

**Annual Comprehensive
Financial Report**

of the

City of Absecon Board of Education

Absecon, New Jersey

For the Fiscal Year Ended June 30, 2022

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Introductory Section

Dr. Daniel J. Dooley
Superintendent of Schools

Ms. Julie Gallagher
Business Administrator

Ms. Lindsay Reed
Director of Special Services/Curriculum



ABSECON
PUBLIC SCHOOLS
800 Irelan Avenue, Absecon NJ 08201
(609) 641-5375 Fax (609)641-8692

Mr. Kevin Burns, Principal
Emma C. Attales Middle School

Ms. Leslie Satt, Principal
H. Ashton Marsh Elementary School

Ms. Jessica Schwartz
Curriculum Supervisor

March 1, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Absecon City Board of Education for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Absecon Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The Introductory Section contains the table of contents, this Letter of Transmittal, the District's organizational chart and a roster of officials.

The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis;

The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Reporting Entity

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

The District provides a full range of educational services appropriate to grade levels Pre K through 8. These include regular, as well as special education for students with disabilities. The District completed the 2021-22 fiscal year with an average daily enrollment of 911.4 (according to the New Jersey State Attendance Records).

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

2021-22	911.4	+2.73%
2020-21	887.2	-1.76%
2019-20	903.1	+5.82%
2018-19	853.4	-2.84%
2017-18	877.6	7.06%
2016-17	819.7	-3.80%
2015-16	852.1	-0.64%
2014-15	857.6	-0.08%
2013-14	858.3	2.94%
2012-13	833.8	1.09%

Economic Condition and Outlook

Socio economic trends remain consistent throughout the district, and consistent to the patterns that have been established over the last decade. This detail is most prevalent in our identified Free and Reduced percentages of students ranging from Preschool to eighth grade (see below):

	Paid	F/R
HAM	51%	49%
ECA	51%	49%
DISTRICT	51%	49%

A further consideration to socio economics may be that although percentages have not wavered, the total number of students since October of 2016 has increased by approximately 70-85 students as we continue to expand our preschool program (see below). This, in turn, has increased our total number of free and reduced students proportionally.

- October 15, 2016 - 830 students
- October 15, 2019 - 913 students
- October 15, 2020 - 900 students *(despite those being home schooled and disenrolled due to the COVID-19 pandemic)*
- October 15, 2021 - 900 students
- October 15, 2022 - 938 students

We have seen a modest increase in the City’s ratable tax base the last few years, despite some businesses having closed as a result of the COVID-19 pandemic. It is our hope to draw new families to our City through the success and appeal of our school district as we implement new exciting initiatives. Along with implementation of best practices for instruction and highly researched academic supports, the district offers a comprehensive balanced literacy program, enhanced middle school interscholastic athletics in each season, full day preschool programming for three and four year old children, academic and enrichment opportunities beyond the school day, and a dedication to promoting arts in education. Additionally, there has been one consistent theme that has contributed to, and speculated to, stifle the City’s appeal to potential families wanting to move into the district: our current send-receive relationship for high school. It is the community’s sincerest belief that through providing enhanced educational opportunities for high school students in our district by pursuing an alternative send-receive relationship, that families will find our City to be much more appealing, increasing the market value of homes and regenerating the surrounding businesses with new residents.

Major Initiatives

The 2021-2022 school year continued to impose conditions that were unfamiliar and threaten to hinder the success of our students as a result of the third year impacted by a global pandemic. Despite these challenges, we welcomed all of our

students back into our buildings in September while maintaining the highest standards of safety. We began implementation of ReadyMath in grades kindergarten through eight as the culmination of our pilot program. This program integrates technology not only for daily instruction, but to promote targeted intervention and enrichment that maximizes student engagement. Through a conceptual approach to mathematical thinking, we look forward to the development of higher level thinking skills, establishment of a consistent academic language throughout the district, and improvement in our math achievement. This math program, combined with our continued best practices in literacy through the balanced literacy model: Guided Reading, Writer's Workshop, Phonics First, Reader's Workshop, and an overall emphasis on utilizing student data to drive instruction establishes a standard for growth. As a means of addressing the anticipated social, emotional, and behavioral needs for students returning to a traditional learning environment, not only did we continue in our Youth Advocacy Program (YAP), and partnership in the School Climate Transformation Project (SCTP), additional personnel joined our team in essential roles. Three new preschool classes, an early childhood social worker, a behavior specialist, intervention teachers, a disciplinarian, two additional guidance counselors, and an educational technology specialist were in place to implement a multi-tiered system for addressing student needs while maintaining structure and reinforcing expectations within the schools.

For the 2022-2023 school year, the district is looking forward to returning the focus of our efforts to student achievement and growth. We continue implementation of our Ready Math program, and are observing improvements in student performance over time; in addition to correlating achievement between the diagnostic assessment and state assessments. We continue to invest in our literacy practices through implementation of Phonics First in grades kindergarten through three; as well as the provision of ongoing professional learning opportunities related to best practices in balanced literacy instruction. Our middle school course offerings In striving to provide high quality learning opportunities for students at an early age, we are able to expand our preschool program to include 11 full day 3 and 4 year old classrooms, as well as one full day special education preschool classroom this year. To meet the needs of our growing student population, significant upgrades and remodeling endeavors were taken on this year. We transformed our library into three separate learning spaces, while our STEAM lab now hosts two classrooms. Our outdoor eating areas and educational spaces are complete with protective tenting and modern seating options with wi-fi access. Within the realm of safety and security in 2022, we brought in new security planters to help separate outside eating areas from vehicle hazards. We have also implemented new emergency bags per grade level for use in the event of a real life evacuation, shelter in place, or lockdown. Additional 70 inch televisions were placed in the security and both principal offices to aid in the surveillance capabilities of the school. The district has implemented the use of Navigate 360 to include digital mapping, emergency plans, emergency flip charts, and a visitor management system.

In our continued efforts to provide quality education to all constituents of the Absecon Learning Community we continue to work with Porzio, Bromberg and Newman, PC to represent the district in our efforts to end our current send-receive relationship, and form one that will provide additional learning opportunities for our high school students. This process, supported by the community as a whole, has been one that was anticipated to be both procedural and costly. The petition to alter our send-receive status was not challenged by the Pleasantville Board of Education, as recommended by their then Superintendent, and fell under the jurisdiction of the Acting Commissioner of Education, of whom denied our bid in May 2022. We filed a Motion for Reconsideration in which we have yet to receive a response. Due to the fact that there is no statutory time limit of this process, we have budgeted for year five, 22-23 school year, in addition to the already paid \$410,000 to date and have planned to budget approximately a potential \$100,000 over the next two fiscal years.

A bond referendum to complete the major projects in our Long Range Facilities Plan was passed in March, 2014. The projects for the H. Ashton Marsh and Emma C. Attales Schools included roof replacement, toilet room renovations, interior/exterior lighting, unit ventilator replacement, door/hardware replacement and various smaller projects were initiated in June, 2015. These projects were all closed out by June, 2019. The Long Range Facilities Plan was last updated in FY21 to reflect projects such as our boiler/chiller replacement in FY22. We are currently working with the District architect to update the Long Range Facilities Plan to include the replacement of rooftop units as well as an artificial turf sports field.

Financial Information

Internal Accounting Controls

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

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

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

Budgetary Controls

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2022.

Accounting System and Reports

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

Debt Administration

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

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1980 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

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

Independent Audit

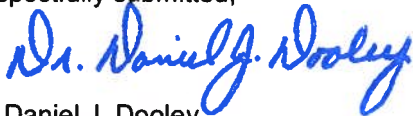
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.L.C. was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendment of 1996

and the related State Treasury Circular Letter NJ OMB 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements

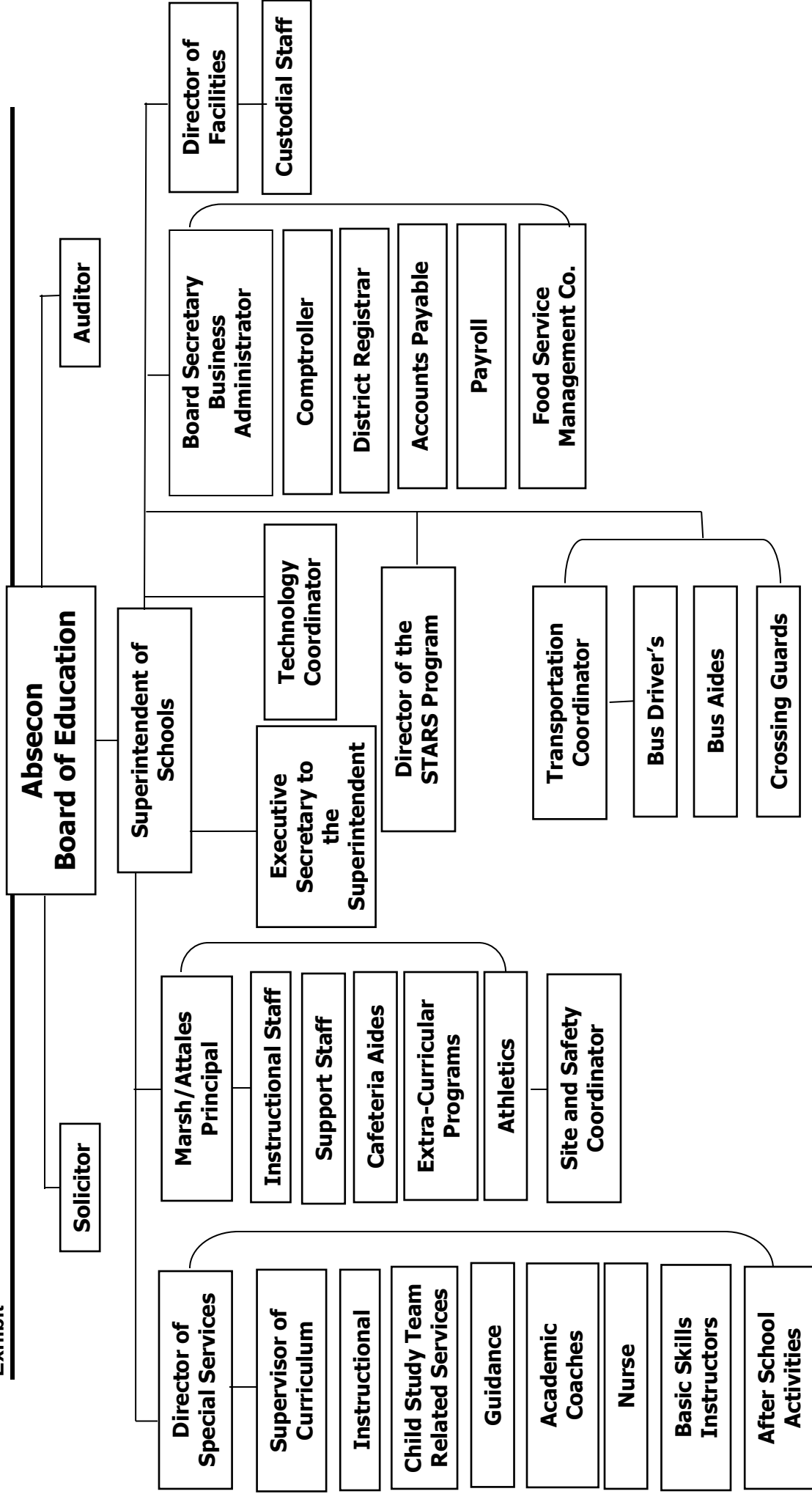
We would like to express our appreciation to the members of the Absecon Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



Dr. Daniel J. Dooley
Superintendent

Exhibit



Adopted: November 10, 1987
 Revised: November 14, 1989
 Revised: April 20, 2010
 Revised: November 19, 2015
 Revised: February 26, 2019
 Revised: August 31, 2021

These lines indicate continuation of direct supervision

Solid lines indicate direct supervision

**ABSECON BOARD OF EDUCATION
ABSECON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eric Neal, President	2023
Christopher Cottrell	2024
Megan Marczyk	2024
Theresa Hudson	2023
Linda Wallace *re-elected November 8, 2022	2025
Raquel Law *re-elected November 8, 2022	2025
John Rynkiewicz *re-elected November 8, 2022	2025

Other Officials

Dr. Daniel Dooley, Superintendent

Allyson Milazzo, Board Secretary/School Business Administrator –
Through 12/11/2022

Julie Gallagher, Board Secretary/School Business Administrator –
Effective 2/21/2023

**ABSECON BOARD OF EDUCATION
Consultants and Advisors**

Architect

Spiezle Architectural Group, Inc.
1395 Yardville Hamilton Sq Rd.
Sutie 2A
Hamilton, NJ 08691

Audit Firm

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

Attorney

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

Official Depository

Ocean First Bank
3003 Fire Road
Egg Harbor Township, NJ 08234

Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Absecon School District, in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Absecon School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2023 on our consideration of the City of Absecon School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Absecon School District's internal control over financial reporting and compliance.

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

Leon P. Costello

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

March 1, 2023

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Required Supplementary Information – Part I

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

The discussion and analysis of the City of Absecon School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. 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 2022 are as follows:

- In total, net position increased \$2,214,873.83 which represents a 21 percent increase from 2021.
- General revenues accounted for \$15,927,898.89 in revenue or 62 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$10,009,621.98 or 38 percent of total revenues of \$25,937,520.87.
- Total assets of governmental activities increased by \$1,658,300.17 as cash and cash equivalents decreased by \$959,271.25, receivables decreased by \$184,785.63, right to use leased assets increased by \$301,125.23 and capital assets increased by \$214,521.51.
- The School District had \$23,752,126.95 in expenses; only \$10,009,621.98 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$15,927,898.89 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$20,688,617.12 in revenues and \$19,658,682.44, in expenditures. The General Fund's fund balance increased \$914,503.68 over 2021.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

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**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net position for 2022 and 2021.

**Table 1
Net Position**

	2022	2021
Assets		
Current and Other Assets	\$ 6,479,235.09	5,035,456.43
Capital Assets	13,918,170.16	13,703,648.65
Total Assets	20,397,405.25	18,739,105.08
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	131,398.00	354,571.00
Liabilities		
Long-Term Liabilities	5,373,109.48	6,146,629.34
Other Liabilities	1,123,261.37	1,109,716.17
Total Liabilities	6,496,370.85	7,256,345.51
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	1,125,551.00	1,145,323.00
Net Position		
Net Investment in Capital Assets	10,529,053.35	9,844,293.58
Restricted	4,441,792.32	3,392,405.63
Unrestricted	(2,063,964.27)	(2,544,691.64)
Total Net Position	\$ 12,906,881.40	10,692,007.57

The District's combined net position was \$12,906,881.40 on June 30, 2022. This is an increase from 2021 of \$2,214,873.83.

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Table 2 shows changes in net position for fiscal year 2022 and 2021.

**Table 2
Changes in Net Position**

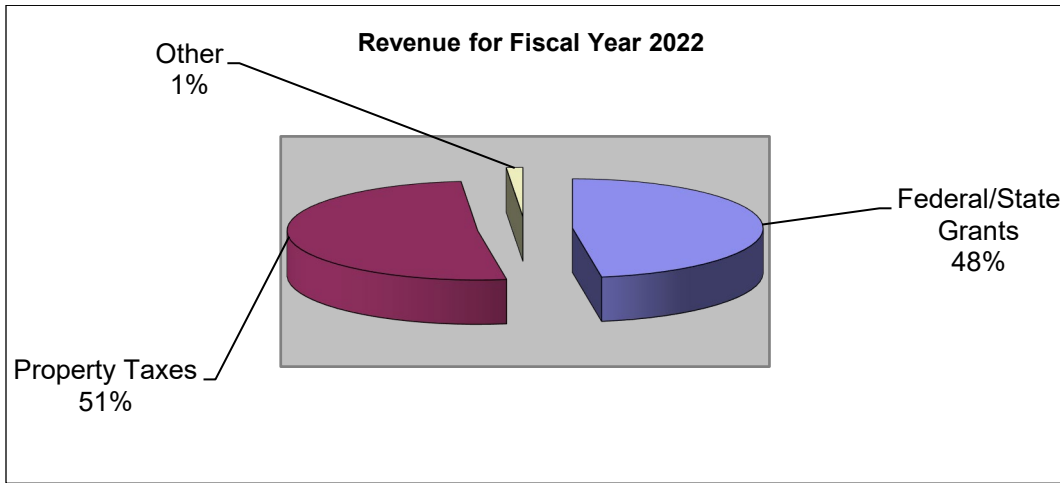
	2022	2021
Revenues		
Program Revenues:		
Charges for Services	\$ 528,622.25	250,933.33
Operating Grants and Contributions	9,480,999.73	8,742,533.29
General Revenues:		
Property Taxes	12,419,645.00	12,351,381.00
Grants and Entitlements	3,367,581.32	2,446,070.02
Other	140,672.57	56,490.44
Total Revenues	25,937,520.87	23,847,408.08
Program Expenses		
Instruction	11,971,555.51	12,258,042.36
Support Services:		
Tuition	2,377,897.85	2,339,608.95
Pupils and Instructional Staff	4,515,239.69	3,482,033.46
General and School Administration	1,268,754.37	1,567,988.87
Central Services	486,868.82	494,489.84
Operation and Maintenance of Facilities	1,199,732.77	1,208,350.38
Pupil Transportation	652,123.15	440,035.81
Interest on Long-Term Debt	95,971.53	103,279.38
Food Service	825,260.06	450,019.32
Other	358,723.20	239,239.56
Extraordinary Items:		
Prior Year Grant Receivable Cancelled	(36,299.74)	-
Loss on Disposal of Capital Assets	6,819.83	-
Total Expenses	23,722,647.04	22,583,087.93
Increase/(Decrease) in Net Position	\$ 2,214,873.83	1,264,320.15

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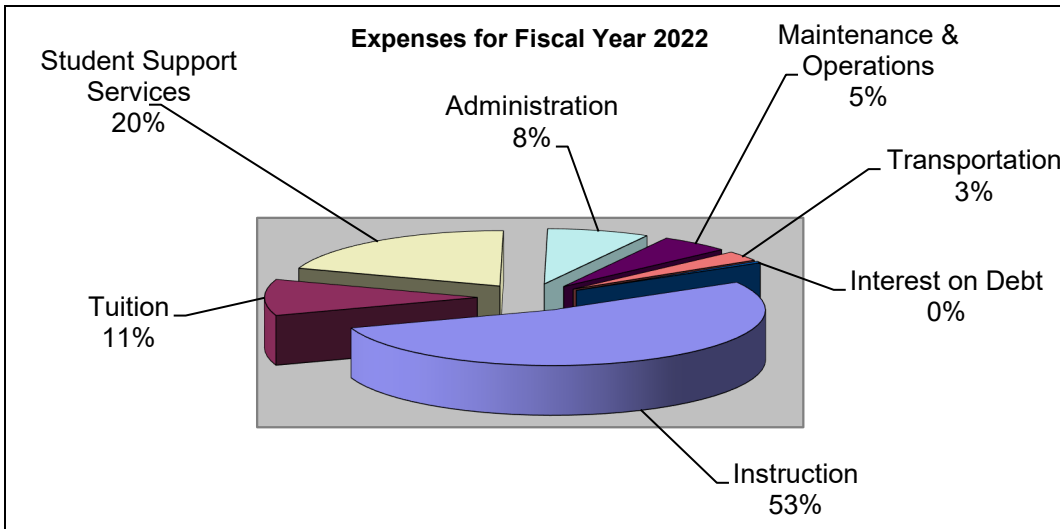
**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Governmental Activities

The District's total revenues were \$24,334,443.83 for the year ended June 30, 2022. Property taxes made up 51 percent of revenues for governmental activities for the City of Absecon School District for fiscal year 2022. Federal, state, and local grants accounted for 48 percent of the revenue. Local revenue and charges for service make up 1 percent of the revenue.



The total cost of all program and services was \$22,568,143.69. Instruction comprises 53 percent of District expenses.



