

# **Comprehensive Annual Financial Report**

of the

Egg Harbor City Board of Education

Egg Harbor City, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Egg Harbor City Board of Education

Finance Department



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## **Introductory Section**

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# Egg Harbor City Public Schools

## BOARD OF EDUCATION OFFICES

730 Havana Avenue  
Egg Harbor City, NJ 08215  
Phone: 609-965-1034  
Fax: 609-965-6719

ADRIENNE SHULBY  
Superintendent of Schools

JASON BEDELL  
Business Administrator

February 22, 2022

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: 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 Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the *Single Audit Act of 1996, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB 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, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Egg Harbor City School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Egg Harbor City Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K–8. These include regular, as well as special education for handicapped students. The District completed the 2020-2021 fiscal year with an average enrollment of 517 students, which is 16 students less than the previous year's enrollment.

The following details the changes in the student enrollment of the District over the last five years.

**Average Daily  
Enrollment**

<b>Fiscal</b>	<b>Student</b>	<b>Percent</b>
<b><u>Year</u></b>	<b><u>Enrollment</u></b>	<b><u>Change</u></b>
2020-2021	517	3.19%
2019-2020	501	(0.62%)
2018-2019	534	(0.93%)
2017-2018	539	8.88%
2016-2017	495	(3.23%)

**2) ECONOMIC CONDITION AND OUTLOOK:** The Egg Harbor City School District consists of two schools. The Egg Harbor City Community School, which houses students in Grades 4 through 8, was opened to students in January 2011. The Charles L. Spragg School, which houses students in Grades PreK through 3, was originally built in 1955 with additions and renovations in 1994 and 2010. A roof and HVAC replacement, funded by a NJ Schools Development Authority ROD Grant, was completed in April 2015. In addition, Egg Harbor City is part of the Greater Egg Harbor Regional High School District which encompasses several municipalities in the surrounding area. The Greater Egg Harbor Regional High School District consists of three high schools, the most recently constructed being the Cedar Creek High School which is located in Egg Harbor City and opened to students in the fall of 2010. The increased traffic due to the growth of the student population at the school has been a benefit to the local economy.

The Egg Harbor City government has authorized the Master Plan to be updated in 2021 and is working hard to bring new opportunities to the City. Several new businesses have opened in the City in the past year, and the City received a \$723,000 grant to install a bike lane along Philadelphia Avenue from Diesterweg Street to the Egg Harbor City Lake.

After several years of flat funding, the district received an increase of \$265,000.00 in State aid for the 2018-2019 school year, \$365,947 in 2019-2020, \$133,374 in 2020-2021, and \$920,569 in 2021-2022. Recent legislation will redistribute hundreds of millions of dollars in public school aid in New Jersey each year from districts receiving more than the funding formula calls for to districts that have been shorted. The Egg Harbor City School District expects to see continued increases in State aid until it is gradually brought up to full funding. The District also receives Federal funding for a 21<sup>st</sup> Century Community Learning Center Grant in the amount of \$350,000.

The district enjoys strong relationships with social service agencies, and a variety of organizations and parent groups, key to fulfilling another board goal, to engage the community in the public schools. Among groups that have become involved with our programs are the district's Parent Teacher Organization and Education Foundation, Inc. Support also comes from Egg Harbor City Council, the Municipal Alliance, Atlantic County Family Services, the NJ Division of Child Protection and Permanency, the Coalition for a Safe Community, and City and County law enforcement agencies. In addition, student programs receive support from AtlantiCare Health System, the Crusaders athletic organization, and faith-based organizations such as the Moravian Church, which operates the local food pantry to which our students contribute and volunteer.

Continued growth and opportunity are the future of Egg Harbor City.

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

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management. Each month a printout is given of all funds available, expenditures against those funds and the balance available to spend.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

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

**6) DEBT ADMINISTRATION:** At June 30, 2021, the District's outstanding debt issues included \$6,140,000.00 of general obligation bonds.

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

**8) RISK MANAGEMENT:** Egg Harbor City Board of Education is a member of the Atlantic Cape May Counties School Business Officials Joint Insurance Fund (ACCASBOJIF). This fund was formed under the provisions of N.J.S.A. 18A:18B 1-10. The Fund commenced operations on July 1, 1991 with sixteen member districts from Atlantic and Cape May counties. The Fund provided average savings of 13% for members as compared to their previous insurance. In 1993 ACCASBOJIF entered into a joint purchase agreement with Burlington County Insurance Pool to negotiate additional discounts for their members. This effort resulted in additional savings of over \$300,000 to ACCASBOJIF members.

The ACCASBOJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures. The Fund provides the following coverage:

1. Property, including buildings, contents, inland marine, crime, boiler and machinery and audit physical damages.
2. General Liability, including school board legal liability.
3. Automobile Liability.
4. Workers' Compensation

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

The Fund's mission statement is as follows: "The ACCASBOJIF is committed to unite local school districts in a joint effort to better manage their risks and assure fiscal stability by providing cost-effective, comprehensive insurance coverage and minimizing losses through pro-active membership involvement in claims management and loss prevention activities."

**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. 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 1996, and related Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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.

**10) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

*Adrienne Shulby*

Adrienne Shulby  
Superintendent

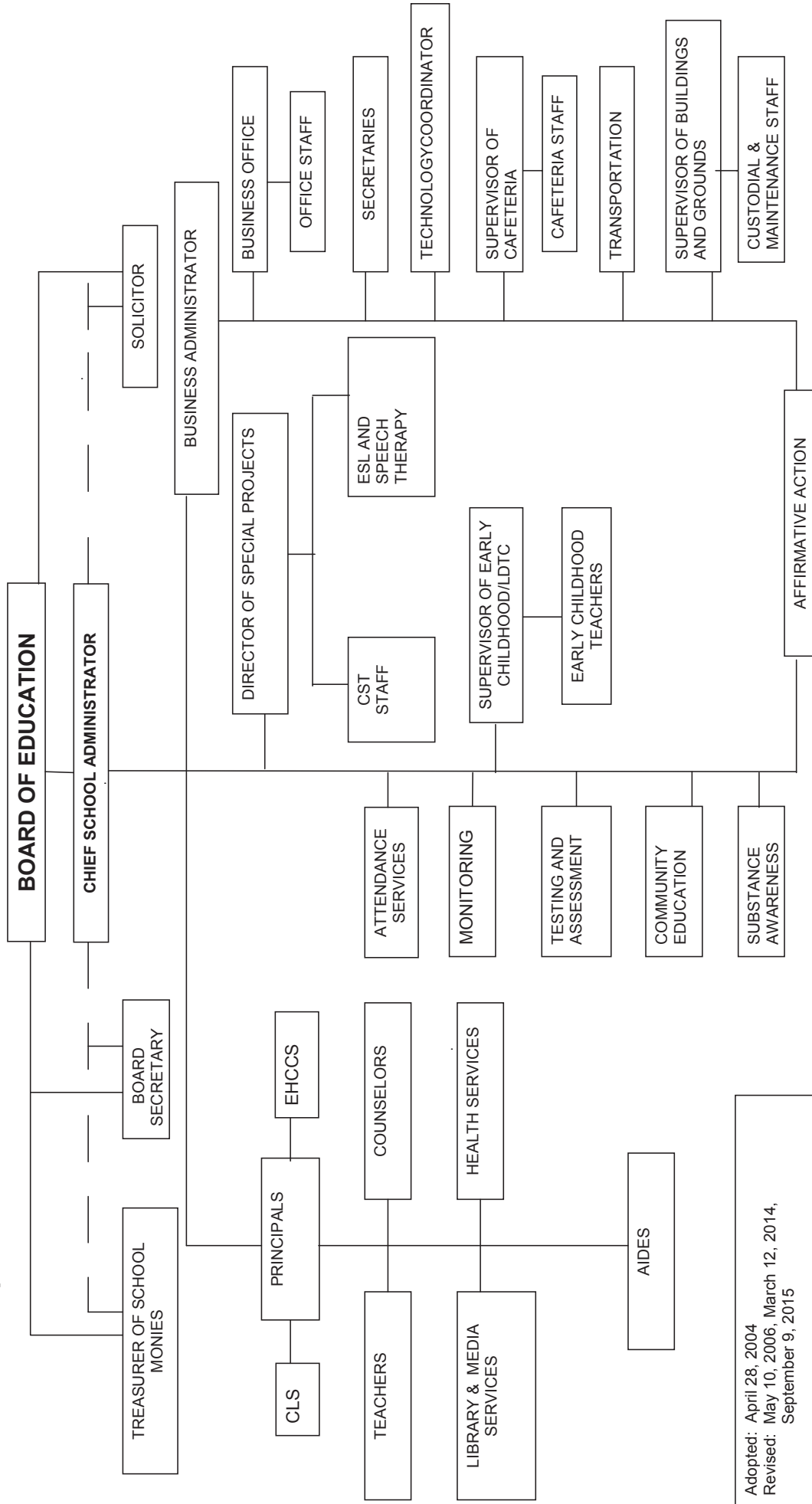
*Jason Bedell*

Jason Bedell  
School Business Administrator

# Egg Harbor City Board of Education

## ORGANIZATIONAL CHART

Policy



Adopted: April 28, 2004  
 Revised: May 10, 2006, March 12, 2014,  
 September 9, 2015

**EGG HARBOR CITY BOARD OF EDUCATION**

**EGG HARBOR CITY, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2021

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Stephen Bouchard, President	2021
Janine Caudo, Vice-President	2023
Eileen DiGiacomo	2023
Kiomy Fuentes	2022
James Guercioni III	2022
Mary Ann Rogers	2021
Dana Seaver	2022

**Other Officials**

Adrienne K. Shulby, Superintendent of Schools

Joseph Smurlo, School Business Administrator (through 12/31/2020)

Jason Bedell, School Business Administrator (effective 1/1/2021)

Angela Gibney, Board Secretary

Susan Palaia, CPA, Treasurer

Ronald Sahli, Esq., Solicitor

**EGG HARBOR CITY BOARD OF EDUCATION  
Consultants and Advisors**

**Architect**

Becica Associates, LLC  
500 S. Kings Highway  
Cherry Hill, NJ 08034

**Audit Firm**

Ford Scott & Associates, LLC  
Certified Public Accountants  
1535 Haven Ave  
Ocean City, NJ 08226

**Attorney**

Sahli & Padovani, Attorneys at Law  
503 White Horse Pike  
Hammonton, NJ 08037

**Official Depositories**

Ocean First Bank  
975 Hooper Avenue  
Toms River, NJ 08753

**Health Benefits Broker**

Cynergy Group  
320 S. Egg Harbor Road  
Hammonton, NJ 08037

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## **Financial Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Egg Harbor City School District  
County of Atlantic, 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 Egg Harbor City School District, Egg Harbor City, New Jersey, as of and for the fiscal 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, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor City School District, Egg Harbor City, New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that 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 Egg Harbor City School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the *schedule of state financial assistance as required by NJ OMB 15-08*, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the *schedule of state financial assistance as required by NJ OMB 15-08*, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022 on our consideration of the Egg Harbor City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Egg Harbor City School District's internal control over financial reporting and compliance.

Very truly yours,

*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**

**February 22, 2022**

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**Required Supplemental Information  
Part I**

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## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Egg Harbor City School District (“District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District decreased compared to the prior year as a result of an excess in expenses, primarily depreciation, over revenues.
- The State of New Jersey reimbursed the District \$312,075.41 during the fiscal year ended June 30, 2021 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. Also, the State paid \$1,508,549.00 on behalf of the District for TPAF Pension Contributions and OPEB, including post-retirement medical and long-term disability insurance. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of \$250,000.00 or 4% of the total general fund expenditures. Any excess is required to be designated as Restricted Fund Balance – Excess Surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2021, the District had excess surplus in the amount of \$1,501,682.26 of which \$745,054.16 has been appropriated and included as anticipated revenue in the 2022 fiscal year budget. This is compared to the prior year excess surplus of \$1,348,436.63 of which \$603,382.47 was budgeted in the 2021 fiscal year budget.
- During the fiscal year ended June 30, 2021, the District’s governmental fund revenue realized were \$62,884.18 less than total expenditures. This decrease can be attributed to an overall increase in salaries, in particular Regular Programs-Instruction, and health benefits.
- In the District’s business-type activities, net position increased \$110,690.64 during the 2021 fiscal year compared to a \$24,989.50 decrease in fiscal year 2020. Due to the COVID-19 pandemic, schools operated on a hybrid schedule at various times throughout the school year which resulted in a reduction of costs. In addition, all eligible meals were reimbursed by the State of New Jersey at the higher free lunch rate. Also, students were not charged for any meals that were provided during the school year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District’s government, reporting on the District’s operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the District operates like businesses, such as the food service program.
  - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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**Figure A-1  
Major Features of the Egg Harbor City Board of Education's  
Government-wide and Fund Financial Statements**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in net position  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short- term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

## Government-wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service program is included here.

## Fund Financial Statements

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

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position decreased slightly between fiscal years 2020 and 2021 as a result of depreciation expense and the change in the net pension liability. Net position for business-type activities increased \$118,690.64 during the current fiscal year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 2,340,171.76	1,950,444.83	216,960.66	76,104.34	2,557,132.42	2,026,549.17
Capital assets	25,642,208.49	26,254,933.75	42,844.99	47,861.63	25,685,053.48	26,302,795.38
Total assets	<u>27,982,380.25</u>	<u>28,205,378.58</u>	<u>259,805.65</u>	<u>123,965.97</u>	<u>28,242,185.90</u>	<u>28,329,344.55</u>
Deferred outflows of resources	724,137.70	933,984.89			724,137.70	1,658,122.59
Long-term liabilities	8,583,186.66	9,399,169.82			8,583,186.66	9,399,169.82
Other liabilities	624,305.82	195,710.17	25,823.31	8,674.27	650,129.13	204,384.44
Total liabilities	<u>9,207,492.48</u>	<u>9,594,879.99</u>	<u>25,823.31</u>	<u>8,674.27</u>	<u>9,233,315.79</u>	<u>9,603,554.26</u>
Deferred inflows of resources	1,002,013.00	933,067.00			1,002,013.00	933,067.00
Net Position						
Invested in capital assets	19,502,208.49	19,699,933.75	42,844.99	47,861.63	19,545,053.48	19,747,795.38
Restricted	1,892,191.53	1,969,100.50			1,892,191.53	1,969,100.50
Unrestricted	(2,897,387.55)	(3,057,617.77)	191,137.35	67,430.07	(2,706,250.20)	(2,990,187.70)
Total net position	<u>\$ 18,497,012.47</u>	<u>18,611,416.48</u>	<u>233,982.34</u>	<u>115,291.70</u>	<u>18,730,994.81</u>	<u>18,726,708.18</u>

**Changes in net position.** The total governmental fund revenue of the District increased \$1,620,956.44 compared to amounts recognized in the prior year. This can be attributed to an overall increase in the amounts provided by the State of New Jersey on-behalf of the District for TPAF Pension Contributions and OPEB.

Approximately 41.84% of the District's governmental fund revenue came from the State of New Jersey and Federal Government in the form of unrestricted aid. The state aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. Egg Harbor City levies property taxes on properties located in the City. This tax is collected by the municipality and remitted to the District. The District expenses are primarily related to instruction, administration, and plant operations.

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$ 3,256,000.00	22.27%	3,253,700.00	25.03%
Unrestricted State and Federal Aid	6,117,552.05	41.84%	5,952,615.60	45.78%
Charges for Services	54,197.39	0.37%	129,998.51	1.00%
Operating grants and contributions	5,169,340.56	35.35%	3,597,814.94	27.67%
Other	25,222.69	0.17%	67,227.20	0.52%
Totals	<u>\$ 14,622,312.69</u>	<u>100.00%</u>	<u>13,001,356.25</u>	<u>100.00%</u>

## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2021 and 2020 fiscal years.

