

Annual Comprehensive Financial Report

of the

City of Absecon Board of Education

Absecon, New Jersey

For the Fiscal Year Ended June 30, 2023

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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/Preschool



ABSECON
PUBLIC SCHOOLS

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

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

Mrs. Leslie Schiavo, Principal
H. Ashton Marsh Elementary School

Mrs. Jessica Waddington
Curriculum Supervisor

November 17, 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, 2023 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 2022-23 fiscal year with an average daily enrollment of 946.06 (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.

2022-23	946.06	+3.8%
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%

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 2022-2023 school year welcomed a return to traditional schooling, where the focus remained on the components of education rather than factors related to the 'pandemic of years' past. We continued implementation of our Ready Math program where we observed improvements in student performance over time, and correlating achievement between the diagnostic assessment and state assessments. We continued to invest in our literacy practices through implementation of Phonics First in Kindergarten through Third Grade; as well as the provision of ongoing professional learning opportunities related to best practices in balanced literacy instruction. In striving to provide high quality learning opportunities for students at an early age, we were able to expand our preschool program to include eleven (11) full-day, 3- and 4-year-old classrooms, as well as one full-day special education preschool classroom. To meet the needs of our growing student population, significant upgrades and renovation endeavors were taken on as 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 response 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 office and both principals' 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.

The 2023-2024 school year finds the district on a continuous path toward excellence with a focus on achievement, student wellness, and local facilities. Our early childhood program hosts 12 full-day preschool classrooms open to all 3- and 4-year-olds residing within Absecon. The focus of the department will seek to strengthen the relationships between the school and local community, forming a collaborative and collective team to create high quality experiences to promote development and growth in our youngest students. With an increase across all grade levels in English Language Arts and Mathematics NJSLA scores from Spring 2022 to Spring 2023, we will continue our efforts of refining instruction through student performance analysis and data-based decision making. High quality classroom assessments and benchmark testing that correlates to NJSLA proficiency will assist in identifying areas of need within the grade, class, and student levels. Targeted professional development in various modes will focus on expanding our knowledge of the science of reading, arts integration, and cross-curricular learning. The middle school continues to expand its course offerings to extend beyond the traditional special area classes and now includes nearly 30 unique courses; an ongoing initiative seeking to create a competitive edge for 8th Grade students seeking admission into choice high schools. Efforts to strengthen the climate and culture of the district include: growth opportunities in the form of guest speakers and training, student rallies at the elementary school, student voice action groups at the middle school, and events to join together the school and local community.

With regard to efforts of safety/security and facilities, the district has installed 20mil security film on exterior windows, and upgraded visitor management technology components, improvements to security camera operations, adding exterior lighting around the campus, purchase of two golf carts, and installed security gates to secure the elementary playground area. We internally updated our flat network to a vlan network, and added new network components throughout the campus. Our campus now houses an additional ten restrooms, additional outdoor learning spaces, repair and service of HVAC mechanical components, upgrade smoke detector heads, resurfaced the gymnasium floors at the elementary and middle schools, expanded and refurbished our early childhood play spaces, purchased a John Deere utility vehicle, and added additional parking spaces.

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, who denied our bid in May 2022. We have since submitted an appeal to the Appellate Division of the Superior Court of New Jersey. To cover the cost of the continued litigation, the Absecon School District has budgeted \$100,000 for this current fiscal year.

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 Elementary and Emma C. Attales Middle 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 FY22 working with the District architect 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, 2023.

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.

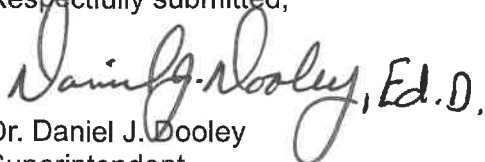
Independent Audit

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.

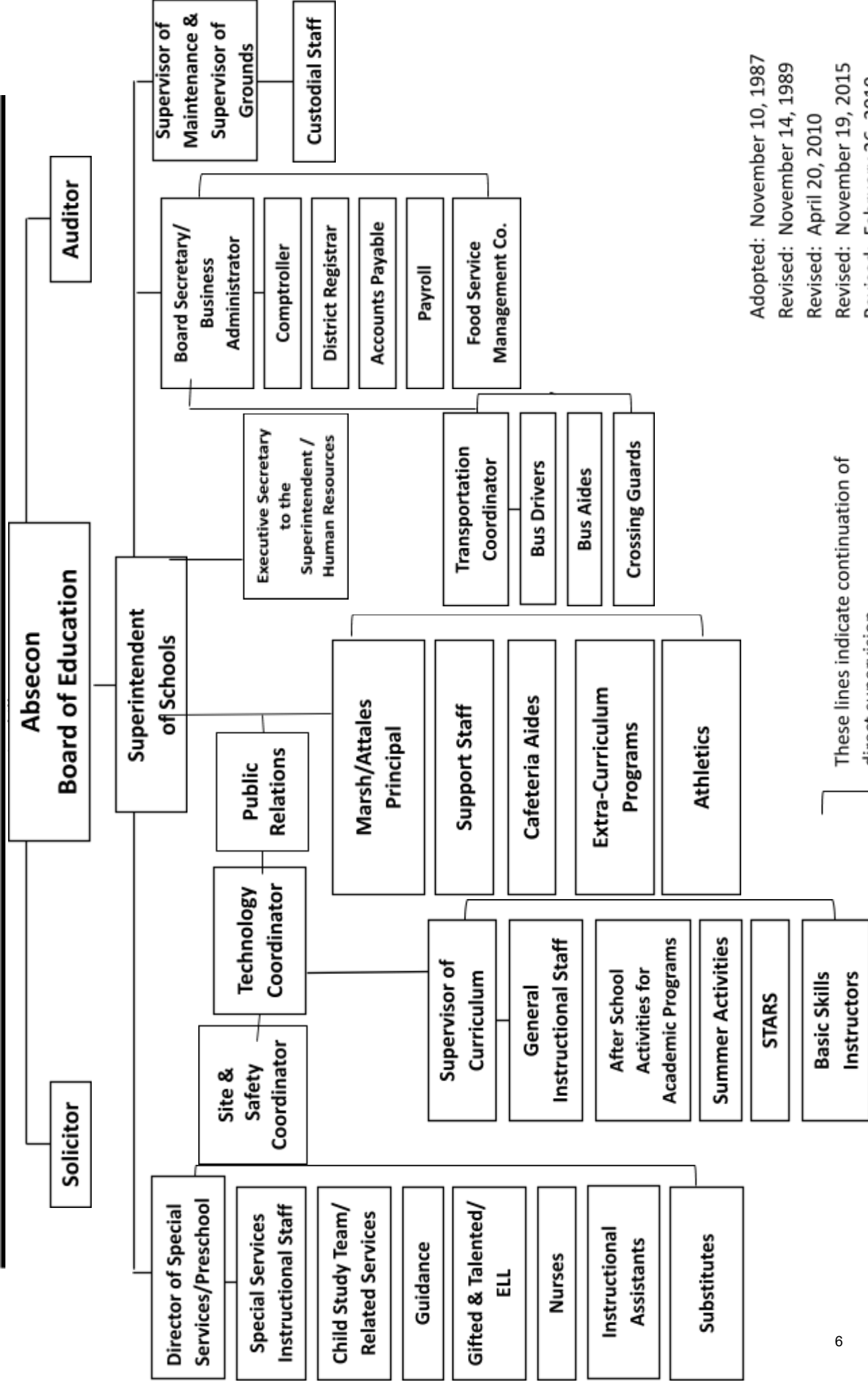
Acknowledgements

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



These lines indicate continuation of direct supervision.

Solid lines indicate direct supervision.

Adopted: November 10, 1987
Revised: November 14, 1989
Revised: April 20, 2010
Revised: November 19, 2015
Revised: February 26, 2019
Revised: August 31, 2021
Revised: November 3, 2023

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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<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	2025
Raquel Law	2025
John Rynkiewicz	2025

Other Officials

Dr. Daniel Dooley, Superintendent

Julie Gallagher, Board Secretary/School Business Administrator

**ABSECON BOARD OF EDUCATION
Consultants and Advisors**

Architect

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

Audit Firm

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
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

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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, 2023, 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, 2023, 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 November 17, 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

November 17, 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, 2023
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, 2023. 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 2023 are as follows:

- In total, net position increased \$2,388,341.69 which represents a 19 percent increase from 2022.
- General revenues accounted for \$17,005,651.07 in revenue or 66 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$9,048,788.04 or 34 percent of total revenues of \$26,054,439.11.
- Total assets of governmental activities increased by \$2,124,375.35 as cash and cash equivalents increased by \$2,243,714.88, receivables increased by \$5,715.83, right to use leased assets increased by \$19,430.41, subscription assets increased by \$4,606.00 and capital assets decreased by \$162,495.37.
- The School District had \$23,792,752.07 in expenses; only \$9,048,788.04 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$17,005,651.07 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$22,217,354.37 in revenues and \$19,887,330.43, in expenditures. The General Fund's fund balance increased \$1,979,153.94 over 2022.

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, 2023
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 2023?" 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, 2023
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 2023 and 2022.

**Table 1
Net Position**

	<u>2023</u>	<u>2022</u>
Assets		
Current and Other Assets	\$ 8,766,105.81	6,479,235.09
Capital Assets	13,755,674.79	13,918,170.16
Total Assets	<u>22,521,780.60</u>	<u>20,397,405.25</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	<u>712,181.00</u>	<u>131,398.00</u>
Liabilities		
Long-Term Liabilities	1,391,785.62	5,373,109.48
Other Liabilities	6,041,857.89	1,123,261.37
Total Liabilities	<u>7,433,643.51</u>	<u>6,496,370.85</u>
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	<u>505,095.00</u>	<u>1,125,551.00</u>
Net Position		
Net Investment in Capital Assets	10,680,131.60	10,529,053.35
Restricted	6,759,623.41	4,441,792.32
Unrestricted	(2,144,531.92)	(2,063,964.27)
Total Net Position	<u>\$ 15,295,223.09</u>	<u>12,906,881.40</u>

The District's combined net position was \$15,295,223.09 on June 30, 2023. This is an increase from 2022 of \$2,388,341.69.

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

Table 2 shows changes in net position for fiscal year 2023 and 2022.

**Table 2
Changes in Net Position**

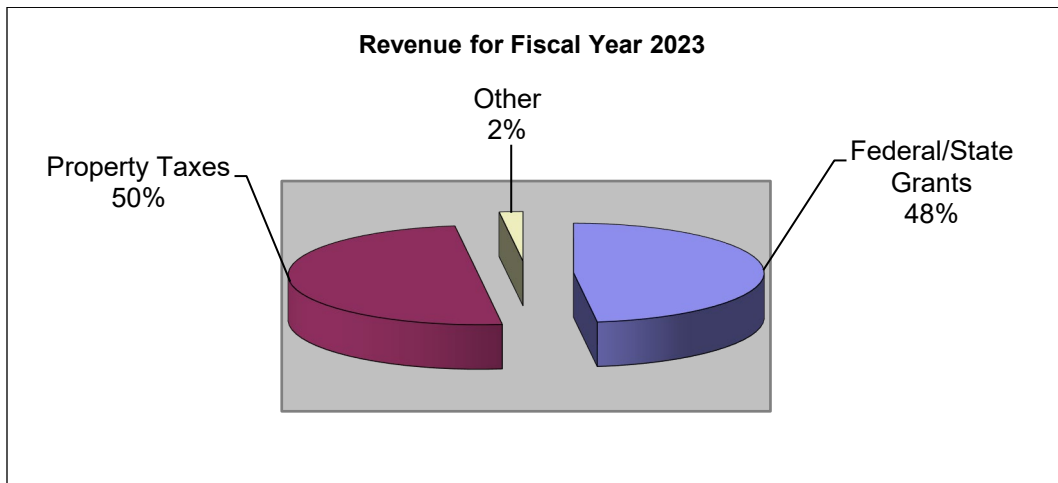
	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 880,844.51	528,622.25
Operating Grants and Contributions	8,167,943.53	9,480,999.73
General Revenues:		
Property Taxes	12,417,895.00	12,419,645.00
Grants and Entitlements	4,462,655.01	3,367,581.32
Other	125,101.06	140,672.57
Total Revenues	<u>26,054,439.11</u>	<u>25,937,520.87</u>
Program Expenses		
Instruction	11,812,690.77	11,971,555.51
Support Services:		
Tuition	2,319,740.51	2,377,897.85
Pupils and Instructional Staff	4,675,797.22	4,515,239.69
General and School Administration	1,041,344.25	1,268,754.37
Central Services	470,294.89	486,868.82
Operation and Maintenance of Facilities	1,393,070.79	1,199,732.77
Pupil Transportation	849,951.82	652,123.15
Interest on Long-Term Debt	88,226.38	95,971.53
Food Service	641,423.26	825,260.06
Other	500,212.18	358,723.20
Extraordinary Items:		
Fixed Asset Adjustment	(126,654.65)	-
Prior Year Grant Receivable Cancelled	-	(36,299.74)
Loss on Disposal of Capital Assets	-	6,819.83
Total Expenses	<u>23,666,097.42</u>	<u>23,722,647.04</u>
Increase/(Decrease) in Net Position	<u>\$ 2,388,341.69</u>	<u>2,214,873.83</u>

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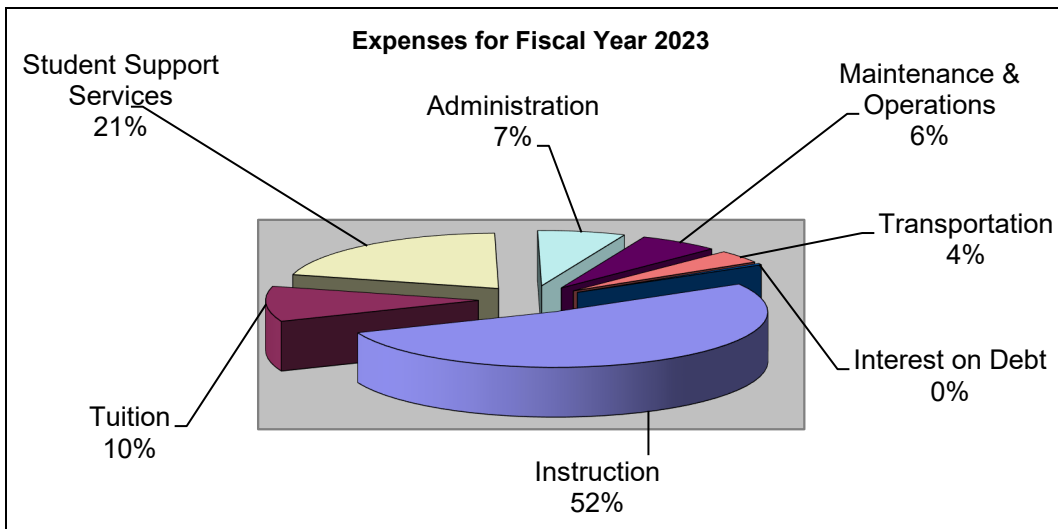
**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

Governmental Activities

The District's total revenues were \$24,845,427.75 for the year ended June 30, 2023. Property taxes made up 50 percent of revenues for governmental activities for the City of Absecon School District for fiscal year 2023. Federal, state, and local grants accounted for 48 percent of the revenue. Local revenue and charges for service make up 2 percent of the revenue.



The total cost of all program and services was \$22,651,116.63. Instruction comprises 52 percent of District expenses.



**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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 \$64,987.36.
- Charges for services represent \$506,592.97 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 \$700,029.83.
- For the After School Childcare operation, federal grants for NJ Stabilization and Hiring and Retention was \$178,543.00.