**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Business-Type Activities

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

- Revenues exceeded expenses before investment income by \$308,929.71.
- Charges for services represent \$3,450.83 of revenue. This represents amounts paid by patrons for daily food service and childcare.
- For the food service operation, federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$1,130,738.94.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction	\$ 11,971,555.51	7,109,915.10	12,258,042.36	6,853,466.83
Support Services:				
Pupils and Instructional Staff	6,893,137.54	4,651,599.34	5,821,642.41	4,170,795.99
General and School Administration	1,268,754.37	1,034,561.35	1,567,988.87	1,312,182.81
Central Services	486,868.82	348,981.93	494,489.84	383,399.42
Operation and Maintenance of Facilities	1,199,732.77	898,713.31	1,208,350.38	895,537.09
Pupil Transportation	652,123.15	158,929.37	440,035.81	26,299.52
Interest on Long-Term Debt	95,971.53	(41,554.47)	103,279.38	(33,396.62)
Other	-	-	19,984.75	14,760.53
Total Expenses	<u>\$ 22,568,143.69</u>	<u>14,161,145.93</u>	<u>21,913,813.80</u>	<u>13,623,045.57</u>

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

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

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

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

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

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

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$24,207,158.83 and expenditures were \$23,302,209.21. The net positive change in fund balance for the year of \$895,454.62 was most significant in the General Fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds, for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2021	Percent of Increase (Decrease)
Local Sources	\$ 12,729,653.38	52.59%	281,923.71	2.26%
State Sources	9,662,707.33	39.92%	2,177,153.42	29.08%
Federal Sources	1,814,798.12	7.50%	762,577.44	72.47%
Total	<u>\$ 24,207,158.83</u>	<u>100.00%</u>	<u>3,221,654.57</u>	<u>15.35%</u>

The following schedule represents a summary of general fund, special revenue fund, and capital projects fund expenditures for the fiscal year ended June 30, 2022, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2021	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 7,584,215.95	32.55%	863,845.13	12.85%
Undistributed expenditures	13,691,111.86	58.75%	2,142,052.85	18.55%
Special/Charter Schools	921,334.00	3.95%	273,957.00	42.32%
Debt Service	404,487.50	1.74%	2,500.00	0.62%
Capital Outlay	701,059.90	3.01%	462,784.90	194.22%
Total	<u>\$ 23,302,209.21</u>	<u>100.00%</u>	<u>3,745,139.88</u>	<u>19.15%</u>

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

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**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

General Fund Budgeting Highlights

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

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

- Revenue was realized from the prior year for the e-rate program and tuition adjustment for students received from other districts.
- The district applied for and received extraordinary aid.

Capital Assets

At the end of the fiscal year 2022, the School District had \$13,918,170.06 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2022 balances compared to 2021.

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

	2022	2021
Land	\$ 1,956,141.00	1,956,141.00
Site Improvements	264,336.79	64,574.03
Building and Building Improvements	11,253,758.06	11,420,910.30
Machinery and Equipment	443,934.21	262,023.32
Total	\$ 13,918,170.06	13,703,648.65

Overall capital assets increased \$214,521.51 from fiscal year 2021 to fiscal year 2022. The increase is the net of added capital assets and annual depreciation. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2022, the School District had \$3,999,760.48 of outstanding debt. Of this amount \$353,635.25 is for compensated absences, \$301,125.23 is for right to use leased assets and \$3,345,000.00 of serial bonds for school construction.

At June 30, 2022, the School District's overall legal debt margin was \$18,991,193.00. For more detailed information, please refer to the Notes to the Financial Statements.

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**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

For the Future

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

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

Contacting the School District's Management

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

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Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

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

CITY OF ABSECON SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,758,159.93	505,072.94	4,263,232.87
Receivables, Net	751,626.98	92,996.28	844,623.26
Inventory		1,631.36	1,631.36
Right to Use Leased Assets	301,125.23		301,125.23
Restricted Assets:			
Capital Reserve Account	1,068,622.37		1,068,622.37
Capital Assets:			
Capital Assets, not depreciated	1,956,141.00		1,956,141.00
Capital Assets being Depreciated, net	11,688,637.32	273,391.84	11,962,029.16
Total Assets	19,524,312.83	873,092.42	20,397,405.25
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	131,398.00		131,398.00
Total Deferred Outflows of Resources	131,398.00	-	131,398.00
LIABILITIES			
Accounts Payable	394,784.39	151,592.00	546,376.39
Payable to State & Federal Government	29,647.44		29,647.44
Unemployment Compensation Claims Payable	106,228.37		106,228.37
Payroll Deductions and Withholdings Payable	2,767.56		2,767.56
Due to Grantor		24,759.30	24,759.30
Unearned Revenue	361,678.77	7,686.73	369,365.50
Accrued Interest	44,116.81		44,116.81
Noncurrent Liabilities			
Due Within One Year	607,924.77		607,924.77
Due Beyond One Year	3,391,835.71		3,391,835.71
Net Pension Liability	1,373,349.00		1,373,349.00
Total Liabilities	6,312,332.82	184,038.03	6,496,370.85
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,125,551.00		1,125,551.00
NET POSITION			
Net Investment in Capital Assets	10,255,661.51	273,391.84	10,529,053.35
Restricted for:			
Other Purposes	4,441,792.32		4,441,792.32
Unrestricted	(2,479,626.82)	415,662.55	(2,063,964.27)
Total Net Position	\$ 12,217,827.01	689,054.39	12,906,881.40

CITY OF ABSECON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2022

Function/Programs	Expenses	Indirect Cost Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 6,473,418.55	3,101,008.65	146,511.11	3,305,343.00		(6,122,573.09)		(6,122,573.09)
Special Education	1,321,574.35	732,203.09		1,335,973.13		(717,804.31)		(717,804.31)
Other Special Instruction	224,737.84	118,613.03		73,813.17		(269,537.70)		(269,537.70)
Support Services:								
Tuition	1,456,563.85					(1,456,563.85)		(1,456,563.85)
Student & Instruction Related Services	3,239,776.55	1,275,463.14	29,948.34	2,211,589.86		(2,273,701.49)		(2,273,701.49)
School Administrative Services	414,815.48	263,729.80		209,036.45		(469,508.83)		(469,508.83)
General Administrative Services	455,994.85	134,214.24		25,156.57		(565,052.52)		(565,052.52)
Plant Operation and Maintenance	1,001,001.41	198,731.36		301,019.46		(898,713.31)		(898,713.31)
Pupil Transportation	499,969.70	152,153.45	23,277.52	469,916.26		(158,929.37)		(158,929.37)
Central Services	312,904.52	173,964.30		137,866.89		(348,981.93)		(348,981.93)
Unallocated Employee Benefits	6,150,081.06	(6,150,081.06)						
Interest on Long-Term Debt	95,971.53			137,526.00		41,554.47		41,554.47
Charter Schools	921,334.00					(921,334.00)		(921,334.00)
Total Governmental Activities	22,568,143.69	-	199,736.97	8,207,260.79		(14,161,145.93)		(14,161,145.93)
Business-Type Activities:								
Food Service	825,260.06		3,450.83	1,130,738.94		308,929.71		308,929.71
After School Child Care	358,723.20		325,434.45	143,000.00		109,711.25		109,711.25
Total Business-Type Activities	1,183,983.26	-	328,885.28	1,273,738.94		418,640.96		418,640.96
Total Primary Government	\$ 23,752,126.95	-	528,622.25	9,480,999.73	-	(14,161,145.93)	418,640.96	(13,742,504.97)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net					\$	12,152,718.00		12,152,718.00
Taxes Levied for Debt Service						266,927.00		266,927.00
Federal and State Aid not Restricted						3,367,581.32		3,367,581.32
Investment Earnings						4,516.27	452.82	4,969.09
Interest and Investment Earnings - Restricted						156.48		156.48
Miscellaneous Income						135,547.00		135,547.00
Extraordinary Items:								
Cancellation of Prior Year Accounts Payable						(9,495.00)	45,794.74	45,794.74
Prior Year Grant Receivable Cancelled						(600.00)		(9,495.00)
Loss on Disposal of Assets							(6,219.83)	(6,219.83)
Total General Revenues, Special Items, Extraordinary Items and Transfers						15,917,351.07	40,027.73	15,957,378.80
Change in Net Position						1,756,205.14	458,668.69	2,214,873.83
Net Position - Beginning						10,461,621.87	230,385.70	10,692,007.57
Net Position - Ending						\$ 12,217,827.01	\$ 689,054.39	\$ 12,906,881.40

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

FUND FINANCIAL STATEMENTS

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

CITY OF ABSECON SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,703,912.77	54,243.12	4.04	3,758,159.93
Receivables from Other Governments	270,955.78	420,817.00		691,772.78
Other Receivables	33,851.58	26,002.62		59,854.20
Due from Other Funds	-	9,493.10		9,493.10
Restricted Cash & Cash Equivalents	1,068,622.37			1,068,622.37
Total Assets	5,077,342.50	510,555.84	4.04	5,587,902.38
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	185,468.12	209,316.27		394,784.39
Payable to Other Governments - State		27,160.00		27,160.00
Payable to Other Governments - State		2,430.00		2,430.00
Payable to Other Governments - Federal		57.44		57.44
Payable to Other Funds	9,493.10			9,493.10
Unemployment Compensation Claims Payable	106,228.37			106,228.37
Payroll Deductions and Withholdings Payable	2,767.56			2,767.56
Unearned Revenue	10,178.24	351,500.53		361,678.77
Total Liabilities	314,135.39	590,464.24	-	904,599.63
Fund Balances:				
Restricted for:				
Excess Surplus	862,127.63			862,127.63
Excess Surplus - Designated Subsequent Year	589,484.00			589,484.00
Capital Projects Fund				-
Debt Service Fund			4.04	4.04
Student Activities		30,328.60		30,328.60
Unemployment Compensation	71,540.99			71,540.99
Committed to:				
Capital Reserve	1,874,635.45			1,874,635.45
Maintenance Reserve	740,293.00			740,293.00
Tuition Reserve	123,745.00			123,745.00
Assigned to:				
Maintenance Reserve Designated by BOE for Subsequent Expenditures	-			-
Tuition Reserve Designated by BOE for Subsequent Expenditures	137,290.00			137,290.00
Designated by BOE for Subsequent Expenditures	-			-
Other Purposes	12,343.61			12,343.61
Unassigned, Reported in:				
General Fund	351,747.43			351,747.43
Special Revenue Fund		(110,237.00)		(110,237.00)
Total Fund Balances	4,763,207.11	(79,908.40)	4.04	4,683,302.75
Total Liabilities and Fund Balances	\$ 5,077,342.50	510,555.84	4.04	

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

Capital assets used in governmental activities are not resources and therefore are not reported in the funds. The cost of the assets is \$26,861,539.98 and the accumulated depreciation is \$13,134,650.23	13,644,778.32
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,999,760.48)
Pension Liabilities Net of Deferred Outflows & Inflows	(2,367,502.00)
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	301,125.23
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(44,116.81)
Net Position of governmental activities	<u>\$ 12,217,827.01</u>

CITY OF ABSECON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 12,152,718.00		266,927.00	12,419,645.00
Tuition From Other LEAs Within the State	61,332.11			61,332.11
Other Tuition	85,179.00			85,179.00
Interest Earned on Investments	4,493.27		23.00	4,516.27
Transportation Fees from Individuals	2,002.65			2,002.65
Transportation Fees from Other LEAs within State	21,274.87			21,274.87
Other Restricted Miscellaneous Revenues	156.48			156.48
Miscellaneous	105,598.66	29,948.34		135,547.00
Total Local Sources	12,432,755.04	29,948.34	266,950.00	12,729,653.38
State Sources	8,207,370.76	1,317,810.57	137,526.00	9,662,707.33
Federal Sources	48,491.32	1,766,306.80		1,814,798.12
Total Revenues	20,688,617.12	3,114,065.71	404,476.00	24,207,158.83
EXPENDITURES				
Current:				
Regular Instruction	4,568,108.27	1,571,098.80		6,139,207.07
Special Education Instruction	1,234,010.66			1,234,010.66
Other Special Instruction	210,998.22			210,998.22
Support Services:				
Tuition	1,456,563.85			1,456,563.85
Student & Instruction Related Serv.	1,602,006.54	1,524,438.66		3,126,445.20
School Administrative Services	475,833.10			475,833.10
General Administrative Services	561,024.96			561,024.96
Plant Operation and Maintenance	1,084,660.98			1,084,660.98
Pupil Transportation	471,483.43			471,483.43
Central Services	365,019.28			365,019.28
Employee Benefits	6,150,081.06			6,150,081.06
Special Schools	-			-
Transfer to Charter School	921,334.00			921,334.00
Debt Service:				
Principal on Bonds			305,000.00	305,000.00
Interest on Bonds			99,487.50	99,487.50
Capital Outlay	557,558.09	143,501.81		701,059.90
Total Expenditures	19,658,682.44	3,239,039.27	404,487.50	23,302,209.21
Excess (Deficiency) of Revenues Over Expenditures	1,029,934.68	(124,973.56)	(11.50)	904,949.62
OTHER FINANCING SOURCES (USES)				
Transfer in		105,936.00	-	105,936.00
Transfer out	(105,936.00)			(105,936.00)
Prior Year Grant Receivable Cancelled	(9,495.00)			(9,495.00)
Total Other Financing Sources and Uses	(115,431.00)	105,936.00	-	(9,495.00)
Net Changes in Fund Balance	914,503.68	(19,037.56)	(11.50)	895,454.62
Fund Balance - July 1	3,848,703.43	(60,870.84)	15.54	3,787,848.13
Fund Balance - June 30	\$ 4,763,207.11	(79,908.40)	4.04	4,683,302.75

CITY OF ABSECON SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	895,454.62
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	(673,613.33)	
Loss on Disposal of Assets	(600.00)	
Capital Outlay	<u>742,315.22</u>	68,101.89
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds Payable	305,000.00	
Capital Leases Payable	<u>79,610.86</u>	384,610.86
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS		
Cost of benefits earned net of employee contributions	<u>403,198.00</u>	403,198.00
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).</p>		
		1,323.80
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		3,515.97
Change in Net Position of Governmental Activities		<u><u>\$ 1,756,205.14</u></u>

CITY OF ABSECON SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2022

	Business-Type Activities -		
	Enterprise Fund		
	Major Fund	Major Fund	
	Food Service	After School Child Care	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 321,292.54	183,780.40	505,072.94
Accounts Receivable	82,581.34	10,414.94	92,996.28
Inventory	1,631.36		1,631.36
Total Current Assets	<u>405,505.24</u>	<u>194,195.34</u>	<u>599,700.58</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	223,984.41		223,984.41
Land Improvements	121,655.62		121,655.62
Less: Accumulated Depreciation	(72,248.19)		(72,248.19)
Total Noncurrent Assets	<u>273,391.84</u>	<u>-</u>	<u>273,391.84</u>
Total Assets	<u><u>678,897.08</u></u>	<u><u>194,195.34</u></u>	<u><u>873,092.42</u></u>
LIABILITIES			
Current Liabilities:			
Unearned Revenue	3,521.73	4,165.00	7,686.73
Due to Grantor		24,759.30	24,759.30
Accounts Payable	142,814.80	8,777.20	151,592.00
Total Current Liabilities	<u>146,336.53</u>	<u>37,701.50</u>	<u>184,038.03</u>
Noncurrent Liabilities:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>146,336.53</u>	<u>37,701.50</u>	<u>184,038.03</u>
NET POSITION			
Net Investment in Capital Assets	273,391.84	-	273,391.84
Unrestricted	259,168.71	156,493.84	415,662.55
Total Net Position	<u><u>\$ 532,560.55</u></u>	<u><u>156,493.84</u></u>	<u><u>689,054.39</u></u>

CITY OF ABSECON SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2022

	Business-Type Activities - Enterprise Fund		
	Major Fund	Major Fund	Totals Enterprise
	Food Service	After School Child Care	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ -		-
Daily Sales - Non-reimbursable Programs	3,450.83		3,450.83
Tuition Fees		320,512.85	320,512.85
Registration Fees		4,921.60	4,921.60
Total Operating Revenue	<u>3,450.83</u>	<u>325,434.45</u>	<u>328,885.28</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	305,038.15		305,038.15
Cost of Sales - Non-reimbursable Programs	930.93		930.93
Salaries	90,895.36	281,827.47	372,722.83
Food Service Management	261,697.48		261,697.48
Depreciation	10,489.00		10,489.00
Support and Maintenance	116,238.50		116,238.50
Other Purchased Services		3,750.16	3,750.16
Supplies and Materials	38,405.72	44,609.85	83,015.57
Field Trips and Transportation		27,585.46	27,585.46
Misc. Expenditures	1,564.92	950.26	2,515.18
Total Operating Expenses	<u>825,260.06</u>	<u>358,723.20</u>	<u>1,183,983.26</u>
Operating Income (Loss)	(821,809.23)	(33,288.75)	(855,097.98)
Nonoperating Revenues (Expenses):			
State Sources:			
Seamless Summer Lunch/Breakfast Program	15,869.32		15,869.32
Federal Sources:			
Seamless Summer Option - Lunch	672,126.49		672,126.49
Seamless Summer Option - Breakfast	393,589.28		393,589.28
Seamless Summer Option - Snack	15,282.00		15,282.00
P-EBT Administrative Cost	628.00		628.00
Food Distribution Program	33,243.85		33,243.85
NJ ARP Stabilization Grant		80,000.00	80,000.00
Hiring and Retention Bonus Grant - Phase I & II		63,000.00	63,000.00
Interest and Investment Income	319.98	132.84	452.82
Cancellation of Prior Year Accounts Payable	45,794.74		45,794.74
Loss on Disposal of Fixed Asset	(6,219.83)		(6,219.83)
Total Nonoperating Revenues (Expenses)	<u>1,170,633.83</u>	<u>143,132.84</u>	<u>1,313,766.67</u>
Income (Loss) before Contributions & Transfers	348,824.60	109,844.09	458,668.69
Transfers In (Out)	-	-	-
Changes in Net Position	348,824.60	109,844.09	458,668.69
Total Net Position - Beginning	<u>183,735.95</u>	<u>46,649.75</u>	<u>230,385.70</u>
Total Net Position - Ending	<u>\$ 532,560.55</u>	<u>156,493.84</u>	<u>689,054.39</u>

CITY OF ABSECON SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	Business-Type Activities -		
	Enterprise Fund		
	Major Fund	Major Fund	Total
	Food Service	After School Center	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 2,794.77		2,794.77
Receipts for Tuition and Registration		328,982.69	328,982.69
Payments to Employees		(281,827.47)	(281,827.47)
Payments to Suppliers	(778,575.97)	(68,118.53)	(846,694.50)
Net Cash Provided by (Used for) Operating Activities	<u>(775,781.20)</u>	<u>(20,963.31)</u>	<u>(796,744.51)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	19,386.73		19,386.73
Federal Sources	1,072,869.74	143,000.00	1,215,869.74
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,092,256.47</u>	<u>143,000.00</u>	<u>1,235,256.47</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(245,239.88)	-	(245,239.88)
Net Cash (Used for) Capital and Related Financing Activities	<u>(245,239.88)</u>	<u>-</u>	<u>(245,239.88)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	319.98	132.84	452.82
Net Cash Provided by (Used for) Investing Activities	<u>319.98</u>	<u>132.84</u>	<u>452.82</u>
Net Increase (Decrease) in Cash and Cash Equivalents	71,555.37	122,169.53	193,724.90
Balance - Beginning of Year	249,737.17	61,610.87	311,348.04
Balance - End of Year	<u>321,292.54</u>	<u>183,780.40</u>	<u>505,072.94</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(821,809.23)	(33,288.75)	(855,097.98)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	10,489.00		10,489.00
Federal Commodities	33,243.85		33,243.85
Cancellation of Prior Year Accounts Payable	45,794.74		45,794.74
(Increase) Decrease in Inventories	1,403.45		1,403.45
(Increase) Decrease in Accounts Receivable	-	(616.76)	(616.76)
Increase (Decrease) in Accounts Payable	(44,246.95)	8,777.20	(35,469.75)
Increase (Decrease) in Unearned Revenue	(656.06)	4,165.00	3,508.94
Total Adjustments	<u>46,028.03</u>	<u>12,325.44</u>	<u>58,353.47</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (775,781.20)</u>	<u>(20,963.31)</u>	<u>(796,744.51)</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The City of Absecon School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The City of Absecon School District had an enrollment at June 30, 2022 of 900 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT WIDE FINANCIAL STATEMENTS

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

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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

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

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

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

B. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

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

The following fund types are used by the District:

1. Governmental Funds:

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

- a. **General Fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District's Unemployment Compensation Trust Fund, Payroll Agency, and Net Payroll accounts are also accounted for in the General Fund.
- b. **Special Revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District. The District's Student Activity Fund is also accounted for in the Special Revenue Fund.
- c. **Capital Projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

- d. **Debt Service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

2. Proprietary Funds:

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

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

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

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**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

3. Fiduciary Funds:

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

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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

2. Investments:

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

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2022, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	\$	1,631.36
	\$	<u>1,631.36</u>

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

4. Capital Assets:

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

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

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

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**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

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**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

9. Budgets/Budgetary Control:

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

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

Special Education - Instruction		
Multiple Disabilities - Salaries of Teachers	\$	54,525.00
Resource Room - Salaries of Teachers		(29,563.95)
Basic Skills/Remedial - Instruction		
Salaries of Teachers		48,010.00
Undistributed Expenditures		
Tuition to Other LEA's Within the State - Regular		93,000.00
Tuition to Other LEA's Within the State - Special		(85,500.00)
Tuition to CSSD & Regional Day Schools		(103,749.00)
Tuition to Private Schools for the Disabled -W/I State		(57,597.00)
General Admin. - Salaries		64,834.00
School Admin. - Salaries of Principals/Assistant Principals/Prog Dir		47,430.00
Required Maint. For School Fac.- Cleaning, Repair & Maint. Service		(56,278.91)
Student Transportation Serv. -		
Sal for Pupil Trans- (Bet Home & School) Reg		(55,499.91)
Unallocated Benefits - Personal Services - Employee Benefits		
Other Retirement Contributions - PERS		(37,134.00)
Other Retirement Contributions - Regular		36,488.75
Health Benefits		(184,647.09)
Summer School - Instruction		
Salaries of Teachers		(46,800.00)
Transfer of Funds to Charter Schools		166,410.00

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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

10. Tuition Receivable:

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

11. Tuition Payable:

Tuition charges for the fiscal years 2021-2022 were based on estimated costs established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates:

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

13. Allocation of Costs:

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

14. Pensions:

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In 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, 2021, will not have any effect on the District's financial reporting.

