

# **Annual Comprehensive Financial Report**

of the

Egg Harbor City Board of Education

Egg Harbor City, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Egg Harbor City Board of Education

Finance Department



# TABLE OF CONTENTS

<b>INTRODUCTORY SECTION</b>		Page
	Letter of Transmittal	1-4
	Organizational Chart	5
	Roster of Officials	6
	Consultants and Advisors	7
 <b>FINANCIAL SECTION</b> 		
	<b>Independent Auditor's Report</b>	8-10
	<b>Required Supplementary Information - Part I</b>	
	Management's Discussion and Analysis	11-18
	<b>Basic Financial Statements</b>	
A	District-wide Financial Statements:	
	A-1 Statement of Net Position	19
	A-2 Statement of Activities	20
B	Fund Financial Statement	
	Governmental Funds:	
	B-1 Balance Sheet	21
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	22
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
	Proprietary Funds:	
	B-4 Statement of Net Position	24
	B-5 Statement of Revenues, Expenses, and Changes in Net Position	25
	B-6 Statement of Cash Flows	26
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Position	N/A
	B-8 Statement of Changes in Fiduciary Net Position	N/A
	<b>Notes to the Financial Statements</b>	27-54
	<b>Required Supplemental Information - Part II</b>	
C	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	55-64
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	N/A
	C-1b Community Development Block Grant - Budget to Actual	N/A
	C-2 Budgetary Comparison Schedule - General Fund	65-66
	<b>Notes to the Required Supplementary Information - Part II</b>	Page
	C-3 Budget-to-GAAP Reconciliation	67

## TABLE OF CONTENTS (continued)

	<b>Required Supplementary Information - Part III</b>	Page
L	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)	68
	L-2 Schedule of District Contributions (PERS)	69
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)	70
M	Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
	M-1 Schedule of the District's Proportionate Share of the Net OPEB Liability - PERS & TPAF	71
	<b>Other Supplementary Information</b>	
D	School Level Schedules:	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E	Special Revenue Fund:	
	E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	72-76
	E-2 Preschool Education Aid Schedule of Expenditures-Budgetary Basis	77
F	Capital Projects Fund:	
	F-1 Summary Schedule of Project Expenditures	78
	F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	79
	F-2a Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	80
G	Proprietary Funds	
	Enterprise Fund:	
	G-1 Combining Statement of Net Assets	N/A
	G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
	G-3 Combining Statement of Cash Flows	N/A
	Internal Service Fund:	
	G-4 Combining Statement of Net Assets	N/A
	G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
	G-6 Combining Statement of Cash Flows	N/A
H	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Assets	N/A
	H-2 Combining Statement of Changes in Fiduciary Net Assets	N/A

## TABLE OF CONTENTS (continued)

		Page
I	Long-Term Debt:	
	I-1 Schedule of Serial Bonds	81
	I-2 Schedule of Obligations under Capital Leases	82
	I-3 Budgetary Comparison Schedule	83
	I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements	84
 <b>STATISTICAL SECTION (Unaudited)</b>  		
	<b>Financial Trends</b>	Page
	J-1 Net Assets by Component	85
	J-2 Changes in Net Assets	86-87
	J-3 Fund Balances - Governmental Funds	88
	J-4 Changes in Fund Balances - Governmental Funds	89
	J-5 General Fund Other Local Revenue by Source	90
	<b>Revenue Capacity</b>	
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	91
	J-7 Direct and Overlapping Property Tax Rates	92
	J-8 Principal Property Taxpayers	93
	J-9 Property Tax Levies and Collections	94
	<b>Debt Capacity</b>	
	J-10 Ratios of Outstanding Debt by Type	95
	J-11 Ratios of General Bonded Debt Outstanding	96
	J-12 Direct and Overlapping Governmental Activities Debt	97
	J-13 Legal Debt Margin Information	98
	<b>Demographic and Economic Information</b>	
	J-14 Demographic and Economic Statistics	99
	J-15 Principal Employers	100
	<b>Operating Information</b>	
	J-16 Full-time Equivalent District Employees by Function/Program	101
	J-17 Operating Statistics	102
	J-18 School Building Information	103
	J-19 Schedule of Required Maintenance Expenditures by School Facility	104
	J-20 Insurance Schedule	105
 <b>SINGLE AUDIT SECTION</b>  		
	K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	106-107
	K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance and New Jersey OMB Circular 15-08	108+110
	K-3 Schedule of Expenditures of Federal Awards, Schedule A	111
	K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	112
	K-5 Notes to the Schedules of Awards and Financial Assistance	113-115

## TABLE OF CONTENTS (continued)

### SINGLE AUDIT SECTION (continued)

	Page
K-6	Schedule of Findings and Question Costs
	Part 1 - Summary of Auditor's Results
	Part 2 - Schedule of Financial Statement Findings
	Part 3 - Schedule of Federal and State Award Findings and Questioned Costs
K-7	Summary Schedule of Prior Audit Findings

## **Introductory Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# Egg Harbor City Public Schools

## BOARD OF EDUCATION OFFICES

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

ADRIENNE SHULBY  
Superintendent of Schools

ALLYSON MILAZZO  
Business Administrator

November 20, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Egg Harbor City School District (District) 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and accounting groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the *Single Audit Act of 1996*, and *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and *New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K–8. These include regular, as well as special education for handicapped students. The District completed the 2022-2023 fiscal year with an average enrollment of 570 students, which is 33 students more than the previous year's enrollment.

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

**Average Daily  
Enrollment**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2022-2023	570	6.15%
2021-2022	537	3.86%
2020-2021	517	3.19%
2019-2020	501	(0.62%)
2018-2019	534	(0.93%)

**2) ECONOMIC CONDITION AND OUTLOOK:** The Egg Harbor City School District consists of two schools. The Egg Harbor City Community School, which houses students in Grades 4 through 8, was opened to students in January 2011. The Charles L. Spragg School, which houses students in Grades PreK through 3, was originally built in 1955 with additions and renovations in 1994 and 2010. The district had a partial roof/HVAC replacement at the Charles L. Spragg School that began in June of 2023 and is set for completion by December of 2023. At the Egg Harbor City Community School, there are a few capital projects in the works as well. One is a Chiller replacement in which the district has been selected to receive a ROD grant funded through the NJ Schools Development Authority. That building will also be receiving an upgrade to the fire alarm system which is set to occur in December of 2023. Additionally, the district is looking to replace the Community School’s lighting fixtures and transition to all LED lighting for energy savings. Egg Harbor City is part of the Greater Egg Harbor Regional High School District which encompasses several municipalities in the surrounding area. The Greater Egg Harbor Regional High School District consists of three high schools, the most recently constructed being the Cedar Creek High School which is located in Egg Harbor City and opened to students in the fall of 2010.

The Egg Harbor City government has authorized the Master Plan to be updated in 2021 and is working hard to bring new opportunities to the City. The City received a \$723,000 grant to install a bike lane along Philadelphia Avenue from Diesterweg Street to the Egg Harbor City Lake. The ratable base has seen some increases the last few years.

After several years of flat funding, the district received an increase of \$156,131 in State Aid for the 2020-2021 school year, \$920,569 in 2021-2022, and \$814,400 in 2022-2023. Recent legislation has redistributed hundreds of millions of dollars in public school aid in New Jersey each year from districts receiving more than the funding formula calls for to districts that have been shorted. The Egg Harbor City School District expects to see continued increases in State aid until it is gradually brought up to full funding. The District also receives Federal funding for a 21<sup>st</sup> Century Community Learning Center Competitive Grant in the amount of \$350,000.

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

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

**6) DEBT ADMINISTRATION:** At June 30, 2023, the District's outstanding debt issues included \$5,270,000.00 of general obligation bonds.

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

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

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

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

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

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

### **9) OTHER INFORMATION:**

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

### **10) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

*Adrienne Shulby*

Adrienne Shulby  
Superintendent

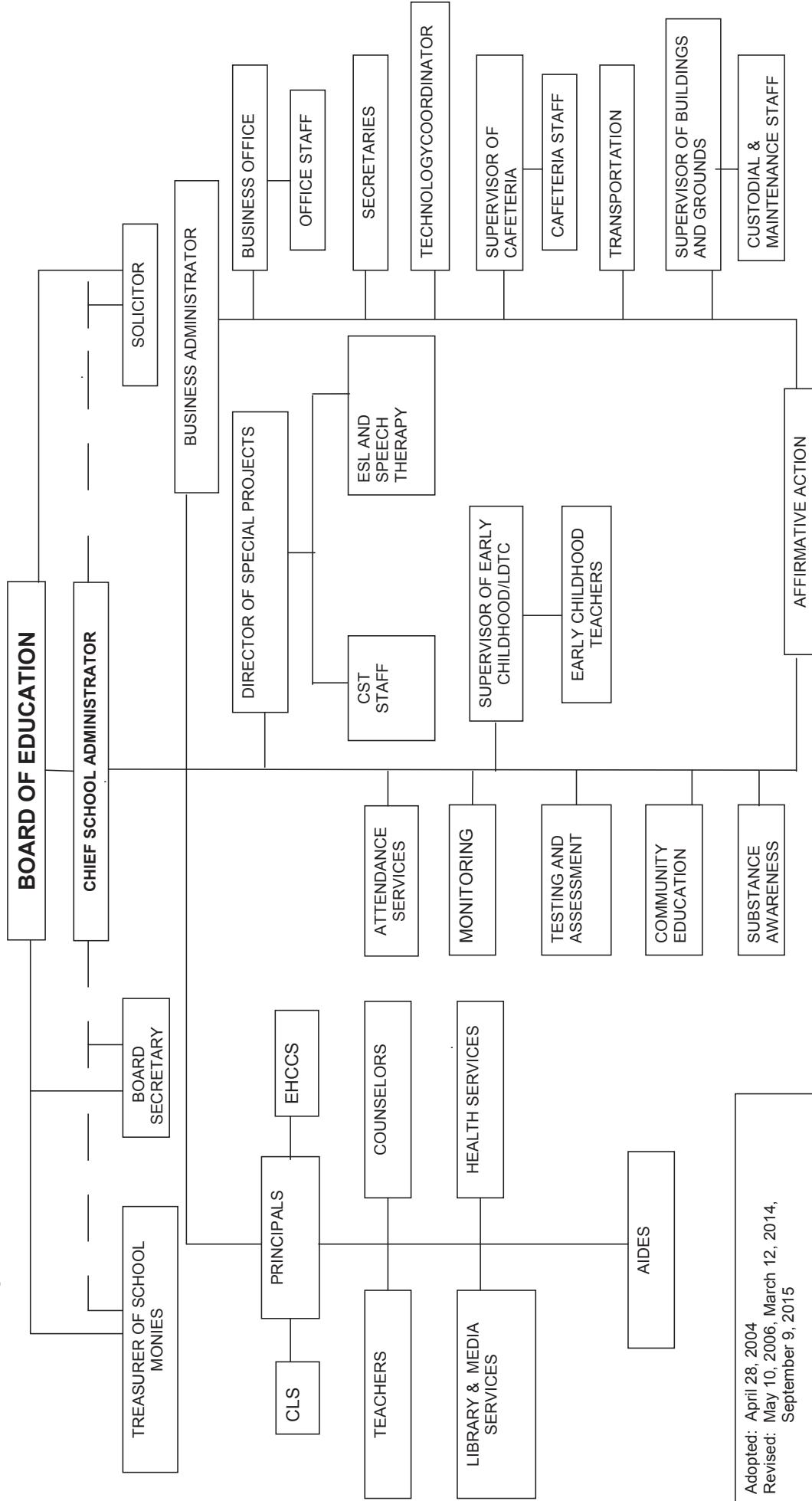
*Allyson Milazzo*

Allyson Milazzo  
School Business Administrator

# Egg Harbor City Board of Education

## ORGANIZATIONAL CHART

### Policy



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

**EGG HARBOR CITY BOARD OF EDUCATION**

**EGG HARBOR CITY, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2023

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Eileen DiGiacomo, President	2023
Ammie Cramer, Vice-President	2024
Stephen Bouchard	2025
Janine Caudo	2023
Kiomy Fuentes	2025
Dawn Leeds-Smith	2024
Mary Ann Rogers	2025

**Other Officials**

Adrienne K. Shulby, Superintendent of Schools

Allyson Milazzo, School Business Administrator

Angela Gibney, Board Secretary

Susan Palaia, CPA, Treasurer

Ronald Sahli, Esq., Solicitor

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

**Architect**

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

**Audit Firm**

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

**Attorney**

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

**Official Depositories**

Ocean First Bank  
975 Hooper Avenue  
Toms River, NJ 08753

**Health Benefits Broker**

MyBenefitsAdvisors  
7000 Lincoln Drive, Suite 103B  
Marlton, NJ 08053

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



## **Financial Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

## **Independent Auditor's Report**

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

### **Report on the 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 Egg Harbor City 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 Egg Harbor City 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 Egg Harbor City 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 Egg Harbor City 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 Egg Harbor City 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 20, 2023 on our consideration of the Egg Harbor City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Egg Harbor City 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 20, 2023

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Required Supplemental Information  
Part I**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Egg Harbor City School District (“District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District increased compared to the prior year as a result of an excess in various categories of revenues.
- The State of New Jersey reimbursed the District \$365,782.20 during the fiscal year ended June 30, 2023 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. Also, the State paid \$1,991,144.00 on behalf of the District for TPAF Pension Contributions and OPEB, including post-retirement medical and long-term disability insurance. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of \$250,000.00 or 2% of the total general fund expenditures. Any excess is required to be designated as Restricted Fund Balance – Excess Surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2023, the District had excess surplus in the amount of \$2,267,717.52 of which \$1,255,664.68 has been appropriated and included as anticipated revenue in the 2023 fiscal year budget. This is compared to the prior year excess surplus of \$2,012,292.78 of which \$756,628.10 was budgeted in the 2023 fiscal year budget.
- During the fiscal year ended June 30, 2022, the District’s governmental fund revenue realized was \$1,928,955.17 more than total expenditures. This increase can be attributed to an overall increase in state aid, as well as revenue realized from capital funding.
- In the District’s business-type activities, net position decreased \$16,971.55 during the 2023 fiscal year compared to a \$76,650.39 increase in fiscal year 2022. The decrease can be attributed to an overall increase in costs for food and supply products. In addition, meals were reimbursed based on the student’s status of paid, reduced, or free. During the 2022 fiscal year, all meals were reimbursed at the higher free rate.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