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenue						
Charges for services	\$ 54,197.39	129,998.51	1,331.99	21,481.58	55,529.38	151,480.09
Federal and State grants and Capital Grants entitlements	5,169,340.56	3,597,814.94	409,022.10	255,490.14	5,578,362.66	3,853,305.08
General revenues						
Property taxes	3,256,000.00	3,253,700.00			3,256,000.00	3,253,700.00
Interest	4,345.63	3,699.46	174.61	275.03	4,520.24	3,974.49
State and Federal Aid	6,117,552.05	5,952,615.60			6,117,552.05	5,952,615.60
Other	20,877.06	63,252.71			20,877.06	63,252.71
<b>Total revenues</b>	<u>14,622,312.69</u>	<u>13,001,081.22</u>	<u>410,528.70</u>	<u>277,246.75</u>	<u>15,032,841.39</u>	<u>13,278,327.97</u>
<b>Expenses</b>						
Instruction:						
Regular	5,757,232.15	4,642,062.28			5,757,232.15	4,642,062.28
Special Education	1,191,120.06	1,504,701.23			1,191,120.06	1,504,701.23
Other Special Instruction	302,196.85	304,770.15			302,196.85	304,770.15
Support services:						
Tuition	1,537,351.40	1,532,349.27			1,537,351.40	1,532,349.27
Student & instruction related services	2,090,827.92	1,846,691.53			2,090,827.92	1,846,691.53
General administration services	398,036.57	329,776.61			398,036.57	329,776.61
School administration services	434,000.59	381,613.16			434,000.59	381,613.16
Plant operations & maintenance	1,704,066.96	1,509,747.06			1,704,066.96	1,509,747.06
Pupil transportation	476,369.28	399,487.60			476,369.28	399,487.60
Business and other support services	486,198.28	455,637.37			486,198.28	455,637.37
Interest on long term debt	391,850.64	403,824.42			391,850.64	403,824.42
Other financing (sources)/uses	(12,080.32)	-	2,880.00		(9,200.32)	-
Business-type activities			288,958.06	302,236.25	288,958.06	302,236.25
<b>Total expenses</b>	<u>14,757,170.38</u>	<u>13,310,660.68</u>	<u>291,838.06</u>	<u>302,236.25</u>	<u>15,049,008.44</u>	<u>13,612,896.93</u>
<b>Increase/(decrease) in net position</b>	<u>\$ (134,857.69)</u>	<u>(309,579.46)</u>	<u>118,690.64</u>	<u>(24,989.50)</u>	<u>(16,167.05)</u>	<u>(334,568.96)</u>

The change in net position from 2020 to 2021 is due to an increase in overall salaries, in particular Regular Programs-Instruction, and health benefits.

## Business-type Activities

Operating and non-operating revenues of the District's business-type activities increased \$133,281.95 from the previous year while expenses decreased \$13,278.19. Factors contributing to these results included:

- As a result of the COVID-19 pandemic, the school district operated on a hybrid schedule at various times throughout the school year which resulted in lower food costs. Also, meals were provided to the students at no cost. In addition, all eligible meals were reimbursed by the State of New Jersey at the higher free lunch rate.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As of the year end, the governmental funds reported a combined fund balance of \$1,770,518.39 which is \$42,430.50 lower than in the beginning of the year. This decrease can be attributed to an increase in expenditures, in particular salaries and health benefits..

**General Fund Budgetary Highlights**

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the County office, and as a Type II School District that has elected to have November elections, requires approval by the voters only when statutory limits are exceeded. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was \$108,209.72 more than the budgeted amount. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$824,029.42.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2021, the District had invested \$25,685,053.48, net of depreciation, in a broad range of capital assets, including land, buildings, vehicles and machinery.

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 1,745,000.00	1,745,000.00			1,745,000.00	1,745,000.00
Buildings & Improvements	23,654,330.33	24,337,028.09			23,654,330.33	24,337,028.09
Machinery & Equipment	242,878.16	172,905.66	42,844.99	47,861.63	285,723.15	220,767.29
Construction in progress	-	-			-	-
<b>Total</b>	<b>\$ 25,642,208.49</b>	<b>26,254,933.75</b>	<b>42,844.99</b>	<b>47,861.63</b>	<b>25,685,053.48</b>	<b>26,302,795.38</b>

Total aggregate cost basis for the districts capital assets, including construction in progress, as of June 30, 2021 was \$31,243,928.30 million with accumulated depreciation of \$5,558,874.82. More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

## Long-term Debt

	Balance June 30, 2020	Issued	Retired	Balance June 30, 2021
<b>Governmental Activities</b>				
Bonds Payable	\$ 6,555,000.00		415,000.00	6,140,000.00
Obligations under Capital Leases	56,749.90		31,079.88	25,670.02
Premium on Bond Refunding	219,970.24		13,918.03	206,052.21
Compensated Absences Payable	134,358.56	17,976.50	19,352.63	132,982.43
Net Pension Liability	2,401,982.00	817,945.00	1,141,445.00	2,078,482.00
Total Governmental Activities	<u>\$ 9,368,060.70</u>	<u>835,921.50</u>	<u>1,620,795.54</u>	<u>8,583,186.66</u>

More detailed information about the District's long-term debt is presented in Note 8 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Egg Harbor City School District is presently in satisfactory financial condition. Future challenges include stabilizing or increasing student enrollment, flat state aid revenues, and reduced surplus from prior years to offset increases in tax rates.

The school district has been fortunate to receive both State and Federal grants, offering additional resources for teachers assisting students to make increased strides in all instructional areas. For instance, the After School Learning Centers (21<sup>st</sup> Century) grant provides services to students throughout the year to supplement school-day instruction.

The City did see a decrease of \$628,700 in its ratable base for the 2021 tax year. In recent years it has become the responsibility of homeowners to foot the majority of the tax burden, and there has been a continued influx of families of many nationalities with lower socio-economic backgrounds. A continuation of appropriate teacher/student classroom ratios remains a priority of the administration.

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

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it receives. If you have any questions about this report or need additional information, contact Jason Bedell, School Business Administrator at the Egg Harbor City Board of Education District Office, 730 Havana Avenue, Egg Harbor City, NJ 08215.



**BASIC FINANCIAL STATEMENTS**

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**DISTRICT - WIDE FINANCIAL STATEMENTS**

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**Egg Harbor City School District**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,821,022.40	130,531.63	1,951,554.03
Restricted cash:			
Cash on deposit with State Development Authority	16,619.44		16,619.44
Internal balances	-		-
Due from agency account			-
Due from other governments	417,014.99	81,180.53	498,195.52
Other accounts receivable	67,180.01	5,248.50	72,428.51
Prepaid expenses	18,334.92		18,334.92
Capital assets, not depreciated	1,745,000.00		1,745,000.00
Capital assets, net	23,897,208.49	42,844.99	23,940,053.48
Total Assets	<u>27,982,380.25</u>	<u>259,805.65</u>	<u>28,242,185.90</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	324,023.00		324,023.00
Loss on Refunding Bonds	400,114.70	-	400,114.70
Total Deferred Outflows of Resources	<u>724,137.70</u>	<u>-</u>	<u>724,137.70</u>
<b>LIABILITIES</b>			
Accrued interest	54,652.45		54,652.45
Accounts payable	151,266.32	24,297.26	175,563.58
Unearned revenue	418,387.05	1,526.05	419,913.10
Noncurrent liabilities:			
Due within one year	469,808.40		469,808.40
Net Pension Liability	2,078,482.00		2,078,482.00
Due beyond one year	6,034,896.26		6,034,896.26
Total liabilities	<u>9,207,492.48</u>	<u>25,823.31</u>	<u>9,233,315.79</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	1,002,013.00		1,002,013.00
<b>NET POSITION</b>			
Net investment in capital assets	19,502,208.49	42,844.99	19,545,053.48
Restricted for:			
Capital Projects	390,509.27		390,509.27
Other purposes	1,501,682.26		1,501,682.26
Unrestricted	(2,897,387.55)	191,137.35	(2,706,250.20)
Total net position	<u>\$ 18,497,012.47</u>	<u>233,982.34</u>	<u>18,730,994.81</u>

The accompanying notes are an integral part of these financial statements

Egg Harbor City School District  
Statement of Activities  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	3,986,427.11	1,770,805.05	54,197.39	2,234,165.07		(3,468,869.70)	(3,468,869.70)	
Special education	752,998.90	438,121.16		353,101.93		(838,018.13)	(838,018.13)	
Other special instruction	199,341.33	102,855.52		82,895.98		(219,300.87)	(219,300.87)	
Support services:								
Tuition	1,141,703.29	395,648.11		494,700.94		(1,042,650.45)	(1,042,650.45)	
Student & instruction related services	1,406,382.07	624,445.85		1,124,910.56		(965,917.36)	(965,917.36)	
General administrative services	229,788.05	168,248.52		100,543.47		(297,493.10)	(297,493.10)	
School administrative services	253,793.21	180,207.38		107,689.95		(326,310.64)	(326,310.64)	
Plant operations and maintenance	975,032.92	729,034.04		435,662.74		(1,268,404.22)	(1,268,404.22)	
Pupil transportation	250,074.05	226,295.23		135,231.54		(341,137.74)	(341,137.74)	
Business and other support services	318,125.62	168,072.66		100,438.38		(385,759.90)	(385,759.90)	
Unallocated benefits	4,803,733.52	(4,803,733.52)				-	-	
Interest on long-term debt	391,850.64					(391,850.64)	(391,850.64)	
Total governmental activities	14,769,250.70	-	54,197.39	5,169,340.56	-	(9,545,712.75)	(9,545,712.75)	
Business-type activities:								
Food Service	288,958.06		1,331.99	409,022.10		121,396.03	121,396.03	
Total business-type activities	288,958.06		1,331.99	409,022.10		121,396.03	121,396.03	
Total primary government	\$ 15,058,208.76		55,529.38	5,578,362.66		(9,545,712.75)	(9,424,316.72)	
General revenues:								
Taxes:								
Property taxes, levied for general purposes, net						2,886,917.00	2,886,917.00	
Taxes levied for debt service						369,083.00	369,083.00	
Federal and State aid not restricted						6,117,552.05	6,117,552.05	
Investment Earnings						4,345.63	4,345.63	
Miscellaneous Income						20,877.06	20,877.06	
Special Items:								
Cancellation of prior year payables						12,080.32	12,080.32	
Transfers in						307,042.00	307,042.00	
Transfers out						(307,042.00)	(307,042.00)	
Total general revenues, special items, extraordinary items and transfers						9,410,855.06	9,410,855.06	
Change in Net Position						(134,857.69)	(134,857.69)	
Net Position—July 1						18,611,416.48	18,611,416.48	
Restatement						20,453.68	20,453.68	
Net Position—July 1 (Restated)						18,631,870.16	18,631,870.16	
Net Position—ending						18,497,012.47	18,497,012.47	

The accompanying notes are an integral part of these financial statements

**FUND FINANCIAL STATEMENTS**

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**Egg Harbor City School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,646,657.59	172,899.28	1,465.53		1,821,022.40
Restricted cash					
Cash on deposit with State Development Authority				16,619.44	16,619.44
Due from other funds	-		103.14		103.14
Receivables from other governments	49,385.68	367,629.31			417,014.99
Other receivables	67,180.01				67,180.01
Prepaid expenses	18,334.92				18,334.92
Total assets	<u>1,781,558.20</u>	<u>540,528.59</u>	<u>1,568.67</u>	<u>16,619.44</u>	<u>2,340,274.90</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	121,354.61			121,354.61
Payroll deductions and withholdings payable	1,725.68				1,725.68
Unemployment compensation claims payable	28,186.03				28,186.03
Due to other funds		-		103.14	103.14
Due to other governments					-
Unearned revenue		418,387.05			418,387.05
Total liabilities	<u>29,911.71</u>	<u>539,741.66</u>	<u>-</u>	<u>103.14</u>	<u>569,756.51</u>
Fund Balances:					
Restricted for:					
Excess surplus	756,628.10				756,628.10
Excess surplus - designated for subsequent year's expenditures	745,054.16				745,054.16
Capital projects fund				16,516.30	16,516.30
Unemployment Trust	-				
Scholarships		786.93			786.93
Committed to:					
Capital reserve	373,992.97				373,992.97
Assigned to:					
Designated for subsequent year's expenditures	31,974.84				31,974.84
Encumbrances	-				-
Unreserved, reported in:					
General fund	(156,003.58)				(156,003.58)
Special revenue fund					-
Debt service fund			1,568.67		1,568.67
Total Fund balances	<u>1,751,646.49</u>	<u>786.93</u>	<u>1,568.67</u>	<u>16,516.30</u>	<u>1,770,518.39</u>
Total liabilities and fund balances	<u>\$ 1,781,558.20</u>	<u>540,528.59</u>	<u>1,568.67</u>	<u>16,619.44</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 25,642,208.49

Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (54,652.45)

Deferred amount on Refunding 400,114.70

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds (2,756,472.00)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	(6,140,000.00)
Premium on Bond Issue	(206,052.21)
Capital lease	(25,670.02)
Compensated absences	(132,982.43)

Net position of governmental activities \$ 18,497,012.47

**Egg Harbor City School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local tax levy	\$ 2,886,917.00		369,083.00		3,256,000.00
Interest	4,345.63			(0.00)	4,345.63
Miscellaneous	74,591.04	2,742.52	483.41	-	77,816.97
State sources	7,896,270.41	536,639.27			8,432,909.68
Federal sources	41,906.05	1,065,081.36			1,106,987.41
Total revenues	<u>10,904,030.13</u>	<u>1,604,463.15</u>	<u>369,566.41</u>	<u>(0.00)</u>	<u>12,878,059.69</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	2,534,143.52	883,307.57			3,417,451.09
Special education instruction	595,367.41				595,367.41
Other special instruction	162,334.97				162,334.97
Support services and undistributed costs:					
Tuition	512,056.17	175,830.00			687,886.17
Student & instruction related services	976,014.07	265,698.81			1,241,712.88
General administrative services	212,509.51				212,509.51
School administrative services	235,286.54				235,286.54
Plant operations and maintenance	900,163.65				900,163.65
Pupil transportation	226,834.32				226,834.32
Business and other support services	300,865.14				300,865.14
Unallocated Benefits	3,397,757.30	355,942.22			3,753,699.52
Transfer to Charter School	311,467.00				311,467.00
Debt service:					
Principal			415,000.00		415,000.00
Interest and other charges			186,431.26		186,431.26
Capital outlay	306,014.73	-			306,014.73
Total expenditures	<u>10,670,814.33</u>	<u>1,680,778.60</u>	<u>601,431.26</u>	<u>-</u>	<u>12,953,024.19</u>
(Deficiency) of revenues and other financing sources (uses) over expenditures	<u>233,215.80</u>	<u>(76,315.45)</u>	<u>(231,864.85)</u>	<u>(0.00)</u>	<u>(74,964.50)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Cancellation of prior year payables	12,080.32				12,080.32
Transfer in	-	76,018.00	231,024.00	-	307,042.00
Transfer out	(76,018.00)			(231,024.00)	(307,042.00)
Capital Leases (non-budgeted)	-				-
Total other financing sources and uses	<u>(63,937.68)</u>	<u>76,018.00</u>	<u>231,024.00</u>	<u>(231,024.00)</u>	<u>12,080.32</u>
Net change in fund balances	<u>169,278.12</u>	<u>(297.45)</u>	<u>(840.85)</u>	<u>(231,024.00)</u>	<u>(62,884.18)</u>
Fund balance—July 1	1,562,999.07	-	2,409.52	247,540.30	1,812,948.89
Restatement	19,369.30	1,084.38			20,453.68
Fund balance --July 1 (Restated)	<u>1,582,368.37</u>	<u>1,084.38</u>	<u>2,409.52</u>	<u>247,540.30</u>	<u>1,833,402.57</u>
Fund balance—June 30	<u>\$ 1,751,646.49</u>	<u>786.93</u>	<u>1,568.67</u>	<u>16,516.30</u>	<u>1,770,518.39</u>

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

**Total net change in fund balances - governmental funds (from B-2)** \$ (62,884.18)

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

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

Depreciation expense	(728,819.40)
Assets charged to expense	5,952.41
Capital outlays	(612,725.26)
	110,141.73

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Prior year capital lease expense 31,109.12

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+) 3,561.78

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	139,431.00
Cost of benefits earned net of employee contributions	(67,698.00)
	71,733.00

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 (+).