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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 April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

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

NOTE 2 – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2022, \$308,816.31 of the government's bank balance of \$5,862,785.62 was exposed to custodial credit risk.

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**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 3 – RECEIVABLES

Receivables at June 30, 2022, consisted of accounts (tuition), interfund, and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State Aid	\$ 270,955.78	272,098.29
Federal Aid	420,817.00	502,180.83
Other	59,854.20	70,344.14
Gross Receivables	751,626.98	844,623.26
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u>\$ 751,626.98</u>	<u>844,623.26</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,956,141.00			1,956,141.00
Total capital assets not being depreciated	<u>1,956,141.00</u>	<u>-</u>	<u>-</u>	<u>1,956,141.00</u>
Capital assets being depreciated:				
Site Improvements	649,453.75	213,389.14		862,842.89
Buildings and building improvements	22,469,188.70	317,110.09		22,786,298.79
Equipment	1,047,441.31	211,815.99	(85,111.43)	1,174,145.87
Total capital assets being depreciated at historical cost	<u>24,166,083.76</u>	<u>742,315.22</u>	<u>(85,111.43)</u>	<u>24,823,287.55</u>
Less accumulated depreciation for:				
Site Improvements	(584,879.72)	(13,626.38)		(598,506.10)
Buildings and improvements	(11,048,278.40)	(605,917.85)		(11,654,196.25)
Equipment	(830,278.78)	(54,069.10)	2,400.00	(881,947.88)
Total capital assets being depreciated, net of accumulated depreciation	<u>11,702,646.86</u>	<u>68,701.89</u>	<u>(82,711.43)</u>	<u>11,688,637.32</u>
Governmental activity capital assets, net	<u>13,658,787.86</u>	<u>68,701.89</u>	<u>(82,711.43)</u>	<u>13,644,778.32</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	148,467.70	123,584.26	(48,067.55)	223,984.41
Land Improvements	-	121,655.52		121,655.52
Less accumulated depreciation	(103,606.91)	(10,489.00)	41,847.72	(72,248.19)
Enterprise Fund capital assets, net	<u>\$ 44,860.79</u>	<u>234,750.78</u>	<u>(6,219.83)</u>	<u>273,391.74</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 341,419.08
Special Instruction	68,626.90
Other Special Instruction	11,734.22
Student & Instruction Related Services	173,870.67
School Administration Services	26,462.46
General Administration Services	31,200.22
Central Services	20,299.78
	<u>\$ 673,613.33</u>

NOTE 5 – INTERFUND TRANSFERS AND BALANCES

The following interfund balances remained on the fund financial statements at June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Special Revenue Fund	\$ 9,493.10	
General Fund		9,493.10
Total	<u>\$ 9,493.10</u>	<u>9,493.10</u>

The general fund receivable is comprised of one interfund due to the special revenue Fund for \$9,493.10. This payable is a result of federal and state grant funds being rounded and a cancellation of a prior year receivable.

NOTE 6 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2022 are as follows:

	<u>Balance July 1, 2021</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Compensated Absences \$	354,959.05		1,323.80	353,635.25	
Capital Leases Payable	161,722.29		79,610.86	82,111.43	82,111.43
Bonds Payable	3,650,000.00		305,000.00	3,345,000.00	310,000.00
Lease Liability	-	219,013.80		219,013.80	215,813.34
Net Pension Liability	1,979,948.00	790,753.00	1,397,352.00	1,373,349.00	
	<u>\$ 6,146,629.34</u>	<u>1,009,766.80</u>	<u>1,783,286.66</u>	<u>5,373,109.48</u>	<u>607,924.77</u>

Compensated absences have been liquidated in the General Fund.

Bonds Payable

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

At June 30, 2022, bonds payable consisted of the following issue:

\$5,210,000 School Bonds dated May 8, 2014, due in annual installments beginning July 15, 2015 through July 15, 2031, bearing interest at various rates. The balance remaining as of June 30, 2022 is \$3,345,000.00.

Debt service requirements on serial bonds payable at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 310,000.00	91,800.00	401,800.00
2024	320,000.00	83,925.00	403,925.00
2025	325,000.00	75,862.50	400,862.50
2026	330,000.00	67,675.00	397,675.00
2027	335,000.00	58,525.00	393,525.00
2028-2032	1,725,000.00	137,575.00	1,862,575.00
	<u>\$ 3,345,000.00</u>	<u>515,362.50</u>	<u>3,860,362.50</u>

Lease Liability

The District entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at present value of the future minimum lease payments as of the date of their inception. The District has determined the accumulated amortization to be immaterial to the governmental-wide financial statements and has elected to record the remaining payments in full.

The first agreement was executed in September 2018, to lease copiers across the different locations within the school district. The term of the lease is 60 months and matures in August 2023. The remaining liability as of June 30, 2022, is \$22,403.22.

The second agreement was executed in June 2022, to lease (5) 54 passengers buses and (1) 25 passenger bus. The term of the lease is 12 months and matures in July 2023. The remaining liability as of June 30, 2022, is \$113,401.08.

The third agreement was executed in June 2022, to lease (5) 54 passenger buses. The term of the lease is 12 months and matures in July 2023. The remaining liability as of June 30, 2022, is \$83,209.50.

The fourth agreement was executed in May 2018, to lease various capital equipment and vehicles. The term of the lease is 60 months and matures in May 2023. The remaining liability as of June 30, 2022, is \$82,111.43.

The future minimum lease obligations as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 297,924.77	2,579.10	300,503.87
2024	3,200.46	-	3,200.46
	<u>\$ 301,125.23</u>	<u>2,579.10</u>	<u>303,704.33</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 7 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at:

<https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 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 45.47% and the PERS rate is 17.11% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2022, 2021 and 2020 were \$2,492,184.00, \$1,688,233.00, and \$1,210,193.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2022, 2021 and 2020 were \$135,766.00, \$132,821.00, and \$120,654.00 respectively, equal to the required contributions for each year.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

During the fiscal years ended June 30, 2022, 2021 and 2020, the State of New Jersey contributed \$582,275.00, \$529,066.00, and \$448,960.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$565,303.76, \$496,088.82, and \$475,450.08, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were 27 employees enrolled in the DCRP for the year ended June 30, 2022.

Vesting and Benefit Provisions

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

Significant Legislation

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

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

- New members of the PERS 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 ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for 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.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

NOTE 8 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. However, due to the fact that the District reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the District's pension liabilities as June 30, 2021:

Public Employees' Retirement System

The District has a liability of \$1,373,349.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. 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, 2021, the District's proportion would be 0.01159287160%, which would be a decrease of 4.52% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the District would have recognized pension expense of (\$267,433.00). At December 31, 2021, the District would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 21,659	9,832
Changes of assumptions	7,152	488,921
Changes in proportion	102,587	265,022
Net difference between projected and actual earnings on pension plan investments		361,766
Total	\$ 131,398	1,125,541

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2022	\$	(387,338)
2023		(276,559)
2024		(188,566)
2025		(141,745)
2026		55
Total	<u>\$</u>	<u>(994,153)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) 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	\$ 1,635,655	1,373,349	1,151,062

Pension plan fiduciary net position.

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

NOTE 9 – TEACHERS PENSIONS AND ANNUITY FUND (TPAF)

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the district as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		27,399,392.00
Total	\$	27,399,392.00

The net pension liability was measured as of June 30, 2021, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2021, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$644,720.00 and revenue of \$644,720.00 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2021, actuarial valuation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate		
Price		2.75%
Wage		3.25%
Salary increases		
Through 2026		1.55% - 4.45% (based on years of service)
Thereafter		2.75% - 5.65% (based on years of service)
Investment rate of return		7.00%

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020, valuation was based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	7.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount rate. The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) 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 TPAF financial report.

Additional Information

Collective balances of the local group at June 30, 2021 are as follows:

Deferred outflows of resources	\$	6,373,530,834
Deferred inflows of resources		27,363,797,906
Net pension liability		48,165,991,182

Collective pension expense for the plan for the measurement period ended June 30, 2020, is \$1,133,366,912.

NOTE 10 – OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 54:14-17.26 provides that for purposes of the State Retired OPEB Plan, and employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The state is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$67,809,962,608 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at 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 ACFR on the Office of Management and Budget webpage: <https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State's most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years	Applied to all future years

Mortality Rates –

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

The actuarial assumptions used in the June 30, 2020 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 2022 through 2023 are reflected. For PPO the trend is initially 5.7% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially .01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025, and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% 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%.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

Discount Rate –

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Balance at 6/30/21 (Based on 6/30/2020 measurement date)	\$ 67,809,962,608.00
Changes for the year:	
Service cost	3,217,184,264.00
Interest	1,556,661,679.00
Changes in Benefit Terms	(63,870,842.00)
Differences between Expected & Actual Experiences	(11,385,071,658.00)
Changes in assumptions or other inputs	59,202,105.00
Contributions: Member	39,796,196.00
Benefit payments	<u>(1,226,213,382.00)</u>
Net changes	<u>(7,802,311,638.00)</u>
Balance at 6/30/22 (Based on 6/30/2021 measurement date)	<u>\$ 60,007,650,970.00</u>

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

The following presents the total OPEB liability as of June 20, 2021, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease <u>-1.16%</u>	Discount Rate <u>-2.16%</u>	1% Increase <u>-3.16%</u>
Total OPEB Liability (School Retirees)	71,879,745,555.00	60,007,650,970.00	50,659,089,138.00

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, 2021, 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>	Healthcare Cost Trend Rates	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	48,576,388,417.00	60,007,650,970.00	75,358,991,782.00

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$1,735,021.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,045,886,863.00	(18,009,362,976.00)
Changes of assumptions	10,179,536,966.00	(6,438,261,807.00)
 Total	 \$ 19,225,423,829.00	 (24,447,624,783.00)

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,	
2022	\$ (1,182,303,041.00)
2023	(1,182,303,041.00)
2024	(1,182,303,041.00)
2025	(1,182,303,041.00)
2026	(840,601,200.00)
Thereafter	347,612,410.00
Total	\$ (5,222,200,954.00)

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

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

NOTE 11 – COMPENSATED ABSENCES

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

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, there was no liability for compensated absences in the Food Service Enterprise Fund.

NOTE 12 – DEFERRED COMPENSATION

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

Equitable Life
Lincoln Investment Planning, Inc.
Syracusa

NOTE 13 – TUITION RESERVE ACCOUNT

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

The activity of the tuition reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$	284,190.00
Budget Withdrawal		123,745.00
Withdrawals:		(146,900.00)
Per Approved Budget		(146,900.00)
Ending balance, June 30, 2022	\$	261,035.00

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 14 – MAINTENANCE RESERVE ACCOUNT

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

The activity of the Maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$	580,283.00
Interest earnings		10.00
June Board Transfer		<u>200,000.00</u>
		<u>200,010.00</u>
Withdrawals:		
Per Approved Budget		<u>(40,000.00)</u>
		<u>(40,000.00)</u>
Ending balance, June 30, 2022	\$	<u><u>740,293.00</u></u>

NOTE 15 – CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve account for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$	874,035.45
Interest earnings		600.00
June Board Transfer		<u>1,000,000.00</u>
		<u>1,000,600.00</u>
Withdrawals:		
Per Approved Budget		<u>-</u>
		<u>-</u>
Ending balance, June 30, 2022	\$	<u><u>1,874,635.45</u></u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 16 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

Fiscal Year	Contributions	Interest on Investment	Amount Reimbursed	Ending Balance
2021-2022	\$ 20,024.81	156.48	52,176.61	71,540.99
2020-2021	15,230.34	300.94	42,055.98	103,536.31
2019-2020	15,236.71	459.46	50,925.35	130,061.01

NOTE 17 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 18 – ECONOMIC DEPENDENCY

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

NOTE 19 – LITIGATION

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

NOTE 20 – COMMITMENTS

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

Fund	Amount
General Fund Encumbered Orders	\$ 12,343.61
	<u>\$ 12,343.61</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 21 – FUND BALANCE APPROPRIATED

General Fund – Of the \$4,763,207.11 General Fund fund balance, at June 30, 2022, \$12,343.61 is reserved for encumbrances, \$1,451,611.63 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$589,484.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2023, \$71,540.99 has been reserved in the Unemployment Compensation Fund; \$1,874,635.45 has been reserved in the Capital Reserve Account; \$261,035.00 has been reserved in a Tuition Reserve Account; \$740,293.00 has been reserved in a Maintenance Reserve Account and \$351,747.43 is classified as unassigned.

NOTE 22 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance generated in June 30, 2022 is \$862,127.63.

NOTE 23 – DEFICIT FUND BALANCES

The District has a deficit unassigned fund balance of (\$79,908.40) in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the Special revenue fund in the GAAP fund statements of (\$79,908.40) is equal to the last state aid payment for that fund and the student activity fund balance.

NOTE 24 – RIGHT TO USE ASSETS

The district has recorded right to use assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place to lease into service. The District has determined the other charges and amortization to be immaterial to the government-wide financial statements and has elected to record the Right to Use Assets at their remaining liability payments.

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Copiers	\$ -	22,403.22		22,403.22
(5) 54 Passenger Buses				
& (1) 25 Passenger Bus	-	113,401.08		113,401.08
(5) 54 Passenger Buses	-	83,209.50		83,209.50
Various Capital Equipment & Vehicles	-	82,111.43		82,111.43
Right to use assets, net	\$ <u>-</u>	<u>301,125.23</u>	<u>-</u>	<u>301,125.23</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

NOTE 25 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2022 through March 1, 2023, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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Required Supplementary Information – Part II

Budgetary Comparison Schedules

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 12,152,718.00		12,152,718.00	12,152,718.00	-
Tuition From Other LEAs Within the State	6,647.00		6,647.00	61,332.11	54,685.11
Other Tuition			-	85,179.00	85,179.00
Interest Earned on Maintenance Reserve Funds	10.00		10.00	-	(10.00)
Interest Earned on Capital Reserve Funds	10.00		10.00	600.00	590.00
Interest Earned on Investments			-	3,893.27	3,893.27
Transportation Fees from Individuals			-	2,002.65	2,002.65
Transportation Fees from Other LEAs within State			-	21,274.87	21,274.87
Other Restricted Miscellaneous Revenues			-	156.48	156.48
Unrestricted Miscellaneous Revenues	2,600.00		-	105,598.66	105,598.66
Total Local Sources	<u>12,161,985.00</u>	<u>-</u>	<u>12,159,385.00</u>	<u>12,432,755.04</u>	<u>273,370.04</u>
State Sources:					
Categorical Special Education Aid	756,476.00		756,476.00	756,476.00	-
Equalization Aid	3,134,914.00		3,134,914.00	3,134,914.00	-
Categorical Security Aid	261,412.00		261,412.00	261,412.00	-
Categorical Transportation Aid	343,882.00		343,882.00	343,882.00	-
Extraordinary Aid			-	117,288.00	117,288.00
Non-public Transportation Aid			-	5,435.00	5,435.00
Securing Our Children's Future Bond Act		41,327.00	41,327.00	41,327.00	-
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)			-	582,275.00	582,275.00
TPAF Pension (On-Behalf - Non-Budgeted)			-	2,492,184.00	2,492,184.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)			-	920.00	920.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	565,303.76	565,303.76
Total State Sources	<u>4,496,684.00</u>	<u>41,327.00</u>	<u>4,538,011.00</u>	<u>8,301,416.76</u>	<u>3,763,405.76</u>
Federal Sources:					
Medicaid Reimbursement	33,386.00		33,386.00	48,491.32	15,105.32
Total Federal Sources	<u>33,386.00</u>	<u>-</u>	<u>33,386.00</u>	<u>48,491.32</u>	<u>15,105.32</u>
Total Revenues	<u>16,692,055.00</u>	<u>41,327.00</u>	<u>16,730,782.00</u>	<u>20,782,663.12</u>	<u>4,051,881.12</u>
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of Teachers	337,709.00		337,709.00	327,232.52	10,476.48
Grades 1 - 5 - Salaries of Teachers	2,153,495.00	(22,902.24)	2,130,592.76	2,085,955.61	44,637.15
Grades 6 - 8 - Salaries of Teachers	1,775,075.00	21,575.84	1,796,650.84	1,782,006.77	14,644.07
Regular Programs - Home Instruction					
Salaries of Teachers	10,000.00	13,190.00	23,190.00	23,190.00	-
Purchased Prof - Educational Services	1,000.00	(1,000.00)	-	-	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	40,558.00	1,326.40	41,884.40	34,221.76	7,662.64
Purchased Technical Services	12,000.00	(5,000.00)	7,000.00	7,000.00	-
Other Purchased Services (400-500 series)	30,000.00	(2,184.00)	27,816.00	25,768.74	2,047.26
General Supplies	214,800.71	(2,190.00)	212,610.71	138,143.01	74,467.70
Textbooks	169,523.00	(5,000.00)	164,523.00	144,178.46	20,344.54
Other Objects	19,555.00		19,555.00	7,411.40	12,143.60
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>4,763,715.71</u>	<u>(2,184.00)</u>	<u>4,761,531.71</u>	<u>4,568,108.27</u>	<u>193,423.44</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	119,528.00	11,800.44	131,328.44	129,050.44	2,278.00
General Supplies	500.00	312.97	812.97	809.97	3.00
Textbooks	1,600.00	(312.97)	1,287.03	28.32	1,258.71
Total Learning and/or Language Disabilities	<u>121,628.00</u>	<u>11,800.44</u>	<u>133,428.44</u>	<u>129,888.73</u>	<u>3,539.71</u>
Multiple Disabilities					
Salaries of Teachers	161,702.00	54,525.00	216,227.00	212,584.05	3,642.95
General Supplies	500.00		500.00	492.79	7.21
Textbooks	1,600.00		1,600.00	-	1,600.00
Total Multiple Disabilities	<u>163,802.00</u>	<u>54,525.00</u>	<u>218,327.00</u>	<u>213,076.84</u>	<u>5,250.16</u>

