

**SCHOOL DISTRICT  
OF  
SEA ISLE CITY**

**For The Fiscal Year Ended June 30, 2021**

**Sea Isle City Board of Education  
Cape May County, New Jersey**

**Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2021**



## TABLE OF CONTENTS

Page

### INTRODUCTORY SECTION

Letter of Transmittal	1-4
Organizational Chart	N/A
Roster of Officials	5
Consultants and Advisors	6

### FINANCIAL SECTION

<b>Independent Auditor's Report</b>	7-9
-------------------------------------	-----

<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	10-16
---	-------

#### Basic Financial Statements

#### A DISTRICT - WIDE FINANCIAL STATEMENTS

A-1 Statement of Net Position	17
A-2 Statement of Changes in Net Position	18

#### B FUND FINANCIAL STATEMENTS

##### Governmental Funds:

B-1 Balance Sheet	19
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	20
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21

##### Proprietary Funds:

B-4 Statement of Net Position	N/A
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
B-6 Statement of Cash Flows	N/A

##### Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

<b>Notes to Financial Statements</b>	22-35
--------------------------------------	-------

#### Required Supplementary Information - Part II

#### C Budgetary Comparison Schedules

C-1 Budgetary Comparison Schedule - General Fund	36-38
C-1b Community Development Block Grant - Budget to Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	39

#### Notes to the Required Supplementary Information

C-3 Budget - to - GAAP Reconciliation	40
---------------------------------------	----

## TABLE OF CONTENTS

**Page**

### **Required Supplementary Information - Part III**

<b>L</b>	L-1	Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)	41
	L-2	Schedule of District Contributions (PERS)	42
	L-3	Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)	43

<b>M</b>	M-1	Schedule of the District's Proportionate Share of the Net OPEB	44
----------	-----	--	----

### **Other Supplementary Information**

<b>D</b>	School Level Schedules	N/A
----------	------------------------	-----

#### **E Special Revenue Fund:**

	E-1	Combining Schedule of Revenues and Expenditures - Special Revenue Fund - Budgetary Basis	45
--	-----	---	----

#### **F Capital Projects Fund:**

	F-1	Summary Schedule of Project Expenditures	N/A
	F-2	Summary Schedule of Revenues and Expenditures	N/A

#### **G Proprietary Funds:**

##### Enterprise Fund:

	G-1	Combining Statement of Net Assets	N/A
	G-2	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
	G-3	Combining Statement of Cash Flows	N/A

##### Internal Service Fund:

	G-4	Combining Statement of Net Assets	N/A
	G-5	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
	G-6	Combining Statement of Cash Flows	N/A

#### **H Fiduciary Funds**

	H-1	Combining Statement of Fiduciary Net Assets	48
	H-2	Combining Statement of Changes in Fiduciary Net Assets	49
	H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
	H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	N/A

#### **I Long-Term Debt**

	I-1	Schedule of General Serial Bonds	N/A
	I-2	Statement of Obligations Under Capital Leases	N/A
	I-3	Debt Service Fund Budgetary Comparison Schedule	N/A

## TABLE OF CONTENTS

	Page
<b>J STATISTICAL SECTION (Unaudited)</b>	
<b>Financial Trends</b>	
J-1 Net Position by Component	46
J-2 Changes in Net Position	47-48
J-3 Fund Balances - Governmental Funds	49
J-4 Changes in Fund Balances - Governmental Funds	50
J-5 General Fund Other Local Revenue by Source	51
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	52
J-7 Direct and Overlapping Property Tax Rates	53
J-8 Principal Property Taxpayers	54
J-9 Property Tax Levies and Collections	55
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	56
J-11 Ratios of General Bonded Debt Outstanding	57
J-12 Direct and Overlapping Governmental Activities Debt	58
J-13 Legal Debt Margin	59
<b>Demographic and Economic Data</b>	
J-14 Demographic and Economic Statistics	60
J-15 Principal Employers	61
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	62
J-17 Operating Statistics	63
J-18 School Building Information	64
J-19 Schedule of Required Maintenance Expenditures by School Facility	65
J-20 Insurance Schedule	66
<b>K SINGLE AUDIT SECTION</b>	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matter Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	67-68
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 Letter 15-08	N/A
K-3 Schedule of Expenditures of Federal Awards, Schedule A	69
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	70
K-5 Notes to Schedules of Awards and Financial Assistance	71
K-6 Schedule of Findings and Questioned Costs	72-74
K-7 Summary Schedule of Prior Audit Findings	75

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Introductory Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**SEA ISLE CITY BOARD OF EDUCATION**

4501 Park Road  
Sea Isle City, New Jersey 08243

February 23, 2022

Honorable President and  
Members of the Board of Education  
Sea Isle City Public School District  
County of Cape May  
Sea Isle City, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Sea Isle City Public School 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 Sea Isle City Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR 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 principle officials. The financial section includes the financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular Letter 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.

**REPORTING ENTITY AND ITS SERVICES:**

The Sea Isle City Public School District is an independent reporting entity with the criteria 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 Sea Isle City Board of Education and its school constitute the District's reporting entity.

Sea Isle is a sending district. Grades K-12 are sent to Ocean City Schools. The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Change</u>	<u>Percent Change</u>
2020-2021	93	-2	-2.10%
2019-2020	95	12	14%
2018-2019	83	0	0.00%
2017-2018	83	3	0.04%
2016-2017	80	-8	-0.09%
2015-2016	88	-7	-0.07%
2014-2015	95	-2	-0.02%
2013-2014	97	0	0.00%
2012 -2013	97	49	102.08%
2011-2012	48	0	0.00%

Actual student enrollments throughout the school year fluctuate as a result of the real estate and rental property availability and cost within the community.

**ECONOMIC CONDITION AND OUTLOOK:**

According the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, the City of Sea Isle City falls within the low-range as compared to other areas in the county.

As a resort community, the City of Sea Isle City maintains its tax structure based primarily on the tourism industry and real estate investment. This factor presents economic changes throughout the year for some individuals and most of the small businesses within the community. A large percentage of retired citizens on limited income impact the ability to raise funds through taxes, limiting resources from the families that reside year round in the city. This does not provide a positive outlook for future educational practices.

**MAJOR INITIATIVES:**

The Sea Isle City Public School District in 2012/2013 became a 100% sending district. As a result, Sea Isle City students in all grades are attending school in Ocean City.

In addition, an inter-local agreement to share administrative services was established between Ocean City Board of Education and the Sea Isle City Board of Education, effective July 1, 2010.

**INTERNAL ACCOUNTING CONTROLS:**

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

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

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

#### **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. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2021.

#### **ACCOUNTING SYSTEM AND REPORTS:**

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

#### **DEBT ADMINISTRATION:**

As of June 30, 2021, the Sea Isle City Public School District had no outstanding debt issues.

#### **CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 2. 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. 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.

#### **RISK MANAGEMENT:**

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

**OTHER INFORMATION:**

Independent audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Ford, Scott & Associates, LLC was selected by the Board’s audit committee. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and New Jersey OMB Circular Letter 15-08. The auditor’s report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s report related specifically to the single audit is included in the single audit section of this report.

**ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Sea Isle City School Board of Education for their concern in providing fiscal accountability to the citizens and the 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,

*Timothy Kelley*

Timothy Kelley  
School Business Administrator

SEA ISLE CITY BOARD OF EDUCATION  
COUNTY OF CAPE MAY, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2021

**Members of the Board of Education**

**Term Expires**

Daniel A. Tumolo, President	2023
Kristy Pittaluga, Vice President	2022
Kerry E. Mullane	2023
Lauren Cisek	2022
Patricia A. Halfpenny	2024

**Other Officials**

Timothy Kelley, School Business Administrator/Board Secretary

**SEA ISLE CITY BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

**Mark Toscano, Esquire**  
Comengno Law Group  
521 Pleasant Valley Avenue  
Moorestown, NJ 08057

**ARCHITECT OF RECORD**

**Garrison Architects**  
14000 S. Commerce Parkway  
Mount Laurel, NJ 08054

**OFFICIAL DEPOSITORY**

**First Bank of Sea Isle City**  
127 John F. Kennedy Boulevard  
Sea Isle City, NJ 08243

**MBIA**

113 King Street  
Armonk, NY 10504

## **Financial Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

## **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Sea Isle City School District  
County of Cape May  
Sea Isle City, New Jersey

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

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Board of Education of the Sea Isle City School District, in the County of Cape May, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, each major fund, and the aggregate remaining fund information of the Sea Isle City School District Board of Education, in the County of Cape May, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sea Isle City Board of Education's basic financial statements. The combining and individual non-major fund financial statements and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2022 on our consideration of the Sea Isle City Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Sea Isle City Board of Education's internal control over financial reporting and compliance.