Compensated absences	1,376.13
Amortization of premium on the issuance of bonds	13,918.03
Amortization of gain (loss) on 2017 refunding bond issue	(27,026.19)
<b>Change in net position of governmental activities</b>	<b>(134,857.69)</b>

\$

The accompanying notes are an integral part of these financial statements

**Egg Harbor City School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2021**

			<b>Business-type Activities - Enterprise Funds</b>
			<b>Food Service</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$	130,531.63	
Accounts receivable		5,248.50	
Receivables from other governments		81,180.53	
		<u>216,960.66</u>	
Noncurrent assets:			
Furniture, machinery & equipment		176,747.72	
Less accumulated depreciation		<u>(133,902.73)</u>	
Total noncurrent assets		<u>42,844.99</u>	
Total assets		<u><u>259,805.65</u></u>	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable		24,297.26	
Unearned revenue		<u>1,526.05</u>	
Total current liabilities		<u>25,823.31</u>	
Total liabilities		<u>25,823.31</u>	
<b>NET POSITION</b>			
Net investment in capital assets		42,844.99	
Unrestricted		<u>191,137.35</u>	
Total net position	\$	<u><u>233,982.34</u></u>	

The accompanying notes are an integral part of these financial statements

**Egg Harbor City School District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

		<u>Business-type Activities - Enterprise Funds</u>
		<u>Food Service</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$	-
Daily sales - non-reimbursable programs		1,331.99
Special Functions		-
Total operating revenues		<u>1,331.99</u>
Operating expenses:		
Fixed Price FSMC Contract		
Cost of Operations:		
Reimbursable programs		112,030.22
Non-reimbursable programs		411.82
Management Fee:		
Reimbursable programs		14,429.11
Non-reimbursable programs		-
Payroll and related benefits		132,397.04
Purchased services		330.00
Supplies and materials		7,821.48
Repair and maintenance		19,401.75
Depreciation		2,136.64
Total Operating Expenses		<u>288,958.06</u>
Operating (loss)		<u>(287,626.07)</u>
Nonoperating revenues and expenses:		
State sources:		
State school lunch program		-
Federal sources:		
National school lunch program		215,632.88
National school breakfast program		124,771.73
P-EBT Administrative Cost		614.00
Emergency Operational Cost Program		46,847.30
Food distribution program		21,156.19
Interest and investment revenue		174.61
Total nonoperating revenues		<u>409,196.71</u>
(Loss) before contributions & transfers		<u>121,570.64</u>
Other financing source/(use):		
Loss on disposal of fixed assets		<u>(2,880.00)</u>
Change in net position		118,690.64
Total net position—beginning		115,291.70
Total net position—ending	\$	<u><u>233,982.34</u></u>

**Egg Harbor City School District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>
	<b>Food Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 2,827.78
Payments to vendors	(248,413.84)
Net cash (used in) operating activities	(245,586.06)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	42.41
Federal Sources	311,080.08
(To)/From other funds	-
Net cash provided by non-capital financing activities	311,122.49
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Equipment	0.00
Net cash (used in) capital and related financing activities	0.00
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and investment revenue	174.61
Net cash provided by investing activities	174.61
Net increase in cash and cash equivalents	65,711.04
Balances—beginning of year	64,820.59
Balances—end of year	130,531.63
<b>Reconciliation of operating income (loss) to net cash provided by/(used in) operating activities:</b>	
Operating (loss)	(287,626.07)
Adjustments to reconcile operating (loss) to net cash provided by/ (used in) operating activities	
Depreciation and net amortization	2,136.64
Food distribution program	21,156.19
Decrease in other accounts receivable	1,598.14
(Decrease) in unearned revenue	(102.35)
Increase in accounts payable	17,251.39
Total adjustments	42,040.01
Net cash (used in) operating activities	\$ (245,586.06)

## **Notes to the Financial Statements**

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**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2021**

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

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

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

**A. Reporting Entity:**

The Egg Harbor City School District is a Type II district located in the County of Atlantic, State of New Jersey. As a type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to a three-year term. The purpose of the District is to educate students in grades K-8. The Egg Harbor City School District had an approximate enrollment at June 30, 2021 of 522 and 512 at June 30, 2020.

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

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

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

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:**

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

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 positions 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

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2021**

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, tuition, 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. Non-major funds by category are summarized into a single column. GASBS standards 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 non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District's Unemployment Compensation Trust Fund, Payroll Agency, and Net Payroll accounts are also accounted for in the General Fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District. The District's Scholarship fund is also accounted for in the Special Revenue Fund.
- c. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.
- d. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2021**

question on the ballot either during the annual election or at a special election. In addition, grant funds specifically related to these projects are reported as earned.

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

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

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

**2. Proprietary Funds:**

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

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

**3. Fiduciary Funds:**

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

**Egg Harbor City School District**  
**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 funds 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.

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2021**

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

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized in the District's 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. Effective July 1, 2018, the District entered into a fixed price contract with a Food Service Management Company (FSMC). As a result, any inventory on hand as of June 30, 2018, which was valued at \$8,171.78, was turned over to the FSMC. This amount includes \$6,819.31 for Federal donated commodities. The District did not have inventory in the general fund.

**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	5-20 years
Improvements	10-20 years

Infrastructure assets include roads, parking lots, underground pipe, etc. All infrastructure assets are reported in the financial statements and are being depreciated over their useful lives.

**5. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. 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.

**Egg Harbor City School District**  
**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 an expenditure and 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 either 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, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. The following material transfers were made to/(from) budgetary line items:

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**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

<u>Account</u>		<u>Amount</u>
Regular Programs – Instruction:		
Salaries of Teachers – Grades 1-5	\$	188,590.40
Salaries of Teachers – Grades 6-8		91,809.00
Multiple Disabilities – Salaries of Teachers		(89,202.00)
Resource Room/Resource Center – Salaries of Teachers		(231,330.20)
Undistributed Expenditures-Instruction		
Tuition to Other LEAs Within State – Special		67,325.60
Tuition to CSSD & Regional Day Schools		(73,031.56)
Tuition to Private Schools for the Disabled – Within State		(60,859.04)

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.

**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.

**11. Tuition Payable**

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

**12. Use of Estimates**

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

**13. Allocation of Costs**

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

**14. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and

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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**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 “Leases”. This statement, which is effective for fiscal periods beginning after December 31, 2021, may have an effect on the District’s financial reporting.

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

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement, 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.

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

**NOTE 2. INVESTMENTS**

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

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



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

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

**NOTE 3. CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$75,073.52 of the District’s bank balance of \$2,203,896.62 was exposed to credit risk.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Egg Harbor City School District in a prior year, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 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 approved LRFP. The total amount included in the plan for uncompleted projects at June 30, 2021 was \$12,736,251.

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	\$	373,123.57
Increased By:		
Interest earnings		869.40
Ending balance, June 30, 2021	\$	<u>373,992.97</u>

**NOTE 5. MAINTENANCE RESERVE FUND**

New Jersey Administrative Code 6A:23A-14.2 permits school districts to establish a maintenance reserve account for the required maintenance of the District’s facilities, in accordance with the Commissioner approved plan. The District can increase the balance in this reserve account by appropriating funds in the annual general fund budget certified for taxes or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. Although the District has established a Maintenance Reserve Fund, no amounts were needed during the 2021 and 2020 fiscal years.

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**NOTE 6. FIXED ASSETS**

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

	<u>Balance</u> <u>6/30/20</u>	<u>Additions</u>	<u>Disposals/</u> <u>Adjustments</u>	<u>Balance</u> <u>6/30/21</u>
Governmental Activities				
Capital assets not being depreciated				
Const in Process	\$ -			-
Land	1,745,000.00			1,745,000.00
Total capital assets not being depreciated	<u>1,745,000.00</u>			<u>1,745,000.00</u>
Bldgs & Improv	28,408,505.91		(1,980.31)	28,406,525.60
Machinery & equip	808,029.04	116,094.14	(8,468.20)	915,654.98
Total at cost	<u>29,216,534.95</u>	<u>116,094.14</u>	<u>(10,448.51)</u>	<u>29,322,180.58</u>
Less accum depr.				
Bldg & improve	(4,071,477.82)	(682,697.76)	1,980.31	(4,752,195.27)
Machinery & equip	(635,123.38)	(46,121.64)	8,468.20	(672,776.82)
Total accum depr	<u>(4,706,601.20)</u>	<u>(728,819.40)</u>	<u>10,448.51</u>	<u>(5,424,972.09)</u>
Total capital assets being depreciated	<u>24,509,933.75</u>	<u>(612,725.26)</u>	<u>-</u>	<u>23,897,208.49</u>
Governmental activities - Capital Assets, net	<u>26,254,933.75</u>	<u>(612,725.26)</u>	<u>-</u>	<u>25,642,208.49</u>
Business-type activities				
Equipment	186,347.72		(9,600.00)	176,747.72
Less Accum depr	(138,486.09)	(2,136.64)	6,720.00	(133,902.73)
Business-type Activities Capital Assets, net	<u>\$ 47,861.63</u>	<u>(2,136.64)</u>	<u>(2,880.00)</u>	<u>42,844.99</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 268,665.42
Special education	66,471.46
Other special instruction	15,605.17
Tuition	60,027.48
Student & instruction related services	94,740.53
General Administration	25,526.56
School administrative expenses	27,340.95
Plant operations and maintenance	110,608.58
Pupil transportation	34,333.37
Business and other support services	25,499.88
	<u>\$ 728,819.40</u>

**NOTE 7. OPERATING LEASES**

Effective January 2017, the District entered into a lease agreement for a Xerox PRO8210S copier/printer. The lease term is 48 months with payments of \$651.24 due monthly. Total rent expense for the 2021 fiscal year was \$3,907.44.

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Effective November 2017, the District entered into a lease agreement for 2 Ricoh MP4055SPG copy machines. The lease term is 48 months with payments of \$365.74 due monthly. Total rent expense for the 2021 fiscal year was \$4,388.88.

Effective August 2019, the District entered into a lease agreement for 1 Xerox copy machine located at the Charles L. Spragg elementary school. The lease term is 48 months with payments of \$123.74 due monthly. Total rent expense for the 2021 fiscal year was \$1,484.88.

Effective April 2020, the District entered into a lease agreement for 1 Xerox copy machine located at the Community School. The lease term is 60 months with payments of \$138.72 due monthly. Total rent expense for the 2021 fiscal year was \$1,664.64.

Effective April 2020, the District entered into a lease agreement for 1 Xerox copy/printer machine located at the Charles L. Spragg elementary school. The lease term is 60 months with payments of \$331.25 due monthly. Total rent expense for the 2021 fiscal year was \$3,975.00.

Effective January 2021, the District entered into a lease agreement for 1 Ricoh copy/printer machine located at the Community School. The lease term is 48 months with payments of \$600.17 due monthly. Total rent expense for the 2021 fiscal year was \$3,601.02.

The following are minimum lease payments due on an annual basis:

Year ending June 30,		
2022	\$	15,789.52
2023		14,326.56
2024		13,089.16
2025		7,830.75
2026		-
Total	\$	<u>51,035.99</u>

**NOTE 8. GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2021 the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u>	<u>Due within</u>
	<u>6/30/20</u>			<u>6/30/21</u>	<u>One Year</u>
Compensated					
Absences Payable	\$ 134,358.56	17,976.50	19,352.63	132,982.43	4,868.00
Premium on Bond					
Refunding	219,970.24		13,918.03	206,052.21	14,270.38
Obligations Under					
Capital Leases	56,749.90		31,079.88	25,670.02	25,670.02
Bonds Payable	6,555,000.00		415,000.00	6,140,000.00	425,000.00
Net Pension Liability	2,401,982.00	817,945.00	1,141,445.00	2,078,482.00	-
Total	<u>\$ 9,368,060.70</u>	<u>835,921.50</u>	<u>1,620,795.54</u>	<u>8,583,186.66</u>	<u>469,808.40</u>

**A. Bonds Payable:**

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

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Long-term debt as of June 30, 2021 consisted of the following:

\$7,500,000 Refunding School Bonds, Series 2016 dated July 14, 2016 payable in annual installments through 3/15/33. Interest is paid semiannually at varying rates from 2.00% to 4.00% per annum. The bonds maturing on or after March 15, 2027 are redeemable at the option of the Board in whole or in part, upon notice as required, on any date on or after March 15, 2026 at a price of 100% of the principal amount being redeemed, plus interest accrued to the date of redemption. These bonds were issued to advance refund the callable portion of the School Bonds, Series 2008. The bonds that were called had maturities from 3/15/19 to 3/15/33 in the total amount of \$7,130,000. The total net present value savings on the issue is \$497,678.04, or 6.635707%. The balance remaining on the issue as of June 30, 2021 was \$6,140,000.00.

Principal and interest due on serial bonds outstanding is as follows:

Year Ending June 30,	Principal	Interest	Total
2022	425,000.00	173,981.26	598,981.26
2023	445,000.00	161,231.26	606,231.26
2024	450,000.00	152,331.26	602,331.26
2025	470,000.00	134,331.26	604,331.26
2026	495,000.00	115,531.26	610,531.26
2027-2031	2,670,000.00	375,506.30	3,045,506.30
2032-2033	1,185,000.00	46,856.26	1,231,856.26
Total	\$ 6,140,000.00	1,159,768.86	7,299,768.86

**B. Capital Lease Payable**

Commencing July 2, 2019, the District is leasing various network switches totaling \$87,859.02 under a capital lease. The lease is for a term of 3 years and annual payments are \$32,585.36 in year one and \$33,249.82 in years two and three. Payments include interest at a rate of 3.432% per annum. Total expense for the 2021 fiscal year was \$32,585.36.

The following is a schedule of the future minimum lease payments under the capital lease and the net minimum lease payments.

FY2022	\$ 33,249.82
Total minimum lease payments	33,249.82
Less amount representing interest	7,579.80
Present value of lease payments	\$ 25,670.02

**NOTE 9. PENSION PLANS**

**Description of Plans**

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate.

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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/financial-rpts-home.shtml>.

*Teachers' Pension and Annuity Fund*

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

*Public Employees' Retirement System*

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

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of 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 7.5% 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 35.24% and the PERS rate is 7.50% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2021, 2020, and 2019 were \$1,147,898.00, \$847,572.00, and \$771,588.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2021, 2020, and 2019 were \$139,431.00, \$130,532.00, and \$130,372.00, respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2021, 2020, and 2019 was \$5,952,161.68, \$5,788,453.63, and \$5,748,868.36; covered payroll was \$4,270,894.00, \$4,274,454.00, and \$4,140,584.00 for TPAF; and \$984,420.00, \$933,132.00, and \$886,389.00 for PERS.

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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, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS 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  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <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 service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined a  $\frac{1}{7}$ <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

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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 10: PUBLIC EMPLOYEES RETIREMENT SYSTEM**

At June 30, 2021, the District reported a liability of \$2,078,482.00 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 .01274565160%, which was a decrease of 4.39% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$67,698.00. 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	\$ 37,846.00	7,350.00
Changes of assumptions	67,428.00	870,280.00
Net difference between projected and actual earnings on pension plan investments	71,044.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	147,705.00	124,383.00
District contributions subsequent to the measurement date		
Total	<u>\$ 324,023.00</u>	<u>\$ 1,002,013.00</u>

\$139,431.00 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,		
2021	\$	(248,992.00)
2022		(231,931.00)
2023		(133,203.00)
2024		(53,347.00)
2025		(10,517.00)
Total	\$	<u>(677,990.00)</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



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major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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	\$ 2,475,466.32	2,078,482.00	1,742,063.11

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

*Pension plan fiduciary net position.*

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

*Additional Information*

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

Deferred outflows of resources	\$	2,347,583,337.00
Deferred inflows of resources		7,849,949,467.00
Net pension liability		16,435,616,426.00
 District's proportion		 2,078,482.00

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 11. 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>24,997,395.00</u>
Total	\$	<u>24,997,395.00</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 \$1,554,444 and revenue of \$1,554,444 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:

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

Inflation Rate	
Price	2.75%
Wage	3..25%
Salary increases	
Through 2026	1.55% - 4.45% (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-Medan 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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**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

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.

**Egg Harbor City School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**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		65,993,498,688

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$4,103,756,770.

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 12 – 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).

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

*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%

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate –**

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

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

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

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

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

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

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

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

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

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**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

*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 \$1,050,034 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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

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

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

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

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

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

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**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

**NOTE 13. LABOR CONTRACTS**

As of June 30, 2021 the District's employees were organized in the following collective bargaining unit.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
Egg Harbor City Education Association (EHCEA)	All full-time and part-time employees working twenty-five or more hours per week, whether under contract or on leave, including all non-supervisory certificated staff members and non-certified employees including secretaries, clerks, custodians, maintenance personnel and aides.	June 30, 2022

In addition to the above contract, the Board of Education has entered into individual employment agreements with Administrative staff, including the Superintendent and Business Administrator, and confidential employees. The expiration of these contracts will vary depending on the position.

**NOTE 14. COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Eligible administrators may bank unused vacation up to a maximum of five (5) days per year. Any unused vacation days which result in an employee exceeding the allowable number of banked days on June 30 of any given year will be forfeited.

Teachers are entitled to ten sick days per school year and are permitted to accumulate these days from year to year with no maximum limit. In order to be reimbursed for unused sick time, the teacher must have a minimum of fifty days accumulated at the end of the academic year in which their retirement is executed. Teachers will only be reimbursed up to a maximum of \$10,000 for the unused sick time.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021 no liability existed for compensated absences in the proprietary fund types.

**NOTE 15. DEFERRED COMPENSATION**

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

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

The plan administrators are as follows:

- Metropolitan Life
- Lincoln Investment Planning
- Siracusa Benefits Program
- The Equitable

The District also allows employees to participate in a IRS §529 plan with Siracusa.

**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. During the fiscal year ended June 30, 2021 the District did not incur claims in excess of their coverage.

This District is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBO JIF). This Fund was formed under the provisions of NJSA 18A:18B 1-10.

The purpose of this Fund is to permit member Boards of Education to make use of their powers and resources by cooperating on a basis that will be of mutual advantage and to provide a procedure for development, administration, and provision of Risk Management Programs, a Joint Self Insurance Fund, Joint Insurance Purchases and related services for members and their employees for the following:

- Workers Compensation and Employers Liability
- Automobile and Equipment Liability, General Liability and Property Damage
- School Board Legal Liability
- Boiler and Machinery

**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 the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s unemployment compensation fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2020-2021	-	10,094.88	29,464.18	-
2019-2020	-	9,905.87	23,829.23	19,369.30
2018-2019	-	9,824.27	13,232.28	33,292.66

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**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

**NOTE 17. INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2021, interfunds remained on the various balance sheets of the Egg Harbor City Board of Education.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Capital Project Fund		103.14
Debt Service Fund	103.14	
	103.14	103.14

All interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies. It is anticipated that all interfunds will be liquidated during the fiscal year.

