Insurance	26,500	(4,909)	21,591	21,591	-
General Supplies	31,500	32,409	63,909	61,804	2,105
Natural Gas	132,000	(3,567)	128,433	116,839	11,594
Electricity	264,000	(10,000)	254,000	241,852	12,148
Other Objects	2,500		2,500	43	2,457
<b>Total Undistributed Expenditures - Other Custodial Services</b>	<b>1,518,897</b>	<b>8,700</b>	<b>1,527,597</b>	<b>1,453,105</b>	<b>74,492</b>

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undistributed. Expenditures. - Buildings and Grounds					
Cleaning, Repair and Maintenance Services	22,500	4,800	27,300	25,794	1,506
General Supplies	4,000		4,000	3,497	503
<b>Total Undistributed Expenditures - Buildings and Grounds</b>	<b>26,500</b>	<b>4,800</b>	<b>31,300</b>	<b>29,291</b>	<b>2,009</b>
Undistributed. Expenditures. - Security					
Purchased Professional and Technical Services	82,000	4,300	86,300	84,000	2,300
<b>Total Undistributed Expenditures - Security</b>	<b>82,000</b>	<b>4,300</b>	<b>86,300</b>	<b>84,000</b>	<b>2,300</b>
<b>Total Undistributed Expenditures</b>	<b>1,997,503</b>	<b>13,692</b>	<b>2,011,195</b>	<b>1,912,626</b>	<b>98,569</b>
Operations and Maintenance of Plant					
Unallocated Benefits					
Social Security Contribution	195,000	(35,300)	159,700	159,648	52
Other Retirement Contributions - PERS	235,000	34,036	269,036	269,029	7
Other Retirement Contributions - DCRP	6,500	(718)	5,782	816	4,965
Unemployment Compensation		35,000	35,000	19,171	15,829
Workmen's Compensation	175,200	(2,542)	172,658	165,733	6,925
Health Benefits	2,442,648	(508,485)	1,934,163	1,930,887	3,276
Tuition Reimbursement	25,000		25,000	19,619	5,382
Other Employee Benefits	25,999		25,999	25,999	-
Unused Sick Payment to Terminated/Retired	29,190	12,459	41,649	41,649	0
<b>Total Unallocated Benefits</b>	<b>3,134,537</b>	<b>(465,550)</b>	<b>2,668,987</b>	<b>2,632,551</b>	<b>36,436</b>

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
On-Behalf Contributions					
On-behalf TPAF - Pension Contributions (non-budgeted)	-	-	-	1,469,415	(1,469,415)
On-behalf TPAF Postretirement Contributions (non-budgeted)	-	-	-	460,492	(460,492)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)	-	-	-	1,266	(1,266)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	369,651	(369,651)
Total On-Behalf Contributions	-	-	-	<u>2,300,824</u>	<u>(2,300,824)</u>
Total Personal Services - Employee Benefits	<u>3,134,537</u>	<u>(465,550)</u>	<u>2,668,987</u>	<u>4,933,375</u>	<u>(2,264,388)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>8,191,614</u>	<u>(482,119)</u>	<u>7,709,495</u>	<u>9,791,403</u>	<u>(2,081,907)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>13,084,768</u>	<u>(1,065,087)</u>	<u>12,019,681</u>	<u>13,811,609</u>	<u>(1,791,929)</u>
CAPITAL OUTLAY					
Equipment					
Required Maintenance	104,750	1,041,336	1,146,086	1,146,086	-
Undistributed Expenditures					
Architectural/Engineering Services	64,980	(28,151)	36,829	36,829	-
Construction Services	361,000	37,500	398,500	398,500	-
Support Services		4,230	4,230	4,230	-
Total Equipment	<u>530,730</u>	<u>1,054,915</u>	<u>1,585,645</u>	<u>1,585,645</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>530,730</u>	<u>1,054,915</u>	<u>1,585,645</u>	<u>1,585,645</u>	<u>-</u>
TOTAL EXPENDITURES	<u>13,615,498</u>	<u>(10,172)</u>	<u>13,605,326</u>	<u>15,397,255</u>	<u>(1,791,929)</u>

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**

**General Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,469,480)</u>	<u>10,172</u>	<u>(1,459,308)</u>	<u>(1,137,971)</u>	<u>321,337</u>
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfer to Food Service Fund-Board Contrib.		(10,172)	(10,172)	(10,172)	-
Total Other Financing Sources:	<u>-</u>	<u>(10,172)</u>	<u>(10,172)</u>	<u>(10,172)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,469,480)	0	(1,469,480)	(1,148,143)	321,337
Fund Balance July 1, As Restated	3,784,015	-	3,784,015	3,784,015	-
Fund Balance June 30	<u>2,314,535</u>	<u>0</u>	<u>2,314,535</u>	<u>2,635,872</u>	<u>321,337</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				377,821	
Maintenance Reserve				948,225	
Unemployment Reserve				280,750	
Assigned Fund Balance:					
Designated by BOE for Subsequent Years Expenditures				400,000	
Year-end Encumbrances				575	
Unassigned Fund Balance				628,501	
Fund Balance per Governmental Funds (GAAP)				<u>2,635,872</u>	

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 23,251		\$ 23,251	\$ 14,071	\$ (9,180)
Federal Sources	10,000		10,000	32,363	22,363
State Sources	25,000		25,000	-	(25,000)
Total Revenues	58,251	-	58,251	46,434	(11,817)
<b>EXPENDITURES:</b>					
Instruction:					
General Supplies	58,251		58,251	50,178	8,073
Total Instruction	58,251	-	58,251	50,178	8,073
Total Outflows	58,251	-	58,251	50,178	8,073
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ (3,744)	\$ (3,744)