**{This space intentionally left blank}**

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

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

## Government-wide Statements

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

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

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

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

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

## Fund Financial Statements

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

The District has three kinds of funds:

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

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net position.** The District's governmental activities net position increased slightly between fiscal years 2022 and 2023 as a result of increases in various revenue categories. Net position for business-type activities decreased \$16,971.55 during the current fiscal year.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 5,212,878.25	2,896,079.48	260,013.25	255,817.05	5,472,891.50	3,151,896.53
Capital assets	26,009,917.58	25,214,734.96	60,715.23	57,284.15	26,070,632.81	25,272,019.11
Total assets	<u>31,222,795.83</u>	<u>28,110,814.44</u>	<u>320,728.48</u>	<u>313,101.20</u>	<u>31,543,524.31</u>	<u>28,423,915.64</u>
Deferred outflows of resources	577,145.23	536,710.30			577,145.23	536,710.30
Long-term liabilities	8,446,430.00	7,635,424.62			8,446,430.00	7,635,424.62
Other liabilities	1,029,154.22	706,316.92	27,067.30	2,468.47	1,056,221.52	708,785.39
Total liabilities	<u>9,475,584.22</u>	<u>8,341,741.54</u>	<u>27,067.30</u>	<u>2,468.47</u>	<u>9,502,651.52</u>	<u>8,344,210.01</u>
Deferred inflows of resources	370,893.00	1,046,513.00			370,893.00	1,046,513.00
Net Position						
Invested in capital assets	20,739,917.58	19,499,734.98	60,715.23	57,284.15	20,800,632.81	19,557,019.13
Restricted	4,570,999.37	2,488,070.79			4,570,999.37	2,488,070.79
Unrestricted	(3,357,453.11)	(2,728,535.57)	232,945.95	253,348.58	(3,124,507.16)	(2,475,186.99)
Total net position	<u>\$ 21,953,463.84</u>	<u>19,259,270.20</u>	<u>293,661.18</u>	<u>310,632.73</u>	<u>22,247,125.02</u>	<u>19,569,902.93</u>

**Changes in net position.** The total governmental fund revenue of the District increased \$1,443,762.69 compared to amounts recognized in the prior year. This can be attributed to an overall increase in the amounts provided by the State of New Jersey on-behalf of the District for TPAF Pension Contributions and OPEB, as well as funding realized for the Chiller/HVAC capital project.

Approximately 46% of the District's governmental fund revenue came from the State of New Jersey and Federal Government in the form of unrestricted aid. The state aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. Egg Harbor City levies property taxes on properties located in the City. This tax is collected by the municipality and remitted to the District. The District expenses are primarily related to instruction, administration, and plant operations.

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$ 3,492,665.00	20.48%	3,484,813.00	22.33%
Unrestricted State and Federal Aid	7,778,980.22	45.62%	6,923,438.13	44.36%
Charges for Services	207,628.06	1.22%	192,392.20	1.23%
Operating grants and contributions	4,651,473.21	27.28%	4,992,969.30	31.99%
Other	921,620.02	5.40%	14,991.19	0.10%
Totals	<u>\$ 17,052,366.51</u>	<u>100.00%</u>	<u>15,608,603.82</u>	<u>100.00%</u>

## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2023 and 2022 fiscal years.

	Governmental Activities		Business Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
Program Revenue						
Charges for services	\$ 207,628.06	192,392.20	51,493.04	12,849.61	259,121.10	205,241.81
Federal and State grants and Capital Grants entitlements	4,651,473.21	4,992,969.30	533,772.61	527,841.51	5,185,245.82	5,520,810.81
General revenues						
Property taxes	3,492,665.00	3,484,813.00			3,492,665.00	3,484,813.00
Interest	15,982.17	2,287.01	1,007.99	157.56	16,990.16	2,444.57
State and Federal Aid	7,778,980.22	6,923,438.13			7,778,980.22	6,923,438.13
Other	905,634.85	12,704.18			905,634.85	12,704.18
<b>Total revenues</b>	<u>17,052,363.51</u>	<u>15,608,603.82</u>	<u>586,273.64</u>	<u>540,848.68</u>	<u>17,638,637.15</u>	<u>16,149,452.50</u>
<b>Expenses</b>						
Instruction:						
Regular	5,246,521.87	5,058,786.04			5,246,521.87	5,058,786.04
Special Education	1,526,977.46	1,592,656.64			1,526,977.46	1,592,656.64
Other Special Instruction	351,137.65	459,684.51			351,137.65	459,684.51
Support services:						
Tuition	1,071,318.05	1,295,587.99			1,071,318.05	1,295,587.99
Student & instruction related services	2,263,139.01	2,427,829.67			2,263,139.01	2,427,829.67
General administration services	374,859.90	403,810.17			374,859.90	403,810.17
School administration services	436,816.93	426,333.57			436,816.93	426,333.57
Plant operations & maintenance	1,668,924.94	1,832,037.37			1,668,924.94	1,832,037.37
Pupil transportation	480,589.16	444,244.41			480,589.16	444,244.41
Business and other support services	531,627.39	520,616.95			531,627.39	520,616.95
Interest on long term debt	367,422.91	379,644.55			367,422.91	379,644.55
Other financing (sources)/uses	38,829.60	5,114.22		(3,709.38)	38,829.60	1,404.84
Business-type activities			603,245.19	467,907.67	603,245.19	467,907.67
<b>Total expenses</b>	<u>14,358,164.87</u>	<u>14,846,346.09</u>	<u>603,245.19</u>	<u>464,198.29</u>	<u>14,961,410.06</u>	<u>15,310,544.38</u>
<b>Increase/(decrease) in net position</b>	<u>\$ 2,694,198.64</u>	<u>762,257.73</u>	<u>(16,971.55)</u>	<u>76,650.39</u>	<u>2,677,227.09</u>	<u>838,908.12</u>

The change in net position from 2022 to 2023 is due to an increase in overall state aid, tuition charged to other LEAs, as well as revenue realized to fund the Chiller/HVAC capital project.

## Business-type Activities

Operating and non-operating revenues of the District's business-type activities increased \$45,424.96 from the previous year while expenses increased \$139,046.90. Factors contributing to these results included:

- The school district experienced an overall increase in the cost of food and other supplies during the 2023 fiscal year which resulted in higher operating costs. Also, eligible meals were reimbursed by the State of New Jersey based on free, reduced, and paid status. During the 2022 fiscal year, all eligible meals were reimbursed at the higher free lunch rate.

{This space intentionally left blank}

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$4,119,478.64 which is \$1,928,955.17 higher than in the beginning of the year. This increase can be attributed to an increase in state aid, tuition charged to other LEAs, as well as revenue realized to fund the Chiller/HVAC capital project.

### General Fund Budgetary Highlights

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

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was \$263,358.30 more than the budgeted amount. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$819,452.86.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of 2023, the District had invested \$26,009,917.58, net of depreciation, in a broad range of capital assets, including land, buildings, vehicles and machinery.

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,745,000.00	1,745,000.00			1,745,000.00	1,745,000.00
Buildings & Improvments	22,309,955.33	22,971,632.56			22,309,955.33	22,971,632.56
Machinery & Equipment	480,795.01	386,510.02	60,715.23	57,284.15	541,510.24	443,794.17
Construction in progress	1,474,167.24	111,592.38			1,474,167.24	111,592.38
<b>Total</b>	<b>\$ 26,009,917.58</b>	<b>25,214,734.96</b>	<b>60,715.23</b>	<b>57,284.15</b>	<b>26,070,632.81</b>	<b>25,272,019.11</b>

Total aggregate cost basis for the districts capital assets, including construction in progress, as of June 30, 2023 was \$32,879,815.20 with accumulated depreciation of \$6,869,897.62. More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

{This space intentionally left blank}

## Long-term Debt

	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
<b>Governmental Activities</b>				
Bonds Payable	\$ 5,715,000.00		445,000.00	5,270,000.00
Lease Liability	50,241.81	60,796.78	23,317.59	87,721.00
Obligations under Capital Leases	-	900,000.00	175,386.26	724,613.74
Premium on Bond Refunding	191,781.83		14,924.75	176,857.08
Subscription Based IT	-	39,211.16	15,421.72	23,789.44
Compensated Absences Payable	136,960.98	49,471.24	45,725.48	140,706.74
Net Pension Liability	1,541,440.00	481,302.00		2,022,742.00
Total Governmental Activities	<u>\$ 7,635,424.62</u>	<u>1,530,781.18</u>	<u>719,775.80</u>	<u>8,446,430.00</u>

More detailed information about the District's long-term debt is presented in Note 7 to the financial statements.

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

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

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

The City did see a, increase of \$7,002,600 in its ratable base for the 2023 tax year. In recent years it has become the responsibility of homeowners to foot the majority of the tax burden, and there has been a continued influx of families of many nationalities with lower socio-economic backgrounds. A continuation of appropriate teacher/student classroom ratios remains a priority of the administration.

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

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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



**BASIC FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**DISTRICT - WIDE FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Egg Harbor City School District**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,104,081.22	254,075.46	3,358,156.68
Restricted cash:			
Cash on deposit with State Development Authority	836,672.53		836,672.53
Internal balances	30,000.00	(30,000.00)	-
Due from agency account			-
Due from other governments	1,104,558.92	21,821.06	1,126,379.98
Other accounts receivable	17,357.19	14,116.73	31,473.92
Prepaid expenses	8,697.95		8,697.95
Right to Use Leased Assets	87,721.00		87,721.00
Subscription Based IT Arrangements	23,789.44		23,789.44
Capital assets, not depreciated	2,319,167.24		2,319,167.24
Capital assets, net	23,690,750.34	60,715.23	23,751,465.57
Total Assets	<u>31,222,795.83</u>	<u>320,728.48</u>	<u>31,543,524.31</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	233,722.00		233,722.00
Loss on Refunding Bonds	343,423.23	-	343,423.23
Total Deferred Outflows of Resources	<u>577,145.23</u>	<u>-</u>	<u>577,145.23</u>
<b>LIABILITIES</b>			
Accrued interest	47,265.05		47,265.05
Accounts payable	357,467.67	25,598.08	383,065.75
Unearned revenue	624,421.50	1,469.22	625,890.72
Noncurrent liabilities:			
Due within one year	680,053.48		680,053.48
Net Pension Liability	2,022,742.00		2,022,742.00
Due beyond one year	5,743,634.52		5,743,634.52
Total liabilities	<u>9,475,584.22</u>	<u>27,067.30</u>	<u>9,502,651.52</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	370,893.00		370,893.00
<b>NET POSITION</b>			
Net investment in capital assets	20,739,917.58	60,715.23	20,800,632.81
Restricted for:			
Debt Service	165.64		165.64
Capital Projects	1,952,625.81		1,952,625.81
Other purposes	2,618,207.92		2,618,207.92
Unrestricted	(3,357,453.11)	232,945.95	(3,124,507.16)
Total net position	<u>\$ 21,953,463.84</u>	<u>293,661.18</u>	<u>22,247,125.02</u>

The accompanying notes are an integral part of these financial statements

Egg Harbor City School District  
Statement of Activities  
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total			
Governmental activities:											
Instruction:											
Regular	3,542,079.18	1,704,442.69	207,628.06	1,566,638.11		(3,472,255.70)				(3,472,255.70)	
Special education	843,004.20	683,973.26		150,137.13		(1,376,840.33)				(1,376,840.33)	
Other special instruction	211,377.16	139,760.49		30,678.45		(320,459.20)				(320,459.20)	
Support services:											
Tuition	731,659.87	339,658.18		259,697.45		(811,620.60)				(811,620.60)	
Student & instruction related services	1,605,857.09	657,281.92		1,437,899.61		(825,239.40)				(825,239.40)	
General administrative services	209,394.58	165,465.32		85,938.71		(288,921.19)				(288,921.19)	
School administrative services	252,032.89	184,784.04		95,972.39		(340,844.54)				(340,844.54)	
Plant operations and maintenance	847,460.57	821,464.37		426,648.85		(1,242,276.09)				(1,242,276.09)	
Pupil transportation	254,407.30	226,181.86		117,473.42		(363,115.74)				(363,115.74)	
Business and other support services	340,729.08	190,898.31		99,147.99		(432,479.39)				(432,479.39)	
Unallocated benefits	5,113,910.44	(5,113,910.44)				-				-	
Capital outlay				381,241.09		381,241.09				381,241.09	
Interest on long-term debt	367,422.91					(367,422.91)				(367,422.91)	
Total governmental activities	14,319,335.27	-	207,628.06	4,651,473.21	-	(9,460,234.00)				(9,460,234.00)	
Business-type activities:											
Food Service	603,245.19		51,493.04	533,772.61		(17,979.54)				(17,979.54)	
Total business-type activities	603,245.19		51,493.04	533,772.61		(17,979.54)				(17,979.54)	
Total primary government	14,922,580.46		259,121.10	5,185,245.82		(9,478,213.54)				(9,478,213.54)	
General revenues:											
Taxes:											
Property taxes, levied for general purposes, net						2,886,917.00				2,886,917.00	
Taxes levied for debt service						605,748.00				605,748.00	
Federal and State aid not restricted						7,778,980.22				7,778,980.22	
Investment Earnings						15,982.17		1,007.99		16,990.16	
Miscellaneous Income						905,637.85				905,637.85	
Special Items:											
Cancellation of prior year payables						796.51				796.51	
Adjustment to prior year receivables						(39,035.31)				(39,035.31)	
Adjustment for prior year fixed assets											
Loss on disposal of fixed assets						(599.80)				(599.80)	
Adjustment to prior encumbrances											
Transfers in						495,448.00				495,448.00	
Transfers out						(495,448.00)				(495,448.00)	
Total general revenues, special items, extraordinary items and transfers						12,154,426.64		1,007.99		12,155,434.63	
Change in Net Position						2,694,192.64		(16,971.55)		2,677,221.09	
Net Position—July 1						19,259,271.20		310,632.73		19,569,903.93	
Net Position—ending						21,953,463.84		293,661.18		22,247,125.02	