**NOTE 18. LITIGATION**

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

**NOTE 19. FUND BALANCE APPROPRIATED**

**General Fund (Exhibit B-1)** - Of the \$1,751,646.49 General Fund fund balance at June 30, 2021, \$87,964.42 is reserved for encumbrances, but not reflected as assigned on the balance sheet since the unassigned balance is negative; \$373,992.97 has been committed to the capital reserve fund; \$1,501,682.26 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$745,054.16 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$31,974.84 has been appropriated and also included as anticipated revenue for the year ending June 30, 2022; and \$(156,003.58) is unreserved and undesignated, after adjusting for the above items.

**Debt Service Fund** – of the Debt Service Fund fund balance at June 30, 2021, \$1,568.67 is reserved in accordance with NJSA 7F-41c(2) and \$1,084.52 is unreserved and undesignated.

**NOTE 20. CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$1,501,682.26, of which \$745,054.16 has been included in the 2021-22 budget. The excess fund balance at June 30, 2020 was \$1,348,436.63.

**NOTE 21. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$156,003.58 in the General Fund, as of June 30, 2021 as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure,

**Egg Harbor City School District  
Notes to Financial Statements  
June 30, 2021**

asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the General Fund balance deficits do not alone indicate that the district is facing financial difficulties.

**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>1,812,948.89</u>
Implementation of GASB 84 - Restatement of Prior Year Balance Required	
Unemployment Compensation Trust	19,369.30
Scholarships	<u>1,084.38</u>
	<u>20,453.68</u>
 <b>Fund balance as restated, July 1, 2020</b>	 \$ <u>1,833,402.57</u>

**NOTE 23. SUBSEQUENT EVENTS**

**Other:**

The District has evaluated subsequent events through February 22, 2022, the date which the financial statements were available to be issued and no other items were noted for disclosure or adjustment.

**Required Supplemental Information  
Part II**

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**BUDGETARY COMPARISON SCHEDULES**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,886,917.00		2,886,917.00	2,886,917.00	-
Other Tuition	-		-	54,197.39	54,197.39
Interest Earned on Bank Accounts	-		-	3,476.23	3,476.23
Interest Earned on Capital Reserve Accounts	1,000.00		1,000.00	869.40	(130.60)
Miscellaneous	25,000.00		25,000.00	20,393.65	(4,606.35)
<b>Total - Local Sources</b>	<b>2,912,917.00</b>	<b>-</b>	<b>2,912,917.00</b>	<b>2,965,853.67</b>	<b>52,936.67</b>
State Sources:					
Categorical Special Education Aid	267,087.00		267,087.00	267,087.00	-
Equalization Aid	5,737,205.00	(286,324.00)	5,450,881.00	5,450,881.00	-
Categorical Security Aid	224,238.00		224,238.00	224,238.00	-
Categorical Transportation Aid	123,396.00		123,396.00	123,396.00	-
Securing Our Children's Future Bond Act (Alyssa's Law)	-		-	26,046.00	26,046.00
Extraordinary Aid	-		-	7,119.00	7,119.00
Additional Non-public Transportation Aid	-		-	4,060.00	4,060.00
On-Behalf TPAF Pension Contributions (non-budgeted)	-		-	1,147,898.00	1,147,898.00
On-Behalf TPAF Pension Contributions-Post Retirement Medical (non-budgeted)	-		-	359,733.00	359,733.00
On-behalf TPAF Pension Contributions-Long Term Disability Insurance (non-budgeted)	-		-	918.00	918.00
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	312,075.41	312,075.41
<b>Total - State Sources</b>	<b>6,351,926.00</b>	<b>(286,324.00)</b>	<b>6,065,602.00</b>	<b>7,923,451.41</b>	<b>1,857,849.41</b>
Federal Sources:					
Medicaid Assistance Program Reimbursement (SEMI)	23,858.00		23,858.00	37,928.53	14,070.53
FFCRA/SEMI Revenue				3,977.52	3,977.52
<b>Total - Federal Sources</b>	<b>23,858.00</b>	<b>-</b>	<b>23,858.00</b>	<b>41,906.05</b>	<b>18,048.05</b>
<b>Total Revenues</b>	<b>9,288,701.00</b>	<b>(286,324.00)</b>	<b>9,002,377.00</b>	<b>10,931,211.13</b>	<b>1,928,834.13</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool		0.80	-	-	-
Kindergarten	264,157.00		264,157.80	264,157.00	0.80
Grades 1-5	1,105,427.00	188,590.40	1,294,017.40	1,276,462.81	17,554.59
Grades 6-8	641,836.00	91,809.00	733,645.00	727,675.55	5,969.45
Regular Programs - Home Instruction:					
Salaries of Teachers	6,000.00		6,000.00	845.88	5,154.12
Purchased Professional - Educational Services					
Regular Programs - Undistributed Instruction:					
Salaries for Instruction		20,886.00	20,886.00	11,600.00	9,286.00
Purchased Professional - Educational Services	84,000.00	(20,886.00)	63,114.00	45,580.48	17,533.52
Other Purchased Services	19,885.00	-	19,885.00	16,959.84	2,925.16
General Supplies	256,759.94	(40,355.50)	216,404.44	190,861.96	25,542.48
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Regular Programs	2,378,064.94	240,044.70	2,618,109.64	2,534,143.52	83,966.12
Visual Impairments					
Purchased Professional - Educational Services					
Total Visual Impairments					
Multiple Disabilities					
Salaries of Teachers	398,817.00	(89,202.00)	309,615.00	309,615.00	-
Other Salaries for Instruction	153,648.00	(3,884.00)	149,764.00	149,646.41	117.59
General Supplies	-		-	-	-
Total Multiple Disabilities	552,465.00	(93,086.00)	459,379.00	459,261.41	117.59
Resource Room/Resource Center					
Salaries of Teachers	419,707.00	(231,330.20)	188,376.80	136,106.00	52,270.80
Total Resource Room/Resource Center	419,707.00	(231,330.20)	188,376.80	136,106.00	52,270.80

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Home Instruction					
Salaries of Teachers	-	-	-	-	-
Total Home Instruction	-	-	-	-	-
Total Special Education - Instruction	972,172.00	(324,416.20)	647,755.80	595,367.41	52,388.39
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	77,197.00		77,197.00	69,663.76	7,533.24
Total Basic Skills/Remedial - Instruction	77,197.00	-	77,197.00	69,663.76	7,533.24
Bilingual Education - Instruction:					
Salaries of Teachers	76,610.00		76,610.00	76,610.00	-
General Supplies	400.00		400.00	290.00	110.00
Total Bilingual Education - Instruction	77,010.00	-	77,010.00	76,900.00	110.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	53,156.00	-	53,156.00	11,007.94	42,148.06
Supplies and Materials	3,677.40		3,677.40	168.25	3,509.15
Other Objects	4,200.00	2,000.00	6,200.00	4,595.02	1,604.98
Total School Sponsored Cocurricular Activities - Instruction	61,033.40	2,000.00	63,033.40	15,771.21	47,262.19
School Sponsored Athletics - Instruction:					
Salaries	7,340.00	-	7,340.00	-	7,340.00
Purchased Services	2,000.00	-	2,000.00	-	2,000.00
Supplies and Materials	2,500.00		2,500.00	-	2,500.00
Total School Sponsored Athletics - Instruction	11,840.00	-	11,840.00	-	11,840.00
Total Instruction	3,577,317.34	(82,371.50)	3,494,945.84	3,291,845.90	203,099.94

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within State - Special	81,293.00	67,325.60	148,618.60	135,066.60	13,552.00
Tuition to CSSD & Regional Day Schools	386,465.00	(73,031.56)	313,433.44	259,697.00	53,736.44
Tuition to Private Schools for the Disabled - Within State	183,767.00	(60,859.04)	122,907.96	117,292.57	5,615.39
Total Undistributed Expenditures - Instruction	651,525.00	(66,565.00)	584,960.00	512,056.17	72,903.83
Undistributed Expenditures - Attendance and Social Work:					
Salaries	76,840.00	(1,026.39)	75,813.61	75,687.08	126.53
Total Undistributed Expenditures - Attendance and Social Work	76,840.00	(1,026.39)	75,813.61	75,687.08	126.53
Undistributed Expenditures - Health Services:					
Salaries	118,284.00	(1,560.00)	116,724.00	115,623.80	1,100.20
Purchased Professional and Technical Services	71,500.00	(44,866.71)	26,633.29	10,315.00	16,318.29
Supplies and Materials	8,332.65	658.60	8,991.25	8,103.80	887.45
Total Undistributed Expenditures - Health Services	198,116.65	(45,768.11)	152,348.54	134,042.60	18,305.94
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	53,273.00	(100.00)	53,173.00	51,027.56	2,145.44
Purchased Professional - Educational Services	52,000.00	15,374.00	67,374.00	33,421.50	33,952.50
Supplies and Materials	300.00		300.00	294.69	5.31
Total Undistributed Expenditures - Other Support Services - Students - Related Services	105,573.00	15,274.00	120,847.00	84,743.75	36,103.25
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Purchased Professional - Educational Services	30,000.00	(13,274.00)	16,726.00	-	16,726.00
Total Undistributed Expenditures - Other Support Services - Students - Extra Services	30,000.00	(13,274.00)	16,726.00	-	16,726.00

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	146,233.00	2,924.00	149,157.00	149,157.00	-
Other Purchased Professional and Technical Services Supplies and Materials	3,500.00	-	3,500.00	2,690.72	809.28
<b>Total Undistributed Expenditures - Other Support Services - Students - Guidance</b>	<b>149,733.00</b>	<b>2,924.00</b>	<b>152,657.00</b>	<b>151,847.72</b>	<b>809.28</b>
Undistributed Expenditures - Other Support Services - Students - Child Study Teams:					
Salaries Other Professional Staff	279,943.00		279,943.00	270,489.64	9,453.36
Salaries of Secretarial and Clerical Assistants	55,307.00		55,307.00	52,807.00	2,500.00
Purchase Professional-Ed Services	6,000.00		6,000.00	-	6,000.00
Other Purchased Professional and Technical Services	25,300.00	(10,000.00)	15,300.00	11,091.00	4,209.00
Other Purchased Services	2,900.00		2,900.00	2,194.44	705.56
Miscellaneous Purchased Services	-		-	-	-
Supplies and Materials	2,200.00	10,000.00	12,200.00	6,430.81	5,769.19
Other Objects	1,100.00		1,100.00	1,054.95	45.05
<b>Total Undistributed Expenditures - Other Support Services - Students - Child Study Teams</b>	<b>372,750.00</b>	<b>-</b>	<b>372,750.00</b>	<b>344,067.84</b>	<b>28,682.16</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	60,553.00		60,553.00	60,553.00	-
Salaries of Other Professional Staff	66,376.00		66,376.00	66,375.50	0.50
Other Purchased Services	-		-	-	-
Other Objects	-		-	-	-
<b>Total Undistributed Expenditures - Improv. of Instr. Services</b>	<b>126,929.00</b>	<b>-</b>	<b>126,929.00</b>	<b>126,928.50</b>	<b>0.50</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	27,792.00	-	27,792.00	27,615.48	176.52
Purchased Professional and Technical Services	3,600.00	98.00	3,698.00	3,439.00	259.00
Supplies and Materials	3,000.00	(2,098.00)	902.00	569.15	332.85
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>34,392.00</b>	<b>(2,000.00)</b>	<b>32,392.00</b>	<b>31,623.63</b>	<b>768.37</b>
Undistributed Expenditures - Instruction Staff Training Service					
Salaries of Other Professional Services	18,330.00		18,330.00	11,417.25	6,912.75
Other Purchased Services	32,200.00	(8,376.00)	23,824.00	15,655.70	8,168.30
<b>Total Undistributed Expenditures - Instruction Staff Training Service</b>	<b>50,530.00</b>	<b>(8,376.00)</b>	<b>42,154.00</b>	<b>27,072.95</b>	<b>15,081.05</b>
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	123,658.00	6,397.00	130,055.00	120,956.36	9,098.64
Legal Services	5,000.00		5,000.00	-	5,000.00
Audit Fees	20,000.00		20,000.00	19,500.00	500.00
Other Purchased Professional Services	16,000.00	15,627.00	31,627.00	28,102.41	3,524.59
Communications/Telephone	27,495.00	(2,524.00)	24,971.00	17,318.37	7,652.63
Other Purchased Services	23,325.00	-	23,325.00	15,439.28	7,885.72
General Supplies	2,200.00	500.00	2,700.00	2,602.26	97.74
BOE In-House Training and Meeting Supplies	2,000.00	-	2,000.00	1,826.39	173.61
Miscellaneous Expenditures	3,975.00		3,975.00	1,929.54	2,045.46
BOE Membership Dues and Fees	5,100.00	-	5,100.00	4,834.90	265.10
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>228,753.00</b>	<b>20,000.00</b>	<b>248,753.00</b>	<b>212,509.51</b>	<b>36,243.49</b>
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals and Assistant Principals	124,558.00		144,558.00	124,557.50	20,000.50
Salaries of Secretarial and Clerical Assistants	103,276.00	20,000.00	103,276.00	100,941.10	2,334.90
Other Purchased Services	8,100.00		8,100.00	5,190.70	2,909.30
Supplies and Materials	9,000.00		9,000.00	3,402.27	5,597.73
Other Objects	1,500.00	-	1,500.00	1,194.97	305.03
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>246,434.00</b>	<b>20,000.00</b>	<b>266,434.00</b>	<b>235,286.54</b>	<b>31,147.46</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Central Services					
Salaries	190,019.00	(15,573.00)	174,446.00	174,013.72	432.28
Purchased Professional Services	1,500.00	1,300.00	2,800.00	1,400.00	1,400.00
Purchased Technical Services	25,000.00		25,000.00	23,343.20	1,656.80
Misc. Purchased Services	1,000.00		1,000.00	50.00	950.00
Supplies and Materials	2,900.00		2,900.00	2,436.30	463.70
Other Objects	1,400.00	1,000.00	2,400.00	2,140.00	260.00
<b>Total Undistributed Expenditures - Central Services</b>	<b>221,819.00</b>	<b>(13,273.00)</b>	<b>208,546.00</b>	<b>203,383.22</b>	<b>5,162.78</b>
Undistributed Expenditures - Admin. Info Technology					
Salaries	25,997.00		25,997.00	25,991.04	5.96
Purchased Technical Services	13,500.00		13,500.00	13,500.00	-
Other Objects	450.00		450.00	450.00	-
<b>Total Undistributed Expenditures - Admin. Info Technology</b>	<b>39,947.00</b>	<b>-</b>	<b>39,947.00</b>	<b>39,941.04</b>	<b>5.96</b>
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	131,951.00		131,951.00	131,951.00	-
Cleaning, Repair, and Maintenance Services	180,814.76	(3,067.00)	177,747.76	168,215.89	9,531.87
General Supplies	24,400.00	3,808.00	28,208.00	5,730.06	22,477.94
<b>Total Undistributed Expenditures - Required Maint for School Facilities</b>	<b>337,165.76</b>	<b>741.00</b>	<b>337,906.76</b>	<b>305,896.95</b>	<b>32,009.81</b>
Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services					
Salaries	262,185.00	2,304.00	264,489.00	251,992.58	12,496.42
Purchased Professional and Technical Services	2,000.00		2,000.00	1,893.58	106.42
Cleaning, Repair and Maintenance Services	12,900.00		12,900.00	6,360.00	6,540.00
Other Purchased Property Services	38,000.00		38,000.00	20,969.50	17,030.50
Insurance	27,942.00		27,942.00	27,938.00	4.00
General Supplies	39,000.00	(5,508.98)	33,491.02	16,132.37	17,358.65
Energy (Natural Gas)	105,538.52	2,578.98	108,117.50	106,798.66	1,318.84
Energy (Heat and Electricity)	185,000.00	(1,800.00)	183,200.00	161,782.01	21,417.99
Other Objects	600.00		600.00	400.00	200.00
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services</b>	<b>673,165.52</b>	<b>(2,426.00)</b>	<b>670,739.52</b>	<b>594,266.70</b>	<b>76,472.82</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Security	69,220.00		69,220.00	57,540.88	11,679.12
Purchased Professional and Technical Services					
Total Undistributed Expenditures - Security	69,220.00	-	69,220.00	57,540.88	11,679.12
Undistributed Expenditures - Student Transportation Services:					
Contracted Services (Other than Bet. Home & School) - Vendors	7,365.00		7,365.00	-	7,365.00
Contracted Services - (Between Home and School) - Joint Agree.	133,138.02	(2,000.00)	131,138.02	101,678.95	29,459.07
Contracted Services - (Special Ed Students) - Joint Agreements	197,746.20	(17,325.00)	180,421.20	119,267.37	61,153.83
Contracted Services - Aid in Lieu of Payments - NonPub Sch.	13,650.00		13,650.00	4,770.00	8,880.00
Contracted Services - Aid in Lieu of Payments - Charter Sch.	2,000.00	(2,000.00)	-	-	-
Contracted Services - Aid in Lieu of Payments - Choice	2,000.00		2,000.00	1,118.00	882.00
Total Undistributed Expenditures - Student Transportation Serv.	355,899.22	(21,325.00)	334,574.22	226,834.32	107,739.90
Unallocated Benefits:					
Social Security Contributions	120,000.00	(3,245.40)	116,754.60	104,960.77	11,793.83
Other Retirement Contributions - PERS	142,000.00	3,245.40	145,245.40	145,245.40	-
Unemployment Compensation	17,602.00	1,938.30	19,540.30	19,540.30	-
Workmen's Compensation	44,340.00		44,340.00	44,330.00	10.00
Health Benefits	1,186,079.00	(1,938.30)	1,184,140.70	1,104,110.84	80,029.86
Tuition Reimbursement	27,000.00		27,000.00	27,000.00	-
Other Employee Benefits	125,000.00		125,000.00	116,945.58	8,054.42
Unused Sick Payment to Terminated/Retired Staff	15,000.00		15,000.00	15,000.00	-
Total Unallocated Benefits	1,677,021.00	-	1,677,021.00	1,577,132.89	99,888.11
On-behalf TPAF Pension Contributions (non-budgeted)					
On-behalf TPAF Pension Contributions-Post Retirement				1,147,898.00	(1,147,898.00)
Medical (non-budgeted)				359,733.00	(359,733.00)
On-behalf TPAF Pension Contributions-Long Term Disability				918.00	(918.00)
Insurance (non-budgeted)				312,075.41	(312,075.41)
Reimbursed TPAF Social Security Contributions (non-budgeted)					
Total On-behalf Contributions	-	-	-	1,820,624.41	(1,820,624.41)