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Resource Room/Resource Center					
Salaries of Teachers	837,499.00	(29,563.95)	807,935.05	804,959.39	2,975.66
General Supplies	2,250.00		2,250.00	2,071.55	178.45
Total Resource Room/Resource Center	<u>839,749.00</u>	<u>(29,563.95)</u>	<u>810,185.05</u>	<u>807,030.94</u>	<u>3,154.11</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	68,249.00	10,087.40	78,336.40	76,761.40	1,575.00
Other Salaries for Instruction	21,604.00	(10,087.40)	11,516.60	6,947.45	4,569.15
General Supplies	500.00		500.00	305.30	194.70
Total Preschool Disabilities - Full Time	<u>90,353.00</u>	<u>-</u>	<u>90,353.00</u>	<u>84,014.15</u>	<u>6,338.85</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,215,532.00</u>	<u>36,761.49</u>	<u>1,252,293.49</u>	<u>1,234,010.66</u>	<u>18,282.83</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	58,064.00	(48,010.00)	10,054.00		10,054.00
General Supplies	250.00		250.00		250.00
Total Basic Skills/Remedial - Instruction	<u>58,314.00</u>	<u>(48,010.00)</u>	<u>10,304.00</u>	<u>-</u>	<u>10,304.00</u>
Bilingual Education - Instruction					
Salaries of Teachers	169,040.00		169,040.00	141,450.04	27,589.96
General Supplies	3,200.00		3,200.00	680.13	2,519.87
Total Bilingual Education - Instruction	<u>172,240.00</u>	<u>-</u>	<u>172,240.00</u>	<u>142,130.17</u>	<u>30,109.83</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	55,200.00	(4,200.00)	51,000.00	36,152.50	14,847.50
Supplies and Materials	7,000.00	(1,800.00)	5,200.00		5,200.00
Total School-Spon. Cocurricular Activities - Inst.	<u>62,200.00</u>	<u>(6,000.00)</u>	<u>56,200.00</u>	<u>36,152.50</u>	<u>20,047.50</u>
School-Sponsored Athletics - Instruction					
Salaries	17,400.00	4,300.00	21,700.00	21,700.00	-
Purchased Services (300-500 series)	2,200.00	1,800.00	4,000.00	3,775.00	225.00
Supplies and Materials	7,500.00	(100.00)	7,400.00	7,240.55	159.45
Total School-Sponsored Athletics - Instruction	<u>27,100.00</u>	<u>6,000.00</u>	<u>33,100.00</u>	<u>32,715.55</u>	<u>384.45</u>
Before/After School Programs - Instruction					
Salaries of Teachers	10,000.00		10,000.00		10,000.00
Supplies & Materials	3,000.00		3,000.00		3,000.00
Total Before/After School Programs - Instruction	<u>13,000.00</u>	<u>-</u>	<u>13,000.00</u>	<u>-</u>	<u>13,000.00</u>
Community Services Programs/Operations					
Supplies and Materials	350.00		350.00		350.00
Total Community Services Programs/Operations	<u>350.00</u>	<u>-</u>	<u>350.00</u>	<u>-</u>	<u>350.00</u>
TOTAL INSTRUCTION	<u>6,312,451.71</u>	<u>(13,432.51)</u>	<u>6,299,019.20</u>	<u>6,013,117.15</u>	<u>285,902.05</u>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEA's Within the State - Regular	373,314.00	93,000.00	466,314.00	452,267.40	14,046.60
Tuition to Other LEA's Within the State - Special	173,000.00	(85,500.00)	87,500.00	87,127.09	372.91
Tuition to County Voc School Dist - Regular	725,274.00		725,274.00	725,274.00	-
Tuition to County Voc School Dist - Special	25,500.00		25,500.00	25,500.00	-
Tuition to CSSD & Regional Day Schools	238,669.00	(103,749.00)	134,920.00	75,094.00	59,826.00
Tuition to Private Schools for the Disabled -W/I State	84,829.00	(57,597.00)	27,232.00	11,557.36	15,674.64
Tuition - State Facilities	79,744.00		79,744.00	79,744.00	-
Total Undistributed Expenditures - Instruction	<u>1,700,330.00</u>	<u>(153,846.00)</u>	<u>1,546,484.00</u>	<u>1,456,563.85</u>	<u>89,920.15</u>
Undist. Expend. - Attendance and Social Work					
Salaries	54,584.00	666.68	55,250.68	55,000.26	250.42
Purchased Professional & Technical Services	9,200.00		9,200.00	9,200.00	-
Supplies & Materials	300.00	(300.00)	-		-
Total Undist. Expend. - Attendance and Social Work	<u>64,084.00</u>	<u>366.68</u>	<u>64,450.68</u>	<u>64,200.26</u>	<u>250.42</u>
Undistributed Expend. - Health Services					
Salaries	136,940.00	(4,572.40)	132,367.60	131,267.60	1,100.00
Purchased Professional & Technical Services	6,500.00	4,572.40	11,072.40	8,437.00	2,635.40
Other Purchased Services (400-500 series)	300.00	(300.00)	-		-
Supplies & Materials	7,200.00	550.00	7,750.00	7,409.77	340.23
Total Undistributed Expend. - Health Services	<u>150,940.00</u>	<u>250.00</u>	<u>151,190.00</u>	<u>147,114.37</u>	<u>4,075.63</u>

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Speech, OT, PT and Related Services					
Salaries	160,551.00	(6,800.95)	153,750.05	153,450.80	299.25
Purchased Professional - Educational Services	22,000.00	3,945.25	25,945.25	25,945.25	-
Supplies & Materials	1,775.00		1,775.00	602.67	1,172.33
Total Undist. Expend. - Speech, OT, PT and Related Services	184,326.00	(2,855.70)	181,470.30	179,998.72	1,471.58
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	264,267.00	14,104.21	278,371.21	264,664.65	13,706.56
Supplies & Materials	1,000.00		1,000.00	188.42	811.58
Total Undist. Expend. - Other Supp. Serv. Students - Extraordinary Services	265,267.00	14,104.21	279,371.21	264,853.07	14,518.14
Undist. Expend. - Other Support Serv. Students - Guidance					
Salaries of Other Professional Staff	131,905.00	1,059.48	132,964.48	132,964.48	-
Other Purchased Professional & Technical Services	3,500.00	(1,489.48)	2,010.52		2,010.52
Supplies & Materials	6,798.85	(725.00)	6,073.85	2,954.82	3,119.03
Total Undist. Expend. - Other Support Services Students - Guidance	142,203.85	(1,155.00)	141,048.85	135,919.30	5,129.55
Undist. Expend. - Other Support Serv. Students - Child Study Team					
Salaries of Other Professional Staff	278,392.00	(10,145.96)	268,246.04	227,875.20	40,370.84
Salaries of Secretarial and Clerical Assistants	42,671.00		42,671.00	19,267.08	23,403.92
Other Purchased Professional & Technical Services	5,000.00	3,155.00	8,155.00	8,155.00	-
Misc. Purchased Services (400-500 series o/than res)	2,500.00	(178.50)	2,321.50	2,143.00	178.50
Supplies & Materials	3,400.00	(371.50)	3,028.50	2,541.19	487.31
Total Undist. Expend. - Other Support Services Students - Child Study Team	331,963.00	(7,540.96)	324,422.04	259,981.47	64,440.57
Undist. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	63,180.00	5,521.50	68,701.50	67,659.00	1,042.50
Other Salaries	15,000.00	14,478.50	29,478.50	5,760.00	23,718.50
Sal of Facilitators, Math & Literacy Coaches	192,968.00		192,968.00	170,545.89	22,422.11
Purchased Professional - Educational Services	34,000.00	80.62	34,080.62	33,921.62	159.00
Supplies	500.00	1,070.85	1,570.85	1,466.00	104.85
Total Undist. - Improvement of Instructional Services	305,648.00	21,151.47	326,799.47	279,352.51	47,446.96
Undist. Expend. - Edu. Media Serv./Library					
Salaries	158,091.00	8,695.96	166,786.96	162,158.69	4,628.27
Salaries of Technology Coordinators	91,138.00		91,138.00	90,848.00	290.00
Other Purchased Services (400-500 series)		692.01	692.01	692.01	-
Supplies and Materials	9,650.00	(1,308.69)	8,341.31	2,454.30	5,887.01
Total Undistributed Expenditures - Educational Media Services - School Library	258,879.00	8,079.28	266,958.28	256,153.00	10,805.28
Undist. Expend. - Instructional Staff Training Services					
Salaries of Other Professional Staff		4,350.00	4,350.00	4,350.00	-
Other Purchased Services (400-500 series)	19,700.00	(5,833.54)	13,866.46	9,751.77	4,114.69
Supplies and Materials		332.07	332.07	332.07	-
Total Undistributed Expenditure - Instructional Staff Training Services	19,700.00	(1,151.47)	18,548.53	14,433.84	4,114.69
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	208,600.00	64,834.00	273,434.00	225,516.86	47,917.14
Legal Services	332,659.00	(11,000.00)	321,659.00	184,871.27	136,787.73
Audit Services	22,000.00	(1,200.00)	20,800.00	20,000.00	800.00
Architectural/Engineering Services	10,000.00	15,714.65	25,714.65	25,714.65	-
Other Purchased Professional Services	4,200.00	(292.25)	3,907.75	3,907.75	-
Purchased Technical Services	4,000.00	49.00	4,049.00	4,049.00	-
Communications/Telephone	38,350.00	2,894.53	41,244.53	30,909.43	10,335.10
BOE - Other Purchased Services	3,400.00	(770.28)	2,629.72	1,375.00	1,254.72
Misc. Purchased Services (400-500 series O/T 530 & amp; 585)	53,500.00	169.80	53,669.80	53,621.45	48.35
General Supplies	2,500.00	(257.65)	2,242.35	2,242.35	-
BOE In-House Training/Meeting Supplies	1,000.00	(680.00)	320.00	320.00	-
Miscellaneous Expenditures	2,525.00	495.20	3,020.20	2,721.20	299.00
BOE Membership Dues and Fees	7,600.00	(924.00)	6,676.00	5,776.00	900.00
Total Undistributed Expenditures - Support Services - General Administration	690,334.00	69,033.00	759,367.00	561,024.96	198,342.04

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Prog Dir	348,761.00	47,430.00	396,191.00	334,491.02	61,699.98
Salaries of Secretarial and Clerical Assistants	107,876.00	2,106.00	109,982.00	108,647.63	1,334.37
Purchased Professional and Technical Services	6,000.00		6,000.00	4,327.90	1,672.10
Other Purchased Services (400-500 series)	19,200.00	(465.16)	18,734.84	5,440.20	13,294.64
Supplies and Materials	22,700.00		22,700.00	15,281.05	7,418.95
Other Objects	5,700.00	1,953.16	7,653.16	7,645.30	7.86
Total Undistributed Expenditures - Support Services - School Administration	<u>510,237.00</u>	<u>51,024.00</u>	<u>561,261.00</u>	<u>475,833.10</u>	<u>85,427.90</u>
Undist. Expend. - Central Services					
Salaries	269,758.00	27,973.09	297,731.09	292,307.91	5,423.18
Purchased Technical Services	29,592.00	8,515.60	38,107.60	36,307.60	1,800.00
Misc. Purchased Services (400-500 series O/T 594)	3,500.00	528.08	4,028.08	3,470.79	557.29
Supplies and Materials	2,000.00	3,551.27	5,551.27	5,551.27	-
Interest on Current Loans	9,335.00		9,335.00	9,333.33	1.67
Miscellaneous Expenditures	1,800.00	2,000.00	3,800.00	3,452.00	348.00
Total Undistributed Expenditures - Central Services	<u>315,985.00</u>	<u>42,568.04</u>	<u>358,553.04</u>	<u>350,422.90</u>	<u>8,130.14</u>
Undist. Expend. - Admin Info Technology					
Purchased Technical Services	35,242.00	(9,116.38)	26,125.62	12,423.81	13,701.81
Supplies and Materials	8,507.00	2,521.34	11,028.34	2,172.57	8,855.77
Total Undistributed Expenditures - Admin Info Technology	<u>43,749.00</u>	<u>(6,595.04)</u>	<u>37,153.96</u>	<u>14,596.38</u>	<u>22,557.58</u>
Undist. Expend. - Required Maint. For School Fac.					
Salaries	66,397.00	42.73	66,439.73	66,439.73	-
Cleaning, Repair and Maintenance Service	347,528.65	(56,278.91)	291,249.74	226,594.54	64,655.20
General Supplies	35,018.00	14,990.33	50,008.33	50,008.33	-
Other Objects	1,000.00		1,000.00	980.00	20.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>449,943.65</u>	<u>(41,245.85)</u>	<u>408,697.80</u>	<u>344,022.60</u>	<u>64,675.20</u>
Undist. Expend. - Custodial Services					
Salaries	304,021.00	(20,336.20)	283,684.80	210,345.75	73,339.05
Salaries of Non-Instructional Aides	4,680.00	14,640.58	19,320.58	18,556.73	763.85
Cleaning, Repair and Maintenance Service	22,000.00	(920.07)	21,079.93	16,398.13	4,681.80
Other Purchased Property Services	28,750.00	(598.00)	28,152.00	28,031.39	120.61
Insurance	54,250.00	598.00	54,848.00	54,128.02	719.98
Miscellaneous Purchased Service	250.00	50.00	300.00	300.00	-
General Supplies	50,000.00	5,746.34	55,746.34	55,746.34	-
Energy - (Natural Gas)	43,694.36	28,000.00	71,694.36	64,694.02	7,000.34
Energy - (Electricity)	208,950.00	(2,666.88)	206,283.12	202,056.94	4,226.18
Other Objects	300.00		300.00	300.00	-
Total Undistributed Expenditures - Custodial Services	<u>716,895.36</u>	<u>24,513.77</u>	<u>741,409.13</u>	<u>650,257.32</u>	<u>91,151.81</u>
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	36,658.00	2,282.18	38,940.18	38,581.17	359.01
Cleaning, Repair and Maintenance Services	7,000.00	(681.69)	6,318.31	5,433.00	885.31
General Supplies	7,937.16	23,265.59	31,202.75	31,085.55	117.20
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>51,595.16</u>	<u>24,866.08</u>	<u>76,461.24</u>	<u>75,099.72</u>	<u>1,361.52</u>
Undist. Expend. - Security					
Cleaning, Repair and Maintenance Services	5,700.00	(1,400.00)	4,300.00	1,595.00	2,705.00
Purchased Professional and Technical Services	20,000.00	(4,887.59)	15,112.41	13,686.34	1,426.07
Total Undistributed Expenditures - Security	<u>25,700.00</u>	<u>(6,287.59)</u>	<u>19,412.41</u>	<u>15,281.34</u>	<u>4,131.07</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>1,244,134.17</u>	<u>1,846.41</u>	<u>1,245,980.58</u>	<u>1,084,660.98</u>	<u>161,319.60</u>

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Student Transportation Serv.					
Sal for Pupil Trans -(Bet Home & Sch)-Reg.	281,200.00	(55,499.91)	225,700.09	210,327.27	15,372.82
Sal for Pupil Trans -(Bet Home & Sch)- Sp. Ed		18,116.80	18,116.80	18,116.80	-
Sal for Pupil Trans -(Bet Home & Sch)-NonPublic		27,215.60	27,215.60	27,215.60	-
Rental Payments - School Buses	160,000.00		160,000.00	140,009.00	19,991.00
Contract. Serv. - Aid In Lieu Pymts - Non Public	7,000.00		7,000.00	3,000.00	4,000.00
Contract. Serv. - Aid In Lieu Pymts - Charter Schools	5,000.00		5,000.00	4,944.44	55.56
Contract. Serv. - Aid In Lieu Pymts - Choice Schools	5,000.00		5,000.00	4,000.00	1,000.00
Contract. Serv. - (Bet. Home & School) - Vendors	5,000.00	(5,000.00)	-	-	-
Contract. Serv. - (Bet. Home & School) - Joint Agrmnts	18,000.00	(9,121.87)	8,878.13	4,200.00	4,678.13
Contract. Serv. - (Sp Ed Stds) - Joint Agrmnts		14,121.87	14,121.87	13,942.74	179.13
Misc. Purchased Services - Transportation	18,000.00	(2,250.00)	15,750.00	9,401.14	6,348.86
General Supplies	350.00	2,427.38	2,777.38	951.31	1,826.07
Transportation Supplies	30,135.00	9,990.13	40,125.13	35,375.13	4,750.00
Total Undistributed Expenditures - Student Transportation Services	<u>529,685.00</u>	<u>-</u>	<u>529,685.00</u>	<u>471,483.43</u>	<u>58,201.57</u>
Unallocated Benefits - Personal Services - Employee Benefits					
Social Security Contributions	165,000.00	1,029.95	166,029.95	139,088.87	26,941.08
Other Retirement Contributions - PERS	172,900.00	(37,134.00)	135,766.00	135,766.00	-
Other Retirement Contributions - Regular	26,928.00	36,488.75	63,416.75	63,416.75	-
Unemployment Compensation		32,151.80	32,151.80	32,151.80	-
Workmen's Compensation	122,400.00		122,400.00	99,655.70	22,744.30
Health Benefits	2,315,547.00	(184,647.09)	2,130,899.91	1,818,788.59	312,111.32
Tuition Reimbursement	37,000.00		37,000.00	22,440.00	14,560.00
Other Employee Benefits	127,350.00	27,340.59	154,690.59	154,690.59	-
Unused Sick Payments to Terminated/Retired Staff	43,400.00		43,400.00	43,400.00	-
Total Unallocated Benefits - Personal Services - Employee Benefits	<u>3,010,525.00</u>	<u>(124,770.00)</u>	<u>2,885,755.00</u>	<u>2,509,398.30</u>	<u>376,356.70</u>
On-Behalf Contributions					
On-Behalf TPAF Post Retirement Pension Contribution (non-bud)			-	582,275.00	(582,275.00)
On-Behalf TPAF Pension Contribution (non-bud)			-	2,492,184.00	(2,492,184.00)
On-Behalf TPAF Long-Term Disability Insurance (non-bud)			-	920.00	(920.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	565,303.76	(565,303.76)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,640,682.76</u>	<u>(3,640,682.76)</u>
Total Personal Services - Employee Benefits	<u>3,010,525.00</u>	<u>(124,770.00)</u>	<u>2,885,755.00</u>	<u>6,150,081.06</u>	<u>(3,264,326.06)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>9,767,990.02</u>	<u>(89,491.08)</u>	<u>9,678,498.94</u>	<u>12,166,673.20</u>	<u>(2,488,174.26)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>16,080,441.73</u>	<u>(102,923.59)</u>	<u>15,977,518.14</u>	<u>18,179,790.35</u>	<u>(2,202,272.21)</u>
CAPITAL OUTLAY					
Equipment					
Equipment - Grades 1-5	4,047.04		4,047.04	4,047.04	-
Undistributed Expend. - Instruction	84,054.34	1,060.00	85,114.34	85,049.79	64.55
Undistributed Expend. - Admin Info Tech.	24,125.00	(4,925.00)	19,200.00	9,278.90	9,921.10
Equipment - Required Maintenance for School Fac.	53,117.83		53,117.83	53,044.61	73.22
Equipment - Care and Upkeep of Grounds	22,872.00		22,872.00	22,739.29	132.71
Equipment - Security		4,925.00	4,925.00	4,925.00	-
Total Equipment	<u>188,216.21</u>	<u>1,060.00</u>	<u>189,276.21</u>	<u>179,084.63</u>	<u>10,191.58</u>
Facilities Acquisition & Construction Services					
Architectural/Engineering Services	39,500.00		39,500.00	17,854.78	21,645.22
Construction Services	665,000.00		665,000.00	295,396.09	369,603.91
School Security Grant		39,480.59	39,480.59	39,480.59	-
Assessment Debt Service on SDA Funding	25,742.00		25,742.00	25,742.00	-
Total Facilities Acquisition & Construction Services	<u>730,242.00</u>	<u>39,480.59</u>	<u>769,722.59</u>	<u>378,473.46</u>	<u>391,249.13</u>
TOTAL CAPITAL OUTLAY	<u>918,458.21</u>	<u>40,540.59</u>	<u>958,998.80</u>	<u>557,558.09</u>	<u>401,440.71</u>