The accompanying notes are an integral part of these financial statements

**FUND FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**Egg Harbor City School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,730,503.73	490.40	64.50	373,022.59	3,104,081.22
Restricted cash					
Cash on deposit with Lessor				836,672.53	836,672.53
Due from other funds	152,599.00		103.14		152,702.14
Receivables from other governments	82,759.34	1,021,799.58			1,104,558.92
Other receivables	17,357.19			-	17,357.19
Prepaid expenses	8,697.95				8,697.95
Total assets	<u>2,991,917.21</u>	<u>1,022,289.98</u>	<u>167.64</u>	<u>1,209,695.12</u>	<u>5,224,069.95</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	32,009.06	276,227.59		6,194.24	314,430.89
Payroll deductions and withholdings payable	2,456.86				2,456.86
Unemployment compensation claims payable	40,579.92				40,579.92
Due to other funds		121,150.49		1,551.65	122,702.14
Due to other governments					-
Unearned revenue		624,421.50			624,421.50
Total liabilities	<u>75,045.84</u>	<u>1,021,799.58</u>	<u>-</u>	<u>7,745.89</u>	<u>1,104,591.31</u>
Fund Balances:					
Restricted for:					
Excess surplus	1,012,052.84				1,012,052.84
Excess surplus - designated for subsequent year's expenditures	1,255,664.68				1,255,664.68
Capital projects fund				(617,444.96)	(617,444.96)
Unemployment Trust	-				
Scholarships		490.40			490.40
Committed to:					
Capital reserve	750,676.58				750,676.58
Maintenance reserve	350,000.00				350,000.00
Assigned to:					
Designated for subsequent year's expenditures			2.00		2.00
Encumbrances	-			1,819,394.19	1,819,394.19
Unreserved, reported in:					
General fund	(451,522.73)				(451,522.73)
Special revenue fund					-
Debt service fund			165.64		165.64
Total Fund balances	<u>2,916,871.37</u>	<u>490.40</u>	<u>167.64</u>	<u>1,201,949.23</u>	<u>4,119,478.64</u>
Total liabilities and fund balances	<u>\$ 2,991,917.21</u>	<u>1,022,289.98</u>	<u>167.64</u>	<u>1,209,695.12</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 26,009,917.58

Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (47,265.05)

Deferred amount on Refunding 343,423.23

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds (2,159,913.00)

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

Bonds payable	(5,270,000.00)
Premium on Bond Issue	(176,857.08)
Capital lease	(724,613.74)
Compensated absences	(140,706.74)
	<u>(6,312,177.56)</u>

Net position of governmental activities \$ 21,953,463.84

**Egg Harbor City School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local tax levy	\$ 2,886,917.00		605,748.00		3,492,665.00
Interest	15,982.17				15,982.17
Miscellaneous	213,100.91	5,556.23	165.00	900,000.00	1,118,822.14
State sources	10,068,493.20	666,733.00		9,290.00	10,744,516.20
Federal sources	58,123.22	2,380,213.78			2,438,337.00
Total revenues	<u>13,242,616.50</u>	<u>3,052,503.01</u>	<u>605,913.00</u>	<u>909,290.00</u>	<u>17,810,322.51</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	2,581,834.66	1,314,052.87			3,895,887.53
Special education instruction	941,352.71				941,352.71
Other special instruction	231,473.32				231,473.32
Support services and undistributed costs:					
Tuition	369,161.32	185,140.00			554,301.32
Student & instruction related services	1,021,257.89	679,109.77			1,700,367.66
General administrative services	211,035.51				211,035.51
School administrative services	253,865.40				253,865.40
Plant operations and maintenance	855,607.08				855,607.08
Pupil transportation	256,650.36				256,650.36
Business and other support services	342,622.23				342,622.23
Unallocated Benefits	4,200,282.78	614,511.66			4,814,794.44
Transfer to Charter School	226,198.00				226,198.00
Debt service:					
Principal			445,000.00		445,000.00
Interest and other charges			161,231.26		161,231.26
Capital outlay	1,390,166.86	381,241.09		81,333.77	1,852,741.72
Total expenditures	<u>12,881,508.12</u>	<u>3,174,055.39</u>	<u>606,231.26</u>	<u>81,333.77</u>	<u>16,743,128.54</u>
(Deficiency) of revenues and other financing sources (uses) over expenditures	<u>361,108.38</u>	<u>(121,552.38)</u>	<u>(318.26)</u>	<u>827,956.23</u>	<u>1,067,193.97</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Cancellation of prior year payables	796.51				796.51
Cancellation of prior year receivables	(38,695.05)			(340.26)	(39,035.31)
Lease Purchase Proceeds					-
Transfer in		121,455.00	-	373,993.00	495,448.00
Transfer out	(495,448.00)				(495,448.00)
Capital Leases (non-budgeted)	900,000.00				900,000.00
Total other financing sources and uses	<u>366,653.46</u>	<u>121,455.00</u>	<u>-</u>	<u>373,652.74</u>	<u>861,761.20</u>
Net change in fund balances	727,761.84	(97.38)	(318.26)	1,201,608.97	1,928,955.17
Fund balance—July 1	<u>2,189,109.53</u>	<u>587.78</u>	<u>485.90</u>	<u>340.26</u>	<u>2,190,523.47</u>
Fund balance—June 30	<u>\$ 2,916,871.37</u>	<u>490.40</u>	<u>167.64</u>	<u>1,201,949.23</u>	<u>4,119,478.64</u>

**Egg Harbor City School District  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2023**

**Total net change in fund balances - governmental funds (from B-2)** \$ 1,928,955.17

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

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

Depreciation expense	(794,426.58)
Added in prior year through payables	(66,659.72)
Capital outlays	<u>795,782.42</u>

In the statement of activities, only the loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale (if any) increases financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the assets disposed.

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

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

Capital lease proceeds

620,386.26

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

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

District pension contributions - PERS

3,737.67

Cost of benefits earned net of employee contributions

(900,000.00)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Compensated absences

263,733.00

Amortization of premium on the issuance of bonds

(3,745.76)

Amortization of gain (loss) on 2017 refunding bond issue

14,924.75

**Change in net position of governmental activities**

(28,981.07)

2,694,192.64

\$

The accompanying notes are an integral part of these financial statements

**Egg Harbor City School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2023**

		<u>Business-type Activities - Enterprise Funds</u>
		<u>Food Service</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	254,075.46
Accounts receivable		14,116.73
Receivables from other governments		21,821.06
		<u>290,013.25</u>
Noncurrent assets:		
Furniture, machinery & equipment		208,452.01
Less accumulated depreciation		<u>(147,736.78)</u>
Total noncurrent assets		<u>60,715.23</u>
Total assets		<u><u>350,728.48</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		25,598.08
Interfund payable		30,000.00
Unearned revenue		1,469.22
Total current liabilities		<u>57,067.30</u>
Total liabilities		<u>57,067.30</u>
<b>NET POSITION</b>		
Net investment in capital assets		60,715.23
Unrestricted		232,945.95
Total net position	\$	<u><u>293,661.18</u></u>

**Egg Harbor City School District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

		<u>Business-type Activities - Enterprise Funds</u>
		<u>Food Service</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$	-
Daily sales - non-reimbursable programs		51,253.04
Special Functions		240.00
Total operating revenues		<u>51,493.04</u>
Operating expenses:		
Fixed Price FSMC Contract		
Cost of Operations:		
Reimbursable programs		445,533.86
Non-reimbursable programs		42,780.32
Management Fee:		
Reimbursable programs		30,000.00
Non-reimbursable programs		
Payroll and related benefits		
Purchased services		34,685.82
Supplies and materials		37,722.20
Energy (electricity)		
Repair and maintenance		3,800.80
Other objects		
Depreciation		8,722.19
Total Operating Expenses		<u>603,245.19</u>
Operating (loss)		<u>(551,752.15)</u>
Nonoperating revenues and expenses:		
State sources:		
State school breakfast program		10,494.80
State school lunch program		6,434.32
Federal sources:		
National school lunch program		253,543.29
National school breakfast program		178,886.64
Performance Based - HFFKA		5,179.92
P-EBT Administrative Cost		653.00
Supply chain assistance		38,091.10
Food distribution program		40,489.54
Interest and investment revenue		1,007.99
Total nonoperating revenues		<u>534,780.60</u>
(Loss) before contributions & transfers		<u>(16,971.55)</u>
Other financing source/(use):		
Adjustment for prior year fixed assets		-
Change in net position		(16,971.55)
Total net position—beginning		310,632.73
Total net position—ending	\$	<u><u>293,661.18</u></u>

**Egg Harbor City School District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2023**

	<b>Business-type Activities - Enterprise Funds</b>
	<b>Food Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 37,842.46
Payments to vendors	(529,835.38)
Net cash (used in) operating activities	(491,992.92)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	16,698.93
Federal Sources	496,085.63
(To)/From other funds	30,000.00
Net cash provided by non-capital financing activities	542,784.56
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Equipment	(12,153.27)
Net cash (used in) capital and related financing activities	(12,153.27)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and investment revenue	1,007.99
Net cash provided by investing activities	1,007.99
Net increase in cash and cash equivalents	39,646.36
Balances—beginning of year	214,429.10
Balances—end of year	254,075.46
<b>Reconciliation of operating income (loss) to net cash provided by/(used in) operating activities:</b>	
Operating (loss)	(551,752.15)
Adjustments to reconcile operating (loss) to net cash provided by/ (used in) operating activities	
Depreciation and net amortization	8,722.19
Food distribution program	40,489.54
Decrease in other accounts receivable	(14,051.33)
(Decrease) in unearned revenue	400.75
Increase in accounts payable	24,198.08
Total adjustments	59,759.23
Net cash (used in) operating activities	\$ (491,992.92)

## **Notes to the Financial Statements**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

**A. Reporting Entity:**

The Egg Harbor City School District is a Type II district located in the County of Atlantic, State of New Jersey. As a type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to a three-year term. The purpose of the District is to educate students in grades K-8. The Egg Harbor City School District had an approximate enrollment OF 570 at June 30, 2023, and 537 at June 30, 2022.

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

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

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

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

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

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

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

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

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

The following fund types are used by the District:

**1. Governmental Funds:**

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

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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

- d. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. In addition, grant funds specifically related to these projects are reported as earned.

**Fund Balances – Governmental Funds**

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

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

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

**2. Proprietary Funds:**

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

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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO 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 are 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 funds internal activity is eliminated when carried to the Government-wide statements.

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**2. Modified Accrual:**

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

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

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

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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO 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 in the District's General Fund.

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Effective July 1, 2018, the District entered into a fixed price contract with a Food Service Management Company (FSMC). As a result, any inventory on hand as of year-end is accounted for by the FSMC. The District did not have inventory in the general fund.

**4. Capital Assets:**

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

Buildings	20-50 years
Machinery and equipment	5-20 years
Improvements	10-20 years

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

**5. Revenues:**

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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**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 an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

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

**8. Interfund Activity:**

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

**9. Budgets/Budgetary Control:**

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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

Account	Amount
Regular Programs - Instruction:	
Salaries of Teachers - Kindergarten	\$ (73,426.00)
Salaries of Teachers - Grades 6-8	55,126.00
Regular Programs - Undistributed Instruction	
General Supplies	(58,961.89)
Capital Outlay:	
Construction Services	(373,993.00)

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

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

**10. Tuition Receivable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**11. Tuition Payable**

Tuition charges for the fiscal years 2022/23 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates**

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

**13. Allocation of Costs**

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

**14. Pensions**

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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**F. RECENT ACCOUNTING PRONOUNCEMENTS**

In 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. INVESTMENTS**

As of June 30, 2023, the District had no investments.

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

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

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

**NOTE 3. CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$82,699.37 of the District's bank balance of \$3,546,213.32 was exposed to credit risk.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

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



**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The total amount included in the plan for uncompleted projects at June 30, 2023 was \$12,736,251.

The activity in the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$	424,364.07
Increased By:		
Interest earnings		305.51
Board resolution, June 13, 2023		700,000.00
Decreased by:		
Budgeted withdrawal		<u>(373,993.00)</u>
Ending balance, June 30, 2023	\$	<u>750,676.58</u>

**NOTE 5. MAINTENANCE RESERVE FUND**

New Jersey Administrative Code 6A:23A-14.2 permits school districts to establish a maintenance reserve account for the required maintenance of the District's facilities, in accordance with the Commissioner approved plan. The District can increase the balance in this reserve account by appropriating funds in the annual general fund budget certified for taxes or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end.