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 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 11,812,690.77	7,472,553.05	11,971,555.51	7,109,915.10
Support Services:				
Pupils and Instructional Staff	6,995,537.73	4,846,651.14	6,893,137.54	4,651,599.34
General and School Administration	1,041,344.25	898,430.72	1,268,754.37	1,034,561.35
Central Services	470,294.89	366,992.96	486,868.82	348,981.93
Operation and Maintenance of Facilities	1,393,070.79	1,010,388.02	1,199,732.77	898,713.31
Pupil Transportation	849,951.82	262,322.12	652,123.15	158,929.37
Interest on Long-Term Debt	88,226.38	(48,386.62)	95,971.53	(41,554.47)
Total Expenses	<u>\$ 22,651,116.63</u>	<u>14,808,951.39</u>	<u>22,568,143.69</u>	<u>14,161,145.93</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, 2023
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 \$26,390,003.75 and expenditures were \$24,541,201.11. The net positive change in fund balance for the year of \$1,848,799.64 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, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Local Sources	\$ 12,889,689.31	48.84%	160,035.93	1.26%
State Sources	11,798,539.63	44.71%	2,135,832.30	22.10%
Federal Sources	1,701,774.81	6.45%	(113,023.31)	-6.23%
Total	<u>\$ 26,390,003.75</u>	<u>100.00%</u>	<u>2,182,844.92</u>	<u>9.02%</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, 2023, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 8,324,383.33	33.92%	740,167.38	9.76%
Undistributed expenditures	14,128,613.77	57.57%	437,501.91	3.20%
Charter Schools	952,085.00	3.88%	30,751.00	3.34%
Debt Service	401,800.00	1.64%	(2,687.50)	-0.66%
Capital Outlay	734,322.01	2.99%	33,262.11	4.74%
Total	<u>\$ 24,541,204.11</u>	<u>100.00%</u>	<u>1,238,994.90</u>	<u>5.32%</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, 2023
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 2023, the School District had \$13,755,674.79 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2023 balances compared to 2022.

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

	<u>2023</u>	<u>2022</u>
Land	\$ 1,956,141.00	1,956,141.00
Site Improvements	496,048.29	382,951.01
Building and Building Improvements	10,565,758.55	11,132,102.54
Machinery and Equipment	737,726.95	446,975.61
Total	<u>\$ 13,755,674.79</u>	<u>13,918,170.16</u>

Overall capital assets decreased \$162,495.37 from fiscal year 2022 to fiscal year 2023. The decrease 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, 2023, the School District had \$3,744,249.89 of outstanding debt. Of this amount \$384,088.25 is for compensated absences, \$320,555.64 is for right to use leased assets, \$4,606.00 is for subscription assets, and \$3,035,000.00 of serial bonds for school construction.

At June 30, 2023, the School District's overall legal debt margin was \$20,437,396. For more detailed information, please refer to the Notes to the Financial Statements.

**CITY OF ABSECON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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 Irelan 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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,180,573.93	591,155.06	4,771,728.99
Receivables, Net	791,622.92	58,716.17	850,339.09
Inventory		15,034.96	15,034.96
Right to Use Leased Assets	323,756.10		323,756.10
Subscription Assets	4,606.00		4,606.00
Restricted Assets:			
Capital Reserve Account	2,803,841.13		2,803,841.13
Capital Assets:			
Capital Assets, not depreciated	1,956,141.00		1,956,141.00
Capital Assets being Depreciated, net	11,474,048.18	325,485.61	11,799,533.79
Total Assets	<u>21,534,589.26</u>	<u>990,391.80</u>	<u>22,524,981.06</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	712,181.00		712,181.00
Total Deferred Outflows of Resources	<u>712,181.00</u>	<u>-</u>	<u>712,181.00</u>
LIABILITIES			
Accounts Payable	166,839.69	76,032.89	242,872.58
Payable to State & Federal Government	36,410.32		36,410.32
Unemployment Compensation Claims Payable	68,820.15		68,820.15
Payroll Deductions and Withholdings Payable	5,940.20		5,940.20
Due to Grantor		24,759.30	24,759.30
Unearned Revenue	965,925.23	6,514.65	972,439.88
Accrued Interest	40,543.19		40,543.19
Noncurrent Liabilities			
Due Within One Year	585,157.62		585,157.62
Due Beyond One Year	3,157,686.73		3,157,686.73
Subscription Liabilities	4,606.00		4,606.00
Net Pension Liability	2,297,608.00		2,297,608.00
Total Liabilities	<u>7,329,537.13</u>	<u>107,306.84</u>	<u>7,436,843.97</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	505,095.00		505,095.00
NET POSITION			
Net Investment in Capital Assets	10,354,645.99	325,485.61	10,680,131.60
Restricted for:			
Other Purposes	6,759,623.41		6,759,623.41
Unrestricted	(2,702,131.27)	557,599.35	(2,144,531.92)
Total Net Position	<u>\$ 14,412,138.13</u>	<u>883,084.96</u>	<u>15,295,223.09</u>

CITY OF ABSECON SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Indirect Cost Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 6,323,599.22	3,274,336.98	229,514.80	2,973,307.71		(6,395,113.69)		(6,395,113.69)
Special Education	1,096,229.57	668,692.30		1,075,263.33		(689,658.54)		(689,658.54)
Other Special Instruction	283,974.59	165,858.11		62,051.88		(387,780.82)		(387,780.82)
Support Services:								
Tuition	1,367,655.51					(1,367,655.51)		(1,367,655.51)
Student & Instruction Related Services	3,266,988.01	1,408,809.21	25,169.73	2,123,716.86		(2,526,910.63)		(2,526,910.63)
School Administrative Services	356,399.97	221,456.54		140,439.41		(437,417.10)		(437,417.10)
General Administrative Services	336,912.61	126,575.13		2,474.12		(461,013.62)		(461,013.62)
Plant Operation and Maintenance	1,214,217.09	178,853.70		382,682.77		(1,010,388.02)		(1,010,388.02)
Pupil Transportation	664,744.22	185,207.60	119,567.01	468,062.69		(262,322.12)		(262,322.12)
Central Services	307,399.82	162,895.07		103,301.93		(366,992.96)		(366,992.96)
Unallocated Employee Benefits	6,392,684.64	(6,392,684.64)				-		-
Interest on Long-Term Debt	88,226.38			136,613.00		48,386.62		48,386.62
Charter Schools	952,085.00					(952,085.00)		(952,085.00)
Total Governmental Activities	22,651,116.63	-	374,251.54	7,467,913.70	-	(14,808,951.39)	-	(14,808,951.39)
Business-Type Activities:								
Food Service	641,423.26		102,711.79	521,486.83		(17,224.64)		(17,224.64)
After School Child Care	500,212.18		403,881.18	178,543.00		82,212.00		82,212.00
Total Business-Type Activities	1,141,635.44	-	506,592.97	700,029.83	-	-	64,987.36	64,987.36
Total Primary Government	\$ 23,792,752.07	-	880,844.51	8,167,943.53	-	(14,808,951.39)	64,987.36	(14,743,964.03)
General Revenues:								
Taxes:								
				Property Taxes, Levied for General Purposes, Net		\$	12,152,718.00	
				Taxes Levied for Debt Service			265,177.00	
				Federal and State Aid not Restricted			4,462,655.01	
				Investment Earnings			2,388.56	31,631.89
				Other Restricted Miscellaneous Revenues			43,683.61	
				Miscellaneous Income			49,785.56	
Extraordinary Items:								
				Fixed Asset Adjustment			126,654.65	
Total General Revenues, Special Items, Extraordinary Items and Transfers								
				Change in Net Position			129,043.21	17,132,305.72
				Net Position - Beginning			194,030.57	2,388,341.69
				Net Position - Ending			689,054.39	12,906,881.40
				Net Position - Ending		\$	883,084.96	15,295,223.09

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, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,775,920.02	404,649.87	4.04	4,180,573.93
Receivables from Other Governments	229,627.18	399,964.00		629,591.18
Other Receivables	127,388.56	34,643.18		162,031.74
Due from Other Funds	250.62	437.50		688.12
Restricted Cash & Cash Equivalents	2,803,841.13			2,803,841.13
Total Assets	<u>6,937,027.51</u>	<u>839,694.55</u>	<u>4.04</u>	<u>7,776,726.10</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	119,656.11	47,183.58		166,839.69
Payable to Other Governments - State		35,066.00		35,066.00
Payable to Other Governments - State		969.32		969.32
Payable to Other Governments - Federal		375.00		375.00
Payable to Other Funds	250.00	438.12		688.12
Unemployment Compensation Claims Payable	68,820.15			68,820.15
Payroll Deductions and Withholdings Payable	5,940.20			5,940.20
Unearned Revenue		965,925.23		965,925.23
Total Liabilities	<u>194,666.46</u>	<u>1,049,957.25</u>	<u>-</u>	<u>1,244,623.71</u>
Fund Balances:				
Restricted for:				
Excess Surplus	1,017,069.29			1,017,069.29
Excess Surplus - Designated				
Subsequent Year	862,128.00			862,128.00
Debt Service Fund			4.04	4.04
Student Activities		38,045.30		38,045.30
Unemployment Compensation	113,352.33			113,352.33
Committed to:				
Capital Reserve	2,825,185.45			2,825,185.45
Maintenance Reserve	827,387.00			827,387.00
Tuition Reserve	120,707.00			120,707.00
Assigned to:				
Capital Reserve Designated by BOE				
for Subsequent Expenditures	832,000.00			832,000.00
Tuition Reserve Designated by BOE				
for Subsequent Expenditures	123,745.00			123,745.00
Unassigned, Reported in:				
General Fund	20,786.98			20,786.98
Special Revenue Fund		(248,308.00)		(248,308.00)
Total Fund Balances	<u>6,742,361.05</u>	<u>(210,262.70)</u>	<u>4.04</u>	<u>6,532,102.39</u>
Total Liabilities and Fund Balances	<u>\$ 6,937,027.51</u>	<u>839,694.55</u>	<u>4.04</u>	

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

Capital assets used in governmental activities are not resources and therefore are not reported in the funds. The cost of the assets is \$27,266,376.46 and the accumulated depreciation is \$13,836,187.28	13,430,189.18
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,747,450.35)
Pension Liabilities Net of Deferred Outflows & Inflows	(2,090,522.00)
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	323,756.10
Subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,606.00
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(40,543.19)
Net Position of governmental activities	<u>\$ 14,412,138.13</u>

CITY OF ABSECON SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 12,152,718.00		265,177.00	12,417,895.00
Tuition From Other LEAs Within the State	129,045.80			129,045.80
Other Tuition	100,469.00			100,469.00
Interest Earned on Investments	29,233.33		10.00	29,243.33
Transportation Fees from Individuals	1,671.16			1,671.16
Transportation Fees from Other LEAs within State	117,895.85			117,895.85
Other Restricted Miscellaneous Revenues	43,683.61			43,683.61
Miscellaneous	22,190.48	27,595.08		49,785.56
Total Local Sources	12,596,907.23	27,595.08	265,187.00	12,889,689.31
State Sources	9,550,479.13	2,111,447.50	136,613.00	11,798,539.63
Federal Sources	69,968.01	1,631,806.80		1,701,774.81
Total Revenues	22,217,354.37	3,770,849.38	401,800.00	26,390,003.75
EXPENDITURES				
Current:				
Regular Instruction	4,598,501.62	2,237,127.49		6,835,629.11
Special Education Instruction	1,182,289.97			1,182,289.97
Other Special Instruction	306,464.25			306,464.25
Support Services:				
Tuition	1,367,655.51			1,367,655.51
Student & Instruction Related Serv.	1,793,250.26	1,745,685.70		3,538,935.96
School Administrative Services	426,291.75			426,291.75
General Administrative Services	405,426.70			405,426.70
Plant Operation and Maintenance	968,865.20			968,865.20
Pupil Transportation	660,241.51			660,241.51
Central Services	368,512.50			368,512.50
Employee Benefits	6,392,684.64			6,392,684.64
Transfer to Charter School	952,085.00			952,085.00
Debt Service:				
Principal on Bonds			310,000.00	310,000.00
Interest on Bonds			91,800.00	91,800.00
Capital Outlay	465,061.52	269,260.49		734,322.01
Total Expenditures	19,887,330.43	4,252,073.68	401,800.00	24,541,204.11
Excess (Deficiency) of Revenues Over Expenditures	2,330,023.94	(481,224.30)	-	1,848,799.64
OTHER FINANCING SOURCES (USES)				
Transfer in		350,870.00	-	350,870.00
Transfer out	(350,870.00)			(350,870.00)
Total Other Financing Sources and Uses	(350,870.00)	350,870.00	-	-
Net Changes in Fund Balance	1,979,153.94	(130,354.30)	-	1,848,799.64
Fund Balance - July 1	4,763,207.11	(79,908.40)	4.04	4,683,302.75
Fund Balance - June 30	\$ 6,742,361.05	(210,262.70)	4.04	6,532,102.39

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, 2023

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$ 1,848,799.64
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, 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.	
Depreciation expense	(707,907.50)
Capital Outlay	411,206.93
	(296,700.57)
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.	
Bonds Payable	310,000.00
Capital Leases Payable	82,111.43
	392,111.43
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.	
District pension contributions - PERS	
Cost of benefits earned net of employee contributions	276,980.00
	276,980.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).	
	(30,453.00)
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.	
	3,573.62
Change in Net Position of Governmental Activities	<u>\$ 2,194,311.12</u>

CITY OF ABSECON SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2023

	Business-Type Activities -		
	Enterprise Fund		Totals
	Major Fund	Non-Major Fund	
	Food Service	After School Child Care	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 333,642.20	257,512.86	591,155.06
Accounts Receivable	46,540.69	12,175.48	58,716.17
Inventory	15,034.96		15,034.96
Total Current Assets	<u>395,217.85</u>	<u>269,688.34</u>	<u>664,906.19</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	285,975.45		285,975.45
Land Improvements	121,655.62		121,655.62
Less: Accumulated Depreciation	(82,145.46)		(82,145.46)
Total Noncurrent Assets	<u>325,485.61</u>	<u>-</u>	<u>325,485.61</u>
Total Assets	<u><u>720,703.46</u></u>	<u><u>269,688.34</u></u>	<u><u>990,391.80</u></u>
LIABILITIES			
Current Liabilities:			
Unearned Revenue	4,069.65	2,445.00	6,514.65
Due to Grantor		24,759.30	24,759.30
Accounts Payable	73,321.42	2,711.47	76,032.89
Total Current Liabilities	<u>77,391.07</u>	<u>29,915.77</u>	<u>107,306.84</u>
Noncurrent Liabilities:			
None	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>77,391.07</u>	<u>29,915.77</u>	<u>107,306.84</u>
NET POSITION			
Net Investment in Capital Assets	325,485.61	-	325,485.61
Unrestricted	317,826.78	239,772.57	557,599.35
Total Net Position	<u><u>\$ 643,312.39</u></u>	<u><u>239,772.57</u></u>	<u><u>883,084.96</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, 2023