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

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

February 23, 2022

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Required Supplemental Information**  
**Part I**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SEA ISLE CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

The discussion and analysis of Sea Isle City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- In total, net position increased \$134,694.69 which represents an 6.7% increase from 2020.
- General revenues accounted for \$2,116,850.03 in revenue almost 100% of all revenues.
- Total assets of governmental activities increased by \$205,782.84 as cash and cash equivalents increased by \$207,232.84 and the district's receivables increased by \$1,450. Increase in cash is due to an excess of revenues over expenditures.
- The School District had \$1,982,155.34 in expenses. General revenues (primarily taxes) of \$2,116,850.03 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$2,116,850.03 in revenues and \$1,982,155.34 in expenditures and other financing uses. The General Fund's fund balance increased \$134,694.69 from 2020.

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

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

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

**SEA ISLE CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District has only one kind of activity:

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal services.

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

Fund Financial Statements

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

Governmental Funds

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



**SEA ISLE CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED (CONTINUED)**

**Notes to the Financial Statements**

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

**The School District as a Whole**

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

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

Table 1 provides a summary of the School District's net assets for 2021 and 2020.

**Table 1  
Net Position**

	2021	2020
Assets		
Current and Other Assets	\$ 2,152,286.75	\$ 1,946,503.91
Total Assets	2,152,286.75	1,946,503.91
Liabilities		
Other Liabilities	-	-
Total Liabilities	-	-
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	-	20,933.00
	-	20,933.00
Net Position		
Restricted	1,169,110.32	1,254,505.32
Unrestricted	983,176.43	671,065.59
Total Net Position	\$ 2,152,286.75	\$ 1,925,570.91

The District's combined net position was \$2,152,286.75 on June 30, 2021. This is an increase from 2020 of \$134,694.69 due to revenues exceeding expenditures.

**SEA ISLE CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal years 2021 and 2020.

**Table 2  
Changes in Net Position**

	2021	2020
<b>Revenues</b>		
General Revenues:		
Property Taxes	\$ 1,827,302.00	1,827,302.00
Grants and Entitlements	219,757.00	238,833.00
Operating Grants and Contributions	(70,080.00)	(183,078.00)
Other	69,791.03	14,610.34
Total Revenues	2,046,770.03	1,897,667.34
<b>Program Expenses</b>		
Instruction	852.65	
Support Services:		
Tuition	1,512,935.07	1,514,635.57
Student and Instruction Related Services	75.45	(8,180.70)
Business Operations and Maintenance of Facilities	(7,940.97)	(56,228.00)
Pupil Transportation	402,725.14	359,313.83
Special Schools		
Other	3,428.00	3,428.00
Total Expenses	1,912,075.34	1,812,968.70
Increase/(Decrease) in Net Position	\$ 134,694.69	84,698.64

The District's expenditures increased \$99,106.64 due mainly to an increase in other tuition and administrative services from the prior year.

**Governmental Activities**

Property taxes made up 89.28% of revenues for governmental activities for the Sea Isle City School District for fiscal year 2021. The District's total revenues were \$2,116,850.03 for the year ended June 30, 2021. Federal, state, and local grants accounted for another 10.74% of revenue.

**{This space intentionally left blank}**

**SEA ISLE CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED (CONTINUED)**

	2021		2020	
	2021 Amount	Percentage	2020 Amount	Percentage
Property taxes	\$ 1,827,302	89.28%	\$ 1,827,302	96.29%
Unrestricted Federal and State aid	219,757	10.74%	238,833	12.59%
Miscellaneous	69,791	3.41%	14,610	0.77%
Operating grants and contributions	(70,080)	-3.42%	(183,078)	-9.65%
<b>Totals</b>	<b>\$ 2,046,770</b>	<b>100.00%</b>	<b>\$ 1,897,667</b>	<b>100.00%</b>

**Governmental Activities**

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

**Table 3  
Costs of Services**

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Instruction	\$ 852.65	-		
Support Services:				
Tuition	\$ 1,512,935.07	1,512,935.07	1,514,635.57	1,514,635.57
Pupils and Instructional Staff	75.45	485.00	(8,180.70)	80,790.00
School Administration, and Business Operations	(7,940.97)	62,582.13	(56,228.00)	37,879.30
Pupil Transportation	402,725.14	402,725.14	359,313.83	359,313.83
Other	3,428.00	3,428.00	3,428.00	3,428.00
<b>Total Expenses</b>	<b>\$ 1,912,075.34</b>	<b>1,982,155.34</b>	<b>1,812,968.70</b>	<b>1,996,046.70</b>

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

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

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

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

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

**SEA ISLE CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED (CONTINUED)**

"Other" includes the Board contribution to the special schools and unallocated depreciation.

**The School District's Funds**

All governmental funds (i.e., general fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$2,122,331.03 and expenditures were \$2,008,569.34. The net change in fund balance for the year in the General Fund was an increase of \$113,761.69.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2021, and the amount and percentage of total revenues compared to prior year revenues.

Revenue	2020-21 Amount	Percentage of Total	2019-20 Amount	Percentage of Total
Local Sources	\$ 1,897,093.03	89.39%	\$ 1,873,912.34	88.70%
State Sources	219,757.00	10.35%	238,833.00	11.30%
Federal Sources	5,481.00	0.26%		
<b>Total</b>	<b>\$ 2,122,331.03</b>	<b>100.00%</b>	<b>\$ 2,112,745.34</b>	<b>100.00%</b>

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2021, and the percentage of total expenditures compared to prior year amounts.

Expenditures	2020-21 Amount	Percentage of Total	2019-20 Amount	Percentage of Total
Current Expense:				
Instruction	\$ 5,481.00	0.27%		
Undistributed Expenditures	2,003,088.34	99.83%	2,040,193.70	99.83%
Capital Outlay	3,428.00	0.17%	3,428.00	0.17%
<b>Total</b>	<b>\$ 2,006,516.34</b>	<b>100.00%</b>	<b>\$ 2,043,621.70</b>	<b>100.00%</b>

**SEA ISLE CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights**

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

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

- The District realized Nonpublic Transportation Aid of \$2,900.00. The amount was not anticipated in the District's budget.
- Various expenses were below anticipated levels. This is a result of the District being a 100% sending district.

**Capital Assets**

At June 30, 2021, the School District did not have any capital assets.

**Debt Administration**

At June 30, 2021, the School District's had no debt.