The activity in the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$	50,000.00
Increased by:		
Board Resolution, June 14, 2023		<u>300,000.00</u>
Ending balance, June 30, 2023	\$	<u>350,000.00</u>

**NOTE 6. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

**{This space intentionally left blank}**

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets,not being depreciated:				
Construction in Progress	111,592.38	1,362,574.86		1,474,167.24
Land	\$ 1,745,000.00			1,745,000.00
Total capital assets not being depreciated	<u>1,856,592.38</u>	<u>1,362,574.86</u>	<u>-</u>	<u>3,219,167.24</u>
Capital assets being depreciated:				
Buildings and building improvements	28,406,525.60	21,559.00		28,428,084.60
Machinery &Equipment	1,029,487.22	227,181.14	(24,105.00)	1,232,563.36
Total capital assets being depreciated at historical cost	<u>29,436,012.82</u>	<u>248,740.14</u>	<u>(24,105.00)</u>	<u>29,660,647.96</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,434,893.04)	(683,236.23)		(6,118,129.27)
Machinery &Equipment	(642,977.20)	(111,190.35)	2,399.20	(751,768.35)
Total accumulated depreciation	<u>(6,077,870.24)</u>	<u>(794,426.58)</u>	<u>2,399.20</u>	<u>(6,869,897.62)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>23,358,142.58</u>	<u>(545,686.44)</u>	<u>(21,705.80)</u>	<u>22,790,750.34</u>
Governmental activity capital assets, net	<u>25,214,734.96</u>	<u>816,888.42</u>	<u>(21,705.80)</u>	<u>26,009,917.58</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	196,298.74	12,153.27		208,452.01
Less accumulated depreciation	(139,014.59)	(8,722.19)		(147,736.78)
Enterprise Fund capital assets, net	<u>\$ 57,284.15</u>	<u>3,431.08</u>	<u>-</u>	<u>60,715.23</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 264,778.71
Special Instruction	106,252.65
Other Special Instruction	21,711.26
Tuition	52,764.61
Student & Instruction Related Services	102,106.25
General Administration Services	25,704.41
School Administration Services	28,705.50
Plant Operations and Maintenance	127,611.37
Pupil Transportation	35,136.49
Business and Other Support Services	29,655.33
	<u>\$ 794,426.58</u>

**NOTE 7. GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2023 the following changes occurred in liabilities reported in the general long-term debt account group:

**{This space intentionally left blank}**

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

	Balance June 30, 2022	Issues or Additions	Payments or Expenditures	Balance June 30, 2023	Amounts Due Within One Year
Compensated Absences	\$ 136,960.98	49,471.24	45,725.48	140,706.74	2,670.00
Premium on Refunding Bonds	191,781.83		14,924.75	176,857.08	15,100.93
Bonds Payable	5,715,000.00		445,000.00	5,270,000.00	450,000.00
Capital Lease Payable		900,000.00	175,386.26	724,613.74	172,608.99
Lease Liability	50,241.81	60,796.78	23,317.59	87,721.00	26,604.84
Subscription Based IT	-	39,211.16	15,421.72	23,789.44	13,068.72
Net Pension Liability	1,541,440.00	481,302.00		2,022,742.00	-
	<u>\$ 7,635,424.62</u>	<u>1,530,781.18</u>	<u>719,775.80</u>	<u>8,446,430.00</u>	<u>680,053.48</u>

**A. Bonds Payable:**

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

Long-term debt as of June 30, 2023 consisted of the following:

\$7,500,000 Refunding School Bonds, Series 2016 dated July 14, 2016 payable in annual installments through 3/15/33. Interest is paid semiannually at varying rates from 2.00% to 4.00% per annum. The bonds maturing on or after March 15, 2027 are redeemable at the option of the Board in whole or in part, upon notice as required, on any date on or after March 15, 2026 at a price of 100% of the principal amount being redeemed, plus interest accrued to the date of redemption. These bonds were issued to advance refund the callable portion of the School Bonds, Series 2008. The bonds that were called had maturities from 3/15/19 to 3/15/33 in the total amount of \$7,130,000. The total net present value savings on the issue is \$497,678.04, or 6.635707%. The balance remaining on the issue as of June 30, 2023 was \$5,270,000.00.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 450,000.00	152,331.26	602,331.26
2025	470,000.00	134,331.26	604,331.26
2026	495,000.00	115,531.26	610,531.26
2027	500,000.00	105,631.26	605,631.26
2028	520,000.00	90,631.26	610,631.26
2029-2033	2,835,000.00	226,100.04	3,061,100.04
	<u>\$ 5,270,000.00</u>	<u>824,556.34</u>	<u>6,094,556.34</u>

**B. Capital Lease Payable**

Commencing September 26, 2022, the District is leasing the acquisition of a Water-Cooled Helical Rotary Screw Chiller and various HVAC equipment totaling \$900,000 under a capital lease. The lease is for a term of 5 years and annual payments in the amount of \$196,014.01 are made. Payments include interest at a rate of 3.23% per annum. Total rent expense for the 2023 fiscal year was \$196,014.01.

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

		Total
FY2024	\$	196,014.01
FY2025		196,014.01
FY2026		196,014.01
FY2027		196,014.01
FY2028		0.00
Total minimum lease payments		784,056.04
Less amount representing interest		59,442.30
Present value of lease payments	\$	724,613.74

**C. Lease Liability**

The school 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 agreements were executed at various times between April 2020 and December 2022 to lease copy machines at various locations within the district. The lease terms are 48 or 60 months and the final lease will mature in November 2027. Monthly lease payments range from \$123.74 to \$1,251.16.

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

Year Ending June 30,		Amount
2024	\$	26,604.84
2025		23,003.82
2026		16,842.62
2027		15,013.92
2028		6,255.80
	\$	87,721.00

**NOTE 8. PENSION PLANS**

**Description of Plans**

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <http://www.state.nj.us/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>

*Teachers' Pension and Annuity Fund*

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

*Public Employees' Retirement System*

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

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A 43:15C-1 et seq.

*Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 35.24% and the PERS rate is 7.50% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2023, 2022, and 2021 were \$1,576,273.00, \$1,577,929.00, and \$1,147,898.00, 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 \$169,022.00, \$152,383.00, and \$139,431.00, respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2023, 2022, and 2021 was \$6,884,014.92, \$6,567,385.86, and \$5,952,161.68; covered payroll was \$4,953,448.00, \$4,729,793.00, and \$4,270,894.00 for TPAF; and \$963,777.00, \$971,915.00, and \$984,420.00 for PERS.

*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.

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined a  $\frac{1}{7}$ <sup>th</sup> of the required amount, beginning in fiscal years 2012.

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

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation 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 9: 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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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 \$2,022,742 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 0.01340329610%, which is an increase of 3.01% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized negative pension expense of \$94,711. 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	\$ 14,599	\$ (12,874)
Changes of assumptions	6,267	(302,885)
Net difference between projected and actual earnings on pension plan investments	83,719	-
Changes in proportion	129,137	(55,134)
Total	\$ 233,722	\$ (370,893)

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	\$ (125,382)
2025	(46,177)
2026	(3,245)
2027	37,928
2028	(295)
Total	\$ (137,171)

**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:

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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:

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%



**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

*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%)
Municipality's proportionate share of the net pension liability	\$ 2,425,682	\$ 2,022,742	\$ 1,680,205

*Pension plan fiduciary net position.*

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

**NOTE 10 – 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:

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		19,501,188.00
Total	<u>\$</u>	<u>19,501,188.00</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 \$524,831 and revenue of \$524,831 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%	

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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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.

*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	\$ 22,865,557.34	\$ 19,501,188.00	\$ 16,667,129.58

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

*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.

**NOTE 11 – 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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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>.

*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*

TPAF/ABP	PERS	PFRS
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

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

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%.

*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>\$ 50,646,462,966.00</u>

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

The following presents the total OPEB liability as of June 20, 2022, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (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:

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

	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*

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$299,116.00 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)
	\$ 17,808,023,196.00	\$ (32,700,239,909.00)

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

Year Ended June 30,	
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	(3,921,361,006.00)
	\$ (14,892,216,713.00)

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

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

**{This space intentionally left blank}**

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**NOTE 12. LABOR CONTRACTS**

As of June 30, 2023 the District's employees were organized in the following collective bargaining unit.

<u>Bargaining Unit</u>	<u>Employees Covered</u>	<u>Expiration</u>
Egg Harbor City Education Association (EHCEA)	All full-time and part-time employees working twenty-five or more hours per week, whether under contract or on leave, including all non-supervisory certificated staff members and non-certified employees including secretaries, clerks, custodians, maintenance personnel and aides.	June 30, 2025

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

**NOTE 13. COMPENSATED ABSENCES**

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

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the proprietary fund types.

**NOTE 14. DEFERRED COMPENSATION**

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



**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

The plan administrators are as follows:

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

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

**NOTE 15. RISK MANAGEMENT**

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

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2023 the District did not incur claims in excess of their coverage.

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

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2022-2023	-	12,722.58	12,722.58	-
2021-2022	-	43,439.86	43,439.86	-
2020-2021	-	10,094.88	29,464.18	-

**NOTE 16. INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2023, interfunds remained on the various balance sheets of the Egg Harbor City Board of Education.

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 152,599.00	
Special Revenue Fund		121,150.49
Capital Projects Fund		1,551.65
Debt Service Fund	103.14	
Enterprise Fund		30,000.00
	\$ 152,702.14	152,702.14

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

**NOTE 17. LITIGATION**

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

**NOTE 18. FUND BALANCE APPROPRIATED**

**General Fund (Exhibit B-1)** - Of the \$2,916,871.37 General Fund fund balance at June 30, 2023, \$36,410.27 is reserved for encumbrances, but not reflected as assigned on the balance sheet since the unassigned balance is negative; \$750,676.58 has been committed to the capital reserve fund; \$350,000.00 has been committed to the maintenance reserve fund; \$2,267,717.52 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$1,255,664.68 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$0.00 has been appropriated and also included as anticipated revenue for the year ending June 30, 2024; and \$(451,522.73) is unreserved and undesignated, after adjusting for the above items.

**Debt Service Fund** – of the Debt Service Fund fund balance at June 30, 2023, \$2.00 is reserved in accordance with NJSA 7F-41c(2) and \$165.64 is unreserved and undesignated.

**NOTE 19 CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$2,267,717.52, of which \$1,255,664.68 has been included in the 2023-24 budget. The excess fund balance at June 30, 2022 was \$2,012,292.78.

**NOTE 20. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$451,522.73 in the General Fund, as of June 30, 2023, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aidpayments in the subsequent fiscal

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

year, the school district cannot recognize the last two state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last two state aid payments, the General Fund balance deficits do not alone indicate that the district is facing financial difficulties.

**NOTE 21: CAPITAL GRANT**

During the 2023 fiscal year, the District was awarded a grant in the amount of \$929,547.62 through New Jersey Board of Public Utilities Clean Energy School and Small Business Ventilation and Energy Efficiency Verification and Repair Program. The funds are being used towards the cost of replacing the roof and HVAC system at the Charles L. Spragg Elementary School. The grant amount will be disbursed to the District in three installments as the work progresses. As of June 30, 2023, the district has received \$9,290.00.

**NOTE 22: RIGHT TO USE ASSETS**

The school district has recorded right to use lease 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 the 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 of Use Assets at their remaining liability payments.

	Beginning Balance	Increases	Decreases	Ending Balance
Copiers	\$ 50,241.81	60,796.78	23,317.59	87,721.00
Right to use assets, net	\$ 50,241.81	60,796.78	23,317.59	87,721.00

**NOTE 23 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The District has entered into Subscription-Based Information Technology Arrangements (SBITAs) involving:

- Education Software
- Various desktop and server software subscriptions

The total of the District's subscription assets are recorded at a cost of \$39,211.16, less accumulated amortization of \$15,421.72.

The future subscription payments under SBITA agreements are as follows:

		<b>Subscriptions</b>		
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$	13,068.72	-	13,068.72
2025		10,720.72	-	10,720.72
2026		-	-	-
2027		-	-	-
2028		-	-	-
	\$	<u>23,789.44</u>	<u>-</u>	<u>23,789.44</u>

**EGG HARBOR CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

**NOTE 24. SUBSEQUENT EVENTS**

**Grant Award:**

At the June 14, 2023 meeting, the board of education ratified a grant awarded through the State of New Jersey titled Bipartisan Safer Communities Act Stronger Connections Competitive Grant Program in the amount of \$1,379,766. The project period is September 1, 2023 through September 30, 2025 and are to be used to develop, implement, and evaluate comprehensive programs and activities.

**Other:**

The District has evaluated subsequent events through November 20, 2023, the date which the financial statements were available to be issued and no other items were noted for disclosure or adjustment.

**Required Supplemental Information  
Part II**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**BUDGETARY COMPARISON SCHEDULES**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	2,886,917.00		2,886,917.00	2,886,917.00	-
Other Tuition	15,000.00		15,000.00	207,628.06	192,628.06
Interest Earned on Bank Accounts	-		-	15,676.66	15,676.66
Interest Earned on Capital Reserve Accounts	-		-	305.51	305.51
Miscellaneous	25,000.00		25,000.00	5,472.85	(19,527.15)
<b>Total - Local Sources</b>	<b>2,926,917.00</b>	<b>-</b>	<b>2,926,917.00</b>	<b>3,116,000.08</b>	<b>189,083.08</b>
State Sources:					
Categorical Special Education Aid	267,087.00		267,087.00	267,087.00	-
Equalization Aid	7,140,084.00		7,140,084.00	7,140,084.00	-
Categorical Security Aid	224,238.00		224,238.00	224,238.00	-
Categorical Transportation Aid	123,396.00		123,396.00	123,396.00	-
Extraordinary Aid	-		-	37,228.00	37,228.00
Additional Non-public Transportation Aid	-		-	5,928.00	5,928.00
On-Behalf TPAF Pension Contributions (non-budgeted)	-		-	1,576,273.00	1,576,273.00
On-Behalf TPAF Pension Contributions-Post Retirement Medical (non-budgeted)	-		-	414,083.00	414,083.00
On-behalf TPAF Pension Contributions-Long Term Disability Insurance (non-budgeted)	-		-	788.00	788.00
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	365,782.20	365,782.20
<b>Total - State Sources</b>	<b>7,754,805.00</b>	<b>-</b>	<b>7,754,805.00</b>	<b>10,154,887.20</b>	<b>2,400,082.20</b>
Federal Sources:					
Medicaid Assistance Program Reimbursement (SEMI)	27,004.00		27,004.00	54,035.51	27,031.51
FFCRA/SEMI Program Reimbursement			-	4,087.71	4,087.71
<b>Total - Federal Sources</b>	<b>27,004.00</b>	<b>-</b>	<b>27,004.00</b>	<b>58,123.22</b>	<b>31,119.22</b>
<b>Total Revenues</b>	<b>10,708,726.00</b>	<b>-</b>	<b>10,708,726.00</b>	<b>13,329,010.50</b>	<b>2,620,284.50</b>