	Business-Type Activities - Enterprise Fund		
	Major Fund	Non-Major Fund	Totals
	Food Service	After School Child Care	Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 84,705.22		84,705.22
Daily Sales - Non-reimbursable Programs	18,006.57		18,006.57
Tuition Fees		393,598.18	393,598.18
Registration Fees		10,283.00	10,283.00
Total Operating Revenue	<u>102,711.79</u>	<u>403,881.18</u>	<u>506,592.97</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	242,298.30		242,298.30
Cost of Sales - Non-reimbursable Programs	7,197.33		7,197.33
Salaries	296,844.87	421,389.34	718,234.21
Food Service Management	25,000.00		25,000.00
Depreciation	19,697.27		19,697.27
Other Purchased Services	3,523.50	5,846.24	9,369.74
Supplies and Materials	33,804.46	15,847.60	49,652.06
Field Trips and Transportation		20,929.00	20,929.00
Facility Use		36,200.00	36,200.00
Misc. Expenditures	13,057.53		13,057.53
Total Operating Expenses	<u>641,423.26</u>	<u>500,212.18</u>	<u>1,141,635.44</u>
Operating Income (Loss)	(538,711.47)	(96,331.00)	(635,042.47)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	9,374.85		9,374.85
State School Breakfast Program	1,072.50		1,072.50
Federal Sources:			
School Lunch Program	313,520.18		313,520.18
School Breakfast Program	113,393.57		113,393.57
School Snack Program	2,773.80		2,773.80
P-EBT Administrative Cost	653.00		653.00
Food Distribution Program	48,066.61		48,066.61
Supply Chain Assistance - Round 2	20,597.28		20,597.28
Supply Chain Assistance - Round 3	12,035.04		12,035.04
NJ ARP Stabilization Grant		115,000.00	115,000.00
Hiring and Retention Bonus Grant - Phase III		63,543.00	63,543.00
Interest and Investment Income	1,321.83	1,066.73	2,388.56
Fixed Asset Adjustment	126,654.65		126,654.65
Total Nonoperating Revenues (Expenses)	<u>649,463.31</u>	<u>179,609.73</u>	<u>829,073.04</u>
Income (Loss) before Contributions & Transfers	110,751.84	83,278.73	194,030.57
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	110,751.84	83,278.73	194,030.57
Total Net Position - Beginning	<u>532,560.55</u>	<u>156,493.84</u>	<u>689,054.39</u>
Total Net Position - Ending	<u>\$ 643,312.39</u>	<u>239,772.57</u>	<u>883,084.96</u>

CITY OF ABSECON SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund		
	Major Fund	Non-Major Fund	Total
	Food	After School	Enterprise
	Service	Center	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 78,323.31		78,323.31
Receipts for Tuition and Registration		400,400.64	400,400.64
Payments to Employees		(421,389.34)	(421,389.34)
Payments to Suppliers	(656,556.36)	(84,888.57)	(741,444.93)
Net Cash Provided by (Used for) Operating Activities	<u>(578,233.05)</u>	<u>(105,877.27)</u>	<u>(684,110.32)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	11,014.48		11,014.48
Federal Sources	523,382.78	178,543.00	701,925.78
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>534,397.26</u>	<u>178,543.00</u>	<u>712,940.26</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	54,863.62	-	54,863.62
Net Cash (Used for) Capital and Related Financing Activities	<u>54,863.62</u>	<u>-</u>	<u>54,863.62</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	1,321.83	1,066.73	2,388.56
Net Cash Provided by (Used for) Investing Activities	<u>1,321.83</u>	<u>1,066.73</u>	<u>2,388.56</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,349.66	73,732.46	86,082.12
Balance - Beginning of Year	321,292.54	183,780.40	505,072.94
Balance - End of Year	<u>333,642.20</u>	<u>257,512.86</u>	<u>591,155.06</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(538,711.47)	(96,331.00)	(635,042.47)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	19,697.27		19,697.27
Federal Commodities	48,066.61		48,066.61
(Increase) Decrease in Inventories	(13,403.60)		(13,403.60)
(Increase) Decrease in Accounts Receivable	(24,936.40)	(1,760.54)	(26,696.94)
Increase (Decrease) in Accounts Payable	(69,493.38)	(6,065.73)	(75,559.11)
Increase (Decrease) in Unearned Revenue	547.92	(1,720.00)	(1,172.08)
Total Adjustments	<u>(39,521.58)</u>	<u>(9,546.27)</u>	<u>(49,067.85)</u>
Net Cash Provided by (Used for) Operating Activities	\$ <u>(578,233.05)</u>	<u>(105,877.27)</u>	<u>(684,110.32)</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023 of 938 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, 2023
(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, 2023
(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 Childcare Fund.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(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 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, 2023
(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, 2023, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food and Supplies	\$ 15,034.96
	<u>\$ 15,034.96</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.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(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.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

9. Budgets/Budgetary Control:

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

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

Regular Program - Instruction	
Kindergarten - Salaries of Teachers	\$ 41,066.00
Grades 6 - 8 - Salaries of Teachers	(31,610.00)
Special Education - Instruction	
Multiple Disabilities - Salaries of Teachers	(28,802.00)
Resource Room - Salaries of Teachers	(69,471.45)
Basic Skills/Remedial - Instruction	
Salaries of Teachers	(125,902.25)
Undistributed Expenditures	
Tuition to Other LEA's Within the State - Regular	(24,392.51)
Attendance and Social Work - Purch. Prof. & Technical Services	(27,849.06)
Extraordinary Services - Salaries	154,834.05
Child Study Team - Salaries of Other Professional Staff	(64,945.10)
Edu. Media Serv./Library - Salaries	(59,700.00)
Edu. Media Serv./Library - Salaries of Technology Coordinators	51,464.35
Required Maint. For School Fac. - Cleaning, Repair & Maint. Service	(78,970.31)
Care and Upkeep of Grounds - Cleaning, Repair & Maint. Service	(37,151.93)
Student Transportation Serv. -	
Salaries of Non-Instructional Aides	26,610.63
Unallocated Benefits - Personal Services - Employee Benefits	
Social Security Contributions	62,056.46
Health Benefits	(89,410.20)

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, 2023
(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 Pleasantville City, Mullica Township, Camden City and Middle Township school districts.

11. Tuition Payable:

Tuition charges for the fiscal years 2022-2023 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.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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, 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, 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, 2023, \$213,086.26 of the government's bank balance of \$7,869,936.64 was exposed to custodial credit risk.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2023, 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	\$ 229,627.18	230,202.56
Federal Aid	399,964.00	420,917.91
Other	162,031.74	199,218.62
Gross Receivables	791,622.92	850,339.09
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 791,622.92	850,339.09

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, 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	862,842.89	141,344.37		1,004,187.26
Buildings and building improvements	22,786,298.79	48,670.00		22,834,968.79
Equipment	1,174,145.87	303,303.99	(6,370.45)	1,471,079.41
Total capital assets being depreciated at historical cost	<u>24,823,287.55</u>	<u>493,318.36</u>	<u>(6,370.45)</u>	<u>25,310,235.46</u>
Less accumulated depreciation for:				
Site Improvements	(598,506.10)	(22,164.31)		(620,670.41)
Buildings and improvements	(11,654,196.25)	(615,013.99)		(12,269,210.24)
Equipment	(881,947.88)	(70,729.20)	6,370.45	(946,306.63)
Total capital assets being depreciated, net of accumulated depreciation	<u>11,688,637.32</u>	<u>(214,589.14)</u>	<u>-</u>	<u>11,474,048.18</u>
Governmental activity capital assets, net	<u>13,644,778.32</u>	<u>(214,589.14)</u>	<u>-</u>	<u>13,430,189.18</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	223,984.41	71,791.04	(9,800.00)	285,975.45
Land Improvements	121,655.62			121,655.62
Less accumulated depreciation	(72,248.19)	(19,697.27)	9,800.00	(82,145.46)
Enterprise Fund capital assets, net	<u>\$ 273,391.84</u>	<u>52,093.77</u>	<u>-</u>	<u>325,485.61</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 370,461.56
Special Instruction	64,067.72
Other Special Instruction	16,607.15
Student & Instruction Related Services	191,731.13
School Administration Services	23,100.54
General Administration Services	21,969.88
Central Services	19,969.52
	<u>\$ 707,907.50</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 5 – INTERFUND TRANSFERS AND BALANCES

The following interfund balances remained on the fund financial statements at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
Special Revenue Fund	\$ 437.50	438.12
General Fund	250.62	250.00
Total	\$ 688.12	688.12

The Special Revenue Fund receivable is comprised of \$437.50 owed from the Student Activity Funds. The General Fund receivable is comprised of \$250.00 owed from payroll agency for the flexible spending account and \$0.62 owed from the Special Revenue Fund as result of federal and state grant funds being rounded.

NOTE 6 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2023 are as follows:

	Balance June 30, 2022	Issues or Additions	Payments or Adjustments	Balance June 30, 2023	Amounts Due Within One Year
Compensated Absences \$	353,635.25	30,453.00		384,088.25	
Capital Leases Payable	82,111.43		82,111.43	-	
Bonds Payable	3,345,000.00		310,000.00	3,035,000.00	320,000.00
Lease Liability	219,013.80	320,555.64	215,813.34	323,756.10	260,551.62
Subscription Liability	-	18,424.00	13,818.00	4,606.00	4,606.00
Net Pension Liability	1,373,349.00	994,153.00	69,894.00	2,297,608.00	
	<u>\$ 5,373,109.48</u>	<u>1,363,585.64</u>	<u>691,636.77</u>	<u>6,045,058.35</u>	<u>585,157.62</u>

Compensated absences have been liquidated in the General Fund.

Bonds Payable

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

At June 30, 2023, 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, 2023 is \$3,035,000.00.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

Debt service requirements on serial bonds payable at June 30, 2023 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	335,000.00	48,475.00	383,475.00
2029-2032	1,390,000.00	89,100.00	1,479,100.00
	<u>\$ 3,035,000.00</u>	<u>423,562.50</u>	<u>3,458,562.50</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 matured in August 2023. The remaining liability as of June 30, 2023, is \$3,200.46.

The second agreement was executed in June 2023, to lease copiers across the different locations within the school district. The term of the lease is 36 months and matures in June 2026. The remaining liability as of June 30, 2023, is \$94,806.72.

The third agreement was executed in June 2023, to lease (5) 54 passenger buses and (1) 25 passenger bus. The term of the lease is 12 months and matures in June 2023. The remaining liability as of June 30, 2023, is \$120,046.32.

The fourth agreement was executed in June 2023, to lease (5) 54 passenger buses. The term of the lease is 12 months and matures in June 2023. The remaining liability as of June 30, 2023, is \$105,702.60.

The future minimum lease obligations as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 260,551.62		260,551.62
2025	31,602.24		31,602.24
2026	31,602.24		31,602.24
	<u>\$ 323,756.10</u>	<u>-</u>	<u>323,756.10</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 7 – PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

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 45.28% and the PERS rate is 17.61% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2023, 2022 and 2021 were \$2,567,056.00, \$2,492,184.00, and \$1,688,233.00, 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, 2023, 2022 and 2021 were \$191,990.00, \$135,766.00, and \$132,821.00 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, 2023
(CONTINUED)**

During the fiscal years ended June 30, 2023, 2022 and 2021, the State of New Jersey contributed \$674,359.00, \$582,275.00, and \$529,066.00, 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 \$609,162.13, \$565,303.76, and \$496,088.82, 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, 2023.

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 $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; 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, 2023
(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: PENSION LIABILITIES – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

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. The following information describes the District's proportionate share of the statewide pension system's liabilities and expenses.

The following represents the District's pension liabilities as June 30, 2022:

Public Employees' Retirement System

The District has a liability of \$2,297,608 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. 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, 2022, the District's proportion is 0.01522463830%, which is an increase of 31.33% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized negative pension expense of \$84,990. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 16,583	\$ (14,624)
Changes of assumptions	7,119	(344,043)
Net difference between projected and actual earnings on pension plan investments	95,096	-
Changes in proportion	593,383	(146,428)
Total	<u>\$ 712,181</u>	<u>\$ (505,095)</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(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,		
2024	\$	189,288
2025		69,714
2026		4,898
2027		(57,259)
2028		445
Total	\$	<u><u>207,086</u></u>

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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 PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, 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 or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 2,755,303	\$ 2,297,608	\$ 1,908,524

Pension plan fiduciary net position.

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 9 – PENSION LIABILITIES - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2022, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

The employer contributions for local participating employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 18:66-33. Therefore, local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>30,800,208.00</u>
Total	<u><u>\$ 30,800,208.00</u></u>

The net pension liability was measured as of June 30, 2022 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, 2022, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$828,920 and revenue of \$828,920 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2022 actuarial valuation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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	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, 2023
(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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	2.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	8.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	5.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount rate.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 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 (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net position liability associated with the District	\$ 36,113,898.40	\$ 30,800,208.00	\$ 26,324,091.53

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, 2022 are as follows:

Deferred outflows of resources	\$ 5,004,259,312
Deferred inflows of resources	19,682,774,794
Net pension liability	51,676,587,303

Collective pension expense for the plan for the measurement period ended June 30, 2022 is \$1,390,761,344.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 10 – OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be reported on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contributions. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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 June 30, 2023 III-3.8 the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [NJ OMB - Financial Publications](#)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2022, actuarial valuation reported by the State in the State's most recently issued ACFR was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases

<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
2.75% to 4.25% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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-2020 "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, 2021 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight 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, 2023
(CONTINUED)**

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. 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 6/30/22 (Based on 6/30/2021 measurement date)	\$ 60,007,650,970.00
Changes for the year:	
Service cost	2,770,618,025.00
Interest	1,342,187,139.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	1,399,200,736.00
Changes in assumptions or other inputs	(13,586,368,097.00)
Contributions: Member	42,650,252.00
Benefit payments	<u>(1,329,476,059.00)</u>
Net changes	<u>(9,361,188,004.00)</u>
Balance at 6/30/23 (Based on 6/30/2022 measurement date)	<u><u>\$ 50,646,462,966.00</u></u>

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

The following presents the total OPEB liability as of June 20, 2022, respectively, calculated using a discount rate as disclosed above as well as what the total non-employer 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 -2.54%	Discount Rate -3.54%	1% Increase -4.54%
Total OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

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, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

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

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$799,323.00 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, 2022, 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	\$ 9,042,402,619.00	\$ (15,462,950,679.00)
Changes in assumptions	8,765,620,577.00	(17,237,289,230.00)
	<u>\$ 17,808,023,196.00</u>	<u>\$ (32,700,239,909.00)</u>

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,	
2023	\$ (2,517,151,602.00)
2024	(2,517,151,602.00)
2025	(2,517,151,602.00)
2026	(2,175,449,761.00)
2027	(1,243,951,140.00)
Thereafter	<u>(3,921,361,006.00)</u>
	<u>\$ (14,892,216,713.00)</u>

(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, 2023
(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, 2023, 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.
Siracusa

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$ 261,035.00
Budget Withdrawal	120,707.00
Withdrawals:	
FY 2023 Approved Budget	(137,290.00)
Ending balance, June 30, 2023	\$ <u>244,452.00</u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022		\$ 740,293.00
June Board Transfer	<u>87,094.00</u>	<u>87,094.00</u>
Withdrawals:		
None	<u>-</u>	<u>-</u>
Ending balance, June 30, 2023		<u><u>\$ 827,387.00</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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022		\$ 1,874,635.45
Interest earnings	550.00	
June Board Transfer	<u>1,782,000.00</u>	<u>1,782,550.00</u>
Withdrawals:		
None	<u>-</u>	<u>-</u>
Ending balance, June 30, 2023		<u><u>\$ 3,657,185.45</u></u>

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(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:

<u>Fiscal Year</u>	<u>Adjustments/ Contributions</u>	<u>Interest on Investment</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 42,949.84	733.77	1,872.27	113,352.33
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

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.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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	\$ 164,721.39
	<u>\$ 164,721.39</u>

NOTE 21 – FUND BALANCE APPROPRIATED

General Fund – Of the \$6,742,361.05 General Fund fund balance, at June 30, 2023, \$164,721.39 is reserved for encumbrances, but not reflected as assigned on the balance sheet since the unassigned balance is negative, \$1,879,197.29 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$862,128.00 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024, \$113,352.33 has been reserved in the Unemployment Compensation Fund; \$3,657,185.45 has been reserved in the Capital Reserve Account; \$244,452.00 has been reserved in a Tuition Reserve Account; \$827,387.00 has been reserved in a Maintenance Reserve Account and \$20,786.98 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, 2023 is \$1,017,069.29.