**For the Future**

The Sea Isle City School District is in good financial condition presently. The District continues to provide quality education programs while continuing to stabilize the tax rate in Sea Isle City. In conclusion, the Sea Isle City School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning and budgeting controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office at the Ocean City School District, 501 Atlantic Ave. Ocean City, NJ 08226.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**BASIC FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**DISTRICT - WIDE FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SEA ISLE CITY SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2021**

	Governmental Activities	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,117,386.75	2,117,386.75
Receivables, Net	2,900.00	2,900.00
Loan Receivable	32,000.00	32,000.00
	2,152,286.75	2,152,286.75
Total Assets		
<b>LIABILITIES</b>		
Accounts Payable	-	-
	-	-
Total Liabilities		
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows Related to Pensions		-
		-
<b>NET POSITION</b>		
Restricted for:		
Other Purposes	1,169,110.32	1,169,110.32
Unrestricted	983,176.43	983,176.43
	\$ 2,152,286.75	2,152,286.75
Total Net Position		

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**Statement of Changes in Net Position**  
**For the Year Ended June 30, 2021**

Function/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:						
Instruction:						
Regular	\$ 852.65	-	-	852.65	-	-
Support Services:						
Tuition	1,512,935.07			-		(1,512,935.07)
Student & Instruction Related Services	75.45			(409.55)		(485.00)
School Administrative Services	-			-		-
Other Administrative Services	(2,652.08)			(23,552.93)		(20,900.85)
Plant Operation and Maintenance	-			-		-
Pupil Transportation	402,725.14			-		(402,725.14)
Business and Other Support	(5,288.89)			(46,970.17)		(41,681.28)
Special Schools	-			-		-
Unallocated Benefits	-			-		-
Capital Outlay	3,428.00			-		(3,428.00)
Interest on Long-Term Debt	-			-		-
Total Governmental Activities	<u>1,912,075.34</u>	<u>-</u>	<u>-</u>	<u>(70,080.00)</u>	<u>-</u>	<u>(1,982,155.34)</u>
Total Primary Government	<u>\$ 1,912,075.34</u>	<u>-</u>	<u>-</u>	<u>(70,080.00)</u>	<u>-</u>	<u>(1,982,155.34)</u>

General Revenues:

Taxes:		
Property Taxes, Levied for General Purposes, Net	\$	1,827,302.00
Federal and State Aid not Restricted		219,757.00
Miscellaneous Income		69,791.03
Total General Revenues, Special Items, Extraordinary Items and Transfers		<u>2,116,850.03</u>
Change in Net Position		<u>134,694.69</u>
Net Position - Beginning		1,925,570.91
Prior Period Restatement		<u>92,021.15</u>
Net Position - Beginning - Restated		2,017,592.06
Net Position - Ending	\$	<u><u>2,152,286.75</u></u>

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

**FUND FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SEA ISLE CITY SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,117,386.75		2,117,386.75
Receivables from Other Governments	2,900.00		2,900.00
Total Assets	2,120,286.75	-	2,120,286.75
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable			-
Due to Other Funds			-
Payable to Federal Government			-
Total Liabilities	-	-	-
Fund Balances:			
Restricted for:			
Tax Stabilization	650,000.00		650,000.00
Excess Surplus Undesignated	612,415.15		612,415.15
Excess Surplus - Designated for			
Subsequent Years Expenditures	340,608.49		340,608.49
Unemployment Compensation	92,067.17		92,067.17
Committed for:			
Capital Reserve	2,986.32		2,986.32
Emergency Reserve	171,165.00		171,165.00
Assigned to:			
Encumbrances	3,646.11		3,646.11
Designated by BOE for			
Subsequent Expenditures	4,350.51		4,350.51
Unassigned			
General Fund	243,048.00		243,048.00
Debt Service Fund			-
Total Fund Balances	2,120,286.75	-	2,120,286.75
Total Liabilities and Fund Balances	\$ 2,120,286.75	-	

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

Loans receivable from the sale of capital assets are not due and receivable in the current period and therefore are not reported as assets in the general fund	32,000.00
--	-----------

Net assets of governmental activities \$ 2,152,286.75

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local Sources:			
Local Tax Levy	\$ 1,827,302.00	-	1,827,302.00
Miscellaneous	69,791.03	-	69,791.03
Total Local Sources	1,897,093.03	-	1,897,093.03
State Sources	219,757.00	-	219,757.00
Federal Sources	-	5,481.00	5,481.00
Total Revenues	<u>2,116,850.03</u>	<u>5,481.00</u>	<u>2,122,331.03</u>
<b>EXPENDITURES</b>			
Current:			
Regular Instruction	-	5,481.00	5,481.00
Support Services:			
Tuition	1,512,935.07		1,512,935.07
Student & Instruction Related Serv.	485.00	-	485.00
Other Administrative Services	27,891.94		27,891.94
Pupil Transportation	402,725.14		402,725.14
Business and Other Support Serv.	55,623.19		55,623.19
Capital Outlay	3,428.00		3,428.00
Total Expenditures	<u>2,003,088.34</u>	<u>5,481.00</u>	<u>2,008,569.34</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>113,761.69</u>	<u>-</u>	<u>113,761.69</u>
Net Changes in Fund Balance	113,761.69	-	113,761.69
Fund Balance - July 1	1,914,503.91	-	1,914,503.91
Prior Period Restatement	92,021.15		92,021.15
Fund Balance, July 1, Restated	<u>2,006,525.06</u>	<u>-</u>	<u>2,006,525.06</u>
Fund Balance - June 30	<u>\$ 2,120,286.75</u>	<u>-</u>	<u>2,120,286.75</u>

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



**SEA ISLE CITY SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2021**

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	113,761.69
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Payments received for roof lease purchase		
Cost of benefits earned net of employee contributions	20,933.00	20,933.00
Change in Net Position of Governmental Activities	\$	134,694.69

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

The Sea Isle 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 business administrator is hired by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Sea Isle City School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 Sea Isle City School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12.

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

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

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

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

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

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

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

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

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

The emphasis on fund financial statements is on the major funds is in the governmental categories. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund.

The following fund types are used by the District:

**1. Governmental Funds:**

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

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

**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:**

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

**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 within maturities of one year or less when purchased are stated at costs. All other investments are stated at fair value.

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

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

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

**2. Investments:**

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

**3. Fund Balances – Governmental Funds**

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.

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

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.

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

**4. Revenues:**

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

**5. Expenditures:**

Expenses are recognized when the related fund liability is incurred.

**6. Interfund Activity:**

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

**7. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general funds. The budgets are submitted to the county office for approval and, 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 under certain circumstances require approval by the County Superintendent of Schools. No material transfers were made to/(from) budgetary line items during the year.

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

**8. Encumbrances:**

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

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

**9. 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.

**10. 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.

**11. Pensions**

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

**F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

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, 2022, 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 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, 2022, 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 Arrangements”. This statement, which is effective for fiscal years beginning after December 31, 2023, 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, 2022, 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. CASH**

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investment established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$0 of the government’s bank balance of \$2,213,796.39 was exposed to custodial credit risk.

**NOTE 3. INVESTMENTS**

The District had no investments at June 30, 2021.

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

**NOTE 4. PENSION PLANS**

*Description of Plans*

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

*Teachers' Pension and Annuity Fund*

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

*Public Employees' Retirement System*

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

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 155, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.50% of covered payroll. The School District's contributions to TPAF for years ending June 30, 2021, 2020 and 2019 were \$0, \$0 and \$0, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the year ending June 30, 2021, 2020 and 2019 were \$0, \$0, and \$0 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2021, 2020 and 2019, the State of New Jersey contributed \$0, \$0 and \$0, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$0, \$0 and \$0, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.



**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

*Significant Legislation*

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- 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; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, 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 to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS 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 will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. 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.

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

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

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

**NOTE 5: PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

At June 30, 2021, the District reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was 0%, which was an increase of 0% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$20,933. At June 30, 2021, the District reported no deferred outflows of resources or deferred inflows of resources related to PERS from the following sources:

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	\$ -	-	-

*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		 -

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

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 6. 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).

*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>.

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

*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 –

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

Mortality Rates –

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

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

Health Care Trend Assumptions –

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

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.

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

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

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

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

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

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

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

The following presents the total OPEB liability as of June 30, 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:

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

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$(75,561) 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:

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

	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.

**NOTE 7. FUND BALANCE APPROPRIATED**

General Fund – Of the \$2,130,138.75 General Fund fund balance, at June 30, 2021, \$3,646.11 is reserved for encumbrances; \$4,350.51 is restricted as designated for subsequent years expenditures and \$953,023.64 is restricted as excess surplus in accordance with N.J.S.A. 18A:7-F (\$340,608.49 of the reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022), \$2,986.32 is reserved as Capital Reserve for projects included in the Long Range Facilities Plan, \$171,165.00 is set aside as Emergency Reserve for unanticipated general fund expenditures, \$650,000.00 has been restricted by the Board of Education in a legal reserve for tax stabilization, \$92,067.17 is reserved for Unemployment Compensation and \$252,900.00 is unassigned.