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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Required Supplementary Information**  
**Budget to GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2021**

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

		<u>General Fund</u>			<u>Special Revenue Fund</u>
Sources/inflows of resources					
Actual amounts (budgetary basis) "revenue"					
from the budgetary comparison schedule	[C-1]	\$ 14,259,283	[C-2]		46,434
Difference - budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized					
None					
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>14,259,283</u>	[B-2]		<u>46,434</u>
Uses/outflows of resources					
Actual amounts (budgetary basis) "total outflows"					
from the budgetary comparison schedule	[C-1]	\$ 15,397,255	[C-2]		50,178
Difference - budget to GAAP:					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.					-
None					
	[B-2]	<u>\$ 15,397,255</u>	[B-2]		<u>50,178</u>

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**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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**CAPE MAY COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Eight Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0341928797%	0.0341928797%	0.0351992686%	0.0392381982%	0.0398698441%	0.0411751663%	0.0443221000%	0.0437771654%
District's proportionate of the net pension liability (asset)	\$ 6,315,721	\$ 6,161,038	\$ 6,930,561	\$ 9,134,025	\$ 11,808,304	\$ 9,243,000	\$ 8,298,309	\$ 8,366,686
District's covered payroll	\$ 2,411,736	\$ 2,515,184	\$ 2,406,947	\$ 2,524,601	\$ 2,633,466	\$ 2,711,933	\$ 2,832,299	\$ 3,047,499
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	261.87%	244.95%	287.94%	361.80%	448.39%	340.83%	292.99%	274.54%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	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 be show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

**CAPE MAY COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Eight Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 423,678	\$ 332,596	\$ 350,119	\$ 363,500	\$ 354,198	\$ 353,996	\$ 365,385	\$ 329,852
Contributions in relation to the contractually required contribution	\$ 423,678	\$ 332,596	\$ 350,119	\$ 363,500	\$ 354,198	\$ 353,996	\$ 365,385	\$ 329,852
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,411,736	\$ 2,515,184	\$ 2,406,947	\$ 2,524,601	\$ 2,633,466	\$ 2,711,933	\$ 2,832,299	\$ 3,047,499
Contributions as a percentage of covered-employee payroll	17.57%	13.22%	14.55%	14.40%	13.45%	13.05%	12.90%	10.82%

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

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

**CAPE MAY COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Eight Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 32,034,792	\$ 31,080,354	\$ 32,941,245	\$ 37,426,427	\$ 37,838,160	\$ 32,756,275	\$ 31,350,599	\$ 31,642,150
<b>Total</b>	<b>\$ 32,034,792</b>	<b>\$ 31,080,354</b>	<b>\$ 32,941,245</b>	<b>\$ 46,612,126</b>	<b>\$ 37,838,160</b>	<b>\$ 32,756,275</b>	<b>\$ 31,350,599</b>	<b>\$ 31,350,599</b>
District's covered payroll	\$ 5,320,869	\$ 5,153,612	\$ 5,029,062	\$ 5,311,548	\$ 5,454,324	\$ 5,642,686	\$ 5,814,330	\$ 5,807,877
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

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

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

**CAPE MAY COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Five Fiscal Years**

	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 55,625,779</u>	<u>\$ 35,870,095</u>	<u>\$ 42,216,380</u>	<u>\$ 51,473,810</u>	<u>\$ 55,715,567</u>
<b>Total</b>	<u><b>\$ 55,625,779</b></u>	<u><b>\$ 35,870,095</b></u>	<u><b>\$ 42,216,380</b></u>	<u><b>\$ 51,473,810</b></u>	<u><b>\$ 55,715,567</b></u>
District's covered payroll	7,732,605	7,668,796	7,436,009	7,836,149	8,087,790
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:					
Service Cost	1,063,410.00	1,131,805.00	1,390,583.00	1,668,921	
Interest Cost	1,276,381.00	1,657,096.00	1,873,209.00	1,619,209	
Differences between Expected & Actual	8,194,022.00	(8,601,546.00)	(6,586,846.00)		
Changes in Assumptopns	10,160,918.00	534,826.00	(4,844,540.00)	(6,381,545)	
Member Contributions	29,352.00	32,639.00	39,015.00	43,901	
Benefit Payments	(968,399.00)	(1,101,105.00)	(1,128,851.00)	(1,192,243)	
Change in Total Opeb Liability	<u>19,755,684.00</u>	<u>(6,346,285.00)</u>	<u>(9,257,430.00)</u>	<u>(4,241,757)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>35,870,095</u>	<u>42,216,380</u>	<u>51,473,810</u>	<u>55,715,567</u>	
Ending Balance	<u><u>55,625,779</u></u>	<u><u>35,870,095</u></u>	<u><u>42,216,380</u></u>	<u><u>51,473,810</u></u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	719.37%	467.74%	567.73%	656.88%	

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

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



## **OTHER SUPPLEMENTARY INFORMATION**

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## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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

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**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2021**