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	46,800.00	(46,800.00)	-		-
Other Salaries for Instruction	6,000.00	(6,000.00)	-		-
Purchased Professional and Technical Services	1,000.00	(1,000.00)	-		-
General Supplies	1,500.00	(1,500.00)	-		-
Total Summer School - Instruction	<u>55,300.00</u>	<u>(55,300.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Summer School - Support Services					
Salaries	7,400.00	(7,400.00)	-		-
Total Summer School - Support Services	<u>7,400.00</u>	<u>(7,400.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL SCHOOLS	<u>62,700.00</u>	<u>(62,700.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer of Funds to Charter Schools	775,812.00	166,410.00	942,222.00	921,334.00	20,888.00
TOTAL EXPENDITURES	<u>17,837,411.94</u>	<u>41,327.00</u>	<u>17,878,738.94</u>	<u>19,658,682.44</u>	<u>(1,779,943.50)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,145,356.94)</u>	<u>-</u>	<u>(1,147,956.94)</u>	<u>1,123,980.68</u>	<u>2,271,937.62</u>
Operating Transfers In:					
Local Contribution - Transfer to Special Revenue	(105,936.00)		(105,936.00)	(105,936.00)	-
Prior Year Grant Receivable Cancelled			-	(9,495.00)	(9,495.00)
Total Other Financing Sources:	<u>(105,936.00)</u>	<u>-</u>	<u>(105,936.00)</u>	<u>(115,431.00)</u>	<u>(9,495.00)</u>
Other Financing Sources:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,251,292.94)	-	(1,253,892.94)	1,008,549.68	2,262,442.62
Fund Balance July 1	4,170,590.43		4,170,590.43	4,170,590.43	-
Fund Balance June 30	<u>\$ 2,919,297.49</u>	<u>-</u>	<u>2,916,697.49</u>	<u>5,179,140.11</u>	<u>2,262,442.62</u>
Recapitulation:					
Nonspendable Fund Balance					
None				\$ -	
Restricted Fund Balance:					
Excess Surplus - Current Year				862,127.63	
Excess Surplus - Designated for Subsequent Year's Expenditures				589,484.00	
Reserve for Unemployment Compensation				71,540.99	
Committed Fund Balance:					
Capital Reserve				1,874,635.45	
Maintenance Reserve				740,293.00	
Tuition Reserve				123,745.00	
Assigned Fund Balance:					
Other Purposes				12,343.61	
Designated for Subsequent Year's Expenditures				-	
Tuition Reserve Designated for Subsequent Year's Expenditures				137,290.00	
Maintenance Reserve Designated for Subsequent Year's Expenditures				-	
Capital Reserve Designated for Subsequent Year's Expenditures				-	
Unassigned Fund Balance				<u>767,680.43</u>	
				<u>5,179,140.11</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				415,933.00	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,763,207.11</u>	

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Amendments/ Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
State Sources	\$ 1,438,069.00	12,110.00	1,450,179.00	1,342,327.57	107,851.43
Federal Sources	1,390,318.00	1,866,111.16	3,256,429.16	1,766,306.80	1,490,122.36
Local Sources	20,000.00	4,468.90	24,468.90	29,948.34	(5,479.44)
Total Revenues	2,848,387.00	1,882,690.06	4,731,077.06	3,138,582.71	1,592,494.35
EXPENDITURES:					
Instruction:					
Salaries of Teachers	691,463.00	172,471.04	863,934.04	648,270.37	215,663.67
Other Salaries for Instruction	362,064.00	4,218.38	366,282.38	309,671.04	56,611.34
Other Purchaed Professional-Educational Service	800.00	(800.00)	-	-	-
Other Purchased Services (400-500 series)	526,982.00	281,412.00	808,394.00	524,287.28	284,106.72
General Supplies	79,971.00	11,779.74	91,750.74	67,639.19	24,111.55
Textbooks	24,009.00	(1,621.00)	22,388.00	21,230.92	1,157.08
Total Instruction	1,685,289.00	467,460.16	2,152,749.16	1,571,098.80	581,650.36
Support Services:					
Salaries Other Professional Staff	102,534.00	(360.00)	102,174.00	102,174.00	-
Salaries of Program Director	22,969.00	(1,914.09)	21,054.91	21,054.91	-
Salaries of Secr and Clerical Assistants	14,150.00		14,150.00	14,150.00	-
Other Salaries	369,546.00	617,282.45	986,828.45	519,938.58	466,889.87
Personal Services - Employee Benefits	426,138.00	192,136.87	618,274.87	544,863.83	73,411.04
Purchased Professional - Technical Services	114,233.00	66,175.66	180,408.66	129,904.56	50,504.10
Purchased Ed. Services - Contracted Pre-K		(7,627.16)	44,672.84	44,672.84	-
Other Purchased Professional - Educational Services	52,300.00	18,884.10	71,184.10	2,068.00	19,943.10
Other Purchased Professional Services	3,127.00		3,127.00	-	-
Rentals					
Other Purchased Services (400-500 series)	8,968.00	141,246.00	150,214.00	39,458.05	110,755.95
Contr Serv-Trans. (Bet. Home & School)	12,000.00	(12,000.00)	-	-	-
Contr Serv-Trans. (Field Trips)	3,350.00	(944.70)	2,405.30	2,405.30	-
Travel	2,000.00	(2,000.00)	-	-	-
Miscellaneous Purchased Services	15,000.00	(15,000.00)	-	-	-
Supplies and Materials	78,279.00	28,788.86	107,067.86	76,555.68	30,512.18
Other Objects	1,440.00	1,284.01	2,724.01	2,724.01	-
Student Activities	20,000.00	4,468.90	24,468.90	24,468.90	-
Total Support Services	1,246,034.00	1,030,420.90	2,276,454.90	1,524,438.66	752,016.24

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Amendments/ Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Facilities Acquisition and Constr. Services:					
Construction Services	10,000.00	137,213.38	137,213.38	18,722.00	118,491.38
Instructional Equipment	13,000.00	(1,300.00)	8,700.00	8,671.90	28.10
Non-Instructional Equipment	23,000.00	248,895.62	261,895.62	116,107.91	145,787.71
Total Facilities Acquisition and Constr. Services	<u>23,000.00</u>	<u>384,809.00</u>	<u>407,809.00</u>	<u>143,501.81</u>	<u>264,307.19</u>
Total Outflows	2,954,323.00	1,882,690.06	4,837,013.06	3,239,039.27	1,597,973.79
Other Financing Sources (Uses)					
Transfer from Operating Budget - PreK	105,936.00	-	105,936.00	105,936.00	-
Total Other Financing Sources (Uses)	<u>105,936.00</u>	<u>-</u>	<u>105,936.00</u>	<u>105,936.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses) \$	-	-	-	5,479.44	(5,479.44)
Fund Balance, July 1				\$ 24,849.16	
Fund Balance, June 30				<u>30,328.60</u>	
Recapitulation:					
Restricted:					
Student Activities				30,328.60	
Total Fund Balance				<u>\$ 30,328.60</u>	

Notes to the Required Supplementary Information

CITY OF ABSECON SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Year Ended June 30, 2022

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

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 20,782,663.12	[C-2]	3,138,582.71
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
None		-		-
Prior year final State Aid payment was delayed until July 2021 and is recorded as revenue in current year under GAAP.		321,887.00		85,720.00
Final State Aid payment delayed until July 2022 is recorded as budgetary revenue but is not recognized under GAAP.		(415,933.00)		(110,237.00)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	20,688,617.12	[B-2]	3,114,065.71
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	19,658,682.44	[C-2]	3,239,039.27
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
None		-		-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 19,658,682.44	[B-2]	3,239,039.27

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Required Supplementary Information – Part III

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0115928716%	0.0121414190%	0.0123529689%	0.0133698689%	0.0117988776%	0.0139894190%	0.0129518298%	0.0129093719%	0.0136813264%
District's proportionate of the net pension liability (asset)	\$ 1,373,349.00	\$ 1,979,948.00	\$ 2,225,818.00	\$ 2,632,481.00	\$ 2,746,590.00	\$ 4,143,265.00	\$ 2,907,426.00	\$ 2,416,987.00	\$ 2,614,773.00
District's covered payroll	\$ 964,985.00	\$ 853,208.00	\$ 872,292.00	\$ 903,323.00	\$ 898,970.00	\$ 886,756.00	\$ 926,248.00	\$ 884,408.00	\$ 884,879.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	142.32%	232.06%	255.17%	291.42%	305.53%	467.24%	313.89%	273.29%	295.49%
Plan fiduciary net position as a percentage of the total pension liability	70.33%	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 nine years. Additional years will be presented as they become available.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 135,766.00	\$ 132,821.00	\$ 133,603.00	\$ 110,666.00	\$ 125,148.00	\$ 111,351.00	\$ 106,423.00	\$ 104,858.31	\$ 107,163.00
Contributions in relation to the contractually required contribution	135,766.00	132,821.00	133,603.00	110,666.00	125,148.00	111,351.00	106,423.00	104,858.31	107,163.00
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 964,985.00	\$ 853,208.00	\$ 872,292.00	\$ 903,323.00	\$ 898,970.00	\$ 886,756.00	\$ 926,248.00	\$ 884,408.00	\$ 884,879.00
Contributions as a percentage of covered-employee payroll	14.07%	15.57%	15.32%	12.25%	13.92%	12.56%	11.49%	11.86%	12.11%

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

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

	2021	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%	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	27,399,392.00	35,692,148.00	33,993,930.00	33,310,958.00	36,393,672.00	41,297,508.00	33,271,066.00	29,509,732.00	28,153,528.00
Total	<u>\$ 27,399,392.00</u>	<u>\$ 35,692,148.00</u>	<u>\$ 33,993,930.00</u>	<u>\$ 33,310,958.00</u>	<u>\$ 36,393,672.00</u>	<u>\$ 41,297,508.00</u>	<u>\$ 33,271,066.00</u>	<u>\$ 29,509,732.00</u>	<u>\$ 28,153,528.00</u>
District's covered payroll	\$ 6,856,207.00	\$ 6,489,544.00	\$ 5,916,526.00	\$ 5,785,208.00	\$ 5,780,432.00	\$ 5,480,247.00	\$ 5,453,395.00	\$ 5,329,417.00	\$ 5,187,432.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

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

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

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

	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 35,369,153.00	\$ 40,587,997.00	\$ 25,137,585.00	\$ 27,853,457.00	\$ 32,431,986.00	\$ 35,220,850.00
Total	\$ 35,369,153.00	\$ 40,587,997.00	\$ 25,137,585.00	\$ 27,853,457.00	\$ 32,431,986.00	\$ 35,220,850.00
District's covered payroll	964,985.00	7,342,752.00	6,788,818.00	6,688,531.00	6,679,402.00	6,367,003.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District						
Service Cost	1,746,460.00	834,007.00	826,143.00	944,968.00	1,138,080.00	
Interest Cost	917,513.00	897,118.00	1,095,549.00	1,182,137.00	1,025,992.00	
Change in Benefit Terms	(37,646.00)					
Differences between Expected & Actual	(7,180,778.00)	6,990,442.00	(4,263,592.00)	(2,790,259.00)	(4,229,403.00)	
Changes in Assumption	34,894.00	7,414,032.00	374,803.00	(3,196,324.00)	27,661.00	
Member Contributions	23,456.00	21,417.00	22,874.00	25,741.00	27,661.00	
Benefit Payments	(722,743.00)	(706,604.00)	(771,649.00)	(744,792.00)	(751,194.00)	
Change in Total Opeb Liability	(5,218,844.00)	15,450,412.00	(2,715,872.00)	(4,578,529.00)	(2,788,864.00)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	40,587,997.00	25,137,585.00	27,853,457.00	32,431,986.00	35,220,850.00	
Ending Balance	\$ 35,369,153.00	\$ 40,587,997.00	\$ 25,137,585.00	\$ 27,853,457.00	\$ 32,431,986.00	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	3665.25%	552.76%	370.28%	416.44%	485.55%	

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

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

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1a)	Title I Part A	Title I SIA	Title IIA	Title III Immigrant	Title III	Preschool Education Aid	Totals 2022
REVENUES:								
State Sources	231,239.30	209,853.00	5,045.09	33,853.89	1,159.92	23,144.55	1,111,088.27	1,342,327.57
Federal Sources	1,493,250.35							1,766,306.80
Local Sources	29,948.34							29,948.34
Total Revenues	1,754,437.99	209,853.00	5,045.09	33,853.89	1,159.92	23,144.55	1,111,088.27	3,138,582.71
EXPENDITURES:								
Instruction:								
Salaries of Teachers	-	143,735.00				17,949.96	486,585.41	648,270.37
Other Salaries for Instruction	152,441.00						157,230.04	309,671.04
Other Purchased Professional-Educational Service	524,287.28							524,287.28
Other Purchased Services (400-500 series)	16,136.91	796.10	5,045.09		1,159.92	341.39	44,159.78	67,639.19
General Supplies	21,230.92							21,230.92
Textbooks								
Total Instruction	714,096.11	144,531.10	5,045.09	-	1,159.92	18,291.35	687,975.23	1,571,098.80
Support Services:								
Salaries Other Professional Staff	-						102,174.00	102,174.00
Salaries of Program Director	-						21,054.91	21,054.91
Salaries of Sec'y and Clerical Assistants	-						14,150.00	14,150.00
Other Salaries	449,350.10	80.00		22,422.51		1,200.00	46,885.97	519,938.58
Personal Services - Employee Benefits	189,978.99	65,241.90		10,090.49		2,935.20	276,617.25	544,863.83
Purchased Professional, Technical Services	129,904.56							129,904.56
Purchased Ed. Services - Contracted Pre-K	-							-
Other Purchased Professional - Educational Services	-					718.00	44,672.84	44,672.84
Other Purchased Professional Services	-						1,350.00	2,068.00
Rentals	-							-
Other Purchased Services (400-500 series)	38,646.25			811.80			2,405.30	39,458.05
Contr Serv-Trans. (Bet. Home & School)	-							-
Contr Serv-Trans. (Field Trips)	-							-
Travel	-							-
Miscellaneous Purchased Services	-							-
Supplies and Materials	67,683.73			529.09			8,342.86	76,555.68
Other Objects	-						2,724.01	2,724.01
Student Activities	24,468.90							24,468.90
Total Support Services	900,032.53	65,321.90	-	33,853.89	-	4,853.20	520,377.14	1,524,438.66
Facilities Acquisition and Constr. Services:								
Construction Services	18,722.00							18,722.00
Instructional Equipment	116,107.91						8,671.90	8,671.90
Non-Instructional Equipment								
Total Facilities Acquisition and Constr. Services	134,829.91	-	-	-	-	-	8,671.90	116,107.91
Total Outflows	1,748,958.55	209,853.00	5,045.09	33,853.89	1,159.92	23,144.55	1,217,024.27	3,239,039.27
Other Financing Sources (Uses)								
Transfer from Operating Budget - PreK	-						105,936.00	105,936.00
Total Other Financing Sources (Uses)	-	-	-	-	-	-	105,936.00	105,936.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 5,479.44	-	-	-	-	-	-	5,479.44
Fund Balance, July 1	24,849.16							24,849.16
Fund Balance, June 30	30,328.60							30,328.60

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1b)	Title IV	CARES	Nonpublic Speech	Nonpublic Supplemental Instruction	Nonpublic Examination & Classification	Nonpublic Auxiliary/Comp. Ed.	Nonpublic Nursing	Subtotals 2022
REVENUES:									
State Sources	105,813.47			8,091.00	25,853.80	20,925.80	31,890.00	38,665.23	231,239.30
Federal Sources	1,479,204.62	10,587.03	3,458.70						1,493,250.35
Local Sources	29,948.34								29,948.34
Total Revenues	1,614,966.43	10,587.03	3,458.70	8,091.00	25,853.80	20,925.80	31,890.00	38,665.23	1,754,437.99
EXPENDITURES:									
Instruction:									
Salaries of Teachers	-								-
Other Salaries for Instruction	152,441.00								152,441.00
Other Purchased Professional-Educational Service	-								-
Other Purchased Services (400-500 series)	437,528.68	786.24		8,091.00	25,853.80	20,925.80	31,890.00	38,665.23	524,287.28
General Supplies	15,350.67								16,136.91
Textbooks	21,230.92								21,230.92
Total Instruction	626,549.27	786.24	-	8,091.00	25,853.80	20,925.80	31,890.00	-	714,096.11
Support Services:									
Salaries Other Professional Staff	-								-
Salaries of Program Director	-								-
Salaries of Sec and Clerical Assistants	-								-
Other Salaries	440,750.10	8,600.00							449,350.10
Personal Services - Employee Benefits	189,321.09	657.90							189,978.99
Purchased Professional Technical Services	91,239.33							38,665.23	129,904.56
Purchased Ed. Services - Contracted Pre-K	-								-
Other Purchased Professional - Educational Services	-								-
Other Purchased Professional Services	-								-
Rentals	-								-
Other Purchased Services (400-500 series)	38,646.25								38,646.25
Contr. Serv-Trans. (Bet. Home & School)	-								-
Contr. Serv-Trans. (Field Trips)	-								-
Travel	-								-
Miscellaneous Purchased Services	-								-
Supplies and Materials	63,682.14	542.89	3,458.70						67,683.73
Other Objects	-								-
Student Activities	24,468.90								24,468.90
Total Support Services	848,107.81	9,800.79	3,458.70	-	-	-	-	38,665.23	900,032.53
Facilities Acquisition and Constr. Services:									
Construction Services	18,722.00								18,722.00
Non-Instructional Equipment	116,107.91								116,107.91
Total Facilities Acquisition and Constr. Services	134,829.91	-	-	-	-	-	-	-	134,829.91
Total Outflows	1,609,486.99	10,587.03	3,458.70	8,091.00	25,853.80	20,925.80	31,890.00	38,665.23	1,748,958.55
Other Financing Sources (Uses)									
Transfer from Operating Budget - PreK	-								-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	5,479.44	-	-	-	-	-	-	-	5,479.44
Fund Balance, July 1	24,849.16								24,849.16
Fund Balance, June 30	30,328.60								30,328.60

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1c)	IDEA Part B	IDEA Preschool	ARP IDEA Part B	ARP IDEA Preschool	Nonpublic Security Aid	Nonpublic Technology Aid	Subtotals 2022
REVENUES:								
State Sources	18,722.00						15,350.67	105,813.47
Federal Sources	1,112,589.85	298,324.73	9,448.00	53,615.04	5,227.00	50,509.88	15,350.67	1,479,204.62
Local Sources	29,948.34							29,948.34
Total Revenues	1,161,260.19	298,324.73	9,448.00	53,615.04	5,227.00	50,509.88	15,350.67	1,614,966.43
EXPENDITURES:								
Instruction:								
Salaries of Teachers	138,808.00		8,777.00		4,856.00			152,441.00
Other Salaries for Instruction								
Other Purchased Professional-Educational Service	160,775.68	231,199.00		45,552.00			15,350.67	437,526.68
Other Purchased Services (400-500 series)								
General Supplies								
Textbooks								
Total Instruction	299,583.68	231,199.00	8,777.00	45,552.00	4,856.00	-	15,350.67	626,549.27
Support Services:								
Salaries Other Professional Staff								
Salaries of Program Director								
Salaries of Sec and Clerical Assistants								
Other Salaries	440,750.10							440,750.10
Personal Services - Employee Benefits	186,279.09		671.00		371.00			189,321.09
Purchased Professional - Technical Services	16,050.56	67,125.73		8,063.04				91,239.33
Purchased Ed. Services - Contracted Pre-K								
Other Purchased Professional - Educational Services								
Other Purchased Professional Services								
Rentals								
Other Purchased Services (400-500 series)	38,646.25							38,646.25
Cont. Serv-Trans. (Bet. Home & School)								
Cont. Serv-Trans. (Field Trips)								
Travel								
Miscellaneous Purchased Services								
Supplies and Materials	13,172.26							13,172.26
Other Objects								
Student Activities	24,468.90							24,468.90
Total Support Services	721,367.16	67,125.73	671.00	8,063.04	371.00	50,509.88	-	848,107.81
Facilities Acquisition and Constr. Services:								
Construction Services	18,722.00							18,722.00
Non-Instructional Equipment	116,107.91							116,107.91
Total Facilities Acquisition and Constr. Services	134,829.91	-	-	-	-	-	-	134,829.91
Total Outflows	1,155,780.75	298,324.73	9,448.00	53,615.04	5,227.00	50,509.88	15,350.67	1,609,486.99
Other Financing Sources (Uses)								
Transfer from Operating Budget - PreK								
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	5,479.44	-	-	-	-	-	-	5,479.44
Fund Balance, July 1	24,849.16							24,849.16
Fund Balance, June 30	30,328.60							30,328.60