**NOTE 8. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. 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 \$953,023.64 of which \$340,608.49 has been appropriated and included as anticipated revenue for the year ending June 30, 2022.

**NOTE 9. 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.

**SEA ISLE CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its

former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 46.02	\$ -	\$ -	\$ 92,067.17
2019-2020	80.26	-	-	92,021.15
2018-2019	91.64	-	-	91,940.89

**NOTE 10. 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 11. CLOSING OF SCHOOL FACILITY**

The District is currently sending all their students to other districts. All capital assets were sold to the City of Sea Isle for \$160,000.00 that will be received over five years. The loan receivable at June 30, 2021 was \$0.

**NOTE 12: RESTATEMENT OF PRIOR YEAR BALANCES**

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>	\$ 1,914,503.91
Implementation GASB 84 - Restatement of Prior Year Balances Required Unemployment Fund	92,021.15
Total prior period adjustment	<u>92,021.15</u>
<b>Fund Balance as restated, July 1, 2020</b>	<u><u>\$ 2,006,525.06</u></u>

**NOTE 13. SUBSEQUENT EVENTS**

The District has evaluated events through February 23, 2022, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**Required Supplemental Information**  
**Part II**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**BUDGETARY COMPARISON SCHEDULES**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

SEA ISLE CITY SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,827,302.00	-	1,827,302.00	1,827,302.00	-
Unrestricted Miscellaneous Revenues	2,165.00	-	2,165.00	69,791.03	67,626.03
Total Local Sources	1,829,467.00	-	1,829,467.00	1,897,093.03	67,626.03
State Sources:					
Categorical Special Education Aid	65,411.00	-	65,411.00	65,411.00	-
Adjustment Aid	37,472.00	-	37,472.00	37,472.00	-
Categorical Security Aid	16,305.00	-	16,305.00	16,305.00	-
Categorical Transportation Aid	96,010.00	-	96,010.00	96,010.00	-
Nonpublic Transportation				2,900.00	2,900.00
Total State Sources	215,198.00	-	215,198.00	218,098.00	2,900.00
Total Revenues	2,044,665.00	-	2,044,665.00	2,115,191.03	70,526.03

SEA ISLE CITY SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>EXPENDITURES:</b>					
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction	1,310,207.00	-	1,310,207.00	1,310,207.00	-
Tuition to Other LEAs Within the State-Regular	39,316.00	1,016.22	40,332.22	40,332.22	-
Tuition to Other LEAs Within the State-Special	11,917.00	-	11,917.00	11,917.00	-
Tuition to Co. Voc. School District-Regular	349,846.93	(19,881.15)	329,965.78	150,478.85	179,486.93
Tuition to CSSD & Regional Day Schools	1,711,286.93	(18,864.93)	1,692,422.00	1,512,935.07	179,486.93
Total Undistributed Expenditures - Instruction	85,000.00	-	85,000.00	-	85,000.00
Undist. Expend. - Guidance	85,000.00	-	85,000.00	-	85,000.00
Purchased Professional - Educational Services	53,200.00	-	53,200.00	485.00	52,715.00
Total Undist. Expend. - Guidance	53,200.00	-	53,200.00	485.00	52,715.00
Undist. Expend. - Improvement of Inst. Services	11,000.00	(1,000.00)	10,000.00	298.10	9,701.90
Purchased Professional - Educational Services	11,000.00	-	11,000.00	10,000.00	1,000.00
Total Undist. Expend. - Improvement of Inst. Serv.	30,000.00	-	30,000.00	9,992.50	20,007.50
Undist. Expend. - Supp. Serv. - General Admin.	8,000.00	-	8,000.00	618.22	7,381.78
Legal Services	5,000.00	-	5,000.00	2,723.36	2,276.64
Audit Fees	9,000.00	-	9,000.00	1,021.26	7,978.74
Other Purchased Professional Services	4,258.00	-	4,258.00	3,238.50	1,019.50
Communications/Telephone	78,258.00	(1,000.00)	77,258.00	27,891.94	49,366.06
BOE Other Purchased Services	62,000.00	-	62,000.00	55,623.19	6,376.81
General Supplies	1,000.00	-	1,000.00	-	1,000.00
BOE Membership Dues and Fees	1,000.00	-	1,000.00	-	1,000.00
Total Undistributed Expenditures - Support Services - General Administration	64,000.00	-	64,000.00	55,623.19	8,376.81
Undistributed Expenditures - Central Services	556,397.17	(56,686.17)	499,711.00	402,725.14	96,985.86
Purchased Professional Services	556,397.17	(56,686.17)	499,711.00	402,725.14	96,985.86
Supplies and Materials	2,548,142.10	(76,551.10)	2,471,591.00	1,999,660.34	471,930.66
Miscellaneous Expenditures	2,548,142.10	(76,551.10)	2,471,591.00	1,999,660.34	471,930.66
Total Undistributed Expenditures - Central Services	2,548,142.10	(76,551.10)	2,471,591.00	1,999,660.34	471,930.66
Undist. Expend. - Required Maint. School Fac.	556,397.17	(56,686.17)	499,711.00	402,725.14	96,985.86
Undist. Expend. - Student Transportation Serv.	556,397.17	(56,686.17)	499,711.00	402,725.14	96,985.86
Contr. Serv. Trans. (Bet. Home & School) - Vendors	2,548,142.10	(76,551.10)	2,471,591.00	1,999,660.34	471,930.66
Transportation Services	2,548,142.10	(76,551.10)	2,471,591.00	1,999,660.34	471,930.66
TOTAL UNDISTRIBUTED EXPENDITURES	2,548,142.10	(76,551.10)	2,471,591.00	1,999,660.34	471,930.66
TOTAL GENERAL CURRENT EXPENSE	2,548,142.10	(76,551.10)	2,471,591.00	1,999,660.34	471,930.66

SEA ISLE CITY SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>CAPITAL OUTLAY</b>					
Facilities Acquisition and Construction Services	3,428.00		3,428.00	3,428.00	-
Assessment for Debt Service on SDA Funding	3,428.00	-	3,428.00	3,428.00	-
Total Facilities Acquisition and Construction Serv.	3,428.00	-	3,428.00	3,428.00	-
<b>TOTAL CAPITAL OUTLAY</b>					
	2,551,570.10	(76,551.10)	2,475,019.00	2,003,088.34	471,930.66
<b>TOTAL EXPENDITURES</b>					
	(506,905.10)	76,551.10	(430,354.00)	112,102.69	542,456.69
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	(506,905.10)	76,551.10	(430,354.00)	112,102.69	542,456.69
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	1,926,014.91	-	1,926,014.91	1,926,014.91	-
Fund Balance July 1	-	-	-	92,021.15	-
Prior Period Restatement	1,926,014.91	-	1,926,014.91	2,018,036.06	-
Fund Balance July 1, Restated	\$ 1,419,109.81	76,551.10	1,495,660.91	2,130,138.75	542,456.69
Fund Balance June 30					
<b>Recapitulation:</b>					
Restricted Fund Balance:					
Tax Stabilization				650,000.00	
Excess Surplus Designated for Subsequent Years Expenditures				340,608.49	
Reserve for Excess Surplus				612,415.15	
Unemployment Compensation				92,067.17	
Committed Fund Balance:					
Capital Reserve				2,986.32	
Emergency Reserve				171,165.00	
Assigned Fund Balance:					
Encumbrances				3,646.11	
Designated for Subsequent Year's Expenditures				4,350.51	
Unassigned Fund Balance				252,900.00	
Fund Balance per Governmental Funds (GAAP)				2,130,138.75	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				(9,852.00)	
				\$ 2,120,286.75	