	Positive Behavior	Yearbook	Teacher of the Year	Citizenship	AtlantiCare Healthy	AtlantiCare Garden	ISY Grant	NJSIG Safety Grant	CARES	Student Activities	Totals 2021
<b>REVENUES:</b>											
Local Sources	\$ 250	\$ 667	\$ 447	\$ 150	\$ 1,500	\$ 426	\$ -	\$ 6,074	\$ -	4,557	\$ 14,071
Federal Sources							22,363		10,000		32,363
State Sources											-
<b>Total Revenues</b>	<b>250</b>	<b>667</b>	<b>447</b>	<b>150</b>	<b>1,500</b>	<b>426</b>	<b>22,363</b>	<b>6,074</b>	<b>10,000</b>	<b>4,557</b>	<b>46,434</b>
<b>EXPENDITURES:</b>											
Instruction:											
General Supplies	250	667	447	150	1,500	426	22,363	6,074	10,000	8,301	50,178
Total Instruction	250	667	447	150	1,500	426	22,363	6,074	10,000	8,301	50,178
Support Services:											
Salaries of Other Professional Staff	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay											
Total Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Student Activities											
Total Student Activities	-	-	-	-	-	-	-	-	-	-	-
Total Outflows	250	667	447	150	1,500	426	22,363	6,074	10,000	8,301	50,178
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,744)	\$ (3,744)

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## **Statistical Section**

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**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	1,457,231	1,476,610	1,564,573	1,573,287	1,556,851	1,699,725	1,784,689	1,923,312	2,192,230	3,630,398
Restricted	166,589	143,783	292,301	540,801	741,526	942,251	1,142,976	1,344,251	1,745,526	1,606,796
Unrestricted	860,065	961,671	(7,385,317)	(7,249,756)	(8,020,552)	(8,408,475)	(8,545,688)	(7,682,293)	(7,163,805)	(7,480,699)
Total governmental activities net position	<u>2,483,905</u>	<u>2,582,064</u>	<u>(5,528,443)</u>	<u>(5,135,668)</u>	<u>(5,722,175)</u>	<u>(5,766,499)</u>	<u>(5,618,033)</u>	<u>(4,414,730)</u>	<u>(3,226,049)</u>	<u>(2,243,504)</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	207,428	210,764	190,704	161,042	131,705	114,151	128,984	138,664	116,640	301,203
Restricted	-	2,498,067	2,949,378	3,346,413	3,740,879	4,053,555	4,488,303	5,028,977	5,481,601	5,337,918
Unrestricted	2,235,173	2,708,831	3,140,082	3,507,455	3,872,584	4,167,706	4,617,287	5,167,841	5,596,241	5,639,121
Total business-type activities net position	<u>2,442,601</u>	<u>2,708,831</u>	<u>3,140,082</u>	<u>3,507,455</u>	<u>3,872,584</u>	<u>4,167,706</u>	<u>4,617,287</u>	<u>5,167,841</u>	<u>5,596,241</u>	<u>5,639,121</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	1,664,659	1,687,374	1,755,277	1,734,329	1,688,556	1,813,876	1,913,673	2,061,976	2,308,870	3,931,601
Restricted	166,589	143,783	292,301	540,801	741,526	942,251	1,142,976	1,344,251	1,745,526	1,606,796
Unrestricted	3,095,288	3,459,738	(4,435,939)	(3,903,343)	(4,279,673)	(4,354,920)	(4,057,395)	(2,653,316)	(1,662,204)	(2,142,761)
Total district net position	<u>4,926,506</u>	<u>5,290,895</u>	<u>(2,388,361)</u>	<u>(1,628,213)</u>	<u>(1,849,591)</u>	<u>(1,598,793)</u>	<u>(1,000,746)</u>	<u>752,911</u>	<u>2,372,192</u>	<u>3,395,617</u>

Source: CAFR Schedule A-1

Note: Previous year have been recaptured to conform to current terminology

\* Net Position was restated as of June 30, 2014 as required for implementation GASB 68