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool					
Kindergarten	345,852.00	(73,426.00)	272,426.00	251,706.06	20,719.94
Grades 1-5	1,198,959.00	(15,103.00)	1,183,856.00	1,177,100.95	6,755.05
Grades 6-8	742,826.00	55,126.00	797,952.00	794,270.30	3,681.70
Regular Programs - Home Instruction:					
Salaries of Teachers	6,000.00	2,300.00	8,300.00	7,884.63	415.37
Purchased Professional - Educational Services	-	156.00	156.00	156.00	-
Regular Programs - Undistributed Instruction:					
Salaries for Instruction	20,886.00	45,567.33	66,453.33	54,953.33	11,500.00
Other Salaries for Instruction	-		-	-	-
Purchased Professional - Educational Services	63,114.00	(16,950.94)	46,163.06	43,515.50	2,647.56
Other Purchased Services	20,037.00	6,741.00	26,778.00	18,709.03	8,068.97
General Supplies	303,039.00	(58,961.89)	244,077.11	233,271.96	10,805.15
Textbooks	-		-	-	-
Other Objects	-	782.00	782.00	266.90	515.10
Total Regular Programs	2,700,713.00	(53,769.50)	2,646,943.50	2,581,834.66	65,108.84
Multiple Disabilities					
Salaries of Teachers	479,625.00	(49,704.00)	429,921.00	386,645.48	43,275.52
Other Salaries for Instruction	184,236.00	(5,235.00)	179,001.00	150,473.59	28,527.41
General Supplies	-		-	-	-
Total Multiple Disabilities	663,861.00	(54,939.00)	608,922.00	537,119.07	71,802.93
Resource Room/Resource Center					
Salaries of Teachers	413,067.00	40,199.00	453,266.00	404,233.64	49,032.36
Total Resource Room/Resource Center	413,067.00	40,199.00	453,266.00	404,233.64	49,032.36

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Special Education - Instruction	1,076,928.00	(14,740.00)	1,062,188.00	941,352.71	120,835.29
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	144,825.00	(20,882.55)	123,942.45	61,447.80	62,494.65
Total Basic Skills/Remedial - Instruction	144,825.00	(20,882.55)	123,942.45	61,447.80	62,494.65
Bilingual Education - Instruction:					
Salaries of Teachers	87,764.00		87,764.00	86,238.00	1,526.00
General Supplies	400.00	46.77	446.77	446.77	-
Total Bilingual Education - Instruction	88,164.00	46.77	88,210.77	86,684.77	1,526.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	56,851.00		56,851.00	54,608.66	2,242.34
Purchased Services		20.00	20.00	20.00	-
Supplies and Materials	14,000.00	3,285.40	17,285.40	12,305.40	4,980.00
Other Objects	4,500.00	2,153.65	6,653.65	6,653.65	-
Total School Sponsored Cocurricular Activities - Instruction	75,351.00	5,459.05	80,810.05	73,587.71	7,222.34
School Sponsored Athletics - Instruction:					
Salaries	7,750.00	315.00	8,065.00	7,244.37	820.63
Purchased Services	2,000.00	-	2,000.00	1,126.00	874.00
Supplies and Materials	3,000.00	(774.05)	2,225.95	1,382.67	843.28
Total School Sponsored Athletics - Instruction	12,750.00	(459.05)	12,290.95	9,753.04	2,537.91
Total Instruction	4,098,731.00	(84,345.28)	4,014,385.72	3,754,660.69	259,725.03

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within State - Special	73,576.00		73,576.00	44,454.36	29,121.64
Tuition to CSSD & Regional Day Schools	384,095.00	(34,502.00)	349,593.00	220,398.00	129,195.00
Tuition to Private Schools for the Disabled - Within State	100,000.00	4,309.00	104,309.00	104,308.96	0.04
<b>Total Undistributed Expenditures - Instruction</b>	<b>557,671.00</b>	<b>(30,193.00)</b>	<b>527,478.00</b>	<b>369,161.32</b>	<b>158,316.68</b>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	83,196.00	-	83,196.00	81,910.61	1,285.39
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>83,196.00</b>	<b>-</b>	<b>83,196.00</b>	<b>81,910.61</b>	<b>1,285.39</b>
Undistributed Expenditures - Health Services:					
Salaries	137,641.00	(170.00)	137,471.00	135,226.89	2,244.11
Purchased Professional and Technical Services	70,100.00		70,100.00	38,781.00	31,319.00
Supplies and Materials	6,500.00	1,500.00	8,000.00	6,219.72	1,780.28
<b>Total Undistributed Expenditures - Health Services</b>	<b>214,241.00</b>	<b>1,330.00</b>	<b>215,571.00</b>	<b>180,227.61</b>	<b>35,343.39</b>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries of Other Professional Staff	58,222.00	-	58,222.00	53,422.44	4,799.56
Purchased Professional - Educational Services	50,000.00	-	50,000.00	48,062.00	1,938.00
Supplies and Materials	400.00	-	400.00	388.18	11.82
<b>Total Undistributed Expenditures - Other Support Services - Students - Related Services</b>	<b>108,622.00</b>	<b>-</b>	<b>108,622.00</b>	<b>101,872.62</b>	<b>6,749.38</b>
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Purchased Professional - Educational Services	-	30,193.00	30,193.00	-	30,193.00
Supplies and Materials	-	200.00	200.00	195.96	4.04
<b>Total Undistributed Expenditures - Other Support Services - Students - Extra Services</b>	<b>-</b>	<b>30,393.00</b>	<b>30,393.00</b>	<b>195.96</b>	<b>30,197.04</b>

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	168,260.00	-	168,260.00	161,359.87	6,900.13
Supplies and Materials	4,000.00	(300.00)	3,700.00	973.53	2,726.47
<b>Total Undistributed Expenditures - Other Support Services - Students - Guidance</b>	<b>172,260.00</b>	<b>(300.00)</b>	<b>171,960.00</b>	<b>162,333.40</b>	<b>9,626.60</b>
Undistributed Expenditures - Other Support Services - Students - Child Study Teams:					
Salaries of Secretarial and Clerical Assistants	277,394.00	(23,527.77)	253,866.23	209,160.82	44,705.41
Purchase Professional-Ed Services	54,920.00	-	54,920.00	36,006.00	18,914.00
Other Purchased Professional and Technical Services	23,700.00	(600.00)	23,100.00	9,325.00	13,775.00
Other Purchased Services	2,900.00	600.00	3,500.00	3,056.74	443.26
Supplies and Materials	2,500.00	800.00	3,300.00	2,127.40	1,172.60
Other Objects	1,100.00	770.00	1,870.00	1,770.00	100.00
<b>Total Undistributed Expenditures - Other Support Services - Students - Child Study Teams</b>	<b>362,514.00</b>	<b>(21,957.77)</b>	<b>340,556.23</b>	<b>261,445.96</b>	<b>79,110.27</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	44,500.00		44,500.00	44,500.00	-
Salaries of Other Professional Staff	70,680.00	6,240.00	76,920.00	74,970.00	1,950.00
<b>Total Undistributed Expenditures - Improv. of Instr. Services</b>	<b>115,180.00</b>	<b>6,240.00</b>	<b>121,420.00</b>	<b>119,470.00</b>	<b>1,950.00</b>
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	86,822.00		86,822.00	85,940.82	881.18
Purchased Professional and Technical Services	5,800.00		5,800.00	3,193.76	2,606.24
Supplies and Materials	6,250.00	(300.00)	5,950.00	4,363.77	1,586.23
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>98,872.00</b>	<b>(300.00)</b>	<b>98,572.00</b>	<b>93,498.35</b>	<b>5,073.65</b>

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Instruction Staff Training Service					
Salaries of Other Professional Services	18,800.00	1,100.00	19,900.00	15,632.37	4,267.63
Other Purchased Services	32,900.00		32,900.00	4,671.01	28,228.99
<b>Total Undistributed Expenditures - Instruction Staff Training Service</b>	<b>51,700.00</b>	<b>1,100.00</b>	<b>52,800.00</b>	<b>20,303.38</b>	<b>32,496.62</b>
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	122,932.00	10,215.20	133,147.20	124,049.00	9,098.20
Legal Services	5,000.00	-	5,000.00	-	5,000.00
Audit Fees	20,000.00	-	20,000.00	20,000.00	-
Other Purchased Professional Services	21,000.00	8,000.00	29,000.00	20,162.84	8,837.16
Communications/Telephone	27,495.00	-	27,495.00	21,112.89	6,382.11
Other Purchased Services	23,900.00	-	23,900.00	15,492.82	8,407.18
General Supplies	2,200.00	2,000.00	4,200.00	610.58	3,589.42
BOE In-House Training and Meeting Supplies	2,000.00	2,000.00	4,000.00	354.98	3,645.02
Miscellaneous Expenditures	3,975.00	-	3,975.00	3,009.00	966.00
BOE Membership Dues and Fees	5,100.00	1,145.00	6,245.00	6,243.40	1.60
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>233,602.00</b>	<b>23,360.20</b>	<b>256,962.20</b>	<b>211,035.51</b>	<b>45,926.69</b>
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals and Assistant Principals	140,305.00	20,344.55	160,649.55	137,951.18	22,698.37
Salaries of Secretarial and Clerical Assistants	101,221.00	-	101,221.00	99,509.41	1,711.59
Other Purchased Services	8,100.00	2,908.00	11,008.00	7,121.55	3,886.45
Supplies and Materials	9,500.00	1,335.00	10,835.00	6,374.33	4,460.67
Other Objects	1,750.00	1,500.00	3,250.00	2,908.93	341.07
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>260,876.00</b>	<b>26,087.55</b>	<b>286,963.55</b>	<b>253,865.40</b>	<b>33,098.15</b>

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>Undistributed Expenditures - Central Services</b>					
Salaries	174,199.00	25,950.80	200,149.80	189,624.51	10,525.29
Purchased Professional Services	2,500.00	(500.00)	2,000.00	-	2,000.00
Purchased Technical Services	40,275.00	(500.00)	39,775.00	31,289.70	8,485.30
Misc. Purchased Services	1,000.00	510.00	1,510.00	897.53	612.47
Supplies and Materials	3,500.00	2,000.00	5,500.00	5,202.55	297.45
Other Objects	1,700.00	(510.00)	1,190.00	1,190.00	-
<b>Total Undistributed Expenditures - Central Services</b>	<b>223,174.00</b>	<b>26,950.80</b>	<b>250,124.80</b>	<b>228,204.29</b>	<b>21,920.51</b>
<b>Undistributed Expenditures - Admin. Info Technology</b>					
Salaries	28,884.00	-	28,884.00	28,684.59	199.41
Purchased Technical Services	17,000.00	-	17,000.00	4,675.00	12,325.00
Other Objects	450.00	-	450.00	450.00	-
<b>Total Undistributed Expenditures - Admin. Info Technology</b>	<b>46,334.00</b>	<b>-</b>	<b>46,334.00</b>	<b>33,809.59</b>	<b>12,524.41</b>
<b>Undistributed Expenditures - Required Maint for School Facilities</b>					
Salaries	144,993.00	-	144,993.00	140,834.00	4,159.00
Cleaning, Repair, and Maintenance Services	190,252.00	2,278.00	192,530.00	167,701.95	24,828.05
General Supplies	24,535.68	(2,600.00)	21,935.68	13,769.03	8,166.65
<b>Total Undistributed Expenditures - Required Maint for School Facilities</b>	<b>359,780.68</b>	<b>(322.00)</b>	<b>359,458.68</b>	<b>322,304.98</b>	<b>37,153.70</b>
<b>Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services</b>					
Salaries	277,617.00	(11,223.00)	266,394.00	153,339.31	113,054.69
Purchased Professional and Technical Services	-	3,282.00	3,282.00	3,282.00	-
Cleaning, Repair and Maintenance Services	14,300.00	(720.00)	13,580.00	1,788.00	11,792.00
Other Purchased Property Services	42,000.00	12,812.00	54,812.00	29,968.25	24,843.75
Insurance	29,340.00	-	29,340.00	28,194.00	1,146.00
General Supplies	39,500.00	(1,144.00)	38,356.00	29,433.64	8,922.36
Energy (Natural Gas)	190,000.00	(15,000.00)	175,000.00	118,654.36	56,345.64
Energy (Heat and Electricity)	255,000.00	(19,455.00)	235,545.00	167,194.07	68,350.93
Other Objects	700.00	770.00	1,470.00	1,448.47	21.53
<b>Total Undistributed Expenditures - Operation and Maintenance of Plant Services - Custodial Services</b>	<b>848,457.00</b>	<b>(30,678.00)</b>	<b>817,779.00</b>	<b>533,302.10</b>	<b>284,476.90</b>

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Undistributed Expenditures - Security					
Purchased Professional and Technical Services	98,314.00	-	98,314.00	80,608.35	17,705.65
General Supplies		155.50	155.50	-	155.50
<b>Total Undistributed Expenditures - Security</b>	<b>98,314.00</b>	<b>155.50</b>	<b>98,469.50</b>	<b>80,608.35</b>	<b>17,861.15</b>
Undistributed Expenditures - Student Transportation Services:					
Contracted Services (Other than Bet. Home & School) - Vendors	8,000.00	3,000.00	11,000.00	9,264.47	1,735.53
Contracted Services - (Between Home and School) - Joint Agree.	125,960.00	(6,860.00)	119,100.00	61,746.30	57,353.70
Contracted Services - (Special Ed Students) - Joint Agreements	177,593.00	-	177,593.00	149,207.70	28,385.30
Contracted Services - Aid in Lieu of Payments - NonPub Sch.	14,700.00	8,446.00	23,146.00	23,145.89	0.11
Contracted Services - Aid in Lieu of Payments - Charter Sch.	20,000.00	(1,124.00)	18,876.00	12,264.00	6,612.00
Contracted Services - Aid in Lieu of Payments - Choice	2,000.00	(462.00)	1,538.00	1,022.00	516.00
<b>Total Undistributed Expenditures - Student Transportation Serv.</b>	<b>348,253.00</b>	<b>3,000.00</b>	<b>351,253.00</b>	<b>256,650.36</b>	<b>94,602.64</b>
Unallocated Benefits:					
Social Security Contributions	155,000.00	-	155,000.00	116,926.17	38,073.83
Other Retirement Contributions - PERS	162,000.00	15,057.00	177,057.00	173,717.02	3,339.98
Unemployment Compensation	10,000.00	(1,035.00)	8,965.00	169.50	8,795.50
Workmen's Compensation	44,951.00	-	44,951.00	44,733.00	218.00
Health Benefits	1,583,416.00	(15,022.00)	1,568,394.00	1,364,892.40	203,501.60
Tuition Reimbursement	27,000.00	4,320.89	31,320.89	23,395.55	7,925.34
Other Employee Benefits	125,000.00	(1,820.89)	123,179.11	119,522.94	3,656.17
Unused Sick Payment to Terminated/Retired Staff	10,000.00	-	10,000.00	-	10,000.00
<b>Total Unallocated Benefits</b>	<b>2,117,367.00</b>	<b>1,500.00</b>	<b>2,118,867.00</b>	<b>1,843,356.58</b>	<b>275,510.42</b>
On-behalf TPAF Pension Contributions (non-budgeted)				1,576,273.00	(1,576,273.00)
On-behalf TPAF Pension Contributions-Post Retirement Medical (non-budgeted)				414,083.00	(414,083.00)
On-behalf TPAF Pension Contributions-Long Term Disability Insurance (non-budgeted)				788.00	(788.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				365,782.20	(365,782.20)
<b>Total On-behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,356,926.20</b>	<b>(2,356,926.20)</b>