**SEA ISLE CITY SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
<b>REVENUES:</b>					
Local Sources	\$ -	-	-	-	-
State Sources	-	5,481.00	5,481.00	5,481.00	-
Federal Sources	-	5,481.00	5,481.00	5,481.00	-
Total Revenues	-	5,481.00	5,481.00	5,481.00	-
<b>EXPENDITURES:</b>					
Instruction:					
Tuition	-	-	-	-	-
Other Purchased Services (400-500 series)	-	5,481.00	5,481.00	5,481.00	-
Supplies and Materials	-	5,481.00	5,481.00	5,481.00	-
Total Instruction	-	5,481.00	5,481.00	5,481.00	-
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Support Services	-	-	-	-	-
Total Outflows	-	5,481.00	5,481.00	5,481.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-



**SEA ISLE CITY SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2021**

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

		General Fund
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 2,115,191.03
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
Final two State Aid payments were delayed until July 2020 is recorded as GAAP revenue but is not recognized as budgetary revenue.		11,511.00
Final two State Aid payments were delayed until July 2021 is recorded as budgetary revenue but is not recognized under GAAP.		(9,852.00)
	[B-2]	2,116,850.03
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	2,003,088.34
No differences - Budget to GAAP		-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental fund	[B-2]	\$ 2,003,088.34

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Required Supplemental Information**  
**Part III**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SEA ISLE CITY 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)	0.000000000000%	0.000000000000%	0.000000000000%	0.000000000000%	0.000000000000%	0.000000000000%	0.000000000000%	0.00160309599%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,383
District's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,889
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%	1712.69%
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.

**SEA ISLE CITY 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,079
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	12,079
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,889
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	67.52%

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.

**SEA ISLE CITY 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	-	-	-	-	-	3,694,244	3,319,751	3,541,996
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,694,244</b>	<b>\$ 3,319,751</b>	<b>\$ 3,541,996</b>
District's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,650
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.

**SEA ISLE 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>4,221,725.00</u>	<u>2,909,321.00</u>	<u>3,482,936.00</u>	<u>4,697,446.00</u>	<u>5,268,763.00</u>
<b>Total</b>	<b><u>\$ 4,221,725.00</u></b>	<b><u>2,909,321.00</u></b>	<b><u>3,482,936.00</u></b>	<b><u>4,697,446.00</u></b>	<b><u>5,268,763.00</u></b>
District's covered payroll	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
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	9,854.00		-	-	
Interest Cost	100,935.00	133,129.00	166,573.00	148,677.00	
Expected v. Actual	501,720.00	(663,462.00)	(891,486.00)	-	
Changes in Assumptopns	771,164.00	43,378.00	(399,684.00)	(615,197.00)	
Member Contributions	2,228.00	2,647.00	3,219.00	4,006.00	
Benefit Payments	(73,497.00)	(89,307.00)	(93,132.00)	(108,803.00)	
Change in Total Opeb Liability	<u>1,312,404.00</u>	<u>(573,615.00)</u>	<u>(1,214,510.00)</u>	<u>(571,317.00)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>2,909,321.00</u>	<u>3,482,936.00</u>	<u>4,697,446.00</u>	<u>5,268,763.00</u>	
Ending Balance	<b><u>\$ 4,221,725.00</u></b>	<b><u>\$ 2,909,321.00</u></b>	<b><u>3,482,936.00</u></b>	<b><u>4,697,446.00</u></b>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	

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

Note: This schedule is required by GASB 75 to be show information for a 10 year period.

However, information is only currently available for five years.

Additional years will be presented as they become available.



**SPECIAL REVENUE FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SEA ISLE CITY SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2021**

	Coronavirus Relief Fund Grant	Totals 2021
<b>REVENUES:</b>		
Local Sources	\$ -	-
State Sources		-
Federal Sources	5,481.00	5,481.00
	5,481.00	5,481.00
Total Revenues		
<b>EXPENDITURES:</b>		
Instruction:		
Supplies and Materials	5,481.00	5,481.00
	5,481.00	5,481.00
Total Instruction		
Total Outflows	5,481.00	5,481.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Statistical Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**SEA ISLE CITY SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	1,133,245.27	-	-	1,438,908.36	1,291,891.32	867,680.32	-	1,177,741.32	1,254,505.32	1,169,110.32
Restricted	516,173.01	1,034,860.36	1,456,822.45	1,438,908.36	1,291,891.32	867,680.32	1,112,674.32	1,177,741.32	1,254,505.32	1,169,110.32
Unrestricted	256,960.70	486,179.00	180,490.00	212,420.00	228,704.43	489,135.25	579,999.95	663,130.95	671,065.59	983,176.43
Total governmental activities net position	1,906,378.98	1,521,039.36	1,637,312.45 *	1,651,328.36	1,520,595.75	1,356,815.57	1,692,674.27	1,840,872.27	1,925,570.91	2,152,286.75
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Restricted	16,261.45	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	16,261.45	-	-	-	-	-	-	-	-	-
<b>District-wide</b>										
Net investment in capital assets	1,133,245.27	-	-	1,438,908.36	1,291,891.32	867,680.32	-	1,177,741.32	1,254,505.32	1,169,110.32
Restricted	516,173.01	1,034,860.36	1,456,822.45	1,438,908.36	1,291,891.32	867,680.32	1,112,674.32	1,177,741.32	1,254,505.32	1,169,110.32
Unrestricted	273,222.15	486,179.00	180,490.00	212,420.00	228,704.43	489,135.25	579,999.95	663,130.95	671,065.59	983,176.43
Total district net position	1,922,640.43	1,521,039.36	1,637,312.45	1,651,328.36	1,520,595.75	1,356,815.57	1,692,674.27	1,840,872.27	1,925,570.91	2,152,286.75

\* Net position was restated as of June 30, 2014 as required by implementation of GASB 68.

Source: CAFR Schedule A-1

**SEA ISLE CITY SCHOOL DISTRICT**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	627,290.34	5,560.99	-	9,122.34	45,347.79	13,864.70	-	-	-	852.65
Special education	89,188.49	-	-	-	-	-	-	-	-	-
Other instruction	7,603.40	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	2,102,408.61	2,318,249.56	1,763,706.65	1,360,676.57	1,585,234.49	1,670,381.57	1,216,358.16	1,374,473.91	1,514,635.57	1,512,935.07
Student & instruction related services	359,464.42	65,950.30	5,970.04	348,053.92	138,732.92	114,200.00	153,159.39	143,705.99	(8,180.70)	75.45
Other administrative services	163,148.61	133,436.64	54,222.75	25,854.37	18,556.47	13,584.28	26,242.69	54,168.30	(42,449.50)	(2,652.08)
School administrative services	13,103.41	32,651.70	-	-	-	-	-	-	-	-
Business and Other Support	87,295.06	87,295.06	92,820.09	26,362.78	23,615.80	22,347.32	57,262.12	43,638.70	(13,778.50)	(5,288.89)
Plant operations and maintenance	222,981.84	206,362.76	6,022.47	-	-	-	-	-	-	-
Pupil transportation	330,525.82	396,356.25	459,982.15	517,814.60	415,420.78	426,852.99	412,713.39	403,300.20	359,313.83	402,725.14
Special schools	19,005.00	36,465.00	67,661.00	35,211.00	-	-	-	-	-	-
Interest on long-term debt	8,323.86	3,011.00	-	-	-	-	-	-	-	-
Unallocated depreciation	81,216.37	-	-	-	-	-	-	-	-	-
Capital Outlay	-	68.36	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00
Total governmental activities expenses	4,024,460.17	3,285,407.62	2,453,813.15	2,326,523.58	2,230,336.25	2,264,458.86	1,869,163.75	2,022,716.10	1,812,968.70	1,912,075.34
Business-type activities:										
Food service	29,634.32	-	-	-	-	-	-	-	-	-
Community Education	29,634.32	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	4,054,094.49	3,285,407.62	2,453,813.15	2,326,523.58	2,230,336.25	2,264,458.86	1,869,163.75	2,022,716.10	1,812,968.70	1,912,075.34
<b>Total district expenses</b>										