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Special education	5,719,315	5,760,886	5,278,160	6,211,214	6,610,871	6,846,249	6,997,530	6,681,594	6,283,327	6,579,322
Other instruction	1,345,408	1,397,302	1,317,978	1,511,810	1,590,163	1,583,179	1,561,721	1,334,883	1,149,282	854,172
Support Services:										
Student & instruction related services	2,344,928	2,472,502	2,355,022	2,760,628	2,880,544	3,485,266	3,865,647	3,223,424	2,943,457	3,407,611
General administrative/Business services	820,795	831,714	1,313,273	815,752	912,760	1,051,248	1,238,020	1,031,405	916,817	1,945,369
School administrative services	514,030	510,425	392,383	518,805	607,351	629,339	674,255	569,937	532,275	622,228
Plant operations and maintenance	1,984,942	2,027,214	2,060,727	2,473,295	2,909,478	3,079,753	3,188,181	2,723,187	2,469,622	2,037,723
Unallocated depreciation	25,895	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	12,755,313	13,000,043	12,717,543	14,291,504	15,511,167	16,675,034	17,525,354	15,564,430	14,304,780	15,446,424
Business-type activities:										
Food service	248,600	254,556	254,399	263,867	251,997	201,272	190,467	193,848	146,494	162,004
Linerament services	2,516,968	2,304,081	2,262,064	2,211,815	2,339,395	2,353,174	2,444,523	2,847,425	2,997,188	2,856,082
Transportation services	1,933,313	1,842,056	1,773,602	2,080,443	2,257,419	2,106,895	2,326,836	2,606,493	2,364,487	1,886,262
Other	1,492,086	1,587,193	1,389,085	1,325,382	1,122,655	1,201,408	501,968	520,857	595,780	382,020
Total business-type activities expenses	5,992,967	5,987,886	5,679,150	5,881,517	5,971,466	5,862,749	5,463,794	6,168,623	6,103,949	5,388,368
Total district expenses	18,748,280	18,987,929	18,396,693	20,173,021	21,482,633	22,537,783	22,989,148	21,733,053	20,408,729	20,834,792
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	1,294,808	1,460,342	1,292,949	2,775,356	3,557,006	4,694,469	5,765,823	3,772,458	2,196,466	4,190,648
Charges for services:	7,340,644	7,687,761	7,241,604	7,646,504	7,239,859	7,868,593	7,721,006	8,748,290	8,947,975	7,610,032
Total governmental activities program revenues	8,635,452	9,128,103	8,534,553	10,421,860	10,796,865	12,563,062	13,486,829	12,520,748	11,144,441	11,800,680
Business-type activities:										
Charges for services:										
Food service	65,398	61,915	66,852	63,267	67,746	69,194	62,108	36,213	24,090	13,624
Shared services	2,241,669	2,304,199	2,503,716	2,455,281	2,517,999	2,587,437	2,706,852	3,180,927	3,360,669	2,865,712
Linerament services	1,967,877	1,981,693	1,809,337	2,143,587	2,302,896	2,224,829	2,394,994	2,706,512	2,363,408	1,968,970
Transportation services	1,462,282	1,525,559	1,407,949	1,336,929	1,253,190	1,082,393	624,883	652,593	643,887	446,757
Other	324,546	324,784	324,401	163,469	110,011	119,950	112,482	124,465	111,857	146,063
Operating grants and contributions	6,061,772	6,198,150	6,112,255	6,182,533	6,251,842	6,083,803	5,901,419	6,700,710	6,503,911	5,431,126
Capital grants and contributions	14,697,224	15,326,253	14,646,808	16,604,393	17,048,707	18,646,865	19,388,248	19,221,458	17,648,352	17,231,806
Total business-type activities program revenue	21,142,628	21,953,799	21,746,266	23,697,072	24,270,205	25,547,012	26,868,312	27,772,384	27,246,512	26,248,628
<b>Net (Expense)/Revenue</b>										
Governmental activities	(4,119,861)	(3,871,940)	(4,182,990)	(3,869,644)	(4,714,302)	(4,111,972)	(4,038,525)	(3,043,682)	(3,160,339)	(3,645,744)
Business-type activities	68,805	210,264	433,105	301,016	280,376	221,054	437,625	532,087	399,962	42,758
Total district-wide net expense	(4,051,055)	(3,661,676)	(3,749,885)	(3,568,628)	(4,433,926)	(3,890,918)	(3,600,900)	(2,511,595)	(2,760,377)	(3,602,986)

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
County appropriation	3,974,832	3,974,832	3,974,832	3,974,832	3,974,832	3,974,832	4,054,328	-	4,135,400	4,135,400
Unrestricted grants and contributions	36,385	15,905	7,369	323,018	208,632	114,520	94,887	-	92,568	103,140
Investment earnings	331,045	40,252	73,642	8,099	11,565	22,794	24,214	-	1,275	6,500
Miscellaneous income	253,918	-	-	22,827	17,519	29,570	25,518	-	150,213	103,387
Capital contributions (Uses)	-	(60,890)	(69,531)	(66,357)	(84,753)	(74,068)	(11,956)	-	-	-
Transfers	-	-	-	-	-	-	-	-	(30,435)	(10,172)
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total governmental activities	4,596,179	3,970,099	3,986,312	4,262,419	4,127,795	4,067,648	4,186,891	-	4,349,021	4,338,254
Business-type activities:										
Investment earnings	2,916	1,757	-	-	-	-	-	-	203	4,296
Transfers	4,254	(6,890)	69,531	66,357	84,753	74,068	11,956	-	30,435	10,172
Gain/(Loss) on Disposal of Capital Assets	-	55,967	69,531	66,357	84,753	74,068	11,956	-	30,638	14,468
Total business-type activities	7,170	50,624	139,062	132,714	169,506	148,136	23,908	-	61,076	28,936
Total district-wide	4,603,349	4,020,723	4,125,374	4,395,133	4,297,301	4,215,784	4,198,947	-	4,379,689	4,352,722
Changes in Net Assets	476,318	98,159	(196,678)	392,775	(586,507)	(44,324)	148,466	(3,043,682)	1,188,682	692,511
Governmental activities	75,975	266,231	502,636	367,373	365,129	295,122	449,681	532,087	430,600	57,226
Business-type activities	552,294	364,390	305,968	760,148	(221,378)	(250,798)	598,047	(2,511,895)	1,619,282	749,737
Total district	1,328,269	630,621	808,604	1,127,521	143,751	44,324	1,047,728	(1,979,808)	2,049,882	1,327,963

Source: CAFR Schedule A-2

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Restricted	64,325	-	-	-	743,814	942,251	1,142,976	1,345,129	1,745,526	1,326,046
Committed	77,193	140,061	292,301	541,047	-	-	-	-	-	681,325
Assigned	-	403,722	-	-	930,209	-	-	-	-	628,501
Unassigned	1,297,160	989,908	1,362,846	1,206,783	-	1,136,342	1,148,237	1,648,100	1,773,568	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
<b>Total general fund</b>	<b>1,438,678</b>	<b>1,533,691</b>	<b>1,655,147</b>	<b>1,747,830</b>	<b>1,674,023</b>	<b>2,078,593</b>	<b>2,291,213</b>	<b>2,993,229</b>	<b>3,519,094</b>	<b>2,635,872</b>
<b>All Other Governmental Funds</b>										
Restricted	25,071	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned to										
Capital projects fund										
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	21,368
Unreserved, reported in:										
Capital projects fund										
Capital projects fund										
<b>Total all other governmental funds</b>	<b>25,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,368</b>