NOTE 23 – DEFICIT FUND BALANCES

The District has a deficit unassigned fund balance of (\$210,262.70) in the Special Revenue Fund as of June 30, 2023 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 (\$210,262.70) is equal to the last state aid payment for that fund and the student activity fund balance.

**CITY OF ABSECON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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	94,806.72	19,202.76	98,007.18
(5) 54 Passenger Buses & (1) 25 Passenger Bus		113,401.08	120,046.32	113,401.08	120,046.32
(6) 54 Passenger Buses		83,209.50	105,702.60	83,209.50	105,702.60
Various Capital Equipment & Vehicles		82,111.43		82,111.43	-
Right to use assets, net	\$	<u>301,125.23</u>	<u>320,555.64</u>	<u>297,924.77</u>	<u>323,756.10</u>

NOTE 25 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2023 through November 17, 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, 2023

	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			-	129,045.80	129,045.80
Other Tuition			-	100,469.00	100,469.00
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			-	28,633.33	28,633.33
Transportation Fees from Individuals			-	1,671.16	1,671.16
Transportation Fees from Other LEAs within State			-	117,895.85	117,895.85
Other Restricted Miscellaneous Revenues			-	43,683.61	43,683.61
Unrestricted Miscellaneous Revenues	2,600.00		-	22,190.48	22,190.48
Total Local Sources	12,155,338.00	-	12,152,738.00	12,596,907.23	444,169.23
State Sources:					
Categorical Special Education Aid	756,476.00		756,476.00	756,476.00	-
Equalization Aid	4,392,923.00		4,392,923.00	4,392,923.00	-
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			-	61,113.00	61,113.00
Non-public Transportation Aid			-	6,729.00	6,729.00
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)			-	674,359.00	674,359.00
TPAF Pension (On-Behalf - Non-Budgeted)			-	2,567,056.00	2,567,056.00
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)			-	944.00	944.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	609,162.13	609,162.13
Total State Sources	5,754,693.00	-	5,754,693.00	9,674,056.13	3,919,363.13
Federal Sources:					
Medicaid Reimbursement	39,263.00		39,263.00	62,719.45	23,456.45
FFCRA/SEMI			-	7,248.56	7,248.56
Total Federal Sources	39,263.00	-	39,263.00	69,968.01	30,705.01
Total Revenues	17,949,294.00	-	17,946,694.00	22,340,931.37	4,394,237.37
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of Teachers	343,330.00	41,066.00	384,396.00	336,122.75	48,273.25
Grades 1 - 5 - Salaries of Teachers	2,195,861.00	(11,456.00)	2,184,405.00	2,153,212.45	31,192.55
Grades 6 - 8 - Salaries of Teachers	1,910,366.00	(31,610.00)	1,878,756.00	1,859,313.49	19,442.51
Regular Programs - Home Instruction					
Salaries of Teachers	30,000.00	(14,740.00)	15,260.00	15,200.00	60.00
Purchased Prof - Educational Services	5,000.00	(1,310.00)	3,690.00		3,690.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		624.00	624.00		624.00
Purchased Technical Services	6,000.00		6,000.00		6,000.00
Other Purchased Services (400-500 series)	31,900.00		31,900.00	29,241.33	2,658.67
General Supplies	230,025.00	(1,969.00)	228,056.00	106,406.25	121,649.75
Textbooks	128,308.00		128,308.00	85,061.85	43,246.15
Other Objects	20,290.00		20,290.00	13,943.50	6,346.50
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,901,080.00	(19,395.00)	4,881,685.00	4,598,501.62	283,183.38
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	122,346.00	881.00	123,227.00	122,821.00	406.00
General Supplies	1,940.00	591.00	2,531.00	2,158.55	372.45
Textbooks	1,000.00	(591.00)	409.00		409.00
Total Learning and/or Language Disabilities	125,286.00	881.00	126,167.00	124,979.55	1,187.45
Multiple Disabilities					
Salaries of Teachers	161,008.00	(28,802.00)	132,206.00	126,455.60	5,750.40
General Supplies	750.00	591.00	1,341.00	930.68	410.32
Textbooks	1,000.00	(591.00)	409.00		409.00
Total Multiple Disabilities	162,758.00	(28,802.00)	133,956.00	127,386.28	6,569.72

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Resource Room/Resource Center					
Salaries of Teachers	1,000,402.00	(69,471.45)	930,930.55	830,575.25	100,355.30
General Supplies	2,250.00	248.32	2,498.32	2,428.94	69.38
Total Resource Room/Resource Center	1,002,652.00	(69,223.13)	933,428.87	833,004.19	100,424.68
Preschool Disabilities - Full Time					
Salaries of Teachers	68,991.00	910.19	69,901.19	69,114.04	787.15
Other Salaries for Instruction	12,919.00	14,978.96	27,897.96	27,397.96	500.00
General Supplies	500.00		500.00	407.95	92.05
Total Preschool Disabilities - Full Time	82,410.00	15,889.15	98,299.15	96,919.95	1,379.20
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,373,106.00	(81,254.98)	1,291,851.02	1,182,289.97	109,561.05
Home Instruction - Instruction					
Salaries of Teachers		19,310.00	19,310.00	19,010.00	300.00
Total Home Instruction - Instruction	-	19,310.00	19,310.00	19,010.00	300.00
Basic Skills/Remedial - Instruction					
Salaries of Teachers	184,076.00	(125,902.25)	58,173.75	22,443.00	35,730.75
General Supplies	500.00		500.00	249.70	250.30
Total Basic Skills/Remedial - Instruction	184,576.00	(125,902.25)	58,673.75	22,692.70	35,981.05
Bilingual Education - Instruction					
Salaries of Teachers	167,361.00	30,000.00	197,361.00	182,334.67	15,026.33
General Supplies	3,200.00	(248.32)	2,951.68	1,291.65	1,660.03
Total Bilingual Education - Instruction	170,561.00	29,751.68	200,312.68	183,626.32	16,686.36
School-Spon. Cocurricular Activities - Instruction					
Salaries	55,200.00	(8,000.00)	47,200.00	34,790.00	12,410.00
Supplies and Materials	7,000.00	(2,423.00)	4,577.00		4,577.00
Total School-Spon. Cocurricular Activities - Inst.	62,200.00	(10,423.00)	51,777.00	34,790.00	16,987.00
School-Sponsored Athletics - Instruction					
Salaries	25,200.00	8,000.00	33,200.00	33,200.00	-
Purchased Services (300-500 series)	3,400.00	2,219.00	5,619.00	5,618.65	0.35
Travel - All Other		125.00	125.00	122.15	2.85
Supplies and Materials	6,000.00	(146.00)	5,854.00	5,499.43	354.57
Other Objects		225.00	225.00	225.00	-
Total School-Sponsored Athletics - Instruction	34,600.00	10,423.00	45,023.00	44,665.23	357.77
Community Services Programs/Operations					
Supplies and Materials	350.00	1,345.00	1,695.00	1,680.00	15.00
Total Community Services Programs/Operations	350.00	1,345.00	1,695.00	1,680.00	15.00
TOTAL INSTRUCTION	6,726,473.00	(176,145.55)	6,550,327.45	6,087,255.84	463,071.61
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEA's Within the State - Regular	814,234.61	(24,392.51)	789,842.10	591,560.57	198,281.53
Tuition to Other LEA's Within the State - Special	142,000.00	(299.00)	141,701.00	14,998.54	126,702.46
Tuition to County Voc School Dist - Regular	505,632.00		505,632.00	505,632.00	-
Tuition to County Voc School Dist - Special	12,750.00		12,750.00	12,750.00	-
Tuition to CSSD & Regional Day Schools	234,300.00		234,300.00	194,179.00	40,121.00
Tuition to Private Schools for the Disabled -W/I State	110,642.00		110,642.00	8,265.40	102,376.60
Tuition - State Facilities	40,270.00		40,270.00	40,270.00	-
Total Undistributed Expenditures - Instruction	1,859,828.61	(24,691.51)	1,835,137.10	1,367,655.51	467,481.59
Undist. Expend. - Attendance and Social Work					
Salaries	51,131.00		51,131.00	49,705.94	1,425.06
Purchased Professional & Technical Services	39,500.00	(27,849.06)	11,650.94	6,171.25	5,479.69
Supplies & Materials	300.00		300.00		300.00
Total Undist. Expend. - Attendance and Social Work	90,931.00	(27,849.06)	63,081.94	55,877.19	7,204.75
Undistributed Expend. - Health Services					
Salaries	129,289.00	12,480.75	141,769.75	140,384.72	1,385.03
Purchased Professional & Technical Services	7,500.00	9,081.00	16,581.00	16,565.80	15.20
Other Purchased Services (400-500 series)	300.00		300.00	136.50	163.50
Supplies & Materials	5,000.00	(231.94)	4,768.06	4,622.27	145.79
Total Undistributed Expend. - Health Services	142,089.00	21,329.81	163,418.81	161,709.29	1,709.52

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Speech, OT, PT and Related Services					
Salaries	175,331.00	21,311.50	196,642.50	189,791.15	6,851.35
Purchased Professional - Educational Services	22,250.00	(494.03)	21,755.97	11,235.44	10,520.53
Supplies & Materials	3,370.00	(953.41)	2,416.59	2,139.43	277.16
Total Undist. Expend. - Speech, OT, PT and Related Services	200,951.00	19,864.06	220,815.06	203,166.02	17,649.04
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	311,100.00	154,834.05	465,934.05	416,658.31	49,275.74
Supplies & Materials	1,000.00	492.00	1,492.00	1,197.94	294.06
Total Undist. Expend. - Other Supp. Serv. Students -	312,100.00	155,326.05	467,426.05	417,856.25	49,569.80
Undist. Expend. - Other Support Serv. Students - Guidance					
Salaries of Other Professional Staff	139,743.00		139,743.00	139,743.00	-
Other Purchased Professional & Technical Services	2,500.00		2,500.00	1,220.00	1,280.00
Supplies & Materials	5,550.00	(550.00)	5,000.00	2,908.07	2,091.93
Total Undist. Expend. - Other Support Services Students - Guidance	147,793.00	(550.00)	147,243.00	143,871.07	3,371.93
Undist. Expend. - Other Support Serv. Students - Child Study Team					
Salaries of Other Professional Staff	297,531.00	(64,945.10)	232,585.90	221,936.40	10,649.50
Salaries of Secretarial and Clerical Assistants	34,071.00		34,071.00	33,270.96	800.04
Other Purchased Professional & Technical Services	7,000.00	550.00	7,550.00	7,336.63	213.37
Misc. Purchased Services (400-500 series o/than res)	2,500.00		2,500.00	2,043.83	456.17
Supplies & Materials	4,800.00	955.44	5,755.44	5,313.82	441.62
Total Undist. Expend. - Other Support Services Students - Child Study Team	345,902.00	(63,439.66)	282,462.34	269,901.64	12,560.70
Undist. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	144,896.00		144,896.00	143,826.40	1,069.60
Other Salaries	15,000.00	1,600.00	16,600.00	5,000.00	11,600.00
Sal of Facilitators, Math & Literacy Coaches	194,101.00		194,101.00	178,356.59	15,744.41
Purchased Professional - Educational Services	15,000.00	(1,600.00)	13,400.00		13,400.00
Supplies & Materials	500.00		500.00	489.56	10.44
Total Undist. - Improvement of Instructional Services	369,497.00	-	369,497.00	327,672.55	41,824.45
Undist. Expend. - Edu. Media Serv./Library					
Salaries	149,682.00	(59,700.00)	89,982.00	72,976.80	17,005.20
Salaries of Technology Coordinators	95,821.00	51,464.35	147,285.35	125,685.43	21,599.92
Supplies and Materials	11,500.00		11,500.00	4,771.40	6,728.60
Total Undistributed Expenditures - Educational Media Services - School Library	257,003.00	(8,235.65)	248,767.35	203,433.63	45,333.72
Undist. Expend. - Instructional Staff Training Services					
Salaries of Other Professional Staff		3,320.00	3,320.00	2,386.63	933.37
Other Purchased Professional & Technical Services	200.00	3,701.00	3,901.00		3,901.00
Other Purchased Services (400-500 series)	16,000.00	(7,021.00)	8,979.00	7,375.99	1,603.01
Total Undistributed Expenditure - Instructional Staff Training Services	16,200.00	-	16,200.00	9,762.62	6,437.38
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	217,990.00	4,681.12	222,671.12	222,671.04	0.08
Legal Services	140,481.00	8,874.00	149,355.00	41,846.10	107,508.90
Audit Services	25,000.00		25,000.00	22,000.00	3,000.00
Architectural/Engineering Services	25,000.00	18,119.82	43,119.82	1,000.00	42,119.82
Other Purchased Professional Services	4,100.00	(1,138.00)	2,962.00	1,350.00	1,612.00
Purchased Technical Services	3,500.00	(1,820.00)	1,680.00		1,680.00
Communications/Telephone	39,950.00		39,950.00	31,702.94	8,247.06
Travel - All Other		59.46	59.46	59.46	-
BOE - Other Purchased Services	4,215.00	472.02	4,687.02	4,617.02	70.00
Misc. Purchased Services (400-500 series O/T 530 & amp; 585)	64,800.00	3,486.09	68,286.09	67,881.61	404.48
General Supplies	2,500.00	994.49	3,494.49	3,324.03	170.46
BOE In-House Training/Meeting Supplies	1,000.00		1,000.00	468.50	531.50
Miscellaneous Expenditures	2,605.00	145.00	2,750.00	2,631.00	119.00
BOE Membership Dues and Fees	7,600.00		7,600.00	5,875.00	1,725.00
Total Undistributed Expenditures - Support Services - General Administration	538,741.00	33,874.00	572,615.00	405,426.70	167,188.30