**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Total Undistributed Expenditures	6,300,413.68	36,366.28	6,336,779.96	7,510,482.57	(1,173,702.61)
<b>Total Current Expense</b>	<b>10,399,144.68</b>	<b>(47,979.00)</b>	<b>10,351,165.68</b>	<b>11,265,143.26</b>	<b>(913,977.58)</b>
<b>Capital Outlay:</b>					
Interest Deposit to Capital Reserve	-		-	-	-
Total Deposit to Capital Reserve	-	-	-	-	-
Equipment					
School-Sponsored and Other Instructional Programs		28,477.00	28,477.00	-	28,477.00
Administrative Information Technology Security	22,088.00	-	22,088.00	15,524.14	6,563.86
Total Equipment	22,088.00	64,479.00	86,567.00	51,233.04	35,333.96
Facilities Acquisition and Construction Services					
Architect/Engineering Services	373,993.00	(373,993.00)	-	-	-
Construction Services	293,250.00	-	293,250.00	243,060.82	50,189.18
Lease Purchase Agreement					
Bldgs Other than Lease Purchase Agreements	195,873.00	-	195,873.00	195,873.00	-
Assessment for Debt Service on SDA Funding					
Total Facilities Acquisitions and Construction Services	863,116.00	(373,993.00)	489,123.00	438,933.82	50,189.18
Assets Acquired Under Capital Leases (non-budgeted):					
Undistributed Expenditures:					
Construction Services	-		-	900,000.00	(900,000.00)
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	900,000.00	(900,000.00)
<b>Total Capital Outlay</b>	<b>885,204.00</b>	<b>(309,514.00)</b>	<b>575,690.00</b>	<b>1,390,166.86</b>	<b>(814,476.86)</b>
<b>Transfer to Charter Schools</b>	<b>433,679.00</b>	<b>(16,500.00)</b>	<b>417,179.00</b>	<b>226,198.00</b>	<b>190,981.00</b>
<b>Total Expenditures</b>	<b>11,718,027.68</b>	<b>(373,993.00)</b>	<b>11,344,034.68</b>	<b>12,881,508.12</b>	<b>(1,537,473.44)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,009,301.68)	373,993.00	(635,308.68)	447,502.38	1,082,811.06

**Egg Harbor City School District  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
Other Financing Sources (Uses)					
Operating Transfers In:					
Interest on Maintenance Reserve	-		-	796.51	796.51
Cancellation of prior year payables					
Operating Transfers Out:					
Cancellation of prior year receivables					
Capital Reserve - Transfer to Capital Projects Fund		(373,993.00)	(373,993.00)	(38,695.05)	(38,695.05)
Increase in Capital Reserve	(121,455.00)		(121,455.00)	(121,455.00)	-
Local Contribution-Transfer to Special Revenue - Inclusion				900,000.00	900,000.00
Capital Leases (non-budgeted))					
Total Other Financing Sources (Uses)	<u>(121,455.00)</u>	<u>(373,993.00)</u>	<u>(495,448.00)</u>	<u>366,653.46</u>	<u>862,101.46</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,130,756.68)	-	(1,130,756.68)	814,155.84	1,944,912.52
Fund Balances, July 1	2,883,804.53		2,883,804.53	2,883,804.53	-
Fund Balances, June 30	<u>\$ 1,753,047.85</u>	<u>-</u>	<u>1,753,047.85</u>	<u>3,697,960.37</u>	<u>1,944,912.52</u>

Recapitulation of Fund Balance:

<b>Restricted Fund Balance</b>	
Excess Surplus	1,012,052.84
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	1,255,664.68
<b>Committed Fund Balance</b>	
Capital Reserve	750,676.58
Maintenance Reserve	350,000.00
<b>Assigned Fund Balance</b>	
Reserve for Encumbrances	36,410.27
<b>Unsigned Fund Balance</b>	<u>293,156.00</u>
	3,697,960.37

Reconciliation to Governmental Funds Statements (GAAP)  
Last State Aid Payment Not Recognized on GAAP Basis

Fund Balance per Governmental Funds (GAAP)

(781,089.00)
<u>2,916,871.37</u>

Egg Harbor City School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	-	7,703.04	7,703.04	5,556.23	(2,146.81)
Total - Local Sources	-	7,703.04	7,703.04	5,556.23	(2,146.81)
State Sources:					
Preschool Education Aid	852,072.00	(82,857.00)	769,215.00	647,760.00	(121,455.00)
Other	-	18,973.00	18,973.00	18,973.00	-
Total - State Sources	852,072.00	(63,884.00)	788,188.00	666,733.00	(121,455.00)
Federal Sources:					
Title I	276,070.00	53,055.00	329,125.00	329,125.00	-
Title II	27,118.00		27,118.00	27,118.00	-
I.D.E.A., Part B	157,409.00	193,855.00	351,264.00	193,855.00	(157,409.00)
Other	86,274.00	2,741,300.33	2,827,574.33	2,378,652.58	(448,921.75)
Total - Federal Sources	546,871.00	2,988,210.33	3,535,081.33	2,928,750.58	(606,330.75)
<b>Total Revenues</b>	<b>1,398,943.00</b>	<b>2,932,029.37</b>	<b>4,330,972.37</b>	<b>3,601,039.81</b>	<b>(729,932.56)</b>
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	586,477.00	617,218.13	1,203,695.13	980,545.00	223,150.13
Other salaries for instruction	133,940.00	(2,042.00)	131,898.00	131,898.00	-
Purchased professional educational service		1,600.00	1,600.00	800.00	800.00
Tuition		185,140.00	185,140.00	185,140.00	-
Other Purchased services		125,000.00	125,000.00	19,667.00	105,333.00
General supplies	40,591.00	150,124.80	190,715.80	180,302.87	10,412.93
Other objects		6,498.00	6,498.00	840.00	5,658.00
<b>Total instruction</b>	<b>761,008.00</b>	<b>1,083,538.93</b>	<b>1,844,546.93</b>	<b>1,499,192.87</b>	<b>345,354.06</b>

Egg Harbor City School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>Support Services</b>					
Salaries of Other Professional Staff	21,644.00	(383.60)	21,260.40	21,260.40	-
Salaries of Program Directors	37,324.00	24,779.52	62,103.52	62,103.52	-
Other Salaries	66,035.00	256,842.81	322,877.81	297,536.52	25,341.29
Salaries of Secr and Clerical Assistants	14,839.00	(281.00)	14,558.00	14,558.00	-
Salaries of Supervisors of Instruction	14,826.00	286.80	15,112.80	15,112.80	-
Personal Services - Employee Benefits	376,224.00	325,058.64	701,282.64	614,511.66	86,770.98
Purchased professional educational service	15,000.00	(8,223.00)	6,777.00	6,777.00	-
Purchased Technical Services	54,409.00	173,344.67	227,753.67	170,187.54	57,566.13
Other Purchased Services	37,634.00	61,068.50	98,702.50	57,838.29	40,864.21
Cleaning, Repair & Maint. Services		12,313.00	12,313.00	12,313.00	-
Travel		4,377.50	4,377.50	230.78	4,146.72
Supplies & Materials		11,139.77	11,139.77	4,414.02	6,725.75
Other Objects		845.00	845.00		-
Scholarships Awarded				100.00	(100.00)
<b>Total support services</b>	<u>637,935.00</u>	<u>861,168.61</u>	<u>1,499,103.61</u>	<u>1,277,788.53</u>	<u>221,315.08</u>
<b>Facilities acquisition and construction services:</b>					
Buildings					
Instructional Equipment		977,321.83	977,321.83	945,610.79	31,711.04
<b>Total facilities acquisition and construction services</b>	<u>-</u>	<u>977,321.83</u>	<u>977,321.83</u>	<u>945,610.79</u>	<u>10,000.00</u>
<b>Transfers to Charter Schools</b>					
<b>Total expenditures</b>	<u>1,398,943.00</u>	<u>2,932,029.37</u>	<u>4,330,972.37</u>	<u>3,722,592.19</u>	<u>608,380.18</u>
<b>Other financing sources</b>					
Transfer from other funds					
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,455.00</u>	<u>(121,455.00)</u>
<b>Total outflows</b>	<u>1,398,943.00</u>	<u>2,932,029.37</u>	<u>4,330,972.37</u>	<u>3,601,137.19</u>	<u>729,835.18</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(97.38)</u>	<u>(97.38)</u>
Fund Balance, July 1					
Fund Balance, June 30					
Recapitulation:					
Restricted:					
Scholarships					
<b>Total Fund Balance</b>					
<b>Total</b>	<u>\$ -</u>	<u>-</u>	<u>\$ 587.78</u>	<u>\$ 490.40</u>	<u>\$ 490.40</u>
<b>Total Fund Balance</b>					
<b>Total</b>	<u>\$ -</u>	<u>-</u>	<u>\$ 490.40</u>	<u>\$ 490.40</u>	<u>\$ 490.40</u>

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

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**Egg Harbor City School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2023**

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

	General Fund	Special Revenue
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 13,329,010.50	3,601,039.81
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		15,832.90
Current year		(564,369.70)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	694,695.00	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(781,089.00)	-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	13,242,616.50	3,052,503.01
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	12,881,508.12	3,722,592.19
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		15,832.90
Current year		(564,369.70)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 12,881,508.12	3,174,055.39

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**Required Supplemental Information  
Part III**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF EGG HARBOR SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee 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)	0.0134032961%	0.0130117743%	0.0127456516%	0.0133306544%	0.0130011059%	1.2339684700%	0.0117957772%	0.0126910508%	0.0127197761%	0.0116694603%
District's proportionate of the net pension liability (asset)	\$ 2,022,742.00	1,541,440.00	2,078,482.00	2,401,982.00	2,559,853.00	2,872,481.00	3,493,571.00	2,848,887.00	2,381,490.00	2,230,266.00
District's covered payroll	963,777.00	971,915.00	984,420.00	933,132.00	886,389.00	900,417.00	882,359.00	846,480.00	859,952.00	825,778.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	209.88%	158.60%	211.14%	257.41%	288.80%	319.02%	395.94%	336.56%	276.93%	270.08%
Plan fiduciary net position as a percentage of the total pension liability	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 EGG HARBOR 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	\$ 169,022.00	152,383.00	139,431.00	130,532.00	130,372.00	116,943.42	105,899.00	109,019.00	104,860.00	87,927.00
Contributions in relation to the contractually required contribution	169,022.00	152,383.00	139,431.00	130,532.00	130,372.00	116,943.42	105,899.00	109,019.00	104,860.00	87,927.00
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	963,777.00	971,915.00	984,420.00	933,132.00	886,389.00	900,417.00	882,359.00	846,480.00	859,952.00	825,778.00
Contributions as a percentage of covered-employee payroll	17.54%	15.68%	14.16%	13.99%	14.71%	12.99%	12.00%	12.88%	12.19%	10.65%

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

Note: This schedule is required by GASB 68 to show information for a 10 year period.

**CITY OF EGG HARBOR 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	\$ 19,501,188.00	18,629,961.00	24,997,395.00	23,583,079.00	25,105,752.00	26,747,834.00	31,677,826.00	26,186,378.00	22,177,091.00	20,748,896.00
<b>Total</b>	<b>\$ 19,501,188.00</b>	<b>18,629,961.00</b>	<b>24,997,395.00</b>	<b>23,583,079.00</b>	<b>25,105,752.00</b>	<b>26,747,834.00</b>	<b>31,677,826.00</b>	<b>26,186,378.00</b>	<b>22,177,091.00</b>	<b>20,748,896.00</b>
District's covered payroll	4,953,448.00	4,729,793.00	4,270,894.00	4,274,454.00	4,140,584.00	4,091,727.00	4,037,171.00	4,030,324.00	4,071,497.00	4,148,221.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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%	33.76%

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

Note: This schedule is required by GASB 68 to show information for a 10 year period.