As a result of GASB standards, the classification of fund balance was modified effective in fiscal year 2011

Source: CAFR Schedule B-1

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
County appropriation	3,974,832	3,974,832	3,974,832	3,974,832	3,974,832	3,974,832	4,054,328	4,054,328	4,135,400	4,135,400
Tuition charges	6,912,197	7,308,861	6,894,678	7,311,594	6,874,621	7,514,923	7,445,373	8,412,032	8,638,386	7,262,250
Nonresident fees	298,956	302,500	303,845	306,350	315,398	306,350	270,173	302,448	309,589	347,782
Miscellaneous	140,849	107,732	134,094	86,009	70,066	157,025	131,107	146,941	206,153	123,958
County - capital	-	-	-	-	-	-	-	-	-	-
State sources	1,356,901	1,319,983	1,172,543	1,278,458	1,431,931	1,532,080	3,715,058	1,856,402	1,881,011	2,300,824
Federal sources	119,450	88,784	175,581	401,535	304,103	141,885	94,886	119,241	92,588	135,503
Total revenue	<u>12,803,185</u>	<u>13,102,692</u>	<u>12,855,573</u>	<u>13,358,778</u>	<u>12,970,951</u>	<u>13,627,095</u>	<u>15,710,925</u>	<u>14,891,392</u>	<u>15,263,107</u>	<u>14,305,717</u>
<b>Expenditures</b>										
Instruction:										
Special education instruction	4,004,744	3,857,854	3,710,751	3,810,382	3,684,244	3,464,627	3,382,606	3,784,966	3,958,440	3,605,053
Other instruction	907,779	931,961	937,770	931,375	892,224	801,187	751,731	751,678	722,887	465,332
Support Services:										
Student & instruction related services	1,605,379	1,667,474	1,675,649	1,700,790	1,616,243	1,763,762	1,858,127	1,818,878	1,851,405	1,856,381
General & business administrative services	604,231	621,115	571,760	571,891	550,649	618,566	689,369	689,533	691,381	685,998
School administrative services	369,598	346,368	279,189	363,713	366,402	370,310	375,220	381,023	401,394	403,023
Plant operations and maintenance	1,745,047	1,752,043	1,828,913	1,753,482	1,779,782	1,828,860	1,802,446	1,839,530	1,884,357	1,912,626
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	3,468,593	3,729,705	3,615,354	3,703,726	4,029,147	4,087,826	6,447,758	4,655,758	4,810,024	4,933,375
Special schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	643,420	65,340	137,501	72,138	41,314	213,319	179,092	252,306	386,919	1,585,645
Total Expenditures	<u>13,348,791</u>	<u>12,971,860</u>	<u>12,756,887</u>	<u>12,907,497</u>	<u>12,960,005</u>	<u>13,148,457</u>	<u>15,486,349</u>	<u>14,173,672</u>	<u>14,706,807</u>	<u>15,447,433</u>
Excess (Deficiency) of revenues over (under) expenditures	(545,606)	130,832	(101,314)	451,281	10,946	478,638	224,576	717,720	556,300	(1,141,715)
<b>Other Financing Sources (Uses)</b> :										
Transfers in	-	25,071	-	-	-	-	-	-	-	-
Transfers out	(32,715)	(85,961)	(69,531)	(66,357)	(84,753)	(74,068)	(11,956)	(15,704)	(30,435)	(10,172)
Capital Authorization Canceled	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(32,715)</u>	<u>(60,890)</u>	<u>(69,531)</u>	<u>(66,357)</u>	<u>(84,753)</u>	<u>(74,068)</u>	<u>(11,956)</u>	<u>(15,704)</u>	<u>(30,435)</u>	<u>(10,172)</u>
Net change in fund balances	<u>(578,321)</u>	<u>69,942</u>	<u>(170,845)</u>	<u>384,924</u>	<u>(73,807)</u>	<u>404,570</u>	<u>212,620</u>	<u>702,016</u>	<u>525,865</u>	<u>(1,151,887)</u>

Source: CAFR Schedule B-2

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**General Fund Other Local Revenue by Source,**  
**Last Ten Fiscal Years**  
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Non-Resident</u> <u>Fees</u>	<u>E- Rate</u>	<u>Miscellaneous</u>	<u>Totals</u>
2012	36,385	6,912,197	298,956	28,871	3,218	7,279,627
2013	15,905	7,308,861	302,500	36,993	3,259	7,667,518
2014	7,369	6,894,678	303,845	51,216	22,426	7,279,534
2015	8,099	7,311,594	306,350	44,296	231	7,670,570
2016	11,565	6,874,621	315,398	39,579	380	7,241,543
2017	22,794	7,514,923	306,350	40,014	676	7,884,757
2018	24,214	7,445,373	270,173	25,857	447	7,766,064
2019	64,402	8,412,032	302,448			8,778,882
2020	110,516	8,638,386	309,589	6,715	34,257	9,099,463
2021	63,934	7,262,250	347,782	25,892	20,061	7,719,919

Source: District Records

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
(A Component Unit of the County of Cape May)  
Demographic and Economic Statistics,  
Last Ten Fiscal Years**