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER	ARP Accelerated Learning	ARP ESSER Mental Health	NJ SDA	Student Activity Fund	Subtotals 2022
REVENUES:									
State Sources	458,662.23	43,394.60	44,506.63	489,607.89	31,418.50	45,000.00	18,722.00	29,948.34	1,112,589.85
Federal Sources									29,948.34
Local Sources									1,161,260.19
Total Revenues	458,662.23	43,394.60	44,506.63	489,607.89	31,418.50	45,000.00	18,722.00	29,948.34	1,161,260.19
EXPENDITURES:									
Instruction:									
Salaries of Teachers	105,954.00	32,854.00							138,808.00
Other Salaries for Instruction									-
Other Purchased Professional-Educational Service	104,034.60			56,741.08					160,775.68
Other Purchased Services (400-500 series)									-
General Supplies									-
Textbooks									-
Total Instruction	209,988.60	32,854.00	-	56,741.08	-	-	-	-	299,583.68
Support Services:									
Salaries Other Professional Staff									-
Salaries of Program Director									-
Salaries of Sec and Clerical Assistants									-
Other Salaries	164,849.55		28,781.47	180,483.08	29,000.00	37,636.00			440,750.10
Personal Services - Employee Benefits	65,042.26	10,540.60	13,178.91	89,934.82	2,218.50	7,364.00			186,279.09
Purchased Professional - Technical Services	7,310.56			8,740.00					16,050.56
Purchased Ed. Services - Contracted Pre-K									-
Other Purchased Professional - Educational Services									-
Other Purchased Professional Services									-
Rentals									-
Other Purchased Services (400-500 series)				35,900.00	200.00				36,646.25
Contr Serv-Trans. (Bet. Home & School)									-
Contr Serv-Trans. (Field Trips)									-
Travel									-
Miscellaneous Purchased Services									-
Supplies and Materials	11,471.26			1,701.00					13,172.26
Other Objects									-
Student Activities								24,468.90	24,468.90
Total Support Services	248,673.63	10,540.60	44,506.63	316,758.90	31,418.50	45,000.00	-	24,468.90	721,367.16
Facilities Acquisition and Constr. Services:									
Construction Services							18,722.00		18,722.00
Non-Instructional Equipment									116,107.91
Total Facilities Acquisition and Constr. Services	-	-	-	116,107.91	-	-	18,722.00	-	134,829.91
Total Outflows	458,662.23	43,394.60	44,506.63	489,607.89	31,418.50	45,000.00	18,722.00	24,468.90	1,155,780.75
Other Financing Sources (Uses)									
Transfer from Operating Budget - PreK									-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)									
Fund Balance, July 1								5,479.44	5,479.44
Fund Balance, June 30								24,849.16	24,849.16
								30,328.60	30,328.60

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Year Ended June 30, 2022

<u>District-Wide Total</u>			
	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 567,249.04	486,585.41	80,663.63
Other Salaries for Instruction	157,230.04	157,230.04	-
Purchased Professional - Educational Services	-	-	-
Other Purchased Services (400-500 series)	-	-	-
General Supplies	44,159.78	44,159.78	-
Total Instruction	<u>768,638.86</u>	<u>687,975.23</u>	<u>80,663.63</u>
Support Services:			
Salaries Other Professional Staff	102,174.00	102,174.00	-
Salaries of Program Directors	21,054.91	21,054.91	-
Salaries of Secr. and Clerical Assistants	14,150.00	14,150.00	-
Other Salaries	46,885.97	46,885.97	-
Personal Services - Employee Benefits	276,617.25	276,617.25	-
Other Purchased Professional - Education Services	44,672.84	44,672.84	-
Other Purchased Professional Services	1,350.00	1,350.00	-
Rentals	-	-	-
Contr Serv-Trans. (Bet. Home & School)	-	-	-
Contr Serv-Trans. (Field Trips)	2,405.30	2,405.30	-
Travel	-	-	-
Miscellaneous Purchased Services	-	-	-
Supplies & Materials	8,342.86	8,342.86	-
Other Objects	2,724.01	2,724.01	-
Total Support Services	<u>520,377.14</u>	<u>520,377.14</u>	<u>-</u>
Facilities Acquisition and Constr. Services:			
Instructional Equipment	8,700.00	8,671.90	28.10
Non-Instructional Equipment	-	-	-
Total Facilities Acquisition and Constr. Services	<u>8,700.00</u>	<u>8,671.90</u>	<u>28.10</u>
Total Expenditures	<u>\$ 1,297,716.00</u>	<u>1,217,024.27</u>	<u>80,691.73</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2021-22 Preschool Education Aid	\$ 1,191,780.00 (1)
Add: Actual ECPA/PEA Carryover (June 30, 2021)	270,620.95 (2)
Add: Budgeted transfer from the General Fund	<u>105,936.00 (3)</u>
Total Preschool Education Aid Funds Available for 2021-22 Budget	1,568,336.95 (4)
Less: 2020-21 Budgeted Preschool Education Aid (Including)	
Prior year budget carryover)	<u>(1,297,716.00) (5)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	270,620.95 (6)
Add: June 30, 2022 Unexpended Preschool Education Aid	<u>80,691.73 (7)</u>
2021-22 Actual Carryover - Preschool Education Aid	<u>351,312.68 (8)</u>
2021-22 Preschool Education Aid Carryover Budgeted in 2022-23	<u>\$ 270,621.00 (9)</u>

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LONG-TERM DEBT SCHEDULES

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

CITY OF ABSECON SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2022

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2022				Balance June 30, 2021	Balance June 30, 2022	
			Date	Amount	Interest Rate	Increased			Decreased
Renovations Project	5/8/2014	\$ 5,210,000	7/15/2022	310,000	2.500%	\$	3,650,000.00	305,000.00	3,345,000.00
			7/15/2023	320,000	2.500%				
			7/15/2024	325,000	2.500%				
			7/15/2025	330,000	2.500%				
			7/15/2026	335,000	3.000%				
			7/15/2027	335,000	3.000%				
			7/15/2028	340,000	3.000%				
			7/15/2029	350,000	3.000%				
			7/15/2030	350,000	3.250%				
			7/15/2031	350,000	3.250%				
						\$	<u>3,650,000.00</u>	<u>305,000.00</u>	<u>3,345,000.00</u>

CITY OF ABSECON SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2022

Description	Amount of Original Issue	Balance June 30, 2021	Issued Current Year	Retired Current Year	Balance June 30, 2022
Various Capital Equipment & Vehicles	\$ 385,000.00	\$ 161,722.29		79,610.86	82,111.43
		<u>\$ 161,722.29</u>	<u>-</u>	<u>79,610.86</u>	<u>82,111.43</u>

CITY OF ABSECON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 266,927.00		266,927.00	266,927.00	-
Interest on Investments	10.00		10.00	23.00	13.00
Total - Local Sources	<u>266,937.00</u>	<u>-</u>	<u>266,937.00</u>	<u>266,950.00</u>	<u>13.00</u>
State Sources:					
Debt Service Aid Type II	<u>137,526.00</u>		<u>137,526.00</u>	<u>137,526.00</u>	<u>-</u>
Total - State Sources	<u>137,526.00</u>	<u>-</u>	<u>137,526.00</u>	<u>137,526.00</u>	<u>-</u>
Total Revenues	<u>404,463.00</u>	<u>-</u>	<u>404,463.00</u>	<u>404,476.00</u>	<u>13.00</u>
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	305,000.00		305,000.00	305,000.00	-
Interest on Bonds	<u>99,488.00</u>		<u>99,488.00</u>	<u>99,487.50</u>	<u>0.50</u>
Total Regular Debt Service	<u>404,488.00</u>	<u>-</u>	<u>404,488.00</u>	<u>404,487.50</u>	<u>0.50</u>
Total Expenditures	<u>404,488.00</u>	<u>-</u>	<u>404,488.00</u>	<u>404,487.50</u>	<u>0.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25.00)</u>	<u>-</u>	<u>(25.00)</u>	<u>(11.50)</u>	<u>13.50</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	<u>(25.00)</u>	<u>-</u>	<u>(25.00)</u>	<u>(11.50)</u>	<u>13.50</u>
Fund Balance, July 1	15.54		15.54	15.54	
Fund Balance, June 30	<u>\$ (9.46)</u>	<u>-</u>	<u>(9.46)</u>	<u>4.04</u>	<u>13.50</u>

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Statistical Section

Exhibit J-1

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

	2013	2014 *	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net Investment in Capital Assets	\$ 11,426,887.71	11,150,959.06	15,338,190.73	10,129,216.10	9,988,951.71	9,990,036.16	10,428,380.13	10,176,911.21	9,799,432.79	10,255,661.51
Restricted	971,459.89	942,808.64	(3,548,849.78)	1,124,869.16	966,751.89	1,116,422.15	1,524,142.97	2,120,771.01	3,392,405.63	4,441,792.32
Unrestricted	(93,219.88)	(2,577,375.00)	(2,627,743.43)	(2,404,141.81)	(2,760,717.45)	(3,117,375.55)	(3,222,036.54)	(3,219,986.24)	(2,730,216.55)	(2,479,626.82)
Total governmental activities net position	<u>12,305,127.72</u>	<u>9,516,392.70</u>	<u>9,161,597.52</u>	<u>8,849,943.45</u>	<u>8,194,986.15</u>	<u>7,999,092.76</u>	<u>8,730,486.56</u>	<u>9,077,695.98</u>	<u>10,461,621.87</u>	<u>12,217,827.01</u>
Business-type activities										
Net Investment in Capital Assets	330.00	110.00	5,016.03	4,670.10	9,330.10	23,026.45	48,814.92	48,768.49	44,860.79	273,391.84
Restricted	68,132.89	94,783.31	102,345.86	94,929.42	94,976.55	82,995.65	106,929.69	147,893.52	185,524.91	415,662.55
Unrestricted	<u>68,462.89</u>	<u>94,893.31</u>	<u>107,361.89</u>	<u>99,599.52</u>	<u>104,306.65</u>	<u>106,022.10</u>	<u>155,744.61</u>	<u>196,662.01</u>	<u>230,385.70</u>	<u>689,054.39</u>
Total business-type activities net position										
District-wide										
Net Investment in Capital Assets	11,427,217.71	11,151,069.06	15,343,206.76	10,133,886.20	9,998,261.81	10,013,062.61	10,477,195.05	10,225,679.70	9,844,293.58	10,529,053.35
Restricted	971,459.89	942,808.64	(3,548,849.78)	1,124,869.16	966,751.89	1,116,422.15	1,524,142.97	2,120,771.01	3,392,405.63	4,441,792.32
Unrestricted	(25,086.99)	(2,482,591.69)	(2,525,397.57)	(2,309,212.39)	(2,685,740.90)	(3,034,379.90)	(3,115,106.85)	(3,072,092.72)	(2,544,691.64)	(2,063,964.27)
Total district net position	<u>\$ 12,373,940.61</u>	<u>\$ 9,611,286.01</u>	<u>\$ 9,268,999.41</u>	<u>\$ 8,949,542.97</u>	<u>\$ 8,299,292.90</u>	<u>\$ 8,095,104.86</u>	<u>\$ 8,888,231.17</u>	<u>\$ 9,274,357.89</u>	<u>\$ 10,692,007.57</u>	<u>\$ 12,906,881.40</u>

* As Restated

Source: ACFR Schedule A-1

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

Exhibit J-2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
Instruction:										
Regular	6,049,730.18	6,114,169.81	7,284,068.98	7,844,722.07	9,052,296.47	9,036,874.32	8,873,831.07	8,169,709.69	9,880,709.84	9,574,427.20
Special Education	1,457,372.82	1,320,511.76	1,761,624.29	1,653,361.88	1,830,816.11	1,963,471.93	1,876,664.34	2,006,354.03	2,042,244.63	2,053,777.44
Other Special Education	291,794.40	292,917.49	337,357.92	352,175.85	405,025.92	604,812.78	597,923.12	946,871.09	335,067.69	343,350.87
Support Services:										
Tuition	1,612,350.20	1,858,910.31	1,795,883.97	2,121,738.40	2,047,890.57	2,225,990.58	2,384,819.70	1,953,039.44	1,703,941.95	1,456,563.85
Student & Instruction Related Services	1,461,789.92	1,371,959.20	1,614,393.31	1,721,244.59	2,110,549.46	2,216,830.48	2,324,460.08	2,878,404.73	3,482,033.46	4,515,239.69
School Administrative Services	489,032.72	509,952.05	488,292.21	557,706.44	631,893.86	592,829.75	674,685.20	686,949.21	893,030.88	678,545.28
General Administrative Services	389,640.73	400,362.49	408,597.74	499,559.45	531,195.15	487,141.37	497,391.92	477,100.47	674,957.99	590,209.09
Plant Operations and Maintenance	981,991.45	1,100,138.40	1,093,045.92	1,050,172.80	1,088,498.32	1,339,395.58	521,953.07	1,001,204.09	1,208,350.38	1,199,732.77
Pupil Transportation	492,605.74	544,866.82	520,206.01	587,043.19	625,936.49	616,661.54	700,091.23	542,321.24	440,035.81	652,123.15
Central Services	309,370.86	302,960.29	330,982.60	377,031.74	434,581.03	463,217.49	494,247.61	426,470.29	494,489.84	486,868.82
Special Schools	24,472.17	30,786.37	33,645.29	30,017.96	27,460.11	31,746.17	30,500.68	28,124.80	19,984.75	#REF!
Charter Schools	337,374.00	398,003.00	360,470.00	393,649.00	377,905.00	438,441.00	671,038.00	645,965.00	635,667.00	921,334.00
Interest on Long-Term Debt	-	-	144,429.49	135,059.86	129,178.47	123,511.25	117,328.13	111,231.80	103,279.38	95,971.53
Unallocated Depreciation	-	13,944.54	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	13,897,495.19	14,459,432.53	16,183,897.73	17,309,483.23	19,294,028.96	20,140,914.24	19,764,924.15	19,472,745.88	21,913,813.80	#REF!

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

Exhibit J-2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-Type Activities:										
Food Service	245,587.32	228,224.49	233,668.86	310,237.81	276,467.94	324,684.34	331,677.02	316,488.57	450,019.32	825,260.06
Child Care	104,056.50	90,226.22	90,216.77	66,682.68	100,796.17	147,014.74	183,980.65	196,384.54	219,254.61	358,723.20
Other										
Total Business-Type Activities Expenses	349,643.82	318,450.71	323,885.63	376,920.49	377,264.11	471,699.08	515,657.67	512,873.11	669,274.13	1,183,983.26
Total District Expenses	14,247,189.01	14,777,933.24	16,307,783.36	17,636,403.72	19,671,235.07	20,612,613.32	20,280,381.82	19,965,616.99	22,363,067.93	#REF!
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	28,909.80	55,599.00	45,080.97	69,900.82	99,166.82	89,982.12	128,625.63	135,845.00	36,207.66	146,511.11
Student & Instruction Related Services									7,647.77	29,948.34
Pupil Transportation							450.00	750.00	3,950.00	23,277.52
Operating Grants and Contributions	2,443,532.23	2,251,819.14	3,791,484.31	4,733,472.68	6,052,473.33	6,772,807.61	6,362,299.77	5,627,498.27	8,242,962.80	8,207,260.79
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	2,472,442.03	2,307,418.14	3,836,565.28	4,803,373.50	6,151,642.15	6,862,789.73	6,491,375.40	5,764,093.27	8,290,768.23	8,406,997.76
Business-Type Activities:										
Charges for Services:										
Food Service	101,650.80	75,648.87	67,687.64	82,996.16	82,462.57	80,458.85	82,596.05	53,918.42	59.60	3,450.83
Child Care	93,732.50	99,624.84	76,852.57	77,808.90	102,554.31	155,954.49	195,975.12	220,228.21	203,068.30	325,434.45
Operating Grants and Contributions	164,954.40	169,485.65	191,674.59	208,235.00	196,787.24	236,800.75	256,246.47	279,267.35	499,570.49	1,273,738.94
Capital Grants and Contributions										
Total Business-Type Activities Program Revenue	360,337.70	344,759.36	336,214.80	369,040.06	381,804.12	473,214.09	534,817.64	553,413.98	702,698.39	1,602,624.22
Total District Program Revenue	2,832,779.73	2,652,177.50	4,172,780.08	5,172,413.56	6,533,446.27	7,336,003.82	7,026,193.04	6,317,507.25	8,993,466.62	10,009,621.98

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

Exhibit J-2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	(11,425,053.16)	(12,152,064.39)	(12,347,332.45)	(12,506,109.73)	(13,142,366.81)	(13,278,124.51)	(13,273,549.75)	(13,708,652.61)	(13,623,045.57)	#REF!
Business-Type Activities	10,693.88	26,308.65	12,329.17	(7,880.43)	4,540.01	1,515.01	19,159.07	40,540.87	33,424.26	416,640.96
Total District-Wide Net Expense	<u>(1,144,359.28)</u>	<u>(12,125,755.74)</u>	<u>(12,335,003.28)</u>	<u>(12,513,990.16)</u>	<u>(13,137,826.80)</u>	<u>(13,276,609.50)</u>	<u>(13,254,390.68)</u>	<u>(13,668,111.74)</u>	<u>(13,589,621.31)</u>	<u>#REF!</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property Taxes Levied for General Purposes, Net	10,480,379.00	10,866,757.00	10,921,920.00	11,033,884.00	11,254,562.00	11,661,111.00	11,914,429.00	11,914,429.00	12,152,718.00	12,152,718.00
Taxes levied for debt service	-	-	94,718.00	172,082.00	251,167.00	259,380.00	260,024.00	262,660.00	198,663.00	266,927.00
Unrestricted grants and contributions	890,205.00	971,744.60	965,821.00	965,530.00	987,410.00	1,140,460.26	1,831,610.41	2,208,844.13	2,446,070.02	3,367,581.32
Investment earnings	5,473.92	3,921.60	10,036.77	5,060.00	3,429.75	3,055.54	6,502.07	6,927.08	7,728.12	4,672.75
Miscellaneous income	24,369.69	32,593.17	8,621.50	22,392.53	13,060.76	15,653.13	9,053.73	31,859.35	48,462.89	135,547.00
Special Items			(8,580.00)	(4,492.87)	(22,200.00)	(7,438.81)	(6,666.66)	(368,857.53)		(10,095.00)
Transfers										
Total governmental activities	<u>11,400,427.61</u>	<u>11,875,016.37</u>	<u>11,992,537.27</u>	<u>12,194,455.66</u>	<u>12,487,429.51</u>	<u>13,072,221.12</u>	<u>14,014,952.55</u>	<u>14,055,862.03</u>	<u>14,853,642.03</u>	<u>15,917,351.07</u>
Business-type activities:										
Investment earnings	196.41	121.77	139.41	118.06	167.12	200.44	326.54	376.53	299.43	452.82
Special Items										39,574.91
Transfers										
Total business-type activities	<u>196.41</u>	<u>121.77</u>	<u>139.41</u>	<u>118.06</u>	<u>167.12</u>	<u>200.44</u>	<u>326.54</u>	<u>376.53</u>	<u>299.43</u>	<u>40,027.73</u>
Total district-wide	<u>(1,144,359.28)</u>	<u>(12,125,755.74)</u>	<u>(12,335,003.28)</u>	<u>(12,513,990.16)</u>	<u>(13,137,826.80)</u>	<u>(13,276,609.50)</u>	<u>(13,254,390.68)</u>	<u>(13,668,111.74)</u>	<u>(13,589,621.31)</u>	<u>(10,095.00)</u>
Changes in Net Position	(24,625.65)	(277,048.02)	(354,795.18)	(311,654.07)	(654,957.30)	(205,903.39)	741,403.80	347,209.42	1,230,596.46	#REF!
Governmental activities	10,890.29	26,430.42	12,468.58	(7,762.37)	4,707.13	1,715.45	19,466.51	40,917.40	33,723.69	458,668.69
Business-type activities										
Total district	<u>(13,735.26)</u>	<u>(250,617.60)</u>	<u>(342,326.60)</u>	<u>(319,416.44)</u>	<u>(650,250.17)</u>	<u>(204,187.94)</u>	<u>760,890.31</u>	<u>388,126.82</u>	<u>1,264,320.15</u>	<u>#REF!</u>