**EGG HARBOR CITY SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last 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	22,275,689.00	26,364,502.00	29,349,596.00	18,182,499.00	19,445,774.00	22,895,340.00	24,738,738.00
<b>Total</b>	<u>\$ 22,275,689.00</u>	<u>26,364,502.00</u>	<u>29,349,596.00</u>	<u>18,182,499.00</u>	<u>19,445,774.00</u>	<u>22,895,340.00</u>	<u>24,738,738.00</u>
District's covered payroll	5,917,225.00	5,701,708.00	5,255,314.00	5,207,586.00	5,026,973.00	4,992,144.00	4,919,530.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	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	1,146,533.00	1,358,713.00	704,682.00	682,497.00	764,534.00	924,269.00	
Interest Cost	590,330.00	683,923.00	652,455.00	768,584.00	838,117.00	724,168.00	
Change in Benefit Terms	-	(28,062.00)	-	-	-	-	
Differences between Expected & Actual	715,958.00	(4,504,424.00)	4,944,262.00	(2,443,855.00)	(2,318,715.00)	-	
Changes in Assumptions	(5,975,653.00)	26,011.00	5,361,163.00	271,103.00	(2,231,500.00)	(2,981,057.00)	
Member Contributions	18,759.00	17,485.00	15,487.00	16,545.00	17,971.00	19,527.00	
Benefit Payments	(584,740.00)	(538,740.00)	(510,952.00)	(558,149.00)	(519,973.00)	(530,305.00)	
Change in Total Opeb Liability	<u>(4,088,813.00)</u>	<u>(2,985,094.00)</u>	<u>11,167,097.00</u>	<u>(1,263,275.00)</u>	<u>(3,449,566.00)</u>	<u>(1,843,398.00)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	26,364,502.00	29,349,596.00	18,182,499.00	19,445,774.00	22,895,340.00	24,738,738.00	
Ending Balance	<u>\$ 22,275,689.00</u>	<u>\$ 26,364,502.00</u>	<u>\$ 29,349,596.00</u>	<u>\$ 18,182,499.00</u>	<u>\$ 19,445,774.00</u>	<u>\$ 22,895,340.00</u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	376.45%	462.40%	558.47%	349.15%	386.83%	458.63%	

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

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

**SPECIAL REVENUE FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**Egg Harbor City School District**  
**Special Revenue Fund**  
**Combining Schedule of Revenue and Expenditures**  
**Budgetary Basis**  
**For The Fiscal Year Ended June 30, 2023**

	Atlantic Care	Municipal Alliance	Scholarships	Preschool Education	School Climate Awareness	NJ SDA Emergent Needs	State/Local Funds
<b>REVENUES:</b>							
Local Sources	\$ 5,553.61	-	2.62				5,556.23
State Sources				647,760.00	6,660.00	12,313.00	666,733.00
Federal Sources							-
<b>Total revenues</b>	<b>5,553.61</b>	<b>-</b>	<b>2.62</b>	<b>647,760.00</b>	<b>6,660.00</b>	<b>12,313.00</b>	<b>672,289.23</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers				306,214.53			306,214.53
Other salaries for instruction				131,898.00			131,898.00
Salaries of other professional staff							-
Purchased professional-educational services				800.00			800.00
Purchased prof. and technical services							-
Tuition							-
Other purchased services							-
General supplies	5,553.61			13,654.21	6,660.00		25,867.82
Textbooks							-
Other objects							-
<b>Total Instruction</b>	<b>5,553.61</b>	<b>-</b>	<b>-</b>	<b>452,566.74</b>	<b>6,660.00</b>	<b>-</b>	<b>464,780.35</b>
Support services:							
Salaries of other professional staff				21,260.40			21,260.40
Salaries of program directors				33,365.52			33,365.52
Other salaries							-
Salaries of Secretaries and Clerical Assistants				14,558.00			14,558.00
Salaries of supervisors of instruction				15,112.80			15,112.80
Personal services- employee benefits				218,810.06			218,810.06
Purchased professional educational service				6,777.00			6,777.00
Purchased technical services							-
Other purchased services				5,250.00			5,250.00
Cleaning, Repair, and Maintenance						12,313.00	12,313.00
Travel				87.50			87.50
Supplies and materials				581.98			581.98
Other objects				845.00			845.00
Scholarships awarded			100.00				100.00
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>316,648.26</b>	<b>-</b>	<b>12,313.00</b>	<b>329,061.26</b>
Facilities acquisition and const. serv.:							
Buildings							-
Instructional equipment							-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer to charter schools							
							-
<b>Total expenditures</b>	<b>5,553.61</b>	<b>-</b>	<b>100.00</b>	<b>769,215.00</b>	<b>6,660.00</b>	<b>12,313.00</b>	<b>793,841.61</b>
Other financing sources							
Transfer from other funds				121,455.00			121,455.00
<b>Total outflows</b>	<b>5,553.61</b>	<b>-</b>	<b>100.00</b>	<b>647,760.00</b>	<b>6,660.00</b>	<b>12,313.00</b>	<b>672,386.61</b>
Excess (deficiency) of revenue over (under) expenditures	-	-	(97.38)	-	-	-	(97.38)
Fund Balance, July 1			587.78				587.78
Fund Balance, June 30	\$ -	-	490.40	-	-	-	490.40

**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2023**

	Title I Part A	Carryover Title I SIA	Carryover Title I SIA	Title II Part A	Carryover Title I Part A	I.D.E.A. Part B- Basic Instruction
<b>REVENUES:</b>						
Local Sources						
State Sources						
Federal Sources						
<b>Total revenues</b>	<u>276,070.00</u>	<u>53,055.00</u>	-	<u>27,118.00</u>	-	<u>185,140.00</u>
	<u>276,070.00</u>	<u>53,055.00</u>	-	<u>27,118.00</u>	-	<u>185,140.00</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	172,991.00					
Other salaries for instruction						
Salaries of other professional staff						
Purchased professional-educational services						
Purchased prof. and technical services						
Tuition						185,140.00
Other purchased services						
General supplies		26,631.40				
Textbooks						
Other objects						
<b>Total Instruction</b>	<u>172,991.00</u>	<u>26,631.40</u>	-	-	-	<u>185,140.00</u>
Support services:						
Salaries of other professional staff						
Salaries of program directors		18,922.00		9,816.00		
Other salaries						
Salaries of Secretaries and Clerical Assistants						
Salaries of supervisors of instruction						
Personal services- employee benefits	88,425.00	7,501.60		5,006.50		
Purchased professional educational service						
Purchased technical services				12,295.50		
Other purchased services	14,654.00					
Cleaning, Repair, and Maintenance						
Travel						
Supplies and materials						
Other objects						
Scholarships awarded						
<b>Total support services</b>	<u>103,079.00</u>	<u>26,423.60</u>	-	<u>27,118.00</u>	-	-
Facilities acquisition and const. serv.:						
Buildings						
Instructional equipment						
<b>Total facilities acquisition and construction services</b>	-	-	-	-	-	-
Transfer to charter schools						
<b>Total expenditures</b>	<u>276,070.00</u>	<u>53,055.00</u>	-	<u>27,118.00</u>	-	<u>185,140.00</u>
Other financing sources						
Transfer from other funds						
<b>Total outflows</b>	<u>276,070.00</u>	<u>53,055.00</u>	-	<u>27,118.00</u>	-	<u>185,140.00</u>
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-	-	-
Fund Balance, July 1						
Fund Balance, June 30	-	-	-	-	-	-

Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2023

	American Rescue Plan (ARP)					
	I.D.E.A. Part B- Basic Preschool	21st Century	21st Century Carryover	Small Rural School Achievement	IDEA	
	Preschool	21st Century	Carryover	Achievement	Basic	Preschool
<b>REVENUES:</b>						
Local Sources	\$					
State Sources						
Federal Sources	8,715.00	349,503.30	-	18,160.00	-	87.00
<b>Total revenues</b>	<b>8,715.00</b>	<b>349,503.30</b>	<b>-</b>	<b>18,160.00</b>	<b>-</b>	<b>87.00</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	202,905.69					
Other salaries for instruction						
Salaries of other professional staff						
Purchased professional-educational services						
Purchased prof. and technical services						
Tuition						
Other purchased services						
General supplies	8,715.00	7,446.65		18,160.00		87.00
Textbooks						
Other objects	840.00					
<b>Total Instruction</b>	<b>8,715.00</b>	<b>211,192.34</b>	<b>-</b>	<b>18,160.00</b>	<b>-</b>	<b>87.00</b>
Support services:						
Salaries of other professional staff						
Salaries of program directors						
Other salaries	84,302.52					
Salaries of Secretaries and Clerical Assistants						
Salaries of supervisors of instruction						
Personal services- employee benefits	30,508.89					
Purchased professional educational service						
Purchased technical services	20,582.49					
Other purchased services	2,281.74					
Cleaning, Repair, and Maintenance						
Travel	143.28					
Supplies and materials	492.04					
Other objects						
Scholarships awarded						
<b>Total support services</b>	<b>-</b>	<b>138,310.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Facilities acquisition and const. serv.:						
Buildings						
Instructional equipment						
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer to charter schools						
<b>Total expenditures</b>	<b>8,715.00</b>	<b>349,503.30</b>	<b>-</b>	<b>18,160.00</b>	<b>-</b>	<b>87.00</b>
Other financing sources						
Transfer from other funds						
<b>Total outflows</b>	<b>8,715.00</b>	<b>349,503.30</b>	<b>-</b>	<b>18,160.00</b>	<b>-</b>	<b>87.00</b>
Excess (deficiency) of revenue over (under) expenditures	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance, July 1						
Fund Balance, June 30	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2023**

	American Rescue Plan (ARP)				
	Accelerated Learning Coaching/ Educator Support	Evidence-Based Summer Learning & Enrichment	Evidence-Based Comprehensive Beyond the School Day	NJ TSS Mental Health Support Staffing	Homeless Children and Youth II
REVENUES:					
Local Sources					
State Sources					
Federal Sources	1,449,331.59	39,408.00	40,000.00	20,621.94	88,501.00
Total revenues	<u>1,449,331.59</u>	<u>39,408.00</u>	<u>40,000.00</u>	<u>20,621.94</u>	<u>13,266.00</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	200,013.37		37,157.00	19,156.41	
Other salaries for instruction					
Salaries of other professional staff					
Purchased professional-educational services					
Purchased prof. and technical services					
Tuition					
Other purchased services	19,667.00				
General supplies	85,000.00				
Textbooks					
Other objects					
Total Instruction	<u>304,680.37</u>	<u>-</u>	<u>37,157.00</u>	<u>19,156.41</u>	<u>-</u>
Support services:					
Salaries of other professional staff					
Salaries of program directors					
Other salaries				61,035.00	
Salaries of Secretaries and Clerical Assistants					
Salaries of supervisors of instruction					
Personal services- employee benefits	103,197.33		2,843.00	1,465.53	27,466.00
Purchased professional educational service					
Purchased technical services	97,901.55	39,408.00			
Other purchased services	22,386.55				13,266.00
Cleaning, Repair, and Maintenance					
Travel					
Supplies and materials					
Other objects					
Scholarships awarded					
Total support services	<u>223,485.43</u>	<u>39,408.00</u>	<u>2,843.00</u>	<u>1,465.53</u>	<u>88,501.00</u>
Facilities acquisition and const. serv.:					
Buildings	921,165.79				
Instructional equipment					
Total facilities acquisition and construction services	<u>921,165.79</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to charter schools					
Total expenditures	<u>1,449,331.59</u>	<u>39,408.00</u>	<u>40,000.00</u>	<u>20,621.94</u>	<u>13,266.00</u>
Other financing sources					
Transfer from other funds					
Total outflows	<u>1,449,331.59</u>	<u>39,408.00</u>	<u>40,000.00</u>	<u>20,621.94</u>	<u>13,266.00</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1					
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Egg Harbor City School District  
Special Revenue Fund  
Combining Schedule of Revenue and Expenditures  
Budgetary Basis  
For The Fiscal Year Ended June 30, 2023**

	CARES	CRRSA		Total	Totals	
	Emergency Relief	ESSER II	Learning Acceleration	Mental Health		Federal Funds
<b>REVENUES:</b>						
Local Sources	\$				5,556.23	
State Sources					666,733.00	
Federal Sources	-	358,225.95	-	1,547.80	2,928,750.58	
<b>Total revenues</b>	<u>-</u>	<u>358,225.95</u>	<u>-</u>	<u>1,547.80</u>	<u>2,928,750.58</u>	<u>3,601,039.81</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers		42,107.00			674,330.47	980,545.00
Other salaries for instruction					-	131,898.00
Salaries of other professional staff					-	-
Purchased professional-educational services					-	800.00
Purchased prof. and technical services					-	-
Tuition					185,140.00	185,140.00
Other purchased services					19,667.00	19,667.00
General supplies		8,395.00			154,435.05	180,302.87
Textbooks					-	-
Other objects					840.00	840.00
<b>Total Instruction</b>	<u>-</u>	<u>50,502.00</u>	<u>-</u>	<u>-</u>	<u>1,034,412.52</u>	<u>1,499,192.87</u>
Support services:						
Salaries of other professional staff					-	21,260.40
Salaries of program directors					28,738.00	62,103.52
Other salaries		150,761.20		1,437.80	297,536.52	297,536.52
Salaries of Secretaries and Clerical Assistants					-	14,558.00
Salaries of supervisors of instruction					-	15,112.80
Personal services- employee benefits		129,177.75		110.00	395,701.60	614,511.66
Purchased professional educational service					-	6,777.00
Purchased technical services					170,187.54	170,187.54
Other purchased services					52,588.29	57,838.29
Cleaning, Repair, and Maintenance					-	12,313.00
Travel					143.28	230.78
Supplies and materials		3,340.00			3,832.04	4,414.02
Other objects					-	845.00
Scholarships awarded					-	100.00
<b>Total support services</b>	<u>-</u>	<u>283,278.95</u>	<u>-</u>	<u>1,547.80</u>	<u>948,727.27</u>	<u>1,277,788.53</u>
Facilities acquisition and const. serv.:						
Buildings		24,445.00			945,610.79	945,610.79
Instructional equipment					-	-
<b>Total facilities acquisition and construction services</b>	<u>-</u>	<u>24,445.00</u>	<u>-</u>	<u>-</u>	<u>945,610.79</u>	<u>945,610.79</u>
Transfer to charter schools					-	-
<b>Total expenditures</b>	<u>-</u>	<u>358,225.95</u>	<u>-</u>	<u>1,547.80</u>	<u>2,928,750.58</u>	<u>3,722,592.19</u>
Other financing sources						
Transfer from other funds					-	121,455.00
<b>Total outflows</b>	<u>-</u>	<u>358,225.95</u>	<u>-</u>	<u>1,547.80</u>	<u>2,928,750.58</u>	<u>3,601,137.19</u>
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-	-	(97.38)
Fund Balance, July 1					-	587.78
Fund Balance, June 30	\$	-	-	-	-	490.40