**SEA ISLE CITY SCHOOL DISTRICT**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-2

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	438,905.47	-	-	178,634.00	-	-	64,879.00	-	(183,078.00)	(70,080.00)
Total governmental activities program revenues	438,905.47	-	-	178,634.00	-	-	64,879.00	-	(183,078.00)	(70,080.00)
Business-type activities:										
Charges for services:										
Food service	7,747.52	-	-	-	-	-	-	-	-	-
Community Education	6,870.02	-	-	-	-	-	-	-	-	-
Operating grants and contributions	14,417.54	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	453,323.01	-	-	178,634.00	-	-	64,879.00	-	(183,078.00)	(70,080.00)
Total district program revenue	892,228.48	-	-	357,268.00	-	-	129,758.00	-	(366,156.00)	(140,160.00)
<b>Net (Expense)/Revenue</b>										
Governmental activities	(3,585,554.70)	(3,285,407.62)	(2,453,813.15)	(2,147,889.58)	(2,230,336.25)	(2,264,458.86)	(1,804,284.75)	(2,022,716.10)	(1,996,046.70)	(1,982,155.34)
Business-type activities	(15,216.78)	(3,285,407.62)	(2,453,813.15)	(2,147,889.58)	(2,230,336.25)	(2,264,458.86)	(1,804,284.75)	(2,022,716.10)	(1,996,046.70)	(1,982,155.34)
Total district-wide net expense	(3,600,771.48)	(6,570,815.24)	(4,907,626.30)	(4,295,779.16)	(4,460,672.50)	(4,528,917.72)	(3,608,569.50)	(4,045,432.20)	(3,992,093.40)	(3,964,310.68)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	3,390,514.00	3,458,324.00	2,464,472.00	1,827,302.00	1,827,302.00	1,827,302.00	1,827,302.00	1,827,302.04	1,827,302.00	1,827,302.00
Tuition	70,294.00	404,282.33	391,879.00	328,869.00	260,223.00	260,782.00	301,199.00	251,051.00	238,833.00	219,757.00
Unrestricted grants and contributions	2,484.08	85,681.86	8,038.24	5,734.49	12,078.64	12,594.68	11,642.45	8,679.06	14,610.34	69,791.03
Investment earnings	11,510.55	16,277.17	-	-	-	-	-	-	-	-
Miscellaneous income	(25,000.00)	(1,177,705.91)	-	-	-	-	-	-	-	-
Transfers	-	66,896.30	-	-	-	-	-	-	-	-
Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Canceled Compensated Absences	-	-	-	-	-	-	-	-	-	-
Unexpended State Grant Canceled	-	-	-	-	-	-	-	-	-	-
Total governmental activities	3,449,802.63	2,913,757.75	2,864,390.24	2,161,905.49	2,099,603.64	2,100,676.68	2,140,143.45	2,087,032.10	2,060,745.34	2,116,850.03
Business-type activities:										
Investment earnings	19.54	15.72	-	-	-	-	-	-	-	-
Transfers	25,000.00	(16,277.17)	-	-	-	-	-	-	-	-
Total business-type activities	25,019.54	(16,261.45)	-	-	-	-	-	-	-	-
Total district-wide	3,474,822.17	2,897,496.30	2,864,390.24	2,161,905.49	2,099,603.64	2,100,676.68	2,140,143.45	2,087,032.10	2,060,745.34	2,116,850.03
<b>Changes in Net Assets</b>										
Governmental activities	(135,752.07)	(371,649.87)	410,577.09	14,015.91	(130,732.61)	(163,780.18)	335,858.70	64,316.00	84,698.64	134,694.69
Business-type activities	9,802.76	(16,261.45)	-	-	-	-	-	-	-	-
Total district	(125,949.31)	(387,911.32)	410,577.09	14,015.91	(130,732.61)	(163,780.18)	335,858.70	64,316.00	84,698.64	134,694.69

Source: CAFR Schedule A-2

**SEA ISLE CITY SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Exhibit J-3

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	91,122.99	860,809.04	1,282,771.13	1,264,857.04	1,156,423.43	977,106.25	1,260,084.20	1,402,030.90	1,416,032.44	1,695,090.81
Committed	411,112.32	174,051.32	174,051.32	174,051.32	174,051.32	174,051.32	174,151.32	174,151.32	174,151.32	174,151.32
Assigned	13,937.00						15,045.75	26,983.05	81,481.15	7,996.62
Unassigned	324,276.00	326,179.00	314,794.00	311,228.00	241,354.00	241,316.00	263,476.00	242,215.00	242,839.00	243,048.00
Reserved	-									
Unreserved										
Total general fund	840,448.31	1,361,039.36	1,771,616.45	1,750,136.36	1,571,828.75	1,392,473.57	1,712,757.27	1,845,380.27	1,914,503.91	2,120,286.75
All Other Governmental Funds										
Restricted										
Reported in Capital projects fund	0.70	-								
Committed										
Assigned										
Unassigned										
Unreserved, reported in:										
Special revenue fund	-	-								
Capital projects fund	-	-								
Total all other governmental funds	0.70	-	-	-	-	-	-	-	-	-

Source: CAFR Schedule B-1

**SEA ISLE CITY SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Nine Fiscal Years**

Exhibit J-4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax Levy	3,390,514.00	3,458,324.00	2,464,472.00	1,827,302.00	1,827,302.00	1,827,302.00	1,827,302.00	1,827,302.04	1,827,302.00	1,827,302.00
Tuition										
Interest earnings on capital reserve fund										
Miscellaneous	16,995.00	85,681.86	8,039.24	5,734.49	12,078.64	44,594.68	43,642.45	40,679.06	46,610.34	69,791.03
State sources	414,751.47	404,282.00	391,879.00	328,869.00	260,223.00	260,782.00	301,199.00	251,051.00	238,833.00	219,757.00
Federal sources	91,448.00									5,481.00
<b>Total revenue</b>	<b>3,913,708.47</b>	<b>3,948,287.86</b>	<b>2,864,390.24</b>	<b>2,161,905.49</b>	<b>2,099,603.64</b>	<b>2,132,678.68</b>	<b>2,172,143.45</b>	<b>2,119,032.10</b>	<b>2,112,745.34</b>	<b>2,122,331.03</b>
<b>Expenditures</b>										
Instruction:										
Regular instruction	468,857.29	2,725.00	-	4,560.00	45,347.79	13,664.70				5,481.00
Special education instruction	72,457.60									
Other instruction	7,803.40									
Support Services:										
Tuition	2,102,408.61	2,318,250.00	1,763,706.65	1,360,676.57	1,585,234.49	1,670,381.57	1,216,358.16	1,374,473.91	1,514,635.57	1,512,935.07
Student & instruction related services	326,818.00	32,317.00	2,860.00	173,982.26	138,732.92	114,200.00	118,200.00	102,009.00	80,790.00	485.00
School administrative services	8,810.10	16,000.00								
Other administrative services	153,046.53	65,387.00	25,975.91	43,428.57	39,490.23	31,570.46	31,791.17	57,153.98	64,513.98	27,891.94
Business and Other Support Service	191,741.69	42,776.00	44,466.32	44,283.58	50,257.04	51,936.14	69,369.03	46,044.01	20,940.32	55,623.19
Plant operations and maintenance	321,121.34	101,122.00	2,885.12	-	-	-	-	-	-	-
Pupil transportation	328,113.00	396,356.00	459,982.15	517,814.60	415,420.78	426,852.99	412,713.39	403,300.20	359,313.83	402,725.14
Unallocated employee benefits	19,005.00	270,930.00	82,848.00	-	-	-	-	-	-	-
Capital outlay	74,901.09	161,647.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00
Other Undistributed Expenditures										
Debt service:										
Principal										
Interest and other charges										
<b>Total Expenditures</b>	<b>4,075,083.65</b>	<b>3,443,975.00</b>	<b>2,453,813.15</b>	<b>2,183,385.58</b>	<b>2,277,911.25</b>	<b>2,312,033.86</b>	<b>1,851,859.75</b>	<b>1,966,409.10</b>	<b>2,043,621.70</b>	<b>2,008,569.34</b>
Excess (Deficiency) of revenues over (under) expenditures	(161,375.18)	504,312.86	410,577.09	(21,480.09)	(178,307.61)	(179,355.18)	320,283.70	132,623.00	69,123.64	113,761.69
<b>Other Financing Sources (Uses)</b>										
Payment of prior unrecorded liabilities										
Transfers out	(25,000.00)									
Transfers in										
Unexpended State Grant Canceled										
Total other financing sources (uses)	(25,000.00)	16,277.30	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>(186,375.18)</b>	<b>520,590.16</b>	<b>410,577.09</b>	<b>(21,480.09)</b>	<b>(178,307.61)</b>	<b>(179,355.18)</b>	<b>320,283.70</b>	<b>132,623.00</b>	<b>69,123.64</b>	<b>113,761.69</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: CAFR Schedule B-2