Source: ACFR Schedule A-2

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

Exhibit J-3

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 265,679.66	436,019.37	502,441.97	317,317.04	158,095.07	205,960.95	532,296.77	1,266,159.39	1,524,899.65	1,523,152.62
Committed	215,773.04	270,543.94	293,968.32	307,508.49	319,493.96	349,488.82	484,733.22	645,331.42	1,551,608.45	2,738,673.45
Assigned	479,126.19	313,132.18	316,454.31	500,043.63	489,162.86	560,972.38	507,112.98	210,280.20	419,433.94	149,633.61
Unassigned	205,732.00	206,238.00	173,207.00	172,342.27	190,960.75	193,171.46	129,896.24	81,365.72	352,761.49	351,747.43
Reserved										
Unreserved										
Total general fund	\$ 1,166,310.89	1,225,933.49	1,286,071.60	1,297,211.43	1,157,712.64	1,309,593.61	1,654,039.21	2,202,136.73	3,848,703.43	4,763,207.11
All Other Governmental Funds										
Restricted	10,881.00	5,147,057.69	603,270.01	379,100.31	377,798.15	43,901.45		-	24,849.16	30,328.60
Assigned										
Unassigned										
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-			
Capital projects fund										
Debt service fund			8,672.00	9,687.04	2,963.65	1,369.04	67,230.52	66,654.04	15.54	4.04
Permanent fund										
Total all other governmental funds	\$ 10,881.00	5,147,057.69	611,942.01	388,787.35	380,761.80	45,270.49	48,357.52	3,947.04	(60,855.30)	(79,904.36)

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

Exhibit J-4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 10,480,379.00	10,866,757.00	10,921,920.00	11,205,966.00	11,505,729.00	11,920,491.00	12,174,453.00	12,177,089.00	12,351,381.00	12,419,845.00
Tuition charges	28,909.80	55,599.00	45,080.97	69,900.82	99,168.82	89,982.12	74,935.63	67,739.00	15,403.66	61,332.11
Other Tuition									20,804.00	85,179.00
Interest earnings		3,921.60	10,036.77	5,060.00	3,429.75	3,055.54	6,502.07	6,927.08	7,427.18	4,516.27
Transportation Fees from Individuals				150.00	700.00	450.00	450.00	750.00	450.00	2,002.65
Transportation Fees from Other LEAs within State									3,500.00	21,274.87
Other Restricted Miscellaneous Revenues									300.94	156.48
Miscellaneous	24,369.69	32,593.17	8,621.50	22,392.53	13,080.76	15,663.13	9,053.73	31,859.35	48,462.89	135,547.00
State sources	2,790,395.22	2,705,696.40	2,906,168.74	3,140,674.02	3,445,942.83	3,837,287.65	5,616,620.08	6,423,465.07	7,485,553.91	9,662,707.33
Federal sources	550,863.61	522,219.74	642,547.57	809,584.66	908,393.50	977,660.22	985,266.10	615,314.33	1,052,220.68	1,814,798.12
Total revenue	13,880,393.64	14,186,786.91	14,534,375.55	15,253,728.03	15,976,424.66	16,844,579.66	18,867,280.61	19,323,133.83	20,985,504.26	24,207,158.83
Expenditures										
Instruction:										
Regular instruction	4,092,232.61	4,263,679.78	4,454,357.43	4,529,886.53	4,869,726.60	4,775,884.17	5,085,436.30	5,080,166.25	5,464,656.63	6,139,207.07
Special education instruction	946,000.79	1,019,578.28	1,032,534.44	924,907.91	954,779.21	986,832.35	1,018,106.74	1,190,214.10	1,075,100.03	1,234,010.66
Other special education instruction	190,126.69	198,147.31	198,841.03	196,539.54	211,630.73	303,822.93	326,966.43	324,386.97	180,614.16	210,998.22
Support Services:										
Tuition	1,612,350.20	1,858,910.31	1,795,883.97	2,121,738.40	2,047,890.57	2,225,990.58	2,384,819.70	1,953,039.44	1,703,941.95	1,456,563.85
Student & instruction related services	1,063,957.47	975,662.38	1,025,952.78	1,060,832.60	1,211,800.55	1,283,029.86	1,461,529.63	1,865,464.28	2,084,632.87	3,126,445.20
School administrative services	317,627.65	329,981.24	328,903.97	327,413.29	343,039.28	344,874.04	404,344.48	462,602.78	540,983.79	475,833.10
General administrative services	501,841.37	520,942.33	540,280.56	555,673.64	574,667.13	621,514.94	675,163.07	679,446.30	853,281.12	926,044.24
Plant operations and maintenance	772,622.00	873,733.42	870,488.85	823,408.20	816,216.94	761,999.95	834,566.26	859,261.08	874,909.41	1,084,660.98
Pupil transportation	489,657.21	542,047.46	517,414.63	584,111.90	622,917.28	612,366.75	696,266.88	539,058.29	358,301.88	471,483.43
Unallocated employee benefits	3,185,446.26	3,061,566.76	3,166,829.24	3,344,006.53	3,641,537.47	3,874,607.98	4,410,541.01	4,729,419.04	5,133,017.99	6,150,081.06
Special schools	17,643.36	22,524.39	24,301.15	21,067.76	19,096.89	19,796.85	18,715.77	18,243.49	11,710.00	-
Charter Schools	337,374.00	398,003.00	360,470.00	393,649.00	377,905.00	438,441.00	671,038.00	645,965.00	635,667.00	921,334.00
Capital outlay	88,630.96	131,858.56	4,598,367.43	271,207.56	143,336.54	767,716.10	137,072.46	141,404.52	238,275.00	701,059.90
Debt service:										
Principal	-	-	-	175,000.00	260,000.00	270,000.00	275,000.00	285,000.00	295,000.00	305,000.00
Interest and other charges	-	-	94,717.64	136,300.00	131,950.00	126,312.50	120,181.25	113,881.25	106,987.50	99,487.50
Total Expenditures	13,615,510.57	14,196,635.22	19,009,353.12	15,465,742.86	16,226,494.19	17,413,190.00	18,519,747.98	18,887,552.79	19,557,069.33	23,302,209.21
Excess (Deficiency) of revenues over (under) expenditures	264,883.07	(9,848.31)	(4,474,977.57)	(212,014.83)	(250,069.53)	(568,610.34)	347,532.63	435,581.04	1,428,434.93	904,949.62
Other Financing Sources (Uses)										
Bond Proceeds										(9,495.00)
Canceled SDA Grant		5,210,000.00	-	-						
Prior Year Grant Receivable Canceled		(4,352.40)	-	-						
Capital Lease Proceeds		7,690.85	7,493.75	2,175.04	102,545.19	385,000.00	66,647.73	98,343.08	53,679.58	105,936.00
Operating Transfers In		(7,690.85)	(7,493.75)	(2,175.04)	(784.61)	(581.89)	(66,647.73)	(98,343.08)	(63,679.58)	(105,936.00)
Operating Transfers Out										
Total other financing sources (uses)	-	5,205,647.60	-	-	102,545.19	385,000.00	-	-	-	(9,495.00)
Net change in fund balances	\$ 264,883.07	5,195,799.29	(4,474,977.57)	(212,014.83)	(147,524.34)	(183,610.34)	347,532.63	435,581.04	1,428,434.93	895,454.62
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.66%	2.05%	2.44%	2.38%	2.15%	2.13%	2.08%	1.79%

Source: ACFR Schedule B-2

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

Exhibit J-5

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Transportation</u>	<u>Miscellaneous</u>	<u>Totals</u>
2013	5,473.32	-	24,369.69	29,843.01
2014	3,921.60	-	32,593.17	36,514.77
2015	10,036.77	-	8,621.50	18,658.27
2016	5,060.00	150.00	22,242.53	27,452.53
2017	3,429.75	700.00	12,360.76	16,490.51
2018	3,055.54	450.00	15,653.13	19,158.67
2019	6,023.79	450.00	8,603.73	15,077.52
2020	6,902.31	750.00	29,523.27	37,175.58
2021	7,718.12	3,950.00	40,815.12	52,483.24
2022	4,649.75	23,277.52	105,598.66	133,525.93

Source: District Records

Exhibit J-6

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
* 2013	23,149,600	568,982,900	-	-	123,823,800	-	-	715,956,300	-	1,228,960	717,185,260	1.515	784,066,098
2014			Information Not Available					715,166,900	-	815,770	715,982,670	1.539	805,942,346
2015	22,592,800	567,248,500	-	-	123,620,900	-	-	713,462,200	-	863,731	714,325,931	1.593	770,562,305
2016			Information Not Available					709,592,700	-	-	709,592,700	1.622	772,029,138
2017	24,144,400	558,761,200	-	-	119,324,800	-	3,702,500	705,932,900	-	-	705,932,900	1.689	745,011,864
2018	22,460,400	556,961,200	-	-	118,027,300	-	6,852,500	704,301,400	-	-	704,301,400	1.729	727,161,002
2019	18,240,500	555,366,000	-	-	117,846,400	-	16,361,900	707,814,800	-	-	707,814,800	1.720	754,288,403
2020	16,169,600	555,207,700	-	-	119,466,200	-	19,594,900	710,438,400	-	-	710,099,400	1.739	747,303,748
2021	12,839,300	556,033,400	-	-	119,218,300	-	28,265,000	716,356,000	-	-	716,356,000	1.734	725,019,919
2022	12,316,700	557,698,800	-	-	117,948,700	-	32,433,300	720,397,500	-	-	720,397,500	1.725	777,327,102

* Reassessed

Source: County Abstract of Ratables & Municipal Tax Assessor

Exhibit J-7

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

Fiscal Year Ended June 30,	Absecon Board of Education			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Other	Municipal Library Tax	Municipal Local Purpose	
2013	1.515	-	1.515	0.437	0.007	0.022	0.040	1.022	3.043
2014	1.539	-	1.539	0.450	0.006	0.035	0.038	1.024	3.092
2015	1.569	0.024	1.593	0.490	0.002	0.011	0.036	1.027	3.159
2016	1.598	0.024	1.622	0.497	0.002	0.023	0.036	0.996	3.176
2017	1.689	-	1.689	0.527	0.002	0.023	0.035	0.992	3.268
2018	1.692	0.037	1.729	0.512	0.001	0.022	0.034	0.994	3.292
2019	1.683	0.037	1.720	0.510	0.002	0.024	0.035	0.987	3.278
2020	1.702	0.037	1.739	0.499	0.002	0.024	0.034	1.004	3.302
2021	1.706	0.028	1.734	0.479	0.006	0.026	0.033	1.018	3.296
2022	1.688	0.037	1.725	0.497	0.005	0.060	-	1.019	3.306

Source: District Records and Municipal Tax Collector

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

Exhibit J-8

Taxpayer	2022				2013			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value	
Absecon MP Holding LLC	\$ 28,256,400.00	1	3.92%		13,200,000.00	1	1.84%	
RD Absecon Associates	12,810,000.00	2	1.78%		9,500,000.00	3	1.32%	
Home Depot	9,161,000.00	3	1.27%		9,100,000.00	4	1.27%	
Absecon Prop Co LLC	9,100,000.00	4	1.26%		5,300,000.00	5	0.74%	
Starns Markets % Village Supermarket	5,300,000.00	5	0.74%		4,612,500.00	7	0.64%	
Ratan AC LLC	4,772,100.00	6	0.66%		5,160,000.00	6	0.72%	
Renuka Hospitality LLC	4,765,400.00	7	0.66%					
SSN Absecon LLC	4,500,000.00	8	0.62%					
Absecon 42, LLC	3,702,500.00	9	0.51%					
Mill Road Assoc II LLC	2,376,100.00	10	0.33%					
AB Visions at Absecon					10,814,600.00	2	1.51%	
HP Holding & 405 Hotel Realty					4,500,000.00	8	0.63%	
Three Modheshwari Mata Jee					2,500,000.00	9	0.35%	
Absecon Holdings					2,289,700.00	10	0.32%	
Totals	\$ 84,743,500.00		11.76%		66,976,800.00		9.34%	
								\$ 717,185,260

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	10,480,379	10,480,379	100%	-
2014	10,866,757	10,866,757	100%	-
2015	11,016,638	11,016,638	100%	-
2016	11,205,966	11,205,966	100%	-
2017	11,505,729	11,505,729	100%	-
2018	11,920,491	11,920,491	100%	-
2019	12,174,453	12,174,453	100%	-
2020	12,177,089	12,177,089	100%	-
2021	12,351,381	12,351,381	100%	-
2022	12,419,645	12,419,645	100%	-

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	\$ -						-	0.00%	41,947
2014	5,210,000						5,210,000	0.83%	43,171
2015	5,210,000						5,210,000	0.84%	43,974
2016	5,035,000						5,035,000	0.89%	44,735
2017	4,775,000				419,309		5,194,309	0.89%	46,305
2018	4,505,000				419,309		4,924,309	0.98%	48,110
2019	4,230,000				313,745		4,543,745	1.13%	51,247
2020	3,945,000				238,909		4,183,909	1.33%	55,802
2021	3,650,000				161,722		3,811,722	1.46%	55,802
2022	3,345,000				82,111		3,427,111	1.63%	55,802

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

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

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ -	-	-	0.00%	41,947
2014	5,210,000	-	5,210,000	0.73%	43,171
2015	5,210,000	-	5,210,000	0.73%	43,974
2016	5,035,000	-	5,035,000	0.71%	44,735
2017	4,775,000	-	4,775,000	0.68%	46,305
2018	4,505,000	-	4,505,000	0.64%	48,110
2019	4,230,000	-	4,230,000	0.60%	51,247
2020	3,945,000	-	3,945,000	0.56%	55,802
2021	3,650,000	-	3,650,000	0.51%	55,802
2022	3,345,000	-	3,345,000	0.46%	55,802

**Absecon Board of Education
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2021**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Local Municipality	\$ 14,075,750	100.00%	\$ 14,075,750
Other Debt			
County of Atlantic	203,998,316	2.35%	4,796,570
Subtotal, Overlapping Debt			18,872,320
City of Absecon School District Direct Debt			\$ 3,345,000
Total Direct and Overlapping Debt			<u>\$ 22,217,320</u>

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

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

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

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

Exhibit J-13

	Average equalized valuation of taxable property									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 27,393,173	\$ 25,933,904	\$ 24,238,422	\$ 23,504,678	\$ 22,933,759	\$ 22,508,118	\$ 22,252,223	\$ 22,213,103	\$ 22,111,765	\$ 22,336,193
Total net debt applicable to limit	-	5,210,000	5,210,000	5,035,000	4,775,000	4,505,000	4,230,000	3,945,000	3,650,000	3,345,000
Legal debt margin	\$ 27,393,173	\$ 20,723,904	\$ 19,028,422	\$ 18,469,678	\$ 18,158,759	\$ 18,003,118	\$ 18,022,223	\$ 18,268,103	\$ 18,461,765	\$ 18,991,193
Total net debt applicable to the limit as a percentage of debt limit	0.00%	20.09%	21.49%	21.42%	20.82%	20.02%	19.01%	17.76%	16.51%	14.98%

Equalized valuation basis	
2021	\$ 772,018,536
2020	717,707,095
2019	743,893,642
	<u>\$ 2,233,619,273</u>
Average equalized valuation of taxable property	\$ 744,539,758
Debt limit (3% of average)	22,336,193
Net bonded school debt	3,345,000
Legal debt margin	<u>\$ 18,991,193</u>

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

**Absecon Board of Education
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
2013	8,441	354,074.63	41,947	12.3%
2014	8,377	361,643.47	43,171	9.60%
2015	8,284	364,280.62	43,974	8.90%
2016	8,182	366,021.77	44,735	6.50%
2017	8,146	377,200.53	46,305	6.60%
2018	8,397	403,979.67	48,110	5.20%
2019	8,821	452,049.79	51,247	4.60%
2020	8,789	490,443.78	55,802	17.3%
2021	9,136	509,807.07	55,802	9.3%
2022	9,136	509,807.07	55,802	Not Available

Source: New Jersey Department of Labor and Workforce Development

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

Exhibit J-15

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
		1	0.00%			0.00%
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Totals	-		0.00%	-		0.00%

This Information is not available for this district.

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

Exhibit J-16

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
Instruction:										
Regular instruction	60	60	60	60	60	63	63	57	57	54
Special education instruction	6	6	6	6	6	2	2	2	2	10
Other special education instruction	7	7	7	7	7	9	13	13	16	23
Support Services:										
Student & instruction related services	9	9	9	9	9	7	11	11	15	19
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	5	5	5	5	5	5	5	5	6	5
Business administrative services	3	3	3	3	3	4	4	4	4	4
Plant operations and maintenance	9	9	9	9	9	9	10	10	10	10
Pupil Transportation *										8
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	9	9	9	9	9	9	9	9	9	9
Total	110	110	110	110	110	110	119	113	129	144

* District started Transportation Department
Source: District Personnel Records

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

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage				
						Elementary School	Middle School	High School								
2013	872	A	9,777,085	D	11,212	-5.59%	71	12.9:1	13.3:1	N/A	834	B	795	B	1.21%	95.32%
2014	864	A	10,208,087	D	11,815	5.38%	71	13.2:1	12.2:1	N/A	858	B	820	B	2.91%	95.55%
2015	865	A	11,440,444	D	13,226	11.94%	71	14.1:1	12.3:1	N/A	858	B	815	B	-0.03%	94.99%
2016	858	A	11,458,194	D	13,355	0.97%	73	12.3:1	13.7:1	N/A	852	B	813	B	-0.69%	95.37%
2017	816	A	11,771,642	D	14,426	8.02%	73	12.3:1	13.7:1	N/A	819	B	778	B	-3.89%	94.99%
2018	869	A	11,105,077	D	12,779	-11.42%	74	12.3:1	13.7:1	N/A	867	B	825	B	5.86%	95.16%
2019	858	A	11,700,154	D	13,637	6.71%	84	16.8:1	12.0:1	N/A	853	B	814	B	-1.61%	95.43%
2020	900	A	12,281,048	D	13,646	0.07%	86	15.8:1	11.6:1	N/A	903	B	873	B	5.86%	96.68%
2021	885	A	12,463,576	D	14,083	3.21%	92	10.5:1	11.7:1	N/A	887	B	844	B	-1.75%	95.16%
2022	900	A	13,640,102	D	15,156	7.62%	87	8.7:1	10.6:1	N/A	911	B	852	B	2.68%	93.52%

Source:

A = Calculated based on ASSA - K-8 exclude

B = School Register Summary

C - ACFR Report - Schedule C-1

D - ACFR Report - Schedule C-1 less tuition and charter school expenses

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Buildings</u>										
<u>Elementary</u>										
H. Ashton Marsh										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	81,600	81,600	81,600
Capacity (students)	845	845	845	845	845	845	845	905	905	905
Enrollment	479	511	488	496	462	462	483	506	513	540
<u>Middle School</u>										
Emma C. Attales School										
Square Feet	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Capacity (students)	676	676	676	676	676	676	676	676	676	676
Enrollment	355	353	368	362	354	354	375	379	387	398
<u>Other</u>										
Administration										
Square Feet	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360

Number of Buildings at June 30, 2022
 Elementary - 1
 Middle - 1
 Other - 1

Source: District Records, ASSA

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

School Facilities	Project # (s)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Emma C. Attales School	N/A	\$ 51,577	72,848	67,082	66,218	63,257	49,195	66,232	60,688	71,375	161,691
H. Ashton Marsh School	N/A	63,038	89,036	81,990	80,933	77,314	60,127	80,951	74,174	87,236	182,332
Total School Facilities		114,615	161,884	149,072	147,151	140,571	109,322	147,183	134,863	158,611	344,023
Grand Total		\$ 114,615	161,884	149,072	147,151	140,571	109,322	147,183	134,863	158,611	344,023