**Exhibit J-14**

Fiscal Year Ended June 30,	(a) Population	(b) Personal Income (thousands of dollars)	(c) Per Capita Personal Income	(d) Unemployment Rate
2012	96,460	4,756,153,220	49,307	13.4%
2013	95,868	4,766,173,488	49,716	12.0%
2014	95,417	4,943,745,604	51,812	12.0%
2015	94,843	4,914,005,516	51,812	10.9%
2016	94,430	4,892,607,160	51,812	10.9%
2017	93,553	4,977,861,577	53,209	9.1%
2018	93,533	5,131,688,045	54,865	9.1%
2019	92,560	5,398,469,440	58,324	8.4%
2020	92,039	5,603,058,203	60,877	7.2%
2021	91,546	5,743,046,764	62,734	7.5%

Source:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development - most current information is as of 7/1/2019
- (b) Personal income provided by the NJ Dept of Labor and Workforce Development - most current information is as of 11/14/19
- (c) Per capital personal income source Regional Economic Information System, Bureau of Economic Analysis, November 2019 estimate based on 2018 amount
- (d) Unemployment data provided by the U.S. Department of Labor, Bureau of Labor Statistics

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
 (A Component Unit of the County of Cape May)  
 Full-Time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years**

Exhibit J-16

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Function/Program</b>										
Instruction:										
Special education instruction	86	81	80	78	72	72	71	81	84	77
Support Services:										
Student & instruction related services	26	25	24	25	25	26	25	25	25	25
General administrative services	3	3	3	3	3	3	3	3	3	2
School administrative services	7	7	6	7	6	6	6	6	6	6
Business administrative services	4	4	4	4	4	4	4	4	4	4
Plant operations and maintenance	12	12	12	11	12	11	12	12	12	12
Pupil transportation				2	2	2	2	2	2	2
Special schools										
Food Service				2	2	2	2			
Child Care										
<b>Total</b>	<b>138</b>	<b>132</b>	<b>129</b>	<b>130</b>	<b>123</b>	<b>124</b>	<b>125</b>	<b>133</b>	<b>136</b>	<b>128</b>

Source: District Personnel Records



CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
 (A Component Unit of the County of Cape May)  
 Operating Statistics,  
 Last Ten Fiscal Years

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
						Overall	District				
2012	289	12,738,086	44,076	-1.25%	86	3.3:1	293	258	2.99%	88.05%	
2013	264	12,906,520	48,888	10.92%	81	3.1:1	275	242	-6.14%	88.00%	
2014	275	12,619,386	45,889	-6.14%	80	3.4:1	271	233	-1.53%	86.04%	
2015	251	12,835,299	51,137	11.44%	78	3.2:1	250	221	-7.54%	88.30%	
2016	225	12,918,691	57,416	12.28%	72	3.2:1	239	212	-4.53%	88.62%	
2017	231	12,935,138	55,996	-2.47%	72	3.2:1	233	209	-2.52%	89.70%	
**2018	195	15,307,257	78,499	40.19%	71	3.5:1	202	185	-13.30%	91.58%	
***2019	219	13,921,366	63,568	-19.02%	81	2.7:1	229	209	13.37%	91.27%	
2020	228	14,319,888	62,807	-1.20%	84	2.7:1	229	209	0.00%	91.27%	
2021	227	13,861,787	61,065	-2.77%	77	2.7:1	229	211	0.00%	92.14%	

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

\*\* Elimination of Compact Program

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
 (A Component Unit of the County of Cape May)  
**School Building Information,**  
**Last Ten Fiscal Years**

Exhibit J-18

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
166,208	166,208	166,208	166,208	166,208	166,208	166,208	166,208	166,208	166,208	166,208
400	400	400	400	400	400	400	400	400	400	400
238	264	275	251	225	231	195	219	228	227	

**District Buildings**

**Elementary,Middle,High School**

CMC Special Services  
 Square Feet  
 Capacity (students)  
 Enrollment

Number of Schools at June 30, 2021

- Elementary - 1
- Middle - 1
- High - 1

Source: District Records, ASSA

CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
 (A Component Unit of the County of Cape May)  
 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)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Special Services - One Building		325,380	334,978	366,873	288,246	315,184	320,680	320,231	317,117	371,162	346,231
Total School Facilities		325,380	334,978	366,873	288,246	315,184	320,680	320,231	317,117	371,162	346,231
Other Facilities											
Grand Total		325,380	334,978	366,873	288,246	315,184	320,680	320,231	317,117	371,162	346,231

Source: District Records

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2021**  
*(Unaudited)*

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
<b>New Jersey School Boards Association Insurance Group</b>		
<b>Package Policy</b>		
<b>I Property</b>		
Blanket Real & Personal Property - per occurrence	\$ 350,000,000	\$ 1,000
Blanket Extra Expense	50,000,000	1,000
Blanket Valuable Papers & Records	10,000,000	1,000
Demolition and Increased Cost of Construction	10,000,000	1,000
Fire Department Service Charge	10,000	
Arson Reward	10,000	
Pollutant Cleanup and Removal	250,000	
Contingent Liability		
Flood - per occurrence/NJSBAIG annual aggregate - Zone A & V	10,000,000	500,000
Flood - per occurrence/NJSBAIG annual aggregate - All Other Zones	50,000,000	10,000
Earthquake - per occurrence/NJSBAIG annual aggregate	50,000,000	
Increased Cost of Construction/Demolition		
Terrorism - per occurrence/NJSBAIG annual aggregate	1,000,000	
<b>II Electronic Data Processing</b>		
Blanket Hardware/Software	556,000	1,000
Blanket Extra Expense	Included	
Coverage Extensions:		
Transit	25,000	
Loss of Income	10,000	
<b>III Equipment Breakdown</b>		
Combined Single Limit per Accident for Property Damage & Expense	100,000,000	1,000
Property Damage	Included	
Off Premises Property Damage	100,000	
Business Income	Included	
Extra Expense	10,000,000	
Service Interruption	10,000,000	
Perishable Goods	500,000	
Data Restoration	100,000	
Contingent Business Income	100,000	
Demolition	1,000,000	
Ordinance or Law	1,000,000	
Expediting Expenses	500,000	
Hazardous Substances	500,000	
Newly Acquired Locations	250,000	
Terrorism	Included	
<b>IV Crime</b>		
Public Employee Dishonesty with Faithful Performance	250,000	1,000
Theft, Disappearance and Destruction - Loss of Money and Securities on or off Premises	100,000	1,000
Forgery or Alteration	250,000	1,000
Public Officials Bond - Board Secretary/Business Administrator	2,000	500
Public Officials Bond - Board Treasurer	200,000	1,000