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Undistributed Expenditures	5,645,813.15	(115,094.50)	5,530,718.65	6,761,486.70	(1,230,768.05)
<b>Total Current Expense</b>	<b>9,223,130.49</b>	<b>(197,466.00)</b>	<b>9,025,664.49</b>	<b>10,053,332.60</b>	<b>(1,027,668.11)</b>
<b>Capital Outlay:</b>					
Interest Deposit to Capital Reserve	1,000.00		1,000.00	-	1,000.00
Total Deposit to Capital Reserve	1,000.00	-	1,000.00	-	1,000.00
Equipment					
Administrative Information Technology Security	79,891.85	(2,000.00)	77,891.85	67,891.85	10,000.00
	29,195.00	(8,025.00)	21,170.00	11,170.00	10,000.00
Total Equipment	109,086.85	(10,025.00)	99,061.85	79,061.85	20,000.00
Facilities Acquisition and Construction Services					
Lease Purchase Agreement	33,250.00		33,250.00	31,079.88	2,170.12
Other Objects	195,873.00	-	195,873.00	195,873.00	-
Total Facilities Acquisitions and Construction Services	229,123.00	-	229,123.00	226,952.88	2,170.12
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
Administrative Information Technology	-		-	-	-
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>339,209.85</b>	<b>(10,025.00)</b>	<b>329,184.85</b>	<b>306,014.73</b>	<b>23,170.12</b>
<b>Transfer to Charter Schools</b>	<b>298,203.00</b>	<b>21,167.00</b>	<b>319,370.00</b>	<b>311,467.00</b>	<b>7,903.00</b>
<b>Total Expenditures</b>	<b>9,860,543.34</b>	<b>(186,324.00)</b>	<b>9,674,219.34</b>	<b>10,670,814.33</b>	<b>(996,594.99)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(571,842.34)	(100,000.00)	(671,842.34)	260,396.80	932,239.14

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses)					
Operating Transfers In:					
Adjustment to prior year encumbrance				12,080.32	12,080.32
Operating Transfers Out:					
Local Contribution-Transfer to Special Revenue - Inclusion	(76,018.00)		(76,018.00)	(76,018.00)	-
Capital Leases (non-budgeted))				-	-
Total Other Financing Sources (Uses)	(176,018.00)	100,000.00	(76,018.00)	(63,937.68)	12,080.32
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(747,860.34)	-	(747,860.34)	196,459.12	944,319.46
Fund Balances, July 1				2,148,013.07	2,148,013.07
Restatement				19,369.30	
Fund Balances, July 1, Restated				2,167,382.37	2,148,013.07
Fund Balances, June 30	-	-	-	2,363,841.49	3,092,332.53
	(747,860.34)	-	(747,860.34)		

Recapitulation of Fund Balance:

<b>Restricted Fund Balance</b>	
Excess Surplus	756,628.10
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	745,054.16
Unemployment Compensation	-
<b>Committed Fund Balance</b>	
Capital Reserve	373,992.97
<b>Assigned Fund Balance</b>	
Designated for Subsequent Year's Expenditures	31,974.84
Reserve for Encumbrances	87,964.42
<b>Unassigned Fund Balance</b>	368,227.00
	2,363,841.49

Reconciliation to Governmental Funds Statements (GAAP)

Last State Aid Payment Not Recognized on GAAP Basis	(612,195.00)
Fund Balance per Governmental Funds (GAAP)	1,751,646.49

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	7,612.61		7,612.61	2,742.52	(4,870.09)
Total - Local Sources	7,612.61	-	7,612.61	2,742.52	(4,870.09)
State Sources:					
Preschool Education Aid	638,078.00	2,000.00	640,078.00	536,894.27	(103,183.73)
Total - State Sources	638,078.00	2,000.00	640,078.00	536,894.27	(103,183.73)
Federal Sources:					
Title I	535,366.54	77,778.00	613,144.54	346,828.78	(266,315.76)
Title II	23,730.00		23,730.00	23,730.00	-
I.D.E.A., Part B	183,699.00		183,699.00	183,699.00	-
Other	1,862,417.54	12,631.00	1,875,048.54	820,449.27	(1,054,599.27)
Total - Federal Sources	2,605,213.08	90,409.00	2,695,622.08	1,374,707.05	(1,320,915.03)
<b>Total Revenues</b>	<b>3,250,903.69</b>	<b>92,409.00</b>	<b>3,343,312.69</b>	<b>1,914,343.84</b>	<b>(1,428,968.85)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	1,438,579.91	(21,058.83)	1,417,521.08	689,651.62	727,869.46
Other salaries for instruction	127,556.00		127,556.00	125,056.00	2,500.00
Purchased prof. and technical services	99,501.23		99,501.23	135.80	99,365.43
Tuition	175,830.00		175,830.00	175,830.00	-
Other Purchased services	3,888.27	457.73	4,346.00	348.00	3,998.00
General supplies	56,900.39	113,400.85	170,301.24	71,600.65	98,700.59
Other objects	5,375.00		5,375.00	-	5,375.00
<b>Total instruction</b>	<b>1,907,630.80</b>	<b>92,799.75</b>	<b>2,000,430.55</b>	<b>1,062,622.07</b>	<b>937,808.48</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>Support Services</b>					
Salaries of Other Professional Staff	19,923.00		19,923.00	19,923.00	-
Salaries of Program Directors	59,880.50	3,500.00	63,380.50	49,142.01	14,238.49
Other Salaries	119,505.28		119,505.28	69,052.30	50,452.98
Salaries of Supervisors of Instruction	14,545.00		14,545.00	14,545.00	-
Personal Services - Employee Benefits	576,496.39	3,606.00	580,102.39	356,639.91	223,462.48
Purchased Technical Services	73,416.06		73,416.06	15,529.06	57,887.00
Other Purchased Services	59,056.65	(2,968.00)	56,088.65	34,069.72	22,018.93
Travel	2,110.00		2,110.00	-	2,110.00
Supplies & Materials	191,658.01	(5,413.75)	186,244.26	123,243.72	63,000.54
Other Objects	2,700.00	885.00	3,585.00	885.00	2,700.00
Scholarships Awarded				400.00	(400.00)
<b>Total support services</b>	<u>1,119,290.89</u>	<u>(390.75)</u>	<u>1,118,900.14</u>	<u>683,429.72</u>	<u>435,470.42</u>
<b>Facilities acquisition and construction services:</b>					
Instructional Equipment	300,000.00		300,000.00	244,607.50	55,392.50
<b>Total facilities acquisition and construction services</b>	<u>300,000.00</u>	<u>-</u>	<u>300,000.00</u>	<u>244,607.50</u>	<u>55,392.50</u>
<b>Transfers to Charter Schools</b>					
<b>Total expenditures</b>	<u>3,326,921.69</u>	<u>92,409.00</u>	<u>3,419,330.69</u>	<u>1,990,659.29</u>	<u>1,428,671.40</u>
<b>Other financing sources</b>					
Transfer from other funds	76,018.00		76,018.00	76,018.00	-
Total other financing sources	<u>76,018.00</u>	<u>-</u>	<u>76,018.00</u>	<u>76,018.00</u>	<u>-</u>
<b>Total outflows</b>	<u>3,250,903.69</u>	<u>92,409.00</u>	<u>3,343,312.69</u>	<u>1,914,641.29</u>	<u>1,428,671.40</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(297.45)</u>	<u>(297.45)</u>
Fund Balance, July 1 Restatement					
				1,084.38	
Fund Balance, July 1 (Restated)				<u>1,084.38</u>	
Fund Balance, June 30					
				<u>\$ 786.93</u>	
Recapitulation:					
Restricted:					
Scholarships				<u>786.93</u>	
Total Fund Balance				<u>\$ 786.93</u>	

**Notes to the  
Required Supplemental Information  
Part II**

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**Egg Harbor City School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2021**

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

	General Fund	Special Revenue
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 10,931,211.13	1,914,343.84
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		-
Current year		(309,880.69)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	585,014.00	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(612,195.00)	-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	10,904,030.13	1,604,463.15
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	10,670,814.33	1,990,659.29
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		-
Current year		(309,880.69)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 10,670,814.33	1,680,778.60

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**Required Supplemental Information  
Part III**

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**CITY OF EGG HARBOR 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)	0.0127456516%	0.0133306544%	0.0130011059%	1.2339684700%	0.0117957772%	0.0126910508%	0.0127197761%	0.0116694603%
District's proportionate of the net pension liability (asset)	2,078,482.00	2,401,982.00	2,559,853.00	2,872,481.00	3,493,571.00	2,848,887.00	2,381,490.00	2,230,266.00
District's covered payroll	984,420.00	933,132.00	886,389.00	900,417.00	882,359.00	846,480.00	859,952.00	825,778.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	211.14%	257.41%	288.80%	319.02%	395.94%	336.56%	276.93%	270.08%
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 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.

**CITY OF EGG HARBOR 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	\$ 139,431.00	130,532.00	130,372.00	116,943.42	105,899.00	109,019.00	104,860.00	87,927.00
Contributions in relation to the contractually required contribution	139,431.00	130,532.00	130,372.00	116,943.42	105,899.00	109,019.00	104,860.00	87,927.00
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	984,420.00	933,132.00	886,389.00	900,417.00	882,359.00	846,480.00	859,952.00	825,778.00
Contributions as a percentage of covered-employee payroll	14.16%	13.99%	14.71%	12.99%	12.00%	12.88%	12.19%	10.65%

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

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

**CITY OF EGG HARBOR 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	\$ 24,997,395.00	23,583,079.00	25,105,752.00	26,747,834.00	31,677,826.00	26,186,378.00	22,177,091.00	20,748,898.00
<b>Total</b>	<b>\$ 24,997,395.00</b>	<b>23,583,079.00</b>	<b>25,105,752.00</b>	<b>26,747,834.00</b>	<b>31,677,826.00</b>	<b>26,186,378.00</b>	<b>22,177,091.00</b>	<b>20,748,898.00</b>
District's covered payroll	4,270,894.00	4,274,454.00	4,140,584.00	4,091,727.00	4,037,171.00	4,030,324.00	4,071,497.00	4,148,221.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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%	33.76%

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

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

**EGG HARBOR CITY 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>29,349,596.00</u>	<u>18,182,499.00</u>	<u>19,445,774.00</u>	<u>22,895,340.00</u>	<u>24,738,738.00</u>
<b>Total</b>	<b><u>\$ 29,349,596.00</u></b>	<b><u>18,182,499.00</u></b>	<b><u>19,445,774.00</u></b>	<b><u>22,895,340.00</u></b>	<b><u>24,738,738.00</u></b>
District's covered payroll	5,255,314.00	5,207,586.00	5,026,973.00	4,992,144.00	4,919,530.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	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	704,682.00	682,497.00	764,534.00	924,269.00	
Interest Cost	652,455.00	768,584.00	838,117.00	724,168.00	
Differences between Expected & Actual	4,944,262.00	(2,443,855.00)	(2,318,715.00)	-	
Changes in Assumptions	5,361,163.00	271,103.00	(2,231,500.00)	(2,981,057.00)	
Member Contributions	15,487.00	16,545.00	17,971.00	19,527.00	
Benefit Payments	(510,952.00)	(558,149.00)	(519,973.00)	(530,305.00)	
Change in Total Opeb Liability	<u>11,167,097.00</u>	<u>(1,263,275.00)</u>	<u>(3,449,566.00)</u>	<u>(1,843,398.00)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>18,182,499.00</u>	<u>19,445,774.00</u>	<u>22,895,340.00</u>	<u>24,738,738.00</u>	
Ending Balance	<b><u>\$ 29,349,596.00</u></b>	<b><u>18,182,499.00</u></b>	<b><u>19,445,774.00</u></b>	<b><u>22,895,340.00</u></b>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	558.47%	349.15%	386.83%	458.63%	

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

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

**SPECIAL REVENUE FUND**

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**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2021**

	Atlantic Care	Action For Healthy Kids	Municipal Alliance	Scholarships	Preschool Education	Total State/Local Funds
<b>REVENUES:</b>						
Local Sources	2,007.96	155.00	477.01	102.55	536,894.27	2,742.52
State Sources						536,894.27
Federal Sources						-
Total revenues	<u>2,007.96</u>	<u>155.00</u>	<u>477.01</u>	<u>102.55</u>	<u>536,894.27</u>	<u>539,636.79</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	837.99				197,367.39	198,205.38
Other salaries for instruction					125,056.00	125,056.00
Purchased prof. and technical services						-
Tuition						-
Other purchased services		155.00			3,990.88	5,315.85
General supplies	1,169.97					
Other objects						-
Total Instruction	<u>2,007.96</u>	<u>155.00</u>	<u>-</u>	<u>-</u>	<u>326,414.27</u>	<u>328,577.23</u>
Support services:						
Salaries of other professional staff					19,923.00	19,923.00
Salaries of program directors					31,742.00	31,742.00
Other salaries						-
Salaries of supervisors of instruction					14,545.00	14,545.00
Personal services- employee benefits					214,558.00	214,558.00
Purchased technical services						-
Other purchased services					4,845.00	4,845.00
Supplies and materials			477.01		885.00	477.01
Other objects						885.00
Scholarships awarded				400.00		400.00
Total support services	<u>-</u>	<u>-</u>	<u>477.01</u>	<u>400.00</u>	<u>286,498.00</u>	<u>287,375.01</u>
Facilities acquisition and const. serv.:						
Instructional equipment						-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools						-
Total expenditures	<u>2,007.96</u>	<u>155.00</u>	<u>477.01</u>	<u>400.00</u>	<u>612,912.27</u>	<u>615,952.24</u>
Other financing sources						
Transfer from other funds					76,018.00	76,018.00
Total outflows	<u>2,007.96</u>	<u>155.00</u>	<u>477.01</u>	<u>400.00</u>	<u>536,894.27</u>	<u>539,934.24</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(297.45)</u>	<u>-</u>	<u>(297.45)</u>
Fund Balance, July 1 Restatement				1,084.38		1,084.38
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,084.38</u>	<u>-</u>	<u>1,084.38</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>786.93</u>	<u>-</u>	<u>786.93</u>