Source: District Records

Absecon Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
NJ School Boards Assn Ins Gp	School Package Policy (1)		
	Property:		
	Blanket Buildings & Contents	\$ 33,661,102	\$ 1,000
	Extra Expense	50,000,000	
	Valuable Papers & Records	10,000,000	
	Construction	25,000,000	
	Pollutant Clean-Up	250,000	
	Earthquake	50,000,000	
	Flood	75,000,000	10,000
	Mold Clean-Up	25,000	
	Environmental	1,000,000	50,000
	Equipment Breakdown	100,000,000	25,000
	Crime:		500
	Employee Dishonesty	100,000	
	Money & Securities	25,000	
Money Order & Counterfeit Paper	25,000		
Forgery & Alterations	100,000		
Computer Fraud	100,000		
Computer:		1,000	
Hardware/Software	Included in Property		
Computer Virus	250,000		
General Liability	11,000,000	1,000	
Business Auto	11,000,000	1,000	
NJ School Boards Assn Ins Gp	Worker's Compensation (2)	Statutory/\$3,000,000	N/A
Federal Ins. Co.	Excess over Worker's Compensation (3)	52 Weeks/\$2,500 wk	N/A
Berkley Life & Health	Student Accident Insurance (4)		
	Compulsory Participation (Maximum Limit)	1,000,000	25,000
NJ School Boards Assn Ins Gp	School Boards Legal Liability (2)		
	Coverage A	11,000,000	\$5,000/ claim
	Coverage B (limit \$300,000 / policy period)	100,000	\$5,000/ claim
Selective Ins Co	Surety Bonds:		
	Public Official Bonds: (1)		
	Business Administrator/Board Secretary	225,000	N/A
Hiscox Inc. Co.	Cyber Liability	1,000,000	N/A

Source: District Records

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Absecon School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Absecon School District's basic financial statements, and have issued our report thereon dated March 1, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Leon P. Costello

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

March 1, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB'S CIRCULAR 15-08

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

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the City of Absecon School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the City of Absecon School District's major federal and state programs for the year ended June 30, 2022. The City of Absecon School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Absecon School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal & State Program

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit 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) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Absecon School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Absecon School District's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Absecon School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Absecon School District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Absecon School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Absecon School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of City of Absecon's School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Leon P. Costello

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

March 1, 2023

CITY OF ASECON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grantor State Project Number	From	To	Program or Award Amount	Balance at June 30, 2021	Budgetary Expenditures			(MEMO) Passed Through to Sub-Recipients	Adjustments	Repayment of Prior Years' Balances	Balances at June 30, 2022			
								Cash Received	Pass Through	Source				Direct	Total	(Accounts Receivable)	Unearned Revenue
U.S. Department of Health and Human Services Passed-Through State Department of Health and Human Services General Fund:	89.778 97.036	2005N5MAP N/A	N/A N/A	7/1/2021 7/1/2021	6/30/2022 6/30/2022	\$ 48,491.32 94,679.78	- -	40,281.67 134,951.43	(48,491.32) (143,171.10)	- -	- -	- -	(8,209.65) (8,209.65)	- -	- -		
Total General Fund																	
U.S. Department of Education Passed-Through State Department of Education: Special Education Cluster (IEEA):	84.027A 84.027A 84.027X 84.019A 84.173A	H027A2000100 H027A210100 H027X210100 S010A210030 H173X210114	IDEA-0010-21 IDEA-0010-22 IDEA-0010-22 N/A	7/1/2020 7/1/2021 7/1/2021 7/1/2021	9/30/2021 9/30/2022 9/30/2022 9/30/2022	332,706.00 311,769.00 61,426.00 5,227.00	(98,749.00)	98,749.00 298,324.73 48,613.00 6,459.00 4,347.00	(298,324.73) (58,615.04) (6,459.00) (5,227.00)	(0.27) 0.04 A A	(0.27) 0.04 A A	- -	(38,412.00) (3,872.00) (1,989.00) (42,811.00)	- -	- -	- -	
Total Special Education Cluster (IEEA)							(98,749.00)	98,749.00	(298,324.73)	(0.27)	(0.27)	-	(38,412.00)	-	-	-	
Title I - Part A Cluster:	84.019A 84.019A 84.019A 84.019A 84.019A	S010A200030 S010A200030 S010A200030 S010A200030 S010A180030	ESEA-0010-21 ESEA-0010-22 ESEA-0010-21 ESEA-0010-22 ESEA-0010-19	7/1/2020 7/1/2021 7/1/2021 7/1/2021 7/1/2018	9/30/2021 9/30/2022 9/30/2021 9/30/2022 6/30/2019	246,811.00 299,853.00 18,518.00 10,000.00 22,870.00 12,000.00	(102,620.00)	102,620.00 130,109.00 11,934.00 5,045.09 6,563.00	(209,853.00) (6,045.09)	- -	0.09 A B	- -	(79,744.00) -	- -	- -	- -	
Total Title I, Part A Cluster							(102,620.00)	102,620.00	(209,853.00)	0.09	0.09	-	(79,744.00)	-	-	-	
Elementary and Secondary Education Act (ESEA):	84.367A 84.367A 84.365A 84.365A 84.428A 84.424A	S367A200023 S367A210029 S365A200030 S365A210027 S425L210027 S425L210031	ESEA-0010-21 ESEA-0010-22 ESEA-0010-22 ESEA-0010-22 ESEA-0010-21 ESEA-0010-22	7/1/2020 7/1/2021 7/1/2021 7/1/2021 7/1/2021 7/1/2021	9/30/2021 9/30/2022 9/30/2022 9/30/2022 9/30/2021 9/30/2022	42,889.00 46,820.00 21,957.00 26,602.00 4,114.00 2,571.00 21,960.00 22,101.00	(11,567.00)	11,567.00 19,932.00 4,474.00 17,409.00 3,050.00 3,746.00 10,567.00 68,957.60	(33,853.89) (23,144.55) (1,159.92) (10,567.00)	(0.11) A A A A A	(0.11) A A A A	- -	(13,922.00) (5,736.00) (1,160.00) (22,629.00)	- -	- -	- -	
Total Elementary and Secondary Education Act (ESEA)							(11,567.00)	11,567.00	(33,853.89)	(0.11)	(0.11)	-	(13,922.00)	-	-	-	
Education Stabilization Fund - Elementary and Secondary School Emergency Relief (ESSER)	84.428D 84.428D 84.428D 84.428D 84.428J 84.428J 84.428J 84.428J 84.428W	S425D200027 S425D200027 S425D210027 S425D210027 S425L210027 S425L210027 S425L210027 S425L210027 S425W210031	N/A N/A N/A N/A N/A N/A N/A N/A	3/13/2020 7/16/2020 3/13/2020 3/13/2020 3/13/2020 3/13/2020 3/13/2020 3/13/2020	9/30/2022 10/31/2020 9/30/2023 9/30/2023 9/30/2024 9/30/2024 9/30/2024 9/30/2024	232,945.00 17,086.00 684,684.00 43,940.00 1,589,794.00 32,801.00 40,000.00 45,000.00 6,196.00	(56,896.00)	60,355.00 377,874.00 31,089.00 48,659.00 942,745.00 24,000.00 32,946.00	(3,458.70) (48,662.23) (43,394.60) (48,659.00) (48,607.89) (31,418.50)	(0.30) A A A A A	(0.30) A A A A	0.00 (80,786.00) (12,306.00) (1,469.00) (1,469.00) (17,419.00)	- -	- -	- -	- -	
Total Education Stabilization Fund							(56,717.50)	897,173.00	(1,116,048.55)	(1,45)	(1,45)	-	(276,633.00)	-	-	-	
Total Special Revenue Fund							(308,917.50)	1,045,094.00	(1,766,306.80)	9,491.80	9,491.80	-	(420,917.00)	-	-	-	
U.S. Department of Agriculture Passed-Through State Department of Education: Enterprise Fund:	10.550 10.555 10.555 10.555 10.555 10.649 10.555	221N30AN1089 221N30AN1089 221N30AN1089 221N30AN1089 221N30AN1089 202121H17034 202222S00941 202121S00941	N/A N/A N/A N/A N/A N/A N/A	7/1/2021 7/1/2021 7/1/2020 7/1/2021 7/1/2021 7/1/2020 7/1/2020	6/30/2022 6/30/2022 6/30/2021 6/30/2022 6/30/2022 6/30/2021 6/30/2021	33,243.85 672,126.49 274,876.00 39,242.58 15,282.00 2,652.42 628.00 614.00	-	33,243.85 622,481.93 42,598.80 39,242.58 14,023.00 2,652.42 628.00 1,106.11	(33,243.85) (672,126.49) (42,598.80) (39,242.58) (15,282.00) (2,652.42) (628.00)	- -	- -	- -	(48,644.56) (30,460.27) (1,259.00)	- -	- -	- -	
Total Child Nutrition Cluster:							(72,607.80)	1,114,869.62	(1,114,869.62)	-	-	-	(81,363.83)	-	-	-	
Total Food Service Fund							(72,607.80)	1,106,113.59	(1,114,869.62)	-	-	-	(81,363.83)	-	-	-	
U.S. Department of Treasury Passed-Through State Department of Human Services, Division of Family Development: After School Program:	93.575 93.575 93.575	210NJCS06 210NJCS06 210NJCS06	N/A N/A N/A	10/1/2020 10/1/2020 10/1/2020	9/30/2022 9/30/2023 9/30/2023	31,000.00 32,000.00 80,000.00	-	31,000.00 32,000.00 80,000.00	(31,000.00) (32,000.00) (80,000.00)	- -	- -	- -	- -	- -	- -	- -	
Total After School Fund							(72,607.80)	1,248,113.59	(1,257,869.62)	-	-	-	(81,363.83)	-	-	-	
Total Enterprise Fund							(381,625.30)	3,023,169.04	(3,167,347.52)	9,491.80	9,491.80	-	(510,390.48)	-	-	-	
Total Federal Financial Awards																	
(A) Transferred to General Fund																	
(B) Uncollectible Receivable; transferred to General Fund																	

The accompanying Notes to the Schedules of Financial Assistance are an integral part of this schedule.

CITY OF ABSECON SCHOOL DISTRICT
Schedule for Financial Assistance
for the Fiscal Year ended June 30, 2022

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021		Camover	Cash Received	Budgetary Expenditures	Adjustments/ of Prior Years' Balances	Balance at June 30, 2022		MEMO
			From	To	Revenues (Accts Rec.)	Due to Grantor					Unearned Revenue	Due to Grantor	
State Department of Education													
State Aid Public Cluster:													
Equalization Aid	22-495-034-5 120-078	\$ 3,134,914.00	7/1/2021	6/30/2022	-	-	-	3,134,914.00	(3,134,914.00)	-	(289,972.39)	3,134,914.00	
Special Education Aid	22-495-034-5 120-089	756,476.00	7/1/2021	6/30/2022	-	-	-	756,476.00	(756,476.00)	-	(69,972.30)	756,476.00	
Security Aid	22-495-034-5 120-084	281,412.00	7/1/2021	6/30/2022	-	-	-	281,412.00	(281,412.00)	-	(24,189.01)	281,412.00	
Total State Aid Public Cluster								4,152,802.00	(4,152,802.00)	-	(384,124.70)	4,152,802.00	
Transportation Aid	22-495-034-5 120-014	343,882.00	7/1/2021	6/30/2022	-	-	-	343,882.00	(343,882.00)	-	(31,808.30)	343,882.00	
Non Public Transportation Aid	22-495-034-5 120-014	5,435.00	7/1/2021	6/30/2022	-	-	-	5,435.00	(5,435.00)	-	-	5,435.00	
Non Public Transportation Aid	21-100-034-5 120-014	14,302.00	7/1/2021	6/30/2022	(14,302.00)	-	-	14,302.00	-	-	-	14,302.00	
School Security Grant	22-495-034-5 120-044	43,727.00	7/1/2021	6/30/2022	(2,400.00)	-	-	43,727.00	-	-	-	43,727.00	
Extracurricular Aid	22-495-034-5 120-044	117,288.00	7/1/2021	6/30/2022	(84,616.00)	-	-	117,288.00	(117,288.00)	-	-	117,288.00	
On-Behalf TPAF Payments -													
Pension Contribution	22-495-034-5 120-014	2,492,184.00	7/1/2021	6/30/2022	-	-	-	2,492,184.00	(2,492,184.00)	-	-	2,492,184.00	
Post-Retirement Medical	22-495-034-5 120-014	582,275.00	7/1/2021	6/30/2022	-	-	-	582,275.00	(582,275.00)	-	-	582,275.00	
Long-Term Disability Insurance	22-495-034-5 120-014	582,275.00	7/1/2021	6/30/2022	-	-	-	582,275.00	(582,275.00)	-	-	582,275.00	
Reimburse TPAF Social Security Contributions	22-495-034-5 120-003	565,303.76	7/1/2021	6/30/2022	-	-	-	510,459.63	(510,459.63)	(54,844.13)	-	565,303.76	
Reimburse TPAF Social Security Contributions	21-100-034-5 120-003	486,088.82	7/1/2021	6/30/2022	(24,292.82)	-	-	24,292.82	-	-	-	486,088.82	
Total General Fund								8,249,460.45	(8,301,416.76)	(177,957.13)	(415,933.00)	8,301,416.76	
Special Revenue Fund:													
Preschool Education Aid	22-495-034-5 120-086	1,191,760.00	7/1/2021	6/30/2022	-	-	-	1,191,760.00	(1,191,760.00)	-	-	1,191,760.00	
Preschool Education Aid	21-100-034-5 120-086	937,364.00	7/1/2020	6/30/2021	270,620.95	-	-	270,620.95	-	-	(270,620.95)	937,364.00	
N.J. Nonpublic Aid:													
Nursing	22-100-034-5 120-070	41,776.00	7/1/2021	6/30/2022	-	-	-	41,776.00	(38,665.23)	0.23 A	3,111.00	41,776.00	
Nursing	21-100-034-5 120-070	40,392.00	7/1/2020	6/30/2021	5,301.00	-	-	5,301.00	(5,301.00)	-	-	40,392.00	
Security Aid	22-100-034-5 120-069	69,300.00	7/1/2021	6/30/2022	-	-	-	69,300.00	(69,300.00)	-	-	69,300.00	
Security Aid	21-100-034-5 120-069	69,300.00	7/1/2020	6/30/2021	6,976.00	-	-	6,976.00	(6,976.00)	-	-	69,300.00	
Textbook Aid	22-100-034-5 120-064	22,388.00	7/1/2021	6/30/2022	-	-	-	22,388.00	(21,230.92)	(0.08) A	1,157.00	22,388.00	
Textbook Aid	21-100-034-5 120-064	24,009.00	7/1/2020	6/30/2021	9,064.00	-	-	9,064.00	(9,064.00)	-	-	24,009.00	
Technology Aid	22-100-034-5 120-373	15,666.00	7/1/2021	6/30/2022	-	-	-	15,666.00	(15,350.67)	(0.33) A	315.00	15,666.00	
Auxiliary Services:													
Education	21-100-034-5 120-087	39,320.00	7/1/2020	6/30/2021	-	-	-	39,320.00	(38,167.00)	-	-	39,320.00	
Education	22-100-034-5 120-087	31,890.00	7/1/2021	6/30/2022	-	-	-	31,890.00	(31,890.00)	-	-	31,890.00	
Handicapped Services:													
Supplemental Instruction	22-100-034-5 120-066	29,736.00	7/1/2021	6/30/2022	-	-	-	29,736.00	(29,736.00)	(0.20) A	3,862.00	29,736.00	
Examination & Classification	22-100-034-5 120-066	24,855.00	7/1/2021	6/30/2022	-	-	-	24,855.00	(20,925.80)	0.80 A	3,930.00	24,855.00	
Examination & Classification	21-100-034-5 120-066	34,169.00	7/1/2020	6/30/2021	1,750.00	-	-	1,750.00	(1,750.00)	-	-	34,169.00	
Speech	22-100-034-5 120-066	8,091.00	7/1/2021	6/30/2022	-	-	-	8,091.00	(8,091.00)	-	-	8,091.00	
NJSDA - Emergent & Capital Maintenance Needs Grant	EG-001-001	18,722.00	7/1/2021	6/30/2022	-	-	-	18,722.00	(18,722.00)	-	-	18,722.00	
Total Special Revenue Fund								1,556,115.00	(1,448,263.57)	(31,299.70)	(110,237.00)	1,448,263.57	
Debt Service Fund:													
School Construction Debt Service Aid	22-495-034-5 120-075	137,526.00	7/1/2021	6/30/2022	-	-	-	137,526.00	(137,526.00)	-	-	137,526.00	
Total Debt Service Fund								137,526.00	(137,526.00)	-	-	137,526.00	
State Department of Agriculture:													
Enterprise Fund:													
State Sealless Summer Option - Lunch	21-100-010-3350-023	17,608.05	7/1/2020	6/30/2021	(4,659.92)	-	-	4,659.92	(4,659.92)	-	-	17,608.05	
State Sealless Summer Option - Lunch	22-100-010-3350-023	15,869.32	7/1/2021	6/30/2022	-	-	-	14,726.81	(15,869.32)	(1,142.51)	-	15,869.32	
Total Child Nutrition Cluster								19,386.73	(15,869.32)	-	-	19,386.73	
Total Enterprise Fund								19,386.73	(15,869.32)	-	-	19,386.73	
Total State Financial Assistance								9,952,484.18	(9,905,075.65)	(31,299.70)	(596,170.00)	9,905,075.65	
								140,350.21	31,300.00	-	-	171,650.21	
								Less: On-Behalf System Contributions					
								Pension Contribution	22-495-034-5 094-002			(2,482,184.00)	
								Post-Retirement Medical	22-495-034-5 094-001			(582,275.00)	
								Long-Term Disability Insurance	22-495-034-5 094-001			(582,275.00)	
								Total for State Financial Assistance-Major Program Determination				\$ (6,827,666.65)	

(A) Transfer to General Fund

CITY OF ABSECON SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2022

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Note 1: General

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

Note 2: Basis of Accounting

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

Note 3: Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$94,046.00) for the general fund and (\$24,517.00). See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	On-Behalf Payments	Total
General Fund	\$ 143,171.10	8,301,416.76	(3,075,379.00)	5,369,208.86
Special Revenue Fund	1,766,306.80	1,448,263.57		3,214,570.37
Debt Service Fund		137,526.00		137,526.00
After School Program	143,000.00			143,000.00
Food Service Fund	1,114,869.62	15,869.32		1,130,738.94
	<u>\$ 3,167,347.52</u>	<u>9,903,075.65</u>	<u>(3,075,379.00)</u>	<u>9,995,044.17</u>

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

CITY OF ABSECON SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2022
(Continued)

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Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

Note 6: Adjustments

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

**CITY OF ABSECON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2022**

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Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified Opinion

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

Yes X No

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<u>Child Nutrition Cluster:</u>
10.550	221NJ304N1099	Food Distribution Program
10.555	221NJ304N1099	Seamless Summer Option - Lunch
10.553	221NJ304N1099	Seamless Summer Option - Breakfast
10.555	221NJ304N1099	Seamless Summer Option - Snack
10.649	202222S900941	P-EBT Administrative Cost
		<u>Education Stabilization Fund Cluster:</u>
84.425D	S425D200027	CARES Act Elementary & Secondary School Emergency Relief
84.425D	S425D210027	CRRSA - ESSER II
84.425D	S425D210027	CRRSA - Learning Acceleration
84.425D	S425D210027	CRRSA - Mental Health
84.425U	S425U210027	ARP ESSER
84.425U	S425U210027	ARP ESSER Accelerated Learning PD
84.425U	S425U210027	ARP ESSER Mental Health

**CITY OF ABSECON SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDING JUNE 30, 2022
 (CONTINUED)**

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

Auditee qualified as low-risk auditee? X Yes No

State Awards

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

Auditee qualified as low-risk auditee? X Yes No

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

Internal Control over major programs:

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

2) Significant deficiencies identified? Yes X None reported

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

Identification of major programs:

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

**CITY OF ABSECON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2022
(CONTINUED)**

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Section II – Financial Statement Findings

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

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

FEDERAL AWARDS

Our audit disclosed no matters to be reported.

STATE AWARDS

Our audit disclosed no matters to be reported.

**CITY OF ABSECON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2022
(CONTINUED)**

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STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

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