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	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	284,186.00	24,506.00	308,692.00	283,157.44	25,534.56
Salaries of Secretarial and Clerical Assistants	113,387.00	(100.00)	113,287.00	104,629.03	8,657.97
Other Salaries		1,800.00	1,800.00	1,800.00	-
Purchased Professional and Technical Services	3,100.00	10,014.47	13,114.47	3,114.47	10,000.00
Other Purchased Services (400-500 series)	25,650.00		25,650.00	10,403.61	15,246.39
Supplies and Materials	27,805.00	(14.47)	27,790.53	16,141.22	11,649.31
Other Objects	7,932.00		7,932.00	7,045.98	886.02
Total Undistributed Expenditures - Support Services - School Administration	<u>462,060.00</u>	<u>36,206.00</u>	<u>498,266.00</u>	<u>426,291.75</u>	<u>71,974.25</u>
Undist. Expend. - Central Services					
Salaries	281,272.00	10,550.00	291,822.00	286,565.10	5,256.90
Purchased Professional Services		15,799.00	15,799.00	3,150.00	12,649.00
Purchased Technical Services	37,022.00	1,000.00	38,022.00	37,460.07	561.93
Misc. Purchased Services (400-500 series O/T 594)	5,100.00		5,100.00	2,080.91	3,019.09
Supplies and Materials	5,000.00		5,000.00	4,553.23	446.77
Interest on Current Loans	9,334.00		9,334.00	9,333.32	0.68
Miscellaneous Expenditures	1,800.00		1,800.00	1,589.96	210.04
Total Undistributed Expenditures - Central Services	<u>339,528.00</u>	<u>27,349.00</u>	<u>366,877.00</u>	<u>344,732.59</u>	<u>22,144.41</u>
Undist. Expend. - Admin Info Technology					
Purchased Technical Services	18,810.00	298.50	19,108.50	9,353.03	9,755.47
Other Purchased Services (400-500 series)	9,048.00	0.50	9,048.50	8,432.50	616.00
Supplies and Materials	9,100.00		9,100.00	5,994.38	3,105.62
Total Undistributed Expenditures - Admin Info Technology	<u>36,958.00</u>	<u>299.00</u>	<u>37,257.00</u>	<u>23,779.91</u>	<u>13,477.09</u>
Undist. Expend. - Required Maint. For School Fac.					
Salaries	67,725.00	(15,150.73)	52,574.27	51,845.07	729.20
Cleaning, Repair and Maintenance Service	286,834.00	(78,970.31)	207,863.69	182,387.87	25,475.82
General Supplies	48,800.00	12,919.73	61,719.73	15,339.20	46,380.53
Other Objects	500.00	617.58	1,117.58	1,000.00	117.58
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>403,859.00</u>	<u>(80,583.73)</u>	<u>323,275.27</u>	<u>250,572.14</u>	<u>72,703.13</u>
Undist. Expend. - Custodial Services					
Salaries	220,213.00	9,151.48	229,364.48	222,278.69	7,085.79
Salaries of Non-Instructional Aides	5,600.00	1,000.00	6,600.00	6,521.25	78.75
Cleaning, Repair and Maintenance Service	22,500.00	204.80	22,704.80	19,793.78	2,911.02
Other Purchased Property Services	30,400.00	3,647.41	34,047.41	33,905.20	142.21
Insurance	59,540.00		59,540.00	58,928.92	611.08
Miscellaneous Purchased Service	250.00	2,371.20	2,621.20	2,621.20	-
General Supplies	58,000.00	4,767.59	62,767.59	61,544.89	1,222.70
Energy - (Natural Gas)	82,000.00		82,000.00	54,741.66	27,258.34
Energy - (Electricity)	196,700.00	20,000.00	216,700.00	184,066.03	32,633.97
Total Undistributed Expenditures - Custodial Services	<u>675,203.00</u>	<u>41,142.48</u>	<u>716,345.48</u>	<u>644,401.62</u>	<u>71,943.86</u>
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	37,977.00	(2,000.75)	35,976.25	33,994.51	1,981.74
Cleaning, Repair and Maintenance Services	60,000.00	(37,151.93)	22,848.07	5,186.22	17,661.85
General Supplies	7,000.00	20,121.93	27,121.93	26,917.93	204.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	<u>104,977.00</u>	<u>(19,030.75)</u>	<u>85,946.25</u>	<u>66,098.66</u>	<u>19,847.59</u>
Undist. Expend. - Security					
Cleaning, Repair and Maintenance Services	5,700.00		5,700.00	2,741.00	2,959.00
General Supplies	12,500.00		12,500.00	5,051.78	7,448.22
Total Undistributed Expenditures - Security	<u>18,200.00</u>	<u>-</u>	<u>18,200.00</u>	<u>7,792.78</u>	<u>10,407.22</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>1,202,239.00</u>	<u>(58,472.00)</u>	<u>1,143,767.00</u>	<u>968,865.20</u>	<u>174,901.80</u>

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	17,776.00	26,610.63	44,386.63	44,386.63	-
Sal for Pupil Trans -(Bet Home & Sch)-Reg.	167,073.00	23,739.78	190,812.78	189,812.78	1,000.00
Sal for Pupil Trans -(Bet Home & Sch)- Sp. Ed	36,041.00	2,865.58	38,906.58	38,906.58	-
Sal for Pupil Trans -(Bet Home & Sch)-NonPublic	54,560.00	(1,848.68)	52,711.32	52,711.32	-
Cleaning, Repair and Maintenance Services		3,632.74	3,632.74	3,632.74	-
Rental Payments - School Buses	193,000.00	12,147.13	205,147.13	205,147.13	-
Contract. Serv. - Aid In Lieu Pymts - Non Public	3,000.00	(1,000.00)	2,000.00	2,000.00	-
Contract. Serv. - Aid In Lieu Pymts - Charter Schools	6,000.00	(3,766.67)	2,233.33	2,233.33	-
Contract. Serv. - Aid In Lieu Pymts - Choice Schools	4,000.00	144.44	4,144.44	4,144.44	-
Contract. Serv. - (Bet. Home & School) - Joint Agrmnts	23,300.00	25,101.37	48,401.37	48,401.37	-
Misc. Purchased Services - Transportation	13,100.00	5,388.45	18,488.45	18,488.45	-
General Supplies	1,000.00	(438.97)	561.03	561.03	-
Transportation Supplies	59,870.00	(10,054.29)	49,815.71	49,815.71	-
Total Undistributed Expenditures - Student Transportation Services	578,720.00	82,521.51	661,241.51	660,241.51	1,000.00
Unallocated Benefits - Personal Services - Employee Benefits					
Social Security Contributions	165,000.00	62,056.46	227,056.46	148,595.53	78,460.93
Other Retirement Contributions - PERS	175,000.00	16,990.00	191,990.00	191,990.00	-
Other Retirement Contributions - Regular	50,000.00	(100.00)	49,900.00	38,023.64	11,876.36
Unemployment Compensation	20,000.00		20,000.00	1,872.27	18,127.73
Workmen's Compensation	110,000.00	8,519.21	118,519.21	111,684.15	6,835.06
Health Benefits	2,276,559.00	(89,410.20)	2,187,148.80	1,834,009.61	353,139.19
Tuition Reimbursement	37,000.00		37,000.00	29,999.99	7,000.01
Other Employee Benefits	151,000.00	10,585.74	161,585.74	161,258.32	327.42
Unused Sick Payments to Terminated/Retired Staff	32,928.00	(8,641.21)	24,286.79	23,730.00	556.79
Total Unallocated Benefits - Personal Services - Employee Benefits	3,017,487.00	-	3,017,487.00	2,541,163.51	476,323.49
On-Behalf Contributions					
On-Behalf TPAF Post Retirement Pension Contribution (non-bud)			-	674,359.00	(674,359.00)
On-Behalf TPAF Pension Contribution (non-bud)			-	2,567,056.00	(2,567,056.00)
On-Behalf TPAF Long-Term Disability Insurance (non-bud)			-	944.00	(944.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	609,162.13	(609,162.13)
Total On-Behalf Contributions	-	-	-	3,851,521.13	(3,851,521.13)
Total Personal Services - Employee Benefits	3,017,487.00	-	3,017,487.00	6,392,684.64	(3,375,197.64)
TOTAL UNDISTRIBUTED EXPENDITURES	9,918,027.61	193,531.55	10,111,559.16	12,382,928.07	(2,271,368.91)
TOTAL GENERAL CURRENT EXPENSE	16,644,500.61	17,386.00	16,661,886.61	18,470,183.91	(1,808,297.30)
CAPITAL OUTLAY					
Equipment					
Equipment - Grades 6-8	20,000.00		20,000.00		20,000.00
Undistributed Expend. - Admin Info Tech.	50,000.00		50,000.00	35,623.74	14,376.26
Equipment - Required Maintenance for School Fac.	41,848.00		41,848.00	41,846.78	1.22
Equipment - Care and Upkeep of Grounds	7,556.00		7,556.00	7,556.00	-
Total Equipment	119,404.00	-	119,404.00	85,026.52	34,377.48
Facilities Acquisition & Construction Services					
Architectural/Engineering Services	10,000.00		10,000.00	3,475.00	6,525.00
Construction Services	490,000.00		490,000.00	350,818.00	139,182.00
Assessment Debt Service on SDA Funding	25,742.00		25,742.00	25,742.00	-
Total Facilities Acquisition & Construction Services	525,742.00	-	525,742.00	380,035.00	145,707.00
TOTAL CAPITAL OUTLAY	645,146.00	-	645,146.00	465,061.52	180,084.48

CITY OF ABSECON SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Transfer of Funds to Charter Schools	1,047,875.00	(17,386.00)	1,030,489.00	952,085.00	78,404.00
TOTAL EXPENDITURES	<u>18,337,521.61</u>	<u>-</u>	<u>18,337,521.61</u>	<u>19,887,330.43</u>	<u>(1,549,808.82)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(388,227.61)</u>	<u>-</u>	<u>(390,827.61)</u>	<u>2,453,600.94</u>	<u>2,844,428.55</u>
Operating Transfers In:					
Local Contribution - Transfer to Special Revenue	(350,870.00)		(350,870.00)	(350,870.00)	-
Total Other Financing Sources:	<u>(350,870.00)</u>	<u>-</u>	<u>(350,870.00)</u>	<u>(350,870.00)</u>	<u>-</u>
Other Financing Sources:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(739,097.61)	-	(741,697.61)	2,102,730.94	2,844,428.55
Fund Balance July 1	<u>5,179,140.11</u>	<u></u>	<u>5,179,140.11</u>	<u>5,179,140.11</u>	<u>-</u>
Fund Balance June 30	<u>\$ 4,440,042.50</u>	<u>-</u>	<u>4,437,442.50</u>	<u>7,281,871.05</u>	<u>2,844,428.55</u>
Recapitulation:					
Nonspendable Fund Balance					
None				\$ -	
Restricted Fund Balance:					
Excess Surplus - Current Year				1,017,069.29	
Excess Surplus - Designated for Subsequent Year's Expenditures				862,128.00	
Reserve for Unemployment Compensation				113,352.33	
Committed Fund Balance:					
Capital Reserve				2,825,185.45	
Maintenance Reserve				827,387.00	
Tuition Reserve				120,707.00	
Assigned Fund Balance:					
Other Purposes				164,721.39	
Tuition Reserve Designated for Subsequent Year's Expenditures				123,745.00	
Capital Reserve Designated for Subsequent Year's Expenditures				832,000.00	
Unassigned Fund Balance				<u>395,575.59</u>	
				7,281,871.05	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				539,510.00	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,742,361.05</u>	

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Amendments/ Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
State Sources	\$ 2,956,299.00	77,919.00	3,034,218.00	2,249,518.50	784,699.50
Federal Sources	2,202,497.00	112,695.98	2,315,192.98	1,764,584.74	550,608.24
Local Sources	20,000.00		20,000.00	27,595.08	(7,595.08)
Total Revenues	5,178,796.00	190,614.98	5,369,410.98	4,041,698.32	1,327,712.66
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,080,380.00	50,414.16	1,130,794.16	1,051,086.27	79,707.89
Other Salaries for Instruction	588,319.00	(60,083.00)	528,236.00	345,280.35	182,955.65
Purchased Professional-Educational Service	3,000.00	2,295.00	5,295.00	3,595.00	1,700.00
Other Purchased Services (400-500 series)	521,105.00	211,882.91	732,987.91	568,258.40	164,729.51
General Supplies	214,474.00	134,466.51	348,940.51	242,865.65	106,074.86
Textbooks	19,030.00	7,436.00	26,466.00	26,041.82	424.18
Total Instruction	2,426,308.00	346,411.58	2,772,719.58	2,237,127.49	535,592.09
Support Services:					
Salaries of Supervisors of Instruction	19,500.00		19,500.00	19,500.00	-
Salaries Other Professional Staff	178,433.00	(15,545.00)	162,888.00	162,888.00	-
Salaries of Program Director	21,115.00		21,115.00	21,114.96	0.04
Salaries of Sec and Clerical Assistants	49,410.00		49,410.00	49,410.00	-
Other Salaries	673,772.00	(153,836.41)	519,935.59	408,696.94	111,238.65
Salaries of Community Parent Involvement Specialists		15,630.60	15,630.60	15,630.60	-
Salaries of Master Teachers	70,482.00	11,000.00	81,482.00	81,415.08	46.92
Personal Services - Employee Benefits	790,385.00	(2,207.17)	788,177.83	642,650.97	145,526.86
Purchased Professional - Technical Services	123,094.00	51,135.89	174,229.89	139,355.41	34,874.48
Purchased Property Services	105,000.00	(71,625.00)	33,375.00	32,655.00	720.00
Other Purchased Professional - Educational Services	75,400.00		75,400.00	62,463.45	12,936.55
Other Purchased Professional Services	5,000.00		5,000.00	3,312.17	1,687.83
Cleaning, Repair, Maintenance Services	25,784.00	1,430.00	1,430.00	1,235.00	195.00
Other Purchased Services (400-500 series)	10,000.00	63,678.36	89,462.36	57,481.60	31,980.76
Contr Serv-Trans. (Field Trips)	2,000.00		10,000.00	-	10,000.00
Travel	2,000.00		2,000.00	-	2,000.00
Miscellaneous Purchased Services	7,560.00		7,560.00	4,484.00	3,076.00
Supplies and Materials	137,817.00	37,065.80	174,882.80	155,975.72	18,907.08
Other Objects	6,250.00		6,250.00	2,741.71	3,508.29
Student Activities	20,000.00		20,000.00	17,453.03	2,546.97
Total Support Services	2,320,982.00	(63,272.93)	2,257,709.07	1,878,463.64	379,245.43

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Amendments/ Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Facilities Acquisition and Constr. Services:					
Construction Services	230,000.00	(162,561.00)	67,439.00	-	67,439.00
Instructional Equipment	150,000.00	33,868.00	183,868.00	99,905.12	83,962.88
Non-Instructional Equipment	402,376.00	36,169.33	438,545.33	169,355.37	269,189.96
Total Facilities Acquisition and Constr. Services	<u>782,376.00</u>	<u>(92,523.67)</u>	<u>689,852.33</u>	<u>269,260.49</u>	<u>420,591.84</u>
Total Outflows	5,529,666.00	190,614.98	5,720,280.98	4,384,851.62	1,335,429.36
Other Financing Sources (Uses)					
Transfer from Operating Budget - PreK	350,870.00		350,870.00	350,870.00	-
Total Other Financing Sources (Uses)	<u>350,870.00</u>	<u>-</u>	<u>350,870.00</u>	<u>350,870.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	7,716.70	(7,716.70)
Fund Balance, July 1				\$ 30,328.60	
Fund Balance, June 30				<u>38,045.30</u>	
Recapitulation:					
Restricted:					
Student Activities				38,045.30	
Total Fund Balance				<u>\$ 38,045.30</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, 2023

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

		General Fund		Special Revenue Fund
		<u> </u>		<u> </u>
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 22,340,931.37	[C-2]	4,041,698.32
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Current Year				(132,777.94)
Prior year final State Aid payment was delayed until July 2022 and is recorded as revenue in current year under GAAP.		415,933.00		110,237.00
Final State Aid payment delayed until July 2023 is recorded as budgetary revenue but is not recognized under GAAP.		(539,510.00)		(248,308.00)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>22,217,354.37</u>	[B-2]	<u>3,770,849.38</u>
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	19,887,330.43	[C-2]	4,384,851.62
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.				
Current Year				(132,777.94)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 19,887,330.43</u>	[B-2]	<u>4,252,073.68</u>

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Other Supplementary Information

Required Supplementary Information – Part III

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0152246383%	0.0115928716%	0.0121414190%	0.0123529688%	0.0133698689%	0.0117988776%	0.0139894190%	0.0129518298%	0.0129093719%	0.0136813264%
District's proportionate of the net pension liability (asset)	\$ 2,297,608.00	\$ 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	\$ 1,055,706.00	\$ 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	217.64%	142.32%	232.06%	255.17%	291.42%	305.63%	467.24%	313.89%	273.29%	295.49%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	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.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 191,990.00	\$ 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	191,990.00	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	\$ 1,055,706.00	\$ 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	18.19%	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.