**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2021**

	Title I Part A	Title I Part D	Carryover Title I Part D	Title I SIA	Carryover Title I SIA	Carryover Title I Part A	I.D.E.A. Part B- Basic Instruction	I.D.E.A. Part B- Basic Preschool	Title II Part A
<b>REVENUES:</b>									
Local Sources									
State Sources									
Federal revenues	307,060.11	4,306.00	8,810.08	10,065.51	6,779.06	9,808.02	175,830.00	7,869.00	23,730.00
Total revenues	<u>307,060.11</u>	<u>4,306.00</u>	<u>8,810.08</u>	<u>10,065.51</u>	<u>6,779.06</u>	<u>9,808.02</u>	<u>175,830.00</u>	<u>7,869.00</u>	<u>23,730.00</u>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers	206,031.00	-	4,515.50					5,945.00	16,952.00
Other salaries for instruction									
Purchased prof. and technical services							175,830.00		
Tuition									
Other purchased services									
General supplies									
Other objects									
Total Instruction	<u>206,031.00</u>	<u>-</u>	<u>4,515.50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,830.00</u>	<u>5,945.00</u>	<u>16,952.00</u>
Support services:									
Salaries of other professional staff		4,000.00	3,334.50	10,065.51					
Salaries of program directors									
Other salaries									
Salaries of supervisors of instruction									
Personal services-employee benefits	83,029.11	306.00	960.08		6,779.06	9,808.02		1,924.00	6,778.00
Purchased technical services									
Other purchased services	18,000.00								
Supplies and materials									
Other objects									
Scholarships awarded									
Total support services	<u>101,029.11</u>	<u>4,306.00</u>	<u>4,294.58</u>	<u>10,065.51</u>	<u>6,779.06</u>	<u>9,808.02</u>	<u>-</u>	<u>1,924.00</u>	<u>6,778.00</u>
Facilities acquisition and const. serv.:									
Instructional equipment									
Total facilities acquisition and construction services									
Transfer to charter schools									
Total expenditures	<u>307,060.11</u>	<u>4,306.00</u>	<u>8,810.08</u>	<u>10,065.51</u>	<u>6,779.06</u>	<u>9,808.02</u>	<u>175,830.00</u>	<u>7,869.00</u>	<u>23,730.00</u>
Other financing sources									
Transfer from other funds									
Total outflows	<u>307,060.11</u>	<u>4,306.00</u>	<u>8,810.08</u>	<u>10,065.51</u>	<u>6,779.06</u>	<u>9,808.02</u>	<u>175,830.00</u>	<u>7,869.00</u>	<u>23,730.00</u>
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 Restatement									
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-	-	-	-	-

**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2021**

	21st Century	New Jersey After School Carryover	CARES Emergency Relief	Coronavirus Relief Fund (CFR)	CRRSA- ESSER II	CRRSA- Learning Acceleration	CRRSA- Mental Health	Total Federal Funds	Totals
<b>REVENUES:</b>									
Local Sources									2,742.52
State Sources									536,894.27
Federal Sources	228,171.20	100,390.07	129,338.50	58,042.00	304,507.50	-	1,374,707.05	1,374,707.05	1,374,707.05
Total revenues	<u>228,171.20</u>	<u>100,390.07</u>	<u>129,338.50</u>	<u>58,042.00</u>	<u>304,507.50</u>	<u>-</u>	<u>1,374,707.05</u>	<u>1,374,707.05</u>	<u>1,914,343.84</u>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers	148,810.74	24,804.00	84,388.00				491,446.24	689,651.62	689,651.62
Other salaries for instruction	135.80						135.80	135.80	135.80
Purchased prof. and technical services							175,830.00	175,830.00	175,830.00
Tuition	348.00						348.00	348.00	348.00
Other purchased services	9,139.63	43,537.17	13,608.00				66,284.80	71,600.65	71,600.65
General supplies									
Other objects									
Total Instruction	<u>158,434.17</u>	<u>68,341.17</u>	<u>97,996.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>734,044.84</u>	<u>1,062,622.07</u>	<u>-</u>
Support services:									
Salaries of other professional staff									19,923.00
Salaries of program directors							17,400.01	17,400.01	49,142.01
Other salaries	43,675.00	25,377.30					69,052.30	69,052.30	14,545.00
Salaries of supervisors of instruction									14,545.00
Personal services- employee benefits	14,725.22	4,736.00	29,623.50				142,081.91	142,081.91	356,639.91
Purchased technical services	8,750.00						15,529.06	15,529.06	15,529.06
Other purchased services	1,393.60	23.10					29,224.72	29,224.72	34,069.72
Supplies and materials	1,193.21	1,912.50	1,719.00	58,042.00	59,900.00		122,766.71	122,766.71	123,243.72
Other objects									885.00
Scholarships awarded									400.00
Total support services	<u>68,737.03</u>	<u>32,048.90</u>	<u>31,342.50</u>	<u>58,042.00</u>	<u>59,900.00</u>	<u>-</u>	<u>396,054.71</u>	<u>396,054.71</u>	<u>683,429.72</u>
Facilities acquisition and const. serv.:									
Instructional equipment					244,607.50			244,607.50	244,607.50
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,607.50</u>	<u>-</u>	<u>244,607.50</u>	<u>244,607.50</u>	<u>244,607.50</u>
Transfer to charter schools									-
Total expenditures	<u>228,171.20</u>	<u>100,390.07</u>	<u>129,338.50</u>	<u>58,042.00</u>	<u>304,507.50</u>	<u>-</u>	<u>1,374,707.05</u>	<u>1,374,707.05</u>	<u>1,990,659.29</u>
Other financing sources									
Transfer from other funds									76,018.00
Total outflows	<u>228,171.20</u>	<u>100,390.07</u>	<u>129,338.50</u>	<u>58,042.00</u>	<u>304,507.50</u>	<u>-</u>	<u>1,374,707.05</u>	<u>1,374,707.05</u>	<u>1,914,641.29</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(297.45)</u>
Fund Balance, July 1 Restatement									-
Fund Balance, July 1 (Restated)									1,084.38
Fund Balance, June 30									1,084.38
									<u>786.93</u>

**Egg Harbor City School District  
Special Revenue Fund  
Schedule of Preschool Education Aid  
For the Fiscal Year Ended June 30, 2021**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 292,313.97	197,367.39	94,946.58
Other salaries for instruction	127,556.00	125,056.00	2,500.00
Supplies	4,458.03	3,990.88	467.15
<b>Total instruction</b>	<u>424,328.00</u>	<u>326,414.27</u>	<u>97,913.73</u>
Support services:			
Salaries of Other Professional Staff	19,923.00	19,923.00	-
Salaries of Program Directors	31,742.00	31,742.00	-
Other Salaries	-	-	-
Salaries of Supervisors of Instruction	14,545.00	14,545.00	-
Professional services - employee benefits	214,558.00	214,558.00	-
Travel	-	-	-
Other Purchased Services	10,115.00	4,845.00	5,270.00
Other Objects	885.00	885.00	-
<b>Total support services</b>	<u>291,768.00</u>	<u>286,498.00</u>	<u>5,270.00</u>
<b>Total Expenditures</b>	<u>\$ 716,096.00</u>	<u>612,912.27</u>	<u>103,183.73</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2020-21 Preschool Education Aid Allocation	640,078.00
Add: Actual ECPA/PEA Carryover (June 30, 2020)	-
Add: Budgeted Transfer from the General Fund 2020-21	76,018.00
<b>Total Preschool Education Aid Funds Available for 2020-21 Budget</b>	<u>716,096.00</u>
Less: 2020-21 Budgeted Preschool Education Aid (Including prior year budget carryover)	(640,078.00)
<b>Available &amp; Unbudgeted Preschool Education Funds as of June 30, 2021</b>	<u>76,018.00</u>
Add: June 30, 2021 Unexpended Preschool Education Aid	103,438.73
Less: 2020-21 Commissioner-approved Transfer to the General Fund	-
<b>2020-2021 Carryover - Preschool Education Aid Program</b>	<u>179,456.73</u>
2020-21 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-22	96,599.00

**CAPITAL PROJECTS FUND**

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Egg Harbor City School District  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2021

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Transfers Out	Unexpended Appropriations 6/30/2021
			Prior Years	Current Year		
School Facilities Project	11/14/07	24,597,412.00	24,105,238.00	-	(492,174.00)	-
Spragg Elementary School Roof and HVAC Replacement	3/17/14	1,153,013.00	1,026,998.00	-	(109,838.96)	16,176.04
Totals		\$ 25,750,425.00	25,132,236.00	-	(602,012.96)	16,176.04

**Egg Harbor City School District**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2021**

**Revenue and Other Financing Sources**

State Sources - SDA	\$	-
Bond proceeds and transfers		-
Transfer from capital reserve		-
Transfer from capital outlay		-
Total revenues		<u>-</u>

**Expenditures and Other Financing Uses**

Purchase of Land		-
Purchased Professional and Technical Services		-
Construction Services		-
Other Objects		-
Total expenditures		<u>-</u>
Excess (Deficiency) of revenues over (under) expenditures		<u>-</u>
Other Financing Sources (Uses):		
Return Capital Projects Funds back to Capital Reserve		-
Transfer to Debt Service Fund		<u>(231,024.00)</u>
Total other financing sources (uses)		(231,024.00)
Fund balance- beginning		247,200.04
Fund balance - ending	\$	<u><u>16,176.04</u></u>



**Egg Harbor City School District**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**Construction of Egg Harbor Community School and Spragg School Improvements**  
**From Inception and for the Year Ended June 30, 2021**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenue and Other Financing Sources</b>				
State Sources - SDA	\$ 15,727,412.00		15,727,412.00	15,727,412.00
Bond proceeds and transfers	8,870,000.00		8,870,000.00	8,870,000.00
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>24,597,412.00</u>	<u>-</u>	<u>24,597,412.00</u>	<u>24,597,412.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchase of Land	1,745,000.00		1,745,000.00	1,745,000.00
Purchased Professional and Technical Services				
Construction services	22,305,079.00		22,305,079.00	22,852,412.00
Other Objects				
Total expenditures	<u>24,050,079.00</u>	<u>-</u>	<u>24,050,079.00</u>	<u>24,597,412.00</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to Debt Service Fund	<u>(394,418.00)</u>	<u>(152,915.00)</u>	<u>(547,333.00)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(394,418.00)</u>	<u>(152,915.00)</u>	<u>(547,333.00)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 152,915.00</u>	<u>(152,915.00)</u>	<u>-</u>	<u>-</u>
<b>Additional project information:</b>				
Project Number	1300-X01-04-1000			
Grant Date	11/27/07			
Bonds Authorization Date	11/14/07			
Bonds Authorized	8,870,000.00			
Bonds Issued	8,870,000.00			
Original Authorized Cost	24,007,569.00			
Additional Authorized Cost	589,843.00			
Revised Authorized Cost	24,597,412.00			
Percentage Increase over Original Authorized Cost	2.46%			
Percentage completion	97.77%			
Original target completion date	June 30, 2010			
Revised target completion date	2015			

**Egg Harbor City School District**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**Spragg Elementary School Roof and HVAC Replacement**  
**From Inception and for the Year Ended June 30, 2021**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenue and Other Financing Sources</b>				
State Sources - SDA	\$ 813,029.00	-	813,029.00	813,029.00
Bond proceeds and transfers			-	
Transfer from capital reserve	339,984.00	-	339,984.00	339,984.00
Total revenues	<u>1,153,013.00</u>	<u>-</u>	<u>1,153,013.00</u>	<u>1,153,013.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	120,130.00		120,130.00	83,000.00
Construction services	906,854.00	-	906,854.00	998,108.00
Other Objects	14.00		14.00	71,905.00
Total expenditures	<u>1,026,998.00</u>	<u>-</u>	<u>1,026,998.00</u>	<u>1,153,013.00</u>
<b>Other Financing Sources (Uses):</b>				
Return Capital Projects Funds back to Capital Reserve	(31,729.96)	-	(31,729.96)	-
Transfer to Debt Service Fund	<u>-</u>	<u>(78,109.00)</u>	<u>(78,109.00)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(31,729.96)</u>	<u>(78,109.00)</u>	<u>(109,838.96)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 94,285.04</u>	<u>-</u>	<u>16,176.04</u>	<u>-</u>
<b>Additional project information:</b>				
Project Number	1300-020-14-1001			
Grant Date	3/17/14			
Bonds Authorization Date	NA			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	1,153,013			
Additional Authorized Cost	-			
Revised Authorized Cost	1,153,013			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	October 14, 2014			
Revised target completion date	2015			

**LONG-TERM DEBT**

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Egg Harbor City School District  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
			Date	Amount					
Refunding School Bonds of 2016	7/14/16	\$ 7,500,000.00	3/15/22	425,000.00	3.000%	6,555,000.00		415,000.00	6,140,000.00
			3/15/23	445,000.00	2.000%				
			3/15/24	450,000.00	4.000%				
			3/15/25	470,000.00	4.000%				
			3/15/26	495,000.00	2.000%				
			3/15/27	500,000.00	3.000%				
			3/15/28	520,000.00	3.000%				
			3/15/29	535,000.00	3.000%				
			3/15/30	550,000.00	2.500%				
			3/15/31	565,000.00	2.500%				
		3/15/32	585,000.00	2.625%					
		3/15/33	600,000.00	2.625%					
						\$ 6,555,000.00		415,000.00	6,140,000.00

\* - \$1,115,000 2.50% Term Bond due March 15, 2031  
 # - \$1,185,000 2.625% Term Bond due March 15, 2033

Egg Harbor City School District

I-2

Long-Term Debt

Schedule of Obligations under Capital Leases

June 30, 2021

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2020	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2021
Purchase of Various Network Switches	3.432%	\$ 87,859.02	\$ 56,749.90	-	31,079.88	25,670.02
			<u>\$ 56,749.90</u>	<u>-</u>	<u>31,079.88</u>	<u>25,670.02</u>

**City of Egg Harbor School District  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 369,083.00		369,083.00	369,083.00	-
Miscellaneous	-		-	483.41	483.41
	<u>369,083.00</u>	<u>-</u>	<u>369,083.00</u>	<u>369,566.41</u>	<u>483.41</u>
<b>Total Revenues</b>	<b>369,083.00</b>	<b>-</b>	<b>369,083.00</b>	<b>369,566.41</b>	<b>483.41</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	186,432.00		186,432.00	186,431.26	0.74
Redemption of Principal	415,000.00		415,000.00	415,000.00	-
	<u>601,432.00</u>	<u>-</u>	<u>601,432.00</u>	<u>601,431.26</u>	<u>0.74</u>
<b>Total Regular Debt Service</b>	<b>601,432.00</b>	<b>-</b>	<b>601,432.00</b>	<b>601,431.26</b>	<b>0.74</b>
<b>Total expenditures</b>	<b>601,432.00</b>	<b>-</b>	<b>601,432.00</b>	<b>601,431.26</b>	<b>0.74</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(232,349.00)	-	(232,349.00)	(231,864.85)	484.15
Other Financing Sources:					
Other financing source					
Unexpended balances on capital projects	231,024.00		231,024.00	231,024.00	-
Withdrawal from Debt Service Reserve			-		-
	<u>(1,325.00)</u>	<u>-</u>	<u>(1,325.00)</u>	<u>(840.85)</u>	<u>484.15</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	2,409.52		2,409.52	2,409.52	-
Fund Balance, July 1					
Fund Balance, June 30	<u>1,084.52</u>	<u>-</u>	<u>1,084.52</u>	<u>1,568.67</u>	<u>484.15</u>

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## **Statistical Section**

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**EGG HARBOR CITY SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*Unaudited*

	For the Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 16,441,140.00	16,942,671.00	17,270,732.00	21,518,642.00	21,147,044.47	20,533,276.05	20,082,219	19,920,610.36	19,699,933.75	19,502,208.49
Restricted	1,683,659.00	1,813,210.00	1,529,735.00	1,372,785.00	1,707,814.27	1,695,632.09	1,910,777	1,942,522.00	1,969,100.50	1,892,191.53
Unrestricted	(484,180.00)	(437,431.00)	(261,977.00)	(2,456,957.00)	(2,728,469.96)	(2,767,129.07)	(2,765,042)	(2,942,136.42)	(3,057,617.77)	(2,897,387.55)
<b>Total governmental activities net position</b>	<b>17,640,619.00</b>	<b>18,318,450.00</b>	<b>18,538,490.00</b>	<b>20,434,470.00</b>	<b>20,126,388.78</b>	<b>19,461,979.07</b>	<b>19,227,953.70</b>	<b>18,920,995.94</b>	<b>18,611,416.48</b>	<b>18,497,012.47</b>
<b>Business-type activities</b>										
Net investment in capital assets	107,574.00	100,658.00	100,559.00	93,902.00	83,533.00	64,240.80	59,339	50,017.60	47,861.63	42,844.99
Unrestricted	90,598.00	97,867.00	82,945.00	80,574.00	80,777.76	79,320.21	82,508	90,263.60	67,430.07	191,137.35
<b>Total business-type activities net position</b>	<b>198,172.00</b>	<b>198,525.00</b>	<b>183,504.00</b>	<b>174,476.00</b>	<b>164,310.76</b>	<b>143,561.01</b>	<b>141,847.43</b>	<b>140,281.20</b>	<b>115,291.70</b>	<b>233,982.34</b>
<b>District-wide</b>										
Net investment in capital assets	16,548,714.00	17,043,329.00	17,371,291.00	21,612,544.00	21,230,577.47	20,597,516.85	20,141,557.91	19,970,627.96	19,747,795.38	19,545,053.48
Restricted	1,705,239.00	1,813,210.00	1,529,735.00	1,372,785.00	1,707,814.27	1,695,632.09	1,910,777.40	1,942,522.00	1,969,100.50	1,892,191.53
Unrestricted	(415,162.00)	(339,564.00)	(179,032.00)	(2,379,383.00)	(2,647,692.20)	(2,687,808.86)	(2,682,534.18)	(2,851,872.82)	(2,990,187.70)	(2,706,250.20)
<b>Total district net position</b>	<b>\$ 17,838,791.00</b>	<b>18,516,975.00</b>	<b>18,721,994.00</b>	<b>20,605,946.00</b>	<b>20,290,699.54</b>	<b>19,605,540.08</b>	<b>19,369,801.13</b>	<b>19,061,277.14</b>	<b>18,726,708.18</b>	<b>18,730,994.81</b>