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2021**  
*(Unaudited)*

**Exhibit J-20**

Company and Type of Coverage	Amount of Coverage	Deductible
<b>V Comprehensive General Liability</b>		
Bodily Injury & Property Damage - Combined Single Limit	\$ 16,000,000	\$
Premises & Operations		
Bodily Injury from Products & Operations - Annual Aggregate	16,000,000	
Sexual Abuse - Annual Aggregate	17,000,000	
Personal Injury & Advertising Injury - Per Occurrence/Annual Aggregate	16,000,000	
Employee Benefit Liability - Per Claim/Annual Aggregate	16,000,000	1,000
Premises Medical Payments - Per Accident	10,000	
Terrorism - per occurrence	1,000,000	
<b>VI Automobile</b>		
Liability		
Combined Single Limits for Bodily Injury & Property Damage	16,000,000	
Uninsured/Under insured Mootrists	1,000,000	
Personal Injury Protection	250,000	
Medical Payments	10,000	
Terrorism	1,000,000	
<b>Workers Compensation</b>		
Bodily Injury by Accident - Per Accident	2,000,000	
Bodily Injury by Disease - Per Employee	2,000,000	
Bodily Injury by Disease - Agreement Limit	2,000,000	
<b>Umbrella Liability</b>		
Each Occurrence	10,000,000	
Aggregate	10,000,000	
Self Insured Retention	10,000	
<b>Volunteer Workers</b>		
Maximum Amount	500,000	
<b>Errors &amp; Omissions</b>		
Coverage A		
Limit of Liability - Each Policy Period	16,000,000	5,000
Coverage B		
Limit of Liability - Each Claim	100,000	5,000
Each Policy Period	300,000	

Source: District records

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# **Single Audit Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## **K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable President and  
Members of the Board of Education  
Cape May County Schools for Special Services School District  
(a component unit of the County of Cape May)  
Cape May Court House, New Jersey

We have audited the basic financial statements of the Board of Education of the Cape May County Schools for Special Services School (a component unit of the County of Cape May), State of New Jersey, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated March 7, 2022. 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 presented by the Division of Finance, Department of Education, State of New Jersey.

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

In planning and performing our audit of the financial statements, we considered Cape May County Schools for Special Services' (a component unit of the County of Cape May) 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 Cape May County Schools for Special Services' (a component unit of the County of Cape May) 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 Cape May County Schools for Special Services (a component unit of the County of Cape May) 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.

This report is intended for the information of the management of the Cape May County Schools for Special Services School District Board of Education (a component unit of the County of Cape May), the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

*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**

**March 7, 2022**

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2020	Budgetary Expenditures			Balance at June 30, 2021	
							Cash Received	Source Pass Through	Total	Accounts Receivable	Deferred Revenue
<b>U.S. Department of Education</b>											
General Fund:											
Medical Assistance Program	93.778	2005NJ5MAP	N/A	7/1/2020 - 6/30/2021	103,140	-	103,140	(103,140)	(103,140)	-	-
Total General Fund							103,140	(103,140)	(103,140)	-	-
<b>U.S. Department of Education</b>											
Passed-through State Department of Education	84.425	S425D2000027	N/A	7/1/2020 - 6/30/2021	10,000	-	10,000	(10,000)	(10,000)	-	-
CARE-ESSER											
<b>U.S. Department of Labor (Passed through Atlantic- Workforce Investment Board)</b>											
Special Revenue Fund:											
In School Youth Grant-CMC High School	17,258/17,259	16-0774-0-1-504	K08.207	7/1/2015 - 6/30/2016		22,363		(22,363)	(22,363)	-	-
Total Special Revenue Fund						22,363		(22,363)	(22,363)	-	-
<b>U.S. Department of Agriculture</b>											
Passed-Through State											
Department of Education											
Enterprise Funds:											
Food Distribution Program	10.555	20201NJ304N1099	N/A	7/1/2019 - 6/30/2020	15,234	11,457	(11,457)	(11,457)	(11,457)	-	-
Food Distribution Program	10.555	20211NJ304N1099	N/A	7/1/2020 - 6/30/2021	19,253		(7,796)	(7,796)	-	-	-
Child Nutrition Program Cluster:											
School Breakfast Program - Severe	10.553	20201NJ304N1099	N/A	7/1/2019 - 6/30/2020	34,488	(957)	957	-	-	-	-
School Breakfast Program - Severe	10.553	20211NJ304N1099	N/A	7/1/2020 - 6/30/2021	50,285		(50,285)	(50,285)	(4,839)	-	-
National School Lunch Program	10.555	20201NJ304N1099	N/A	7/1/2019 - 6/30/2020	62,228	(1,476)	1,476	-	-	-	-
National School Lunch Program	10.555	20211NJ304N1099	N/A	7/1/2020 - 6/30/2021	72,709		(72,709)	(72,709)	(6,559)	-	-
Total Child Nutrition Program Cluster:						9,024	121,825	(142,247)	(142,247)	(11,398)	-
Total Enterprise Funds						9,024	121,825	(142,247)	(142,247)	(11,398)	-
<b>Total Federal Financial Awards</b>						\$ 31,367	234,965	(277,750)	(277,750)	(11,398)	-