Exhibit J-5

SEA ISLE CITY SCHOOL DISTRICT  
 General Fund Other Local Revenue by Source,  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Capital Res. Interest on Investments	Tuition Revenue	Proceeds from Loan Receivable	Miscellaneous	Totals
2012	2,484.08	-	-	-	11,510.55	13,994.63
2013	-	-	-	-	85,681.86	85,681.86
2014	-	-	-	-	8,039.24	8,039.24
2015	-	-	-	-	5,734.49	5,734.49
2016	-	-	-	-	12,078.64	12,078.64
2017	-	-	-	32,000.00	12,594.68	44,594.68
2018	-	-	-	32,000.00	11,642.45	43,642.45
2019	2,493.10	-	-	32,000.00	6,185.96	40,679.06
2020	2,446.49	-	-	32,000.00	12,163.85	46,610.34
2021	2,361.03	-	-	32,000.00	35,430.00	69,791.03

Source: District Records

SEA ISLE CITY SCHOOL DISTRICT  
 Assessed Value and Actual Value of Taxable Property,  
 Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2012	89,986,200	4,643,603,200			130,183,900			4,863,773,300		1,361,587	4,865,134,887	0.072	4,481,463,055
2013	89,001,900	4,640,876,100			131,403,000			4,861,281,000		1,199,888	4,862,480,888	0.051	4,352,774,323
2014	102,410,400	4,616,127,100			134,707,300			4,853,244,800		1,251,500	4,854,496,300	0.038	4,318,247,914
2015	103,194,200	4,640,953,300			133,586,200			4,877,733,700		1,003,275	4,878,736,975	0.038	4,347,739,388
2016	82,146,000	4,306,266,600			127,014,700			4,515,427,300		1,003,275	4,516,430,575	0.041	4,466,935,268
2017	73,901,700	4,348,153,900			140,219,000			4,562,274,600		-	4,562,274,600	0.041	4,686,347,548
2018	76,628,200	4,391,270,700			141,427,000			4,609,325,900		-	4,609,325,900	0.040	4,887,092,105
2019	84,891,400	4,417,779,200			150,723,400			4,653,394,000		-	4,653,394,000	0.040	5,096,895,691
2020	91,129,100	4,454,838,600			150,968,000			4,696,935,700		-	4,696,935,700	0.039	5,405,711,837
2021	78,219,900	4,549,352,500			151,299,400			4,778,871,800		-	4,778,871,800	0.039	5,827,289,666

Source: County Abstract of Rates & Municipal Tax Assessor

Exhibit J-7

**SEA ISLE CITY SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	SEA ISLE CITY SCHOOL DISTRICT			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Cape May County	Municipal Local Purpose		
2012	0.072		0.072	0.214	0.293	0.579	
2013	0.051		0.051	0.219	0.313	0.583	
2014	0.038		0.038	0.222	0.324	0.584	
2015	0.038		0.038	0.226	0.325	0.589	
2016	0.041		0.041	0.255	0.376	0.672	
2017	0.041		0.041	0.270	0.384	0.695	
2018	0.040		0.040	0.285	0.385	0.710	
2019	0.040		0.040	0.298	0.380	0.718	
2020	0.039		0.039	0.315	0.380	0.734	
2021	0.039		0.039	0.342	0.383	0.764	

Source: District Records and Municipal Tax Collector

**SEA ISLE CITY SCHOOL DISTRICT  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Taxpayer #1	\$ 8,166,200	1	0.17%	Information not available		
Jersey Central Power & Light Company	7,937,000	2	0.17%			
8600 Landis, LLC	7,642,200	3	0.16%			
Desiderio Partnership	7,480,300	4	0.16%			
CLD SIC, LLC	7,179,500	5	0.15%			
Sisters of Mercy (Philadelphia)	5,774,600	6	0.12%			
Jersey Shore Properties, LLC	5,227,900	7	0.11%			
First Savings & Loan of Sea Isle	4,995,700	8	0.10%			
42nd Place, LLC	4,994,900	9	0.10%			
Taxpayer #2	4,844,400	10	0.10%			
<b>Totals</b>	<b>\$ 64,242,700</b>		<b>1.34%</b>	<b>\$ -</b>		<b>0.00%</b>
			<b>District Assessed Value \$ 4,778,871,800</b>			<b>#REF!</b>

Source: District CAFR & Municipal Tax Assessor

**SEA ISLE CITY SCHOOL DISTRICT  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	3,390,514.00	3,390,514.00	100%	-
2013	3,458,324.00	3,458,324.00	100%	-
2014	2,464,470.00	2,464,470.00	100%	-
2015	1,827,302.00	1,827,302.00	100%	-
2016	1,827,302.00	1,827,302.00	100%	-
2017	1,827,302.00	1,827,302.00	100%	-
2018	1,827,302.00	1,827,302.00	100%	-
2019	1,827,302.00	1,827,302.00	100%	-
2020	1,827,302.00	1,827,302.00	100%	-
2021	1,827,302.00	1,827,302.00	100%	-

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



**SEA ISLE CITY SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANS)	Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases		Capital Leases	Income			
2012			158,150.39			158,150.39		48,588	
2013			-			-		50,695	
2014			-			-		52,276	
2015			-			-		53,932	
2016			-			-		55,995	
2017			-			-		54,102	
2018			-			-		55,995	
2019			-			-		57,976	
2020			-			-		60,877	
2021			-			-		62,734	

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

Exhibit J-11

SEA ISLE CITY SCHOOL DISTRICT  
 Ratios of Net General Bonded Debt Outstanding,  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	-	-	-	0.00%	48,588
2013	-	-	-	0.00%	50,695
2014	-	-	-	0.00%	52,276
2015	-	-	-	0.00%	53,932
2016	-	-	-	0.00%	55,995
2017	-	-	-	0.00%	54,102
2018	-	-	-	0.00%	55,995
2019	-	-	-	0.00%	57,976
2020	-	-	-	0.00%	60,877

**SEA ISLE CITY SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Bonded Debt,**  
**As of December 31, 2020**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Sea Isle City	\$ 52,942,500.00	100.00%	52,942,500.00
<b>Other Debt</b>			
County of Cape May	310,626,093.03	9.87%	30,660,219.22
Subtotal, Overlapping Debt			83,602,719.22
<b>Sea Isle City School District Direct Debt</b>			-
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 83,602,719.22</u></u>

Sources:  
 Sea Isle City - 2020 Audit Report  
 County of Cape May - 2020 Audit Report  
 District Records

SEA ISLE CITY SCHOOL DISTRICT  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

Exhibit J-13

	Average equalized valuation of taxable property										5,374,349,024
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Debt limit	93,741,258.00	134,666,493.00	131,428,307.06	129,943,985.37	130,799,059.04	133,938,695.00	139,062,606.53	145,157,272.06	152,326,608.68	161,230,470.71	
Total net debt applicable to limit											
Legal debt margin	93,741,258.00	134,666,493.00	131,428,307.06	129,943,985.37	130,799,059.04	133,938,695.00	139,062,606.53	145,157,272.06	152,326,608.68	161,230,470.71	
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**Demographic and Economic Statistics,**  
**Last Ten Fiscal Years**