Source: CAFR Schedule A-1

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 4,103,860.00	3,906,258.00	3,892,125.00	4,781,312.31	5,458,891.28	5,533,734.75	5,546,755.89	5,010,423.88	4,642,062.27	5,757,232.16
Special education	1,134,650.00	1,301,615.00	1,234,366.00	1,366,601.00	1,415,813.10	1,571,700.81	1,638,532.16	1,569,523.76	1,504,701.23	1,191,120.06
Other special instruction	120,330.00	287,282.00	265,407.00	354,714.00	353,328.34	315,928.33	267,498.56	226,969.22	304,770.15	302,196.85
Nonpublic school programs										
Support Services:										
Tuition	600,886.00	784,653.00	744,603.00	585,438.00	780,381.01	1,375,369.73	1,184,779.64	1,185,184.34	1,532,349.26	1,537,351.39
Student & instruction related services	1,625,445.00	1,469,053.00	1,531,806.00	1,709,987.46	1,999,164.64	1,896,614.06	2,047,015.10	2,105,571.81	1,846,691.53	2,090,827.92
General administrative services	375,821.00	409,287.00	296,660.00	306,028.00	339,020.00	360,516.57	363,649.70	346,898.65	329,776.61	398,036.57
School administrative services	261,444.00	264,414.00	271,939.00	319,472.00	377,277.06	398,308.13	444,850.36	402,160.37	381,613.17	434,000.59
Plant operations and maintenance	874,452.00	878,693.00	1,031,832.00	1,179,606.00	1,304,324.74	1,400,102.71	1,493,193.74	1,769,881.16	1,509,747.06	1,704,066.96
Pupil transportation	234,961.00	269,728.00	249,899.00	181,933.00	192,003.68	346,794.94	362,397.93	412,458.32	399,487.61	476,369.28
Business and other support services	239,949.00	250,005.00	262,185.00	309,012.00	383,391.28	379,548.66	449,586.69	467,023.73	455,637.37	486,198.28
Interest on long-term debt	356,213.00	346,057.00	335,393.00	329,282.00	487,987.73	367,930.50	417,090.34	418,245.69	403,824.42	391,850.64
Capital Outlay		126,853.00	195,873.00							
Other financing uses		400,936.00								
Total governmental activities expenses	9,928,011.00	10,694,834.00	10,312,088.00	11,423,385.77	13,091,582.86	13,946,549.19	14,215,350.10	13,914,340.93	13,310,660.68	14,769,250.70
Business-type activities:										
Food service	306,258.00	306,258.00	405,440.00	404,952.00	429,545.78	422,729.15	424,053.03	416,926.60	302,236.25	288,958.06
Child Care										
Total business-type activities expense	306,258.00	306,258.00	405,440.00	404,952.00	429,545.78	422,729.15	424,053.03	416,926.60	302,236.25	288,958.06
Total district expenses	10,234,269.00	11,001,092.00	10,717,528.00	11,828,337.77	13,521,128.64	14,369,278.34	14,639,403.13	14,331,267.53	13,612,896.93	15,058,208.76
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	2,149,576.00	2,208,985.00	2,128,607.00	3,178,119.00	3,015,826.00	82,932.80	55,273.89	152,804.02	129,998.51	54,197.39
Operating grants and contributions	171,103.00	-	54,172.00	3,525,325.00	3,015,826.00	4,801,896.82	5,207,671.01	4,408,099.79	3,597,814.94	5,169,340.56
Capital grants and contributions										
Total governmental activities program revenues	2,320,679.00	2,208,985.00	2,182,779.00	6,703,444.00	3,223,595.57	4,884,829.62	5,262,944.90	4,560,903.81	3,727,813.45	5,223,537.95
Business-type activities:										
Charges for services:										
Food service	69,564.00	64,233.00	66,443.00	61,187.00	48,991.19	49,132.06	49,933.47	43,229.52	21,481.58	1,331.99
Operating grants and contributions	246,420.00	336,950.00	323,967.00	334,699.00	370,296.46	352,639.55	371,556.54	370,881.93	255,490.14	409,022.10
Total business-type activities program revenues	315,984.00	401,183.00	390,410.00	395,886.00	419,287.65	401,771.61	421,490.01	414,111.45	276,971.72	410,354.09
Total district program revenues	2,636,663.00	2,610,168.00	2,573,189.00	7,099,330.00	3,642,883.22	5,286,601.23	5,684,434.91	4,975,015.26	4,004,785.17	5,633,892.04
<b>Net (Expense)/Revenue</b>										
Governmental activities	(7,607,332.00)	(8,084,913.00)	(8,129,309.00)	(4,719,942.00)	(9,867,987.29)	(9,061,719.56)	(8,952,405.20)	(9,353,437.12)	(9,582,847.23)	(9,545,712.75)
Business-type activities	9,726.00	247.00	(15,030.00)	(9,066.00)	(10,258.13)	(20,957.54)	(2,563.02)	(2,815.15)	(25,264.53)	121,396.03
Total district-wide net expense	<u>\$ (7,597,606.00)</u>	<u>(8,084,666.00)</u>	<u>(8,144,339.00)</u>	<u>(4,729,008.00)</u>	<u>(9,878,245.42)</u>	<u>(9,082,677.10)</u>	<u>(8,954,968.22)</u>	<u>(9,356,252.27)</u>	<u>(9,608,111.76)</u>	<u>(9,424,316.72)</u>

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 2,235,239.00	2,280,542.00	2,370,858.00	2,523,087.00	2,596,048.00	2,647,969.00	2,716,683.00	2,761,017.00	2,830,311.00	2,886,917.00
Taxes levied for debt service	465,673.00	528,353.00	534,821.00	632,510.00	631,304.00	547,383.00	554,943.00	478,609.00	423,389.00	369,083.00
Unrestricted grants and contributions	5,159,250.00	5,163,406.00	5,257,862.00	5,275,987.00	6,275,088.95	5,320,337.07	5,345,151.31	5,627,969.53	5,952,615.60	6,117,552.05
Restricted grants and contributions	100,555.00	99,453.00	98,341.00	-	-	-	-	-	-	-
Investment earnings	93.00	7,649.00	7,210.00	1,316.00	1,854.29	1,699.88	2,297.95	3,830.31	3,699.46	4,345.63
Miscellaneous income	81,237.00	23,719.00	80,257.00	322,361.00	58,610.83	24,433.22	26,357.85	42,639.14	63,252.71	20,877.06
Amortization	3,597.00									
Transfers in										
Transfers out										
Capital leases (non-budgeted)										
Cost of issuance on refunding bonds										
Loss on asset adjustment	(32,362.00)	(323,728.00)								
Assets added in prior year		8,166.00								
Cancellation of Receivable		(3,007.00)								
Total governmental activities	8,013,282.00	7,784,553.00	8,349,349.00	8,755,261.00	9,562,906.07	8,397,309.85	8,718,379.83	9,046,479.36	9,361,126.79	9,410,855.06
Business-type activities:										
Investment earnings	36.00	106.00	9.00	38.00	92.89	207.79	724.44	1,248.92	275.03	174.61
Contributed capital										
Adjustment to prior year fixed assets										
Total business-type activities	36.00	106.00	9.00	38.00	92.89	207.79	724.44	1,248.92	275.03	174.61
Total district-wide	8,013,318.00	7,784,659.00	8,349,358.00	8,755,299.00	9,562,998.96	8,397,517.64	8,719,229.27	9,047,728.28	9,361,401.82	9,408,149.67
<b>Change in Net Position</b>										
Governmental activities	405,950.00	(300,360.00)	220,040.00	4,035,319.00	(305,081.22)	(664,409.71)	(234,025.37)	(306,957.76)	(221,720.44)	(134,857.69)
Business-type activities	9,762.00	353.00	(15,021.00)	(9,028.00)	(10,165.24)	(20,749.75)	(1,713.58)	(1,566.23)	(24,989.50)	118,690.64
Total district	\$ 415,712.00	(300,007.00)	205,019.00	4,026,291.00	(315,246.46)	(685,159.46)	(235,738.95)	(308,523.99)	(246,709.94)	(16,167.05)

Source: CAFR Schedule A-2

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*Unaudited*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Restricted	1,195,072.00	860,090.00	618,649.00	740,826.00	884,858.49	906,398.27	1,096,251	1,175,180.51	1,348,436.63	1,501,682.26
Committed	191,522.00	291,802.00	202,423.00	52,172.00	149,267.52	202,634.52	302,886	372,051.19	373,123.57	373,992.97
Assigned	-	-	-	-	-	-	-	-	38,490.53	31,974.84
Unassigned	(186,396.00)	(146,822.00)	(21,969.00)	(144,345.00)	(153,081.73)	(197,249.49)	(148,903)	(217,238.08)	(197,051.66)	(156,003.58)
Reserved										
Unreserved										
<b>Total general fund</b>	<b>1,200,198.00</b>	<b>1,005,070.00</b>	<b>799,103.00</b>	<b>648,653.00</b>	<b>881,044.28</b>	<b>911,783.30</b>	<b>1,250,234.03</b>	<b>1,329,993.62</b>	<b>1,562,999.07</b>	<b>1,751,646.49</b>
<b>All Other Governmental Funds</b>										
Restricted	295,781.00	661,038.00	708,601.00	673,348.00	673,688.26	586,799.30	511,640	395,290.30	247,540.30	17,303.23
Reserved										
Unreserved, reported in:										
Special revenue fund	(32,962.00)	(30,731.00)	(26,621.00)	(27,993.00)	-	-	-	-	-	-
Debt service fund	1,284.00	280.00	62.00	155.00	688.00	5,864.83	37,766	33,767.71	2,409.52	1,568.67
<b>Total all other governmental funds</b>	<b>264,103.00</b>	<b>630,587.00</b>	<b>682,042.00</b>	<b>645,510.00</b>	<b>674,376.26</b>	<b>592,664.13</b>	<b>549,406.45</b>	<b>429,058.01</b>	<b>249,949.82</b>	<b>18,871.90</b>

The requirements related to reporting fund balance in the general fund were modified by the Governmental Accounting Standards Board (GASB) effective for fiscal years ending June 30, 2011.

Source: CAFR Schedule B-1

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*Unaudited*

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	2,700,912.00	2,808,895.00	2,905,679.00	3,155,597.00	3,227,352.00	3,195,352.00	3,271,626.00	3,239,626.00	3,253,700.00	3,256,000.00
Interest earnings	93.00	7,649.00	7,210.00	1,316.00	1,854.29	1,699.88	2,297.95	3,630.31	3,699.46	4,345.63
Miscellaneous	85,183.00	33,123.00	85,281.00	332,892.31	274,270.39	115,861.88	89,399.35	203,673.96	196,388.45	77,816.97
State sources	6,344,333.00	6,444,618.00	6,445,687.00	7,039,571.00	6,608,795.13	6,720,371.33	6,938,778.41	7,372,162.31	7,982,053.94	8,432,909.68
Federal sources	1,232,205.00	1,017,823.00	1,088,270.00	1,115,941.32	1,297,978.83	1,334,567.70	1,255,685.30	1,406,409.58	837,399.37	1,106,987.41
Total revenue	10,362,726.00	10,312,108.00	10,532,127.00	11,645,517.63	11,410,250.64	11,367,852.79	11,557,787.01	12,225,702.16	12,273,241.22	12,878,059.69
<b>Expenditures</b>										
Instruction										
Regular instruction	2,923,937.00	2,838,658.00	2,817,164.00	2,941,900.31	2,988,328.72	3,167,562.19	3,124,730.55	3,160,690.53	3,014,477.71	3,417,451.09
Special education instruction	822,187.00	945,876.00	892,619.00	840,859.00	775,050.23	771,505.10	795,360.93	855,083.83	856,983.22	595,367.41
Other special instruction	87,193.00	208,766.00	191,926.00	218,252.00	193,420.45	168,698.13	152,205.84	145,140.91	197,202.22	162,334.97
Nonpublic school programs										
Support Services:										
Tuition	307,980.00	530,470.00	528,508.00	571,533.00	780,381.01	717,220.31	530,817.33	616,406.44	817,563.17	687,886.17
Student & instruction related services	1,177,824.00	1,067,551.00	1,107,709.00	1,052,140.46	1,094,390.94	1,123,048.07	1,191,781.96	1,371,057.20	1,198,720.41	1,241,712.88
General administrative services	272,326.00	297,427.00	214,526.00	210,288.00	198,808.76	196,793.03	184,956.80	191,172.70	194,118.19	212,509.51
School Administrative services	189,447.00	192,148.00	196,650.00	219,526.00	221,243.54	226,733.95	237,013.08	224,239.86	228,238.33	235,286.54
Business administrative services	173,871.00	181,677.00	189,596.00	212,339.00	224,829.05	221,751.49	230,356.58	298,482.81	306,769.09	300,865.14
Plant operations and maintenance	633,642.00	638,541.00	746,159.00	810,570.00	764,884.62	786,926.16	793,978.48	986,327.76	875,008.08	900,163.65
Pupil transportation	170,257.00	196,010.00	180,712.00	181,933.00	192,003.68	191,831.54	171,616.29	243,223.98	220,199.89	226,834.32
Unallocated employee benefits	2,358,446.00	2,588,719.00	2,677,244.00	2,761,165.86	2,888,466.60	2,974,703.29	2,870,770.36	3,121,842.34	3,232,326.13	3,753,699.52
Charter Schools	175,862.00	54,677.00	13,751.00	13,885.00	-	66,625.00	184,469.00	194,737.00	243,921.00	311,467.00
Capital outlay	325,363.00	742,956.00	296,684.00	1,165,325.00	195,873.00	195,873.00	195,873.00	263,168.37	318,094.28	306,014.73
Debt service:										
Principal	268,894.00	278,617.00	339,577.00	300,000.00	310,000.00	435,000.00	375,000.00	390,000.00	405,000.00	415,000.00
Interest and other charges	360,235.00	350,246.00	339,814.00	332,563.00	321,312.50	167,529.96	223,643.76	210,281.26	198,581.26	186,431.26
Total expenditures	10,247,464.00	11,112,339.00	10,686,639.00	11,832,279.63	11,148,993.10	11,411,801.22	11,262,593.96	12,271,854.99	12,307,202.98	12,953,024.19
Excess (Deficiency) of revenues over (under) expenditures	115,262.00	(800,231.00)	(154,512.00)	(186,962.00)	261,257.54	(43,948.43)	295,193.05	(46,152.83)	(33,961.76)	(74,964.50)
<b>Other Financing sources (uses)</b>										
Cancellation of prior year receivable		(3,007.00)				(7,024.68)	-	5,563.98	-	12,080.32
Capital leases (non-budged)						262,914.44	121,768.04	227,818.74	227,323.94	307,042.00
Transfers in						(262,914.44)	(121,768.04)	(227,818.74)	(227,323.94)	(307,042.00)
Transfers out										
Total other financing sources (uses)		(3,007.00)				(7,024.68)		5,563.98		12,080.32
Net change in fund balances	115,262.00	(803,238.00)	(154,512.00)	(186,962.00)	261,257.54	(50,973.11)	295,193.05	(40,588.85)	53,897.26	(62,884.18)
Debt service as a percentage of noncapital expenditures	6.34%	6.06%	6.10%	5.93%	5.76%	5.37%	5.41%	5.00%	5.03%	4.76%

Source: CAFR Schedule B-2

**EGG HARBOR CITY SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2012	93.00	5,580.00	42,632.00	48,305.00
2013	883.00		23,666.00	24,549.00
2014	74.00	29,529.00	50,717.00	80,320.00
2015	975.00	174,232.00	147,983.00	323,190.00
2016	1,144.99	207,769.57	57,729.07	266,643.63
2017	1,699.88	82,932.80	19,268.43	103,901.11
2018	2,297.95	55,273.89	25,914.77	83,486.61
2019	3,830.31	152,804.02	41,315.32	197,949.65
2020	3,699.46	129,998.51	62,168.64	195,866.61
2021	4,345.63	54,197.39	20,393.65	78,936.67

Source: District Records



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2012	5,108,200	176,622,200	-	-	30,112,100	5,598,300	4,778,800	222,219,600	-	2,187,933	224,407,533	1.209	258,093,073
2013	6,552,800	176,509,100	-	-	30,217,200	5,515,800	4,778,800	223,573,700	-	1,556,978	225,130,678	1.262	255,018,572
2014	5,785,800	176,902,100	-	-	30,375,400	5,515,800	4,778,800	223,357,900	-	1,475,852	224,833,752	1.264	238,719,458
2015	6,384,000	177,085,300	-	-	30,669,400	5,694,500	5,248,200	225,081,400	-	-	225,081,400	1.376	239,689,183
2016	6,011,800	174,834,200	-	-	31,155,800	5,694,500	6,137,000	223,833,300	-	-	223,833,300	1.445	215,752,918
2017	6,061,700	173,631,600	-	-	31,581,600	5,694,500	5,228,800	222,198,200	-	-	222,198,200	1.442	232,036,550
2018	4,546,500	147,792,300	-	-	32,694,600	5,585,700	7,248,200	197,867,300	-	-	197,867,300	1.639	213,058,361
2019	4,396,300	149,951,600	-	-	31,650,800	5,476,600	7,248,200	198,723,500	-	-	198,723,500	1.638	216,497,985
2020	3,788,600	151,087,300	-	-	31,261,900	5,476,600	7,248,200	198,862,600	-	-	198,862,600	1.647	213,899,753
2021	3,567,900	151,104,600	-	-	30,922,300	5,476,600	7,162,500	198,233,900	-	-	198,233,900	1.632	207,553,031

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Rate per \$100 of Assessed Value**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Egg Harbor City Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Greater Egg Harbor Regional	Egg Harbor City			Atlantic County
		Total Direct						
2012	1.001	0.208	1.209	0.614	1.708	0.430	3.961	
2013	1.024	0.238	1.262	0.540	1.797	0.529	4.128	
2014	1.029	0.235	1.264	0.580	1.828	0.506	4.178	
2015	1.229	0.147	1.376	0.563	1.867	0.470	4.276	
2016	1.166	0.279	1.445	0.658	1.892	0.538	4.533	
2017	1.160	0.282	1.442	0.673	1.959	0.592	4.666	
2018	1.611	0.028	1.639	0.756	2.263	0.606	5.264	
2019	1.397	0.241	1.638	0.722	2.299	0.596	5.255	
2020	1.434	0.213	1.647	0.756	2.299	0.579	5.281	
2021	1.446	0.186	1.632	0.723	2.299	0.571	5.225	

A revaluation occurred between 2011 and 2012 resulting in a decrease in assessed valuations.