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

	2022	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%	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	30,800,208.00	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>\$ 30,800,208.00</u>	<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	\$ 7,729,465.00	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	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.

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 Seven Fiscal Years

	2022	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%	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	\$ 30,306,155.00	\$ 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	<u>\$ 30,306,155.00</u>	<u>\$ 35,369,153.00</u>	<u>\$ 40,587,997.00</u>	<u>\$ 25,137,585.00</u>	<u>\$ 27,853,457.00</u>	<u>\$ 32,431,986.00</u>	<u>\$ 35,220,850.00</u>
District's covered payroll	8,785,171.00	7,821,192.00	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%	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%	0.00%
State's proportionate share of OPEB associated with the District:							
Service Cost	1,563,615.00	1,746,460.00	834,007.00	826,143.00	944,968.00	1,138,080.00	
Interest Cost	803,147.00	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 Changes in Assumption	1,470,157.00	(7,180,778.00)	6,990,442.00	(4,263,592.00)	(2,790,259.00)	(4,229,403.00)	
Member Contributions	(8,129,898.00)	34,894.00	7,414,032.00	374,803.00	(3,196,324.00)	27,661.00	
Benefit Payments	25,521.00	23,456.00	21,417.00	22,874.00	25,741.00	(751,194.00)	
	(795,540.00)	(722,743.00)	(706,604.00)	(771,649.00)	(744,792.00)		
Change in Total OPEB Liability	<u>(5,062,998.00)</u>	<u>(5,218,844.00)</u>	<u>15,450,412.00</u>	<u>(2,715,872.00)</u>	<u>(4,578,529.00)</u>	<u>(2,788,864.00)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	35,369,153.00	40,587,997.00	25,137,585.00	27,853,457.00	32,431,986.00	35,220,850.00	
Ending Balance	<u>\$ 30,306,155.00</u>	<u>\$ 35,369,153.00</u>	<u>\$ 40,587,997.00</u>	<u>\$ 25,137,585.00</u>	<u>\$ 27,853,457.00</u>	<u>\$ 32,431,986.00</u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	344.97%	452.22%	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 seven years. Additional years will be presented as they become available.

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, 2023

	Total Brought Forward (Ex. E-1a)	Title I Part A	Title I S/A	Title IIA	Title III Immigrant	Title III	Title IV	Preschool Education Aid	Totals 2023
REVENUES:									
State Sources	\$ 244,441.32							2,005,077.18	2,249,518.50
Federal Sources	1,392,803.98	280,597.00	24,955.31	34,382.61	1,411.00	11,559.09	18,875.75		1,764,584.74
Local Sources	27,595.08								27,595.08
Total Revenues	1,664,840.38	280,597.00	24,955.31	34,382.61	1,411.00	11,559.09	18,875.75	2,005,077.18	4,041,698.32
EXPENDITURES:									
Instruction:									
Salaries of Teachers	-	184,060.16				5,975.00		861,051.11	1,051,086.27
Other Salaries for Instruction	89,663.00							255,617.35	345,280.35
Purchased Professional-Educational Service	-							3,595.00	3,595.00
Other Purchased Services (400-500 series)	568,258.40								568,258.40
General Supplies	63,477.41		24,955.31		1,411.00	1,268.35	12,921.03	138,832.55	242,865.65
Textbooks	26,041.82								26,041.82
Total Instruction	747,440.63	184,060.16	24,955.31	-	1,411.00	7,243.35	12,921.03	1,259,096.01	2,237,127.49
Support Services:									
Salaries of Supervisors of Instruction	-							19,500.00	19,500.00
Salaries Other Professional Staff	-							162,888.00	162,888.00
Salaries of Program Director	-							21,114.96	21,114.96
Salaries of Sec and Clerical Assistants	-							49,410.00	49,410.00
Other Salaries	305,598.12			17,653.00			4,959.66	80,486.16	408,696.94
Salaries of Community Parent Involvement Specialists	-							15,630.60	15,630.60
Salaries of Master Teachers	-							81,415.08	81,415.08
Personal Services - Employee Benefits	101,636.04	96,536.84		9,343.74		2,673.54	995.06	431,465.75	642,650.97
Purchased Professional Technical Services	139,355.41								139,355.41
Purchased Property Services	32,655.00								32,655.00
Other Purchased Professional - Educational Services	-							62,463.45	62,463.45
Other Purchased Professional Services	-							3,312.17	3,312.17
Cleaning, Repair, Maintenance Services	-							1,235.00	1,235.00
Other Purchased Services (400-500 series)	49,739.50			6,777.10		965.00			57,481.60
Contr Serv-Trans. (Field Trips)	-							-	-
Travel	-								-
Miscellaneous Purchased Services	-							4,484.00	4,484.00
Supplies and Materials	110,406.61			608.77		677.20		44,283.14	155,975.72
Other Objects	-							2,741.71	2,741.71
Student Activities	17,453.03								17,453.03
Total Support Services	756,843.71	96,536.84	-	34,382.61	-	4,315.74	5,954.72	980,430.02	1,878,463.64
Facilities Acquisition and Constr. Services:									
Construction Services	-								-
Instructional Equipment	152,839.34							99,905.12	99,905.12
Non-Instructional Equipment	152,839.34	-	-	-	-	-	-	16,516.03	169,355.37
Total Facilities Acquisition and Constr. Services	1,657,123.68	280,597.00	24,955.31	34,382.61	1,411.00	11,559.09	18,875.75	2,355,947.18	289,260.49
Total Outflows									4,384,851.62
Other Financing Sources (Uses)									
Transfer from Operating Budget - PreK	-							350,870.00	350,870.00
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	350,870.00	350,870.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ 7,716.70	-	-	-	-	-	-	-	7,716.70
Fund Balance, July 1	30,328.60								30,328.60
Fund Balance, June 30	\$ 38,045.30	-	-	-	-	-	-	-	38,045.30

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	ACSERS	Climate Awareness	Nonpublic Speech	Nonpublic Supplemental Instruction	Nonpublic Examination & Classification	Nonpublic Auxiliary Comp. Ed.	Nonpublic Nursing	Subtotals 2023
REVENUES:									
State Sources	122,861.51								244,441.32
Federal Sources	1,276,046.98	116,757.00	5,651.68	5,859.00	20,468.02	24,257.62	21,287.98	44,055.51	1,392,803.98
Local Sources	27,595.08								27,595.08
Total Revenues	1,426,503.57	116,757.00	5,651.68	5,859.00	20,468.02	24,257.62	21,287.98	44,055.51	1,664,840.38
EXPENDITURES:									
Instruction:									
Salaries of Teachers	89,663.00								89,663.00
Other Salaries for Instruction	-								-
Purchased Professional-Educational Service	384,303.78	112,082.00		5,859.00	20,468.02	24,257.62	21,287.98		568,258.40
Other Purchased Services (400-500 series)	57,825.73		5,651.68						63,477.41
General Supplies	26,041.82								26,041.82
Textbooks									
Total Instruction	557,834.33	112,082.00	5,651.68	5,859.00	20,468.02	24,257.62	21,287.98	-	747,440.63
Support Services:									
Salaries of Supervisors of Instruction	-								-
Salaries Other Professional Staff	-								-
Salaries of Program Director	-								-
Salaries of Sec and Clerical Assistants	-								-
Other Salaries	305,598.12								305,598.12
Salaries of Community Parent Involvement Specialists	-								-
Salaries of Master Teachers	-								-
Personal Services - Employee Benefits	101,636.04								101,636.04
Purchased Professional Technical Services	95,299.90							44,055.51	139,355.41
Purchased Property Services	32,655.00								32,655.00
Other Purchased Professional - Educational Services	-								-
Other Purchased Professional Services	-								-
Cleaning, Repair, Maintenance Services	-								-
Other Purchased Services (400-500 series)	45,064.50	4,675.00							49,739.50
Contr Serv-Trans (Field Trips)	-								-
Travel	-								-
Miscellaneous Purchased Services	-								-
Supplies and Materials	110,406.61								110,406.61
Other Objects	-								-
Student Activities	17,453.03								17,453.03
Total Support Services	708,113.20	4,675.00	-	-	-	-	-	44,055.51	756,843.71
Facilities Acquisition and Constr. Services:									
Construction Services	-								-
Non-Instructional Equipment	152,839.34								152,839.34
Total Facilities Acquisition and Constr. Services	152,839.34	-	-	-	-	-	-	-	152,839.34
Total Outflows	1,418,786.87	116,757.00	5,651.68	5,859.00	20,468.02	24,257.62	21,287.98	44,055.51	1,657,123.68
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)	7,716.70	-	-	-	-	-	-	-	7,716.70
Fund Balance, July 1	30,328.60								30,328.60
Fund Balance, June 30	38,045.30	-	-	-	-	-	-	-	38,045.30

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1c)	IDEA Part B	IDEA Preschool	ARP IDEA Part B	Student Activity Fund	Tanger Grant	Nonpublic Security Aid	Nonpublic Textbooks	Nonpublic Technology Aid	Subtotals 2023
REVENUES:										
State Sources	-									
Federal Sources	939,065.58	318,237.51	10,932.93	7,810.96	25,169.73	2,425.35	80,156.56	26,041.82	16,663.13	122,861.51
Local Sources	-									1,276,046.98
										27,595.08
Total Revenues	939,065.58	318,237.51	10,932.93	7,810.96	25,169.73	2,425.35	80,156.56	26,041.82	16,663.13	1,426,503.57
EXPENDITURES:										
Instruction:										
Salaries of Teachers	-									-
Other Salaries for Instruction	79,507.00		10,156.00							89,663.00
Purchased Professional-Educational Service	-									-
Other Purchased Services (400-500 series)	126,343.78	257,960.00								384,303.78
General Supplies	38,737.25					2,425.35		26,041.82	16,663.13	57,825.73
Textbooks	-									26,041.82
Total Instruction	244,588.03	257,960.00	10,156.00	-	-	2,425.35	-	26,041.82	16,663.13	557,834.33
Support Services:										
Salaries of Supervisors of Instruction	-									-
Salaries Other Professional Staff	-									-
Salaries of Program Director	-									-
Salaries of Sec and Clerical Assistants	-									-
Other Salaries	305,598.12									305,598.12
Salaries of Community Parent Involvement Specialists	-									-
Salaries of Master Teachers	-									-
Personal Services - Employee Benefits	100,859.11		776.93							101,636.04
Purchased Professional - Technical Services	27,211.43	60,277.51		7,810.96						95,299.90
Purchased Property Services	32,655.00									32,655.00
Other Purchased Professional - Educational Services	-									-
Other Purchased Professional Services	-									-
Cleaning, Repair, Maintenance Services	-									-
Other Purchased Services (400-500 series)	45,064.50									45,064.50
Contr Serv-Trans (Field Trips)	-									-
Travel	-									-
Miscellaneous Purchased Services	-						80,156.56			110,406.61
Supplies and Materials	30,250.05									-
Other Objects	-									-
Student Activities	-				17,453.03					17,453.03
Total Support Services	541,638.21	60,277.51	776.93	7,810.96	17,453.03	-	80,156.56	-	-	708,113.20
Facilities Acquisition and Constr. Services:										
Construction Services	-									-
Non-Instructional Equipment	152,839.34									152,839.34
Total Facilities Acquisition and Constr. Services	152,839.34	-	-	-	-	-	-	-	-	152,839.34
Total Outflows	939,065.58	318,237.51	10,932.93	7,810.96	17,453.03	2,425.35	80,156.56	26,041.82	16,663.13	1,418,786.87
Other Financing Sources (Uses)										
Transfer from Operating Budget - Prek	-									-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	7,716.70	-	-	-	-	7,716.70
Expenditures and Other Financing Sources (Uses)	-	-	-	-	30,328.60	-	-	-	-	30,328.60
Fund Balance, July 1	-	-	-	-	38,045.30	-	-	-	-	38,045.30
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-

CITY OF ABSECON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	CRRSA ESSR II	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSR	ARP Accelerated Learning	ARP ESSR Summer Learning	ARP ESSR Beyond School Day	ARP HCY II	Subtotals 2023
REVENUES:									
State Sources	226,021.77	545.40	493.37	625,429.71	33,549.00	25,383.08	23,467.71	4,175.54	939,065.58
Federal Sources									-
Local Sources									-
Total Revenues	226,021.77	545.40	493.37	625,429.71	33,549.00	25,383.08	23,467.71	4,175.54	939,065.58
EXPENDITURES:									
Instruction:									
Salaries of Teachers									-
Other Salaries for Instruction	28,036.00			6,510.00		23,161.00	21,800.00		79,507.00
Purchased Professional-Educational Service									-
Other Purchased Services (400-500 series)	70,730.99			55,612.79					126,343.78
General Supplies		545.40		38,191.85					38,737.25
Textbooks									-
Total Instruction	98,766.99	545.40	-	100,314.64	-	23,161.00	21,800.00	-	244,588.03
Support Services:									
Salaries of Supervisors of Instruction									-
Salaries Other Professional Staff									-
Salaries of Program Director									-
Salaries of Sec and Clerical Assistants									-
Other Salaries	64,854.14		293.37	222,058.61	16,000.00	300.00		2,092.00	305,598.12
Salaries of Community Parent Involvement Specialists									-
Salaries of Master Teachers									-
Personal Services - Employee Benefits	33,649.51			62,439.56	1,224.00	1,794.79	1,667.71	83.54	100,859.11
Purchased Professional - Technical Services	5,186.93			11,374.50	10,650.00				27,211.43
Purchased Property Services	4,750.00			27,905.00					32,655.00
Other Purchased Professional - Educational Services									-
Other Purchased Professional Services									-
Cleaning, Repair, Maintenance Services									-
Other Purchased Services (400-500 series)									-
Contr Serv-Trans. (Field Trips)			200.00	38,189.50	5,675.00			1,000.00	45,064.50
Travel									-
Miscellaneous Purchased Services									-
Supplies and Materials	18,814.20			10,308.56		127.29		1,000.00	30,250.05
Other Objects									-
Student Activities									-
Total Support Services	127,254.78	-	493.37	372,275.73	33,549.00	2,222.08	1,667.71	4,175.54	541,638.21
Facilities Acquisition and Constr. Services:									
Construction Services									-
Non-Instructional Equipment				152,839.34					152,839.34
Total Facilities Acquisition and Constr. Services				152,839.34					152,839.34
Total Outflows	226,021.77	545.40	493.37	625,429.71	33,549.00	25,383.08	23,467.71	4,175.54	939,065.58
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									-
Fund Balance, June 30									-
\$									