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES**  
**(A Component Unit of the County of Cape May)**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended June 30, 2021**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	MEMO	
				Deferred Revenue/ (Accts Receivable)	Due to Grantor							
<b>State Department of Education</b>												
General Fund:												
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	7/1/2019 6/30/2020	388,351	(19,104)		19,104		-	-	-	388,351	
Reimbursed TPAF Social Security Contributions	21-495-034-5095-003	7/1/2020 6/30/2021	369,651			351,170	(369,651)	(18,481)		(18,481)	369,651	
On-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002	7/1/2020 6/30/2021	1,469,415			1,469,415	(1,469,415)	-		-	1,469,415	
On-Behalf-Teachers' Pension and Annuity Fund - Post Retirement/Medical	21-495-034-5094-001	7/1/2020 6/30/2021	460,492			460,492	(460,492)	-		-	460,492	
On-Behalf- Teachers' Pension & Annuity Fund - Non-contributory Insurance	21-495-034-5094-004	7/1/2020 6/30/2021	1,266			1,266	(1,266)	-		-	1,266	
Total General Fund				(19,104)	-	2,301,447	(2,300,824)	(18,481)	-	(18,481)	2,689,175	
<b>State Department of Agriculture</b>												
Enterprise Funds:												
Food Service Fund:												
Child Nutrition Program Cluster (State):												
National School Lunch Program (State Share)	20-100-010-3350-023	7/1/2019 6/30/2020	1,175	(24)		24		-		-	1,175	
National School Lunch Program (State Share)	21-100-010-3350-023	7/1/2020 6/30/2021	3,482			3,351	(3,816)	(465)		(465)	3,482	
Total Child Nutrition Program Cluster (State)				(24)	-	24	-	-	-	-	1,175	
Total Enterprise Funds				(24)	-	3,375	(3,816)	(465)	-	(465)	4,657	
<b>Total State Financial Assistance</b>				(19,128)	-	2,304,822	(2,304,640)	(18,946)	-	(18,946)	2,693,833	

Less: On-Behalf Teachers' Pension and Annuity Fund \$ 1,469,415.00  
Less: On-Behalf TPAF-Post Retirement Medical 460,492.00  
Less: On-Behalf TPAF Non-contributory Insurance 1,266.00  
Total for State Financial Assistance-Major Program Determination \$ (373,467.48)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Schedules of Expenditures of Federal Awards and  
State Financial Assistance  
June 30, 2021**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state award programs of the Board of Education, Cape May County Schools for Special Services. The Board of Education is defined in Note 1(A) 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 of accounting with the exception of programs recorded in the enterprise funds, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Uniform Guidance and NJ OMB 15-08. 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 GAAP reporting, revenue is not recognized until the subsequent year or when the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis. 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$0 for the general fund and \$0 for the special revenue fund. See *Notes to Required Supplementary Information* for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general fund and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	On-Behalf	Total
General Fund	\$ 103,140	\$ 2,300,824	\$ (1,517,173)	\$ 886,791
Special Revenue Fund	32,363			32,363
Enterprise Funds	142,247	3,816		146,063
Total Financial Award Revenues	<u>\$ 277,750</u>	<u>\$ 2,304,640</u>	<u>\$ (1,517,173)</u>	<u>\$ 1,065,217</u>

**Cape May County Schools for Special Services  
(A Component Unit of the County of Cape May)  
Notes to Schedules of Expenditures of Federal Awards and  
State Financial Assistance  
June 30, 2021**

**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 Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions, TPAF Post-Retirement Contributions, and TPAF Long-Term Disability Insurance represents the amount paid by the State on behalf of the District for the year ended June 30, 2021. These amounts, \$1,469,415, \$460,492, and \$1,266, respectively, are reported in the basic financial statements as both a revenue and expenditure of the District. These amounts are not reported on the schedule of state financial assistance and were not considered for major program determination. TPAF social security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021. This amount, \$369,651 is reported in the basic financial statements as both a revenue and expenditure of the District. This amount is reported on the schedule of state financial assistance.

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
(A Component Unit of the County of Cape May)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**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   No

Non-compliance material to basic financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards - N/A**

Internal Control over major programs:

1) Material weakness(es) identified: \_\_\_\_\_ Yes    \_\_\_\_\_ No

2) Significant deficiencies identified? \_\_\_\_\_ Yes    \_\_\_\_\_ No

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

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

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

N/A

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

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

**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
(A Component Unit of the County of Cape May)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Section I - Summary of Auditor's Results (Continued)**

**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>GMIS Number(s)</u>	<u>Name of State Program</u>
N/A	

***Section II - Findings Related to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards***

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 - Findings and Questioned Costs for Federal and State Awards***

**FEDERAL AWARDS:**

**None**

**STATE AWARDS:**

**None**



**CAPE MAY COUNTY SCHOOLS FOR SPECIAL SERVICES  
(A Component Unit of the County of Cape May)  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2021**

**STATUS OF PRIOR YEAR FINDINGS**

**FEDERAL PROGRAMS**

There were no prior year findings.

**STATE PROGRAMS**

There were no prior year findings.