**Exhibit J-14**

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	** Per Capita Personal Income	Unemployment Rate
2012	2,110	102,520,680	48,588	10.2%
2013	2,115	107,219,925	50,695	11.0%
2014	2,096	109,570,496	52,276	12.3%
2015	2,090	112,717,880	53,932	7.7%
2016	2,074	116,133,630	55,995	7.6%
2017	2,069	111,937,038	54,102	7.4%
2018	2,058	115,237,710	55,995	6.4%
2019	2,042	118,386,992	57,976	5.8%
2020	2,029	123,519,433	60,877	4.7%
2021	2,019	126,659,946	62,734	9.7%

\*\* County wide information

Source:

U.S. Department of Commerce, Bureau of Economic Analysis,  
Regional Economic Information System; New Jersey Department of Labor,  
Bureau of Labor Force Statistics; U.S. Bureau of Census, Population Division

**SEA ISLE CITY SCHOOL DISTRICT  
Principal Employers,  
Current Year and Nine Years Ago**

**Exhibit J-15**

Employer	2021			2012		
	Year- Round Employees	Rank	Percentage of Total Employment	Year- Round Employees	Rank	Percentage of Total Employment
	Not Available			Not Available		
Totals	-		-	-		-

Source:  
Information was not available from any source

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

Exhibit J-16

<u>Function/Program</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction:										
Regular instruction	9.0	-	-	-	-	-	-	-	-	-
Special education instruction	1.0	-	-	-	-	-	-	-	-	-
Other special education instruction										
Vocational education										
Other instruction										
Support Services:										
Tuition										
Student & instruction related services										
General administrative services										
School administrative services	0.5	0.5	-	-	-	-	-	-	-	-
Business administrative services	0.5	0.5	-	-	-	-	-	-	-	-
Plant operations and maintenance	1.5	-	-	-	-	-	-	-	-	-
Child Care										
Food Service										
<b>Total</b>	<b>12.5</b>	<b>1.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: District Records, ASSA, Certified Staff Report

**SEA ISLE CITY SCHOOL DISTRICT**  
**Operating Statistics,**  
**Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year Ended June 30,	ASSA Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School				
2012	46	4,000,183	86,961	12.29%	10	1:4.60	N/A	41.0	38.5	-12.8%	93.9%
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-

Source: District records, ASSA and Certificated Staff Report



SEA ISLE CITY SCHOOL DISTRICT  
 School Building Information,  
 Last Ten Fiscal Years

Exhibit J-18

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Buildings</b>										
<b>Elementary</b>										
Sea Isle City Public School										
Square Feet	39,348	-	-	-	-	-	-	-	-	-
Capacity (students)	285	-	-	-	-	-	-	-	-	-
Enrollment	46	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2020  
 Elementary - 0

Source: District Records, ASSA

SEA ISLE CITY SCHOOL DISTRICT  
 General Fund  
 Schedule of Required Maintenance for School Facilities,  
 Last Ten Fiscal Years  
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project# (s)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sea Isle City School	N/A	23,288.00	-	-	-	-	-	-	-	-	-
Total School Facilities		23,288.00	-	-	-	-	-	-	-	-	-
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		23,288.00	-	-	-	-	-	-	-	-	-

Source: District Records

**SEA ISLE CITY SCHOOL DISTRICT**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2021**  
*(Unaudited)*

**Exhibit J-20**

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
NJSBAIG/CAIP	General Liability	6,000,000	N/A
	Automobile Liability	6,000,000	N/A
	Erros and Omissions Limit of Liability		
	Coverage A Limits	6,000,000	10,000
	Coverage B Limits	100,000/300,000	10,000
Federal	Supplemental Indemnity Maximum of \$2,000 per week	Full Salary of Ee less WC payment	
RLI	Crime & Bonds		
	Faithful Performance	250,000	1,000
	Money & Securities	5,000	500
	Money Orders/Counterfeit	50,000	1,000
	Computer Fraud	25,000	1,000
	Board Administrator	2,000	500

Source: District Records

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Single Audit Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

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

Honorable President and  
Members of the Board of Education  
Sea Isle City School District  
County of Cape May, New Jersey

We have audited the basic financial statements of the Sea Isle City Board of Education, County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 23, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements presented by the Division of Finance, Department of Education, State of New Jersey.

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

In planning and performing our audit of the financial statements, we considered Sea Isle 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 Sea Isle 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 Sea Isle City School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

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

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

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

February 23, 2022



**SEA ISLE CITY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2020	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) 06/30/2021	Deferred Revenue/ 06/30/2021	Due to Grantor June 30, 2021
<b>U.S. Department of Treasury Passed-Through State Department of Education Special Revenue Fund: Coronavirus Relief Fund</b>	21.019	SLT0007	3/1/2020 - 12/30/2020	5,481.00	-	-	-	5,481.00	(5,481.00)	-	-	-	-
Total Special Revenue Fund				\$ 5,481.00	-	-	-	5,481.00	(5,481.00)	-	-	-	-
<b>Total Federal Financial Awards</b>				\$ 5,481.00	-	-	-	5,481.00	(5,481.00)	-	-	-	-

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

**SEA ISLE CITY SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended June 30, 2021**

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2021			MEMO	
				Deferred Revenue/ (Accts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor		Budgetary Receivable
<b>State Department of Education</b>														
General Fund:														
Transportation Aid	21-485-034-5120-014	7/1/2020 - 6/30/2021	\$ 96,010.00				96,010.00	(96,010.00)					4,395.00	96,010.00
State Aid Public Cluster:														
Adjustment Aid	21-485-034-5120-085	7/1/2020 - 6/30/2021	37,472.00				37,472.00	(37,472.00)					1,716.00	37,472.00
Special Education Aid	21-485-034-5120-089	7/1/2020 - 6/30/2021	65,411.00				65,411.00	(65,411.00)					2,995.00	65,411.00
Security Aid	21-485-034-5120-084	7/1/2020 - 6/30/2021	16,305.00				16,305.00	(16,305.00)					746.00	16,305.00
Total State Aid Public Cluster							119,188.00	(119,188.00)					5,457.00	119,188.00
Non-Public Transportation Aid	21-485-034-5120-014	7/1/2020 - 6/30/2021	2,900.00					(2,900.00)			(2,900.00)			2,900.00
Non-Public Transportation Aid	20-485-034-5120-014	7/1/2019 - 6/30/2020	4,350.00	(4,350.00)			4,350.00							4,350.00
Total General Fund				(4,350.00)			219,548.00	(218,098.00)			(2,900.00)		9,852.00	222,448.00
<b>Total State Financial Assistance</b>				<b>\$ (4,350.00)</b>			<b>219,548.00</b>	<b>(218,098.00)</b>			<b>(2,900.00)</b>		<b>9,852.00</b>	<b>222,448.00</b>

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

**SEA ISLE CITY SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2021**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise funds, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(B) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,659 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 5,481.00	219,757.00	225,238.00
	<u>\$ 5,481.00</u>	<u>219,757.00</u>	<u>225,238.00</u>

**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.

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

***Section I - Summary of Auditor's Results***

**Financial Statements**

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

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

2) Significant Deficiencies identified? \_\_\_\_\_ Yes   X   No

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

**Federal Awards** **N/A**

Internal Control over major programs:

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

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

Type of auditor's report issued on compliance for major programs:  
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_\_\_ Yes \_\_\_\_\_ No

Identification of major programs:

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

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

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

**SEA ISLE CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

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

**State Awards**                      **N/A**

Dollar threshold used to distinguish between type A and type B programs:                      \$ N/A

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

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

Internal Control over major programs:

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

2) Significant Deficiencies identified?                      \_\_\_\_\_ Yes                      \_\_\_\_\_ none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?                      \_\_\_\_\_ Yes                      \_\_\_\_\_

Identification of major programs:

GMIS Number(s)

Name of State Program

**SEA ISLE CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

***Section II - Financial Statement Findings***

**NONE**

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

**STATE AWARDS:**

**NONE**

**FEDERAL AWARDS:**

**NONE**

**SEA ISLE CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(CONTINUED)**

**STATUS OF PRIOR YEAR FINDINGS**

None

**STATE**

None

**FEDERAL:**

None