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, 2023

District-Wide Total			
	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 940,239.00	861,051.11	79,187.89
Other Salaries for Instruction	361,897.00	255,617.35	106,279.65
Purchased Professional - Educational Services	5,295.00	3,595.00	1,700.00
Other Purchased Services (400-500 series)	3,032.00		3,032.00
General Supplies	172,125.00	138,832.55	33,292.45
Total Instruction	1,482,588.00	1,259,096.01	223,491.99
Support Services:			
Salaries of Supervisors of Instruction	19,500.00	19,500.00	-
Salaries Other Professional Staff	162,888.00	162,888.00	-
Salaries of Program Directors	21,115.00	21,114.96	0.04
Salaries of Secr. and Clerical Assistants	49,410.00	49,410.00	-
Other Salaries	80,486.16	80,486.16	-
Salaries of Community Parent Involvement Specialists	15,630.60	15,630.60	-
Salaries of Master Teachers	81,462.00	81,415.08	46.92
Personal Services - Employee Benefits	566,017.00	431,465.75	134,551.25
Other Purchased Professional - Education Services	75,400.00	62,463.45	12,936.55
Other Purchased Professional Services	5,000.00	3,312.17	1,687.83
Cleaning, Repair, Maintenance Services	1,430.00	1,235.00	195.00
Contr Serv-Trans. (Field Trips)	10,000.00		10,000.00
Travel	2,000.00		2,000.00
Miscellaneous Purchased Services	7,560.00	4,484.00	3,076.00
Supplies & Materials	49,461.00	44,283.14	5,177.86
Other Objects	6,250.00	2,741.71	3,508.29
Total Support Services	1,153,609.76	980,430.02	173,179.74
Facilities Acquisition and Constr. Services:			
Instructional Equipment	183,868.00	99,905.12	83,962.88
Non-Instructional Equipment	284,505.24	16,516.03	267,989.21
Total Facilities Acquisition and Constr. Services	468,373.24	116,421.15	351,952.09
Total Expenditures	\$ 3,104,571.00	2,355,947.18	748,623.82

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-23 Preschool Education Aid	\$ 2,483,080.00 (1)
Add: Actual ECPA/PEA Carryover (June 30, 2022)	351,312.68 (2)
Add: Budgeted transfer from the General Fund	350,870.00 (3)
Total Preschool Education Aid Funds Available for 2022-23 Budget	3,185,262.68 (4)
Less: 2021-22 Budgeted Preschool Education Aid (Including)	
Prior year budget carryover)	(3,104,571.00) (5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	80,691.68 (6)
Add: June 30, 2023 Unexpended Preschool Education Aid	748,623.82 (7)
2022-23 Actual Carryover - Preschool Education Aid	829,315.50 (8)
2022-23 Preschool Education Aid Carryover Budgeted in 2023-24	\$ 80,692.00 (9)

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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, 2023

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2023				Interest Rate	Balance June 30, 2022	Increased	Decreased	Balance June 30, 2023
			Date	Amount	June 30, 2023	Amount					
Renovations Project	5/8/2014	\$ 5,210,000	7/15/2023	320,000	2.500%	\$ 3,345,000.00					
			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%						
						\$ 3,345,000.00					
							-			310,000.00	3,035,000.00

CITY OF ABSECON SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2023

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2022</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2023</u>
Various Capital Equipment & Vehicles	\$ 385,000.00	\$ 82,111.43		82,111.43	-
		\$ <u>82,111.43</u>	<u>-</u>	<u>82,111.43</u>	<u>-</u>

CITY OF ABSECON SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 265,177.00		265,177.00	265,177.00	-
Interest on Investments	10.00		10.00	10.00	-
Total - Local Sources	265,187.00	-	265,187.00	265,187.00	-
State Sources:					
Debt Service Aid Type II	136,613.00		136,613.00	136,613.00	-
Total - State Sources	136,613.00	-	136,613.00	136,613.00	-
Total Revenues	401,800.00	-	401,800.00	401,800.00	-
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	310,000.00		310,000.00	310,000.00	-
Interest on Bonds	91,800.00		91,800.00	91,800.00	-
Total Regular Debt Service	401,800.00	-	401,800.00	401,800.00	-
Total Expenditures	401,800.00	-	401,800.00	401,800.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	4.04		4.04	4.04	
Fund Balance, June 30	\$ 4.04	-	4.04	4.04	-

CITY OF ABSECON SCHOOL DISTRICT
Schedule of Obligations Under Subscription-Based Information Technology Arrangements
As of June 30, 2023

Description	Amount of Original Issue	Balance June 30, 2022	Issued Current Year	Retired Current Year	Balance June 30, 2023
Fundamentals Unlimited:					
Textbooks	\$ 18,424.00	\$ -	18,424.00	13,818.00	4,606.00
	\$	\$ -	18,424.00	13,818.00	4,606.00

Statistical Section

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

Exhibit J-1

	2014 *	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net Investment in Capital Assets										
Restricted	\$ 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	10,354,645.99
Unrestricted	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	6,759,623.41
Total governmental activities net position	<u>(2,577,375.00)</u>	<u>(2,627,743.43)</u>	<u>(2,404,141.81)</u>	<u>(2,760,717.45)</u>	<u>(3,117,375.55)</u>	<u>(3,222,036.54)</u>	<u>(3,219,986.24)</u>	<u>(2,130,216.55)</u>	<u>(2,479,626.82)</u>	<u>(2,702,131.27)</u>
	<u>9,516,392.70</u>	<u>9,161,597.52</u>	<u>8,349,543.45</u>	<u>8,194,986.15</u>	<u>7,989,082.76</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>	<u>14,412,138.13</u>
Business-type activities										
Net Investment in Capital Assets										
Restricted	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	325,485.61
Unrestricted	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	557,599.35
Total business-type activities net position	<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>	<u>883,084.96</u>
District-wide										
Net Investment in Capital Assets										
Restricted	11,151,069.06	15,343,206.76	10,133,886.20	9,998,281.81	10,013,062.61	10,477,195.05	10,225,679.70	9,844,283.58	10,529,053.35	10,680,131.60
Unrestricted	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	6,759,623.41
Total district net position	<u>(2,482,591.69)</u>	<u>(2,525,397.57)</u>	<u>(2,309,212.39)</u>	<u>(2,685,740.90)</u>	<u>(3,034,379.90)</u>	<u>(3,115,106.85)</u>	<u>(3,072,092.72)</u>	<u>(2,544,691.64)</u>	<u>(2,063,964.27)</u>	<u>(2,144,531.92)</u>
	<u>9,611,286.01</u>	<u>9,269,959.41</u>	<u>8,349,542.97</u>	<u>8,299,292.80</u>	<u>8,095,104.86</u>	<u>8,886,231.17</u>	<u>9,274,357.99</u>	<u>10,692,007.57</u>	<u>12,906,881.40</u>	<u>15,295,223.09</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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 6,114,169.81	7,294,968.98	7,844,722.07	9,052,296.47	9,036,874.32	8,873,831.07	8,169,709.69	9,880,709.84	9,574,497.20	9,597,936.20
Special Education	1,520,511.76	1,761,624.29	1,633,361.88	1,830,818.11	1,963,471.93	1,876,664.34	2,006,354.03	2,042,244.83	2,053,777.44	1,764,921.87
Other Special Education	292,917.49	337,357.92	352,175.85	405,623.92	604,812.78	597,923.12	945,871.09	335,067.69	343,350.87	449,632.70
Support Services:										
Tuition	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	1,456,593.85	1,367,655.51
Student & Instruction Related Services	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	4,675,797.22
School Administrative Services	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	577,856.51
General Administrative Services	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	463,487.74
Plant Operations and Maintenance	1,100,138.40	1,093,045.92	1,050,172.80	1,068,498.32	1,339,395.58	521,953.07	1,001,204.09	1,208,350.38	1,199,732.77	1,393,070.79
Pupil Transportation	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	849,951.82
Central Services	302,960.29	330,982.60	377,031.74	434,581.03	463,217.49	494,247.61	426,470.29	494,489.84	486,888.82	470,294.89
Special Schools	30,786.37	33,645.29	30,017.96	27,460.11	31,746.17	30,500.68	28,124.80	19,984.75		
Charter Schools	398,003.00	380,470.00	393,649.00	377,905.00	438,441.00	671,038.00	645,965.00	635,667.00	921,334.00	952,065.00
Interest on Long-Term Debt				129,176.47	123,511.25	117,328.13	111,231.80	103,279.38	95,971.53	88,226.38
Unallocated Depreciation										
Total Governmental Activities Expenses	14,459,432.53	16,183,867.73	17,309,483.23	19,294,028.96	20,140,914.24	19,764,924.15	19,472,745.88	21,913,813.80	22,568,143.69	22,651,116.63

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

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Food Service	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	641,423.26
Child Care	90,226.22	90,216.77	66,682.68	100,796.17	147,014.74	183,980.66	196,384.54	219,254.61	356,723.20	500,212.18
Other										
Total Business-Type Activities Expenses	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	1,141,635.44
Total District Expenses	14,777,533.24	16,507,763.36	17,836,403.72	19,671,235.07	20,612,613.32	20,280,381.82	19,965,618.99	22,563,067.93	23,752,126.95	23,782,732.07
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	55,599.00	45,080.97	69,900.82	99,168.82	89,982.12	128,625.63	135,845.00	36,207.66	146,511.11	229,514.80
Student & Instruction Related Services								7,647.77	29,948.34	25,169.73
Pupil Transportation						450.00	750.00	3,950.00	23,277.52	119,567.01
Operating Grants and Contributions	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	7,467,913.70
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	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	8,280,768.23	8,406,997.76	7,842,165.24
Business-Type Activities:										
Charges for Services:										
Food Service	75,648.87	67,667.64	82,996.16	82,462.57	80,458.85	82,596.05	53,918.42	59.60	3,450.83	102,711.79
Child Care	99,624.84	76,852.57	77,808.90	102,554.31	155,954.49	195,975.12	220,226.21	203,068.30	325,434.45	403,881.18
Operating Grants and Contributions	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	700,029.83
Capital Grants and Contributions										
Total Business-Type Activities Program Revenue	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	1,206,622.80
Total District Program Revenue	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	8,983,466.62	10,009,621.98	9,048,788.04

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

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	(12,152,064.39)	(12,347,332.45)	(12,506,109.73)	(13,142,398.81)	(13,278,124.51)	(13,273,548.75)	(13,708,852.61)	(13,623,045.57)	(14,161,145.93)	(14,808,951.39)
Business-Type Activities	26,308.65	12,339.17	17,880.43	4,540.01	1,515.01	19,150.92	40,540.87	33,424.26	418,640.96	84,687.38
Total District-Wide Net Expense	<u>(12,125,755.74)</u>	<u>(12,335,003.28)</u>	<u>(12,488,229.30)</u>	<u>(13,137,858.80)</u>	<u>(13,276,609.50)</u>	<u>(13,254,397.83)</u>	<u>(13,668,311.74)</u>	<u>(13,589,621.31)</u>	<u>(13,742,504.97)</u>	<u>(14,724,264.01)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property Taxes Levied for General Purposes, Net	10,866,757.00	10,921,920.00	11,033,884.00	11,254,582.00	11,661,111.00	11,914,428.00	11,914,428.00	12,152,718.00	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	285,177.00
Unrestricted grants and contributions	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	4,462,655.01
Investment earnings	3,921.60	10,036.77	5,060.00	3,428.75	3,055.54	6,502.07	6,927.08	7,728.12	4,672.75	72,926.94
Miscellaneous income	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	49,785.56
Special Items		(8,590.00)	(4,492.87)	(22,200.00)	(7,438.81)	(6,666.66)	(368,857.53)		(10,095.00)	-
Transfers										
Total governmental activities	<u>11,875,016.37</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>14,014,352.55</u>	<u>14,055,862.03</u>	<u>14,853,642.03</u>	<u>15,917,351.07</u>	<u>17,003,262.51</u>
Business-type activities:										
Investment earnings	121.77	139.41	118.06	167.12	200.44	326.54	376.53	299.43	452.82	2,388.56
Special Items									39,574.91	126,654.65
Transfers										
Total business-type activities	<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>	<u>129,043.21</u>
Total district-wide	<u>11,875,138.14</u>	<u>11,992,676.68</u>	<u>12,194,573.72</u>	<u>12,487,596.63</u>	<u>13,072,421.56</u>	<u>14,015,279.09</u>	<u>14,056,238.56</u>	<u>14,853,941.46</u>	<u>15,957,378.80</u>	<u>17,132,305.72</u>
Changes in Net Position										
Governmental activities	(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	1,756,205.14	2,194,311.12
Business-type activities	26,430.42	12,468.58	(7,762.37)	4,207.13	1,715.45	19,486.51	40,917.40	33,723.69	458,688.69	194,030.57
Total district	<u>(250,617.60)</u>	<u>(342,326.60)</u>	<u>(319,416.44)</u>	<u>(650,750.17)</u>	<u>(204,187.94)</u>	<u>760,890.31</u>	<u>388,126.82</u>	<u>1,264,320.15</u>	<u>2,214,893.83</u>	<u>2,388,341.69</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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 436,019.37	502,441.97	317,317.04	158,095.07	205,960.95	532,296.77	1,265,159.39	1,524,899.55	1,523,152.62	1,992,549.62
Committed	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	3,773,279.45
Assigned	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	955,745.00
Unassigned	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	20,786.98
Reserved										
Unreserved										
Total general fund	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	6,742,361.05
All Other Governmental Funds										
Restricted	5,147,057.89	603,270.01	379,100.31	377,798.15	43,901.45		-	24,849.16	30,328.60	38,045.30
Assigned										
Unassigned						(18,873.00)	(62,707.00)	(85,720.00)	(110,237.00)	(248,308.00)
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	4.04
Permanent fund										
Total all other governmental funds	\$ 5,147,057.89	611,942.01	388,787.35	380,761.80	45,270.49	48,357.52	3,947.04	(60,855.30)	(79,904.36)	(210,258.66)

Source: ACFR Schedule B-1

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

Exhibit J-4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 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	12,419,645.00	12,417,895.00
Tuition charges	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	129,045.80
Other Tuition								20,804.00	85,179.00	100,469.00
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	29,243.33
Transportation Fees from Individuals			150.00	700.00	450.00	450.00	750.00	450.00	2,002.65	1,671.16
Transportation Fees from Other LEAs within State								3,500.00	21,274.87	117,895.85
Other Restricted Miscellaneous Revenues	32,593.17	8,621.50	22,392.53	13,060.76	15,653.13	9,053.73	31,859.35	300.94	156.48	43,683.61
Miscellaneous	2,705,696.40	2,906,168.74	3,140,674.02	3,445,942.83	3,837,287.65	5,616,620.08	6,423,455.07	48,462.89	135,547.00	49,785.56
State sources	522,219.74	642,547.57	809,584.66	908,393.50	977,660.22	985,266.10	615,314.33	7,485,553.91	9,662,707.33	11,798,539.63
Federal sources								1,052,220.68	1,814,798.12	1,701,774.81
Total revenue	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	26,390,003.75
Expenditures										
Instruction:										
Regular instruction	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	6,835,629.11
Special education instruction	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	1,182,289.97
Other special education instruction	198,147.31	198,841.03	196,539.54	211,630.73	303,822.93	326,966.43	324,386.97	180,614.16	210,988.22	306,464.25
Support Services:										
Tuition	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	1,367,655.51
Student & instruction related services	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	2,064,632.87	3,126,445.20	3,538,935.96
School administrative services	329,981.24	328,903.97	327,413.29	343,039.28	344,874.04	404,344.48	462,602.78	540,993.79	475,833.10	426,291.75
General administrative services	520,942.33	540,290.56	555,673.64	574,667.13	621,514.94	675,163.07	679,446.30	853,261.12	926,044.24	773,939.20
Plant operations and maintenance	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	968,865.20
Pupil transportation	542,047.46	517,414.83	584,111.90	622,917.28	612,366.75	696,266.88	539,058.29	358,301.88	471,483.43	660,241.51
Unallocated employee benefits	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	6,392,684.64
Special schools	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	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	952,085.00
Capital outlay	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	734,322.01
Debt service:										
Principal	-	-	175,000.00	260,000.00	270,000.00	275,000.00	285,000.00	295,000.00	305,000.00	310,000.00
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	91,800.00
Total Expenditures	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	24,541,204.11
Excess (Deficiency) of revenues over (under) expenditures	(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	1,848,799.64
Other Financing Sources (Uses)										
Bond Proceeds		-	-						(9,495.00)	
Canceled SDA Grant	5,210,000.00			102,545.19	385,000.00					
Prior Year Grant Receivable Cancelled	(4,352.40)			784.61	581.89					
Capital Lease Proceeds		7,493.75	2,175.04	(784.61)		66,647.73	98,343.08	53,679.58	105,936.00	350,870.00
Operating Transfers In	7,690.85	(7,493.75)	(2,175.04)	(784.61)	(581.89)	(66,647.73)	(98,343.08)	(53,679.58)	(105,936.00)	(350,870.00)
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	\$ 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	1,848,799.64
Debt service as a percentage of noncapital expenditures	0.00%	0.66%	2.05%	2.44%	2.38%	2.15%	2.13%	2.08%	1.79%	1.69%