Source: District Records and Municipal Tax Collector

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

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

**b** Rates for debt service are based on each year's requirements.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Principal Property Tax Payers,**  
**Last Year and Nine Years Ago**  
**Unaudited**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Renault Egg Harbor Township, LLC	2,013,500.00	1	1.02%	2,748,100.00	1	1.22%
Philadelphia Associates c/o BOA Sendor, Inc.				2,543,133.00	2	1.13%
Egg Harbor Holdings Urban Renewal	2,001,500.00	2	1.01%	1,797,400.00	4	0.80%
Harbor Plaza Holdings, LLC	1,782,000.00	3	0.90%	1,849,900.00	3	0.82%
Egg Harbor Realty Holdings LLC	1,312,200.00	4	0.66%	1,189,600.00	5	0.53%
Agree Egg Harbor NJ, LLC	1,224,500.00	5	0.62%			
Taxpayer #1	1,045,900.00	6	0.53%	1,040,500.00	6	0.46%
Taxpayer #2			0.00%	989,700.00	7	0.44%
Taxpayer #3				923,700.00	8	0.41%
Daniel G. Kamin c/o Rite Aid Corp.	995,600.00	7	0.50%			
Rite Aid Corp.				873,100.00	9	0.39%
Lenore Realty, LLC	885,700.00	8	0.45%			
EHG 2020 LLC	870,700.00	9	0.44%			
TF Egg Harbor Associates, LLC	777,700.00	10	0.39%			
Pembrook Associates, LLC				869,000.00	10	0.39%
<b>Total</b>	<b>12,909,300.00</b>		<b>4.73%</b>	<b>14,824,133.00</b>		<b>6.61%</b>

Source: District CAFR & Municipal Tax Assessor  
District Total Taxable Value

198,233,900

224,407,533

GASB requires this table to present the principal taxpayers for the last year and nine years ago.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	2,700,912.00	2,700,912.00	100%	-
2013	2,808,895.00	2,808,895.00	100%	-
2014	2,905,679.00	2,905,679.00	100%	-
2015	3,155,597.00	3,155,597.00	100%	-
2016	3,227,352.00	3,227,352.00	100%	-
2017	3,195,352.00	3,195,352.00	100%	-
2018	3,271,626.00	3,271,626.00	100%	-
2019	3,239,626.00	3,239,626.00	100%	-
2020	3,253,700.00	3,253,700.00	100%	-
2021	3,256,000.00	3,256,000.00	100%	-

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

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

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	9,241,088	-	-	-	-	9,241,088	5.196%	2,181
2013	8,972,194	-	-	-	-	8,972,194	5.078%	2,124
2014	8,693,577	-	-	-	-	8,693,577	4.709%	2,056
2015	8,400,000	-	-	-	-	8,400,000	4.643%	2,005
2016	8,100,000	-	-	-	-	8,100,000	5.347%	1,958
2017	7,725,000	-	-	-	-	7,725,000	4.216%	1,881
2018	7,350,000	-	-	-	-	7,350,000	3.710%	1,801
2019	6,960,000	-	-	-	-	6,960,000	3.386%	1,714
2020	6,555,000	-	-	-	-	6,555,000	3.191%	1,616
2021	6,140,000	-	-	-	-	6,140,000	2.989%	1,513

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

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

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

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*Unaudited*

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value a of Property	Per Capita <sup>b</sup>
2012	8,972,194	-	8,972,194	3.48%	2,117
2013	8,693,577	-	8,693,577	3.41%	2,058
2014	8,400,000	-	8,400,000	3.52%	1,987
2015	8,100,000	-	8,100,000	3.38%	1,934
2016	7,790,000	-	7,790,000	3.61%	1,883
2017	7,725,000	-	7,725,000	3.33%	1,881
2018	7,350,000	-	7,350,000	3.45%	1,801
2019	6,960,000	-	6,960,000	3.21%	1,714
2020	6,555,000	-	6,555,000	3.06%	1,616
2021	6,140,000	-	6,140,000	2.96%	1,513

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Ratios of Overlapping Governmental Activities Debt**  
 As of June 30, 2021  
*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Egg Harbor City	1,918,000.00	100.00%	1,918,000.00
<b>Other debt</b>			
Greater Egg Harbor Regional School District	36,056,000.00	3.68%	1,326,715.00
Atlantic County	168,081,327.05	0.64%	1,082,164.00
Subtotal, overlapping debt			4,326,879.00
<b>Egg Harbor City of School District debt</b>	<u>6,140,000.00</u>	<u>100.00%</u>	<u>6,140,000.00</u>
<b>Total direct and overlapping debt</b>			<u><u>10,466,879.00</u></u>

**Sources:** Egg Harbor City Finance Officer, Atlantic County Finance Office

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

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

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2021**

	Equalized valuation basis			
	2020	2019	2018	2017
	208,211,182	213,750,134	215,565,203	637,526,519
Average equalized valuation of taxable property	212,508,840			
Debt limit (3% of average) equalization value)	6,375,265			
Net bonded school debt	6,140,000			
Legal debt margin	235,265			

	For the year ended, June 30,			
	2016	2015	2014	2013
Debt limit	6,770,006.23	6,949,296.00	7,693,996.00	8,307,266.00
Total net debt applicable to limit	6,772,749.84	8,100,000.00	8,400,000.00	8,693,577.00
Legal debt margin	6,960,000.00	(1,150,704.00)	(706,004.00)	(386,311.00)
Total net debt applicable to the limit as a percentage of debt limit	102.76%	116.56%	109.18%	104.65%
Average equalized valuation of taxable property	6,555,000.00	6,960,000.00	7,350,000.00	7,725,000.00
Debt limit (3% of average) equalization value)	17,810.70	(187,250.16)	(397,790.66)	(954,993.77)
Net bonded school debt	6,572,810.70	6,772,749.84	6,952,209.34	7,790,000.00
Legal debt margin	6,140,000.00	6,375,265.19	6,375,265.19	6,140,000.00
Total net debt applicable to the limit as a percentage of debt limit	99.73%	102.76%	105.72%	114.11%
Average equalized valuation of taxable property	212,508,840	212,508,840	212,508,840	212,508,840

Note: In instances where the District's debt margin is exceeded, the District uses the City debt margin.

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



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
*Unaudited*

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2012	4,238	177,854	41,831	19.00%
2013	4,224	176,676	42,459	19.80%
2014	4,228	184,611	43,636	18.40%
2015	4,189	180,900	44,423	10.60%
2016	4,137	151,493	45,406	9.90%
2017	4,106	183,213	46,796	9.20%
2018	4,081	198,124	48,548	8.70%
2019	4,060	205,562	50,631	7.70%
2020	4,057	205,410	50,631	7.20%
2021	4,057	205,410	50,631	19.50%

**Source:**

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income based on Census Bureau midyear population estimates. Estimates for 2010-2019 reflect county population estimates available as of March 2020.

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



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	30.4	30.4	29.7	31.8	32.8	32.1	31.6	31.4	32.0	34.0
Special education	26.6	26.6	25.6	24.6	24.8	24.8	27.4	28.6	26.7	30.3
Support Services:										
Student & instruction related services	15.7	15.7	15.7	13.7	11.5	13.7	13.8	14.8	14.1	11.5
General administrative services	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
School administrative services	6.0	6.0	6.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
<b>Total</b>	<u>90.70</u>	<u>90.70</u>	<u>89.00</u>	<u>87.10</u>	<u>86.10</u>	<u>87.60</u>	<u>89.80</u>	<u>91.80</u>	<u>90.80</u>	<u>93.75</u>

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years, however only nine years information was available.

**Source: District Personnel Records**

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	489	9,292,972	19,004	-0.44%	63	10:1	7:1	489	457	4.94%	93.46%
2013	492	9,740,520	19,798	4.18%	64	9:1	7:1	491	458	0.41%	93.28%
2014	491	9,756,564	19,871	0.37%	61	8:1	8:1	493	463	0.40%	94.02%
2015	503	10,034,392	19,949	0.39%	61	11:1	10:1	505	474	2.44%	93.86%
2016	527	10,321,808	19,586	-1.82%	58	9:1	9:1	511	479	1.19%	93.74%
2017	501	10,613,398	21,184	8.16%	57	8:1	10:1	495	463	-3.13%	93.54%
2018	534	10,468,077	19,603	-7.46%	54	10:1	10:1	540	507	9.09%	93.89%
2019	519	11,408,405	21,982	12.13%	48	10:1	10:1	529	498	-2.06%	94.20%
2020	512	11,385,527	22,237	1.16%	51	9:1	9:1	501	482	-5.27%	96.21%
2021	522	12,045,578	23,076	3.77%	51	9.7:1	10.5:1	517	477	3.19%	92.26%

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

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**EGG HARBOR CITY SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
*Unaudited*

<u>District Building</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b><u>Elementary</u></b>										
Charles L. Spragg School (1955)	44,718	44,718	44,718	44,718	44,718	44,718	44,718	44,718	44,718	44,718
Square Feet	326	326	326	326	326	326	326	326	326	326
Capacity (students)	268	265	254	272	292	259	277	273	247	259
<b><u>Middle School</u></b>										
Egg Harbor Community School (2010)	61,954	61,954	61,954	61,954	61,954	61,954	61,954	61,954	61,954	61,954
Square Feet	343	343	343	343	343	343	343	343	343	343
Capacity (students)	221	226	237	233	235	235	263	246	258	263

Number of District Buildings at June 30, 2021

Elementary = 1

Middle School = 1

**Source: District records, ASSA**

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Years**  
*Unaudited*

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

School Facilities	Project # (s)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary School	N/A	109,631.98	99,298.01	226,660.70	74,686.49	90,186.63	71,988.20	94,502.81	70,077.04	93,638.00	88,995.00
Middle School	N/A	196,264.97	175,300.69	157,267.72	141,628.14	131,200.95	147,867.46	140,840.25	125,857.96	77,060.00	87,455.00
Total School Facilities		<u>305,896.95</u>	<u>274,598.70</u>	<u>383,928.42</u>	<u>216,314.63</u>	<u>221,387.58</u>	<u>219,855.66</u>	<u>235,343.06</u>	<u>195,935.00</u>	<u>170,698.00</u>	<u>176,450.00</u>
Other Facilities											
Grand Total		<u>\$ 305,896.95</u>	<u>\$ 274,598.70</u>	<u>\$ 383,928.42</u>	<u>216,314.63</u>	<u>221,387.58</u>	<u>219,855.66</u>	<u>235,343.06</u>	<u>195,935.00</u>	<u>170,698.00</u>	<u>176,450.00</u>

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2021**  
**Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building & Contents	175,000,000	500
ACCASBO JIF Self-Insured Retention, per occurrence	250,000	
Comprehensive General Liability and Automobile	20,000,000	
ACCASBO JIF Self-Insured Retention	250,000	
Boiler and Machinery - ACCASBOJIF		
Property Damage	125,000,000	1,000
Crime Liability - ACCASBOJIF	500,000	500
ACCASBO JIF Self-Insured Retention	250,000	
Workers; Compensation - ACCASBOJIF		
Coverage A	Statutory	
ACCASBO JIF Self-Insured Retention	250,000	
Educator's Legal Liability - ACCASBOJIF	20,000,000	
ACCASBO JIF Self-Insured Retention	250,000	
Pollution Legal Liability	3,000,000	
Pollution Incident		25,000
Mold Incident		100,000
Cyber Liability	2,000,000	50,000
Crisis Protection & Disaster Management Services	1,000,000	10,000

The Board of Education is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBOJIF), which is formed under the provisions of NJSA 18A:18B 1-10. The ACCASBOJIF was formed by its member districts to provide a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. It achieves this goal by pooling together members' resources, deciding on what insurance coverage's it will offer and/or purchase and at what retention, and by hiring professionals to help run the Fund.

Source: District Records.

See Accompanying Auditor's Report

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## **Single Audit Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

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Exhibit K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Egg Harbor City School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Egg Harbor City School District's basic financial statements, and have issued our report thereon dated February 22, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Egg Harbor City School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Egg Harbor City School District's 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 Egg Harbor City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

## **Purpose of this Report**

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

Very truly yours,

*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**

**February 22, 2022**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

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Exhibit K-2

Report on Compliance with Requirements Applicable to Each Major  
Program and on Internal Control Over Compliance in  
Accordance with Uniform Guidance and New Jersey OMB Circular 15-08

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

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

We have audited the Egg Harbor City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Egg Harbor City School District's major federal and state programs for the year ended June 30, 2021. The Egg Harbor City School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

Our responsibility is to express an opinion on compliance for each of the Egg Harbor City School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance, and New Jersey OMB 15-08 *State Aid/Grant Compliance Supplement*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Egg Harbor City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Egg Harbor City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

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

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

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

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

Very truly yours,

*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**

**February 22, 2022**







**Egg Harbor City School District**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2021**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB 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 GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is (\$27,181.00) for the general fund and (\$309,880.69) for the special revenue fund. See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**Egg Harbor City School District  
Notes to the Schedules of Financial Assistance  
June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>State Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$7,923,451.41	536,894.27	0.00	8,460,345.68
Difference – budget to "GAAP"				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(255.00)		(255.00)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	585,014.00			585,014.00
State aid payments recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(612,195.00)			(612,195.00)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances/net position	<u>\$7,896,270.41</u>	<u>536,639.27</u>	<u>0.00</u>	<u>8,432,909.68</u>

**Egg Harbor City School District**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>Local Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance		2,742.52		2,742.52
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Total local revenue as reported on the statement of revenues, expenditures and changes in fund balances/net position		2,742.52		2,742.52
<b>Federal Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	41,906.05	1,374,707.05	409,022.10	1,825,635.20
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(309,625.69)		(309,625.69)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances/net position	\$41,906.05	1,065,081.36	409,022.10	1,516,009.51

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.



**EGG HARBOR CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**State Awards Section**

- J) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes  X  no
- K) Type of auditor's report on compliance for major programs \_\_\_\_\_  Unmodified
- L) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? \_\_\_\_\_ yes  X  no

M) Identification of major programs:

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

- N) Dollar threshold used to determine Type A programs: \_\_\_\_\_  \$ 750,000.00
- O) Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no \_\_\_\_\_ n/a

EGG HARBOR CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit K-6

*Part 2 – Schedule of Financial Statement Findings*

NONE

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

**FEDERAL AWARDS**

NONE

**STATE AWARDS**

NONE

**Financial Statement Findings:**

NONE

Exhibit K-7

**STATUS OF PRIOR YEAR FINDINGS**

NONE