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>
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
2023	72,916.94	119,567.01	22,190.48	214,674.43

Source: District Records

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
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
2023	12,054,300	560,873,900	-	-	117,978,000	-	32,433,300	723,339,500	-	-	723,339,500	1.717	862,029,074

Source: County Abstract of Ratables & Municipal Tax Assessor

**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
2014	1.539	-	1.539	0.450	0.006	0.035	0.038	1.024
2015	1.569	0.024	1.593	0.490	0.002	0.011	0.036	1.027
2016	1.598	0.024	1.622	0.497	0.002	0.023	0.036	0.996
2017	1.689	-	1.689	0.527	0.002	0.023	0.035	0.992
2018	1.692	0.037	1.729	0.512	0.001	0.022	0.034	0.994
2019	1.683	0.037	1.720	0.510	0.002	0.024	0.035	0.987
2020	1.702	0.037	1.739	0.499	0.002	0.024	0.034	1.004
2021	1.706	0.028	1.734	0.479	0.006	0.026	0.033	1.018
2022	1.688	0.037	1.725	0.497	0.005	0.060	-	1.019
2023	1.680	0.037	1.717	0.520	0.006	0.061	-	1.019
								3.092
								3.159
								3.176
								3.268
								3.292
								3.278
								3.302
								3.296
								3.306
								3.323

Source: District Records and Municipal Tax Collector

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

Exhibit J-8

Taxpayer	2023				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	3.91%		13,200,000.00	1	1.84%	
RD Absecon Associates	12,810,000.00	2	1.77%		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	0.73%		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%					
BD Absecon Holdings 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		11.72%		66,976,800.00		9.34%	
		District Assessed Value	\$ 723,339,500				\$ 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	
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%	-
2023	12,417,895	12,417,895	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			
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					5,194,309	0.89%	46,304
2018	4,505,000		419,309			4,924,309	0.98%	48,110
2019	4,230,000		419,309			4,543,745	1.13%	51,247
2020	3,945,000		313,745			4,183,909	1.33%	55,802
2021	3,650,000		238,909			3,811,722	1.53%	58,310
2022	3,345,000		161,722			3,427,111	1.70%	58,310
2023	3,035,000		82,111			3,035,000	1.92%	58,310
			-					

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

Exhibit J-11

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

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	46,304
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%	58,310
2022	3,345,000	-	3,345,000	0.46%	58,310
2023	3,035,000	-	3,035,000	0.42%	58,310

Absecon Board of Education
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2022

Exhibit J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Local Municipality	\$ 15,169,000	100.00%	\$ 15,169,000
Other Debt			
County of Atlantic	215,921,221	2.22%	4,790,597
Subtotal, Overlapping Debt			19,959,597
City of Absecon School District Direct Debt			\$ 3,035,000
Total Direct and Overlapping Debt			<u>\$ 22,994,597</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.

Exhibit J-14

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

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
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	377,192.38	46,304	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	532,720.16	58,310	9.3%
2022	9,155	533,828.05	58,310	4.9%
2023	9,155	533,828.05	58,310	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	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
This Information is not available for this district.		1	0.00%			0.00%
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Totals	-		0.00%	-		0.00%

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

Exhibit J-16

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular instruction	60	60	60	60	63	63	57	57	54	56
Special education instruction	6	6	6	6	2	2	2	6	10	9
Other special education instruction	7	7	7	7	9	13	13	16	23	29
Support Services:										
Student & instruction related services	9	9	9	9	7	11	11	15	19	19
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	5	5	5	5	5	5	5	6	5	4
Business administrative services	3	3	3	3	4	4	4	4	4	4
Plant operations and maintenance	9	9	9	9	9	10	10	10	10	8
Pupil Transportation *								5	8	8
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	9	9	9	9	9	9	9	9	9	9
Total	110	110	110	110	110	119	113	129	144	148

* 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				
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	10.0:1	8.9:1	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%
2023	938 A	13,716,069 D	14,623	-3.52%	94	10.3:1	9.3:1	N/A	946 B	879 B	3.84%	92.92%

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

Exhibit J-18

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Buildings</u>										
<u>Elementary</u>										
H. Ashton Marsh										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	81,600	81,600	81,600	81,600
Capacity (students)	845	845	845	845	845	845	905	905	905	905
Enrollment	511	488	496	462	462	483	506	513	540	528
<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	353	368	362	354	354	375	379	387	398	393
<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, 2023

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)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Emma C. Attales School	N/A	\$ 72,848	67,082	66,218	63,257	49,195	66,232	60,688	71,375	161,691	117,769
H. Ashton Marsh School	N/A	89,036	81,990	80,933	77,314	60,127	80,951	74,174	87,236	182,332	132,803
Total School Facilities		161,884	149,072	147,151	140,571	109,322	147,183	134,863	158,611	344,023	250,572
Grand Total		\$ 161,884	149,072	147,151	140,571	109,322	147,183	134,863	158,611	344,023	250,572

Source: District Records

Absecon Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2023
(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



K-1

**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, 2023, 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 November 17, 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

November 17, 2023



K-2

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, 2023. 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, 2023.

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

November 17, 2023

CITY OF ABSECON SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	State Project Number	Grant Period From	Grant Period To	Program or Award Amount	Balance at June 30, 2022	Carryover Amount	Cash Received	Pass Through	Source	Direct	Total	Passed Through to Sub-Recipients	Adjustments	Prior Years' Balances	(Accounts Receivable)	Balance at June 30, 2023	Due to Grantor
U.S. Department of Health and Human Services																			
Passed-Through State Department of Health and Human Services																			
General Fund:																			
2095USMAP																			
2095USMAP																			
2095USMAP																			
Total General Fund																			
U.S. Department of Education																			
Passed-Through State Department of Education:																			
Special Education Fund:																			
Special Education Cluster (IDEA):																			
IDEA-A, Part B, Basic																			
IDEA-B, Preschool																			
IDEA-C, Part B, Preschool																			
IDEA-D, Part B, Preschool																			
IDEA-E, Part B, Preschool																			
IDEA-F, Part B, Preschool																			
IDEA-G, Part B, Preschool																			
IDEA-H, Part B, Preschool																			
IDEA-I, Part B, Preschool																			
IDEA-J, Part B, Preschool																			
IDEA-K, Part B, Preschool																			
IDEA-L, Part B, Preschool																			
IDEA-M, Part B, Preschool																			
IDEA-N, Part B, Preschool																			
IDEA-O, Part B, Preschool																			
IDEA-P, Part B, Preschool																			
IDEA-Q, Part B, Preschool																			
IDEA-R, Part B, Preschool																			
IDEA-S, Part B, Preschool																			
IDEA-T, Part B, Preschool																			
IDEA-U, Part B, Preschool																			
IDEA-V, Part B, Preschool																			
IDEA-W, Part B, Preschool																			
IDEA-X, Part B, Preschool																			
IDEA-Y, Part B, Preschool																			
IDEA-Z, Part B, Preschool																			
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IDEA-EP, Part B, Preschool																			
IDEA-EQ,																			

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2022		Canvasser	Cash Received	Budgetary Expenditures	Adjustments/ Reimbursements of Prior Years' Balances	(Accounts Receivable)	Balance at June 30, 2023		MEMO
				From	To						Unearned Revenue (Accts Rec.)	Due to Grantor	
State Department of Education													
General Fund:													
State Aid Public Cluster:													
23-495-034-5120-078		\$ 4,392,923.00	7/1/2022	6/30/2023									
Special Education Aid		756,476.00	7/1/2022	6/30/2023			4,392,923.00	(4,392,923.00)					4,392,923.00
Security Aid		261,412.00	7/1/2022	6/30/2023			756,476.00	(756,476.00)					756,476.00
23-496-034-5120-084							261,412.00	(261,412.00)					261,412.00
Total State Aid Public Cluster							5,410,811.00	(5,410,811.00)					5,410,811.00
Transportation Aid		343,882.00	7/1/2022	6/30/2023									
23-496-034-5120-014		6,435.00	7/1/2022	6/30/2023			343,882.00	(343,882.00)		(6,729.00)			343,882.00
Non Public Transportation Aid		5,435.00	7/1/2021	6/30/2022			6,435.00	(6,729.00)					6,729.00
23-496-034-5120-014		61,113.00	7/1/2022	6/30/2023			5,435.00	(61,113.00)					61,113.00
Extraordinary Aid		117,288.00	7/1/2021	6/30/2022									
23-496-034-5120-044							117,288.00						
On-Behalf TPAF Payments - Pension Contributions		2,567,056.00	7/1/2022	6/30/2023									
23-496-034-5094-002		674,359.00	7/1/2022	6/30/2023			2,567,056.00	(2,567,056.00)					2,567,056.00
Long-Term Disability Insurance		944.00	7/1/2022	6/30/2023			674,359.00	(674,359.00)					674,359.00
23-496-034-5094-004		609,162.13	7/1/2022	6/30/2023			944.00	(609,162.13)					944.00
Reimbursed TPAF Social Security Contributions		565,303.76	7/1/2021	6/30/2022			547,845.95	(609,162.13)		(61,316.18)			609,162.13
22-496-034-5094-003							54,844.13						
Total General Fund							(177,587.13)			(129,158.18)			9,674,056.13
Special Revenue Fund:													
Preschool Education Aid		1,191,780.00	7/1/2021	6/30/2022									
23-496-034-5120-086		2,483,080.00	7/1/2022	6/30/2023			351,312.68	(2,355,947.18)					2,355,947.18
Climate Awareness Education Grant		6,660.00	4/1/2023	6/30/2023			351,312.68	(5,651.68)			829,315.50	969.32	5,651.68
N.J. Nonpublic Aid:													
23-100-034-5120-070		41,776.00	7/1/2021	6/30/2022					(3,114.00)				
23-100-034-5120-070		41,912.00	7/1/2022	6/30/2023					(0.49)			856.00	44,055.51
Nonpublic Security Aid		66,275.00	7/1/2021	6/30/2022					(14,765.00)				
23-100-034-5120-509		82,205.00	7/1/2022	6/30/2023			44,912.00	(44,055.51)					
Security Aid		82,205.00	7/1/2022	6/30/2023					(0.44)			2,048.00	80,156.56
23-100-034-5120-509		22,388.00	7/1/2021	6/30/2022			82,205.00	(80,156.56)					
Textbook Aid		26,466.00	7/1/2022	6/30/2023			1,157.00	(26,041.82)				0.00	
23-100-034-5120-064		18,842.00	7/1/2022	6/30/2023			26,466.00	(26,041.82)		(0.18)		424.00	26,041.82
23-100-034-5120-064		18,842.00	7/1/2022	6/30/2023			315.00	(16,663.13)		(3,114.36)			16,663.13
23-100-034-5120-373									0.13			179.00	
Auxiliary Services:													
23-100-034-5120-067		29,649.00	7/1/2022	6/30/2023			18,842.00	(16,663.13)					
Compensatory Education									(0.02)			8,361.98	21,287.98
Handicapped Services:													
23-100-034-5120-066		29,736.00	7/1/2021	6/30/2022			29,649.00	(21,287.98)		(3,882.00)			
Supplemental Instruction		30,582.00	7/1/2022	6/30/2023			3,882.00	(20,468.02)					
23-100-034-5120-066		24,855.00	7/1/2021	6/30/2022					(3,930.00)			10,094.00	20,468.02
Examination & Classification		32,991.00	7/1/2022	6/30/2023			30,582.00	(24,257.62)				8,733.00	24,257.62
23-100-034-5120-066		10,230.00	7/1/2022	6/30/2023			32,991.00	(24,257.62)		(0.38)		4,371.00	5,859.00
23-100-034-5120-066							10,230.00	(5,859.00)					
Total Special Revenue Fund							351,312.68	(27,160.00)			829,315.50	36,035.32	2,600,386.50
Debt Service Fund:													
School Construction Debt Service Aid		136,613.00	7/1/2022	6/30/2023									
23-496-034-5120-075							136,613.00	(136,613.00)					136,613.00
Total Debt Service Fund													
State Department of Agriculture:													
Enterprise Fund:													
23-100-010-3350-023		15,869.32	7/1/2021	6/30/2022									0.00
State School Lunch Program		9,374.85	7/1/2022	6/30/2023			(1,142.51)	1,142.51					9,374.85
23-100-010-3350-023		1,072.50	7/1/2022	6/30/2023				8,865.17					1,072.50
State School Breakfast Program								1,006.80					1,006.80
23-100-010-3350-023								(1,072.50)					1,072.50
Total Child Nutrition Cluster							(1,142.51)	(1,072.50)					
23-100-010-3350-023								(65.78)					
Total Enterprise Fund								(10,447.35)					10,447.35
Total State Financial Assistance													
							\$ 172,603.04	(27,160.00)			829,315.50	36,035.32	12,421,504.98
(A) Transfer to General Fund													
Less: On-Behalf System Contributions													
Pension Contribution													
23-495-034-5094-002													
Post-Retirement Medical													
23-495-034-5094-001													
Long-Term Disability Insurance													
23-495-034-5094-004													
Total for State Financial Assistance-Major Program Determination													
\$ (9,179,145.98)													

CITY OF ABSECON SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2023

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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 (\$123,577.00) for the general fund and (\$270,848.94) for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	On-Behalf Payments	Total
General Fund	\$ 69,968.01	9,674,056.13	(3,242,359.00)	6,501,665.14
Special Revenue Fund	1,764,584.74	2,600,388.50		4,364,973.24
Debt Service Fund		136,613.00		136,613.00
After School Program	178,543.00			178,543.00
Food Service Fund	511,039.48	10,447.35		521,486.83
	<u>\$ 2,524,135.23</u>	<u>12,421,504.98</u>	<u>(3,242,359.00)</u>	<u>11,703,281.21</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, 2023
(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, 2023. 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, 2023.

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, 2023**

K-6

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

Unmodified Opinion

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

Yes X No

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<u>Education Stabilization Fund Cluster:</u>
21.027	SLFRFDOE1SES	Additional or Compensatory Special Education and Related Services (ACSERS)
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 Summer Learning
84.425U	S425U210027	ARP ESSER Beyond the School Day
84.425W	S425W210031	ARP HCY II

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

Auditee qualified as low-risk auditee? X Yes No

**CITY OF ABSECON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2023
(CONTINUED)**

K-6

State Awards

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

Auditee qualified as low-risk auditee? X Yes No

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

Internal Control over major programs:

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

2) Significant deficiencies identified? Yes X None reported

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-086	Preschool Education Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

**CITY OF ABSECON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2023
(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.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.