**Egg Harbor City School District  
Special Revenue Fund  
Schedule of Preschool Education Aid  
For the Fiscal Year Ended June 30, 2023**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 306,214.53	306,214.53	-
Other salaries for instruction	131,898.00	131,898.00	-
Purchased professional-educational services	800.00	800.00	-
Supplies	13,654.21	13,654.21	-
<b>Total instruction</b>	<u>452,566.74</u>	<u>452,566.74</u>	<u>-</u>
Support services:			
Salaries of Other Professional Staff	21,260.40	21,260.40	-
Salaries of Program Directors	33,365.52	33,365.52	-
Salaries of Secr and Clerical Assistants	14,558.00	14,558.00	-
Salaries of Supervisors of Instruction	15,112.80	15,112.80	-
Professional services - employee benefits	218,810.06	218,810.06	-
Purchased Professional-Educational Services	5,250.00	5,250.00	-
Other Purchased Professional Services	6,777.00	6,777.00	-
Other Purchased Services	87.50	87.50	-
Supplies and Materials	581.98	581.98	-
Other Objects	845.00	845.00	-
<b>Total support services</b>	<u>316,648.26</u>	<u>316,648.26</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 769,215.00</u>	<u>769,215.00</u>	<u>-</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2022-23 Preschool Education Aid Allocation	647,760.00
Add: Actual ECPA/PEA Carryover (June 30, 2022)	250,129.49
Add: Budgeted Transfer from the General Fund 2022-23	121,455.00
<b>Total Preschool Education Aid Funds Available for 2022-23 Budget</b>	<u>1,019,344.49</u>
Less: 2022-23 Budgeted Preschool Education Aid (Including prior year budget carryover)	(852,072.00)
Correction to Prior Year Carryover Balances	(110,763.49)
<b>Available &amp; Unbudgeted Preschool Education Funds as of June 30, 2023</b>	<u>56,509.00</u>
Add: June 30, 2023 Unexpended Preschool Education Aid	-
Less: 2022-23 Commissioner-approved Transfer to the General Fund	-
<b>2022-2023 Carryover - Preschool Education Aid Program</b>	<u>56,509.00</u>
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-24	56,509.00

**CAPITAL PROJECTS FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



Egg Harbor City School District  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2023

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Transfers Out	Unexpended Appropriations 6/30/2023
			Prior Years	Current Year		
Spragg Elementary and Community School Roof and HVAC Replacement	5/4/2022	2,202,790.00	-	81,333.77		2,284,123.77
Totals		\$ 2,202,790.00	-	81,333.77	-	2,284,123.77

**Egg Harbor City School District  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
For the Fiscal Year Ended June 30, 2023**

**Revenue and Other Financing  
Sources**

State Sources - SDA	\$	9,290.00
Lease Purchase Proceeds		900,000.00
Transfer from capital reserve		373,993.00
Total revenues		<u>1,283,283.00</u>

**Expenditures and Other Financing  
Uses**

Purchased Professional and Technical Services		81,333.77
Construction Services		-
Other Objects		-
Total expenditures		<u>81,333.77</u>
Excess (Deficiency) of revenues over (under) expenditures		<u>1,201,949.23</u>
Other Financing Sources (Uses):		
None		<u>-</u>
Total other financing sources (uses)		-
Fund balance- beginning		-
Fund balance - ending	\$	<u><u>1,201,949.23</u></u>

**Egg Harbor City School District  
Capital Projects Fund  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
Spragg Elementary and Community School Roof and HVAC Replacement  
From Inception and for the Year Ended June 30, 2023**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenue and Other Financing Sources</b>				
State of NJ Board of Public Utilities - School and Small Business Ventilation & Energy Efficiency Verification and Repair Program - HVAC Replacement/New System Program Grant	\$	9,290.00	9,290.00	928,797.00
Lease Purchase Held in Escrow		900,000.00	900,000.00	900,000.00
Transfer from capital reserve		373,993.00	373,993.00	373,993.00
<b>Total revenues</b>	-	1,283,283.00	1,283,283.00	2,202,790.00
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		81,333.77	81,333.77	119,850.00
Construction services		-	-	2,082,940.00
Other Objects			-	-
<b>Total expenditures</b>	-	81,333.77	81,333.77	2,202,790.00
 <b>Other Financing Sources (Uses):</b>				
None	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
 Excess (deficiency) of revenues over (under) expenditures	\$ -	1,201,949.23	1,201,949.23	-

**Additional project information:**

Project Number	1300-020-22-1001
Grant Date	9/29/2022
Bonds Authorization Date	NA
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	2,202,790
Additional Authorized Cost	-
Revised Authorized Cost	2,202,790
 Percentage Increase over Original Authorized Cost	
	0.00%
Percentage completion	
	100.00%
Original target completion date	
	6/30/2023
Revised target completion date	
	12/31/2023

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**LONG-TERM DEBT**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

Egg Harbor City School District  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2023

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
			Date	Amount					
Refunding School Bonds of 2016	7/14/16	\$ 7,500,000.00	3/15/24	450,000.00	4.000%	5,715,000.00		445,000.00	5,270,000.00
			3/15/25	470,000.00	4.000%				
			3/15/26	495,000.00	2.000%				
			3/15/27	500,000.00	3.000%				
			3/15/28	520,000.00	3.000%				
			3/15/29	535,000.00	3.000%				
			3/15/30	* 550,000.00	2.500%				
			3/15/31	* 565,000.00	2.500%				
			3/15/32	# 585,000.00	2.625%				
			3/15/33	# 600,000.00	2.625%				
					\$	5,715,000.00	-	445,000.00	5,270,000.00

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

Egg Harbor City School District

I-2

Long-Term Debt

Schedule of Obligations under Capital Leases

June 30, 2023

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2022	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2023
Chiller and Various HVAC Equipment	3.230%	\$ 900,000.00	-	900,000.00	175,386.26	724,613.74
			\$ -	900,000.00	175,386.26	724,613.74



**City of Egg Harbor School District  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	605,748.00		605,748.00	605,748.00	-
Miscellaneous	-		-	165.00	165.00
	<u>605,748.00</u>	<u>-</u>	<u>605,748.00</u>	<u>605,913.00</u>	<u>165.00</u>
<b>Total Revenues</b>	<b>605,748.00</b>	<b>-</b>	<b>605,748.00</b>	<b>605,913.00</b>	<b>165.00</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	161,232.00	(0.74)	161,231.26	161,231.26	-
Redemption of Principal	445,000.00		445,000.00	445,000.00	-
	<u>606,232.00</u>	<u>(0.74)</u>	<u>606,231.26</u>	<u>606,231.26</u>	<u>-</u>
<b>Total Regular Debt Service</b>	<b>606,232.00</b>	<b>(0.74)</b>	<b>606,231.26</b>	<b>606,231.26</b>	<b>-</b>
<b>Total expenditures</b>	<b>606,232.00</b>	<b>(0.74)</b>	<b>606,231.26</b>	<b>606,231.26</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(484.00)	0.74	(483.26)	(318.26)	165.00
Other Financing Sources:					
Other financing source					
Unexpended balances on capital projects					
Withdrawal from Debt Service Reserve					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(484.00)	0.74	(483.26)	(318.26)	165.00
Fund Balance, July 1	485.90		485.90	485.90	(0.00)
Fund Balance, June 30	<u>1.90</u>	<u>0.74</u>	<u>2.64</u>	<u>167.64</u>	<u>165.00</u>

**City of Egg Harbor School District  
 Schedule of Obligations Under Subscription-Based Information Technology Arrangements  
 As of June 30, 2023**

Description	Amount of Original Issue	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023
Syscloud Backup Software	\$ 9,000.00	-	9,000.00	3,000.00	6,000.00
Kincaid - Google Automation Options Software	740.16		740.16	246.72	493.44
Google	7,695.00		7,695.00	5,130.00	2,565.00
ED Plan/Easy IEP Special Education Software	21,776.00		21,776.00	7,045.00	14,731.00
		-	<u>39,211.16</u>	<u>15,421.72</u>	<u>23,789.44</u>

## **Statistical Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

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

	For the Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 17,270,732.00	21,518,642.00	21,147,044.47	20,533,276.05	20,082,219	19,920,610.36	19,699,933.75	19,502,208.49	19,499,734.96	20,739,917.58
Restricted	1,529,735.00	1,372,785.00	1,707,814.27	1,695,832.09	1,910,777	1,942,522.00	1,969,100.50	1,892,191.53	2,488,070.79	4,570,999.37
Unrestricted	(261,977.00)	(2,456,957.00)	(2,728,469.96)	(2,767,129.07)	(2,765,042)	(2,942,136.42)	(3,057,617.77)	(2,897,387.55)	(2,728,535.55)	(3,357,453.11)
<b>Total governmental activities net position</b>	<b>18,538,490.00</b>	<b>20,434,470.00</b>	<b>20,126,388.78</b>	<b>19,461,979.07</b>	<b>19,227,953.70</b>	<b>18,920,995.94</b>	<b>18,611,416.48</b>	<b>18,497,012.47</b>	<b>19,259,270.20</b>	<b>21,953,463.84</b>
<b>Business-type activities</b>										
Net investment in capital assets	100,559.00	93,902.00	83,533.00	64,240.80	59,339	50,017.60	47,861.63	42,844.99	57,284.15	60,715.23
Unrestricted	82,945.00	80,574.00	80,777.76	79,320.21	82,508	90,263.60	67,430.07	191,137.35	253,348.58	232,945.95
<b>Total business-type activities net position</b>	<b>183,504.00</b>	<b>174,476.00</b>	<b>164,310.76</b>	<b>143,561.01</b>	<b>141,847.43</b>	<b>140,281.20</b>	<b>115,291.70</b>	<b>233,982.34</b>	<b>310,632.73</b>	<b>293,661.18</b>
<b>District-wide</b>										
Net investment in capital assets	17,371,291.00	21,612,544.00	21,230,577.47	20,597,516.85	20,141,557.91	19,970,627.96	19,747,795.38	19,545,053.48	19,557,019.11	20,800,632.81
Restricted	1,529,735.00	1,372,785.00	1,707,814.27	1,695,832.09	1,910,777.40	1,942,522.00	1,969,100.50	1,892,191.53	2,488,070.79	4,570,999.37
Unrestricted	(179,032.00)	(2,379,383.00)	(2,647,692.20)	(2,687,808.86)	(2,682,534.18)	(2,851,872.82)	(2,990,187.70)	(2,706,250.20)	(2,475,186.97)	(3,124,507.16)
<b>Total district net position</b>	<b>\$ 18,721,994.00</b>	<b>20,605,946.00</b>	<b>20,290,699.54</b>	<b>19,605,540.08</b>	<b>19,369,801.13</b>	<b>19,061,277.14</b>	<b>18,726,708.18</b>	<b>18,730,994.81</b>	<b>19,569,902.93</b>	<b>22,247,125.02</b>

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	3,892,125.00	4,781,312.31	5,458,891.28	5,533,734.75	5,546,755.89	5,010,423.88	4,642,062.27	5,757,232.16	5,058,786.04	5,246,521.87
Special education	1,234,366.00	1,366,601.00	1,415,813.10	1,571,700.81	1,638,532.16	1,569,523.76	1,504,701.23	1,191,120.06	1,592,656.64	1,526,977.46
Other special instruction	265,407.00	354,714.00	353,328.34	315,928.33	267,498.56	226,969.22	304,770.15	302,196.85	459,684.52	351,137.65
Nonpublic school programs										
Support Services:										
Tuition	744,603.00	585,438.00	780,381.01	1,375,369.73	1,184,779.64	1,185,184.34	1,532,349.26	1,537,351.39	1,295,587.99	1,071,318.05
Student & instruction related services	1,531,806.00	1,709,987.46	1,999,164.64	1,896,614.06	2,047,015.10	2,105,571.81	1,846,691.53	2,090,827.92	2,427,829.66	2,263,139.02
General administrative services	296,660.00	306,028.00	339,020.00	360,516.57	363,649.70	346,898.65	329,776.61	398,036.57	403,810.17	374,859.90
School administrative services	271,939.00	319,472.00	377,277.06	398,308.13	444,850.36	402,160.37	381,613.17	434,000.59	426,333.57	436,816.93
Plant operations and maintenance	1,031,832.00	1,179,606.00	1,304,324.74	1,400,102.71	1,493,193.74	1,769,881.16	1,509,747.06	1,704,066.96	1,832,037.38	1,668,924.94
Pupil transportation	249,899.00	181,933.00	192,003.68	346,794.94	362,397.93	412,458.32	399,487.61	476,369.28	444,244.40	480,589.16
Business and other support services	262,185.00	309,012.00	383,391.28	379,548.66	449,586.69	467,023.73	455,637.37	486,198.28	520,616.95	531,627.39
Interest on long-term debt	335,393.00	329,282.00	487,987.73	367,930.50	417,090.34	418,245.69	403,824.42	391,850.64	379,644.55	367,422.91
Capital Outlay	195,873.00									
Other financing uses										
Total governmental activities expenses	10,312,088.00	11,423,385.77	13,091,582.86	13,946,549.19	14,215,350.10	13,914,340.93	13,310,660.68	14,769,250.70	14,841,231.87	14,319,335.27
Business-type activities:										
Food service	405,440.00	404,952.00	429,545.78	422,729.15	424,053.03	416,926.60	302,236.25	288,958.06	467,907.67	603,245.19
Child Care										
Total business-type activities expense	405,440.00	404,952.00	429,545.78	422,729.15	424,053.03	416,926.60	302,236.25	288,958.06	467,907.67	603,245.19
Total district expenses	10,717,528.00	11,828,337.77	13,521,128.64	14,369,278.34	14,639,403.13	14,331,267.53	13,612,896.93	15,058,208.76	15,309,139.54	14,922,580.46
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	2,128,607.00	3,178,119.00	207,769.57	82,932.80	55,273.89	152,804.02	129,998.51	54,197.39	192,392.20	207,628.06
Operating grants and contributions	54,172.00	3,525,325.00	3,015,826.00	4,801,896.82	5,207,671.01	4,408,099.79	3,597,814.94	5,169,340.56	4,992,969.30	4,651,473.21
Capital grants and contributions										
Total governmental activities program revenues	2,182,779.00	6,703,444.00	3,223,595.57	4,884,829.62	5,262,944.90	4,560,903.81	3,727,813.45	5,223,537.95	5,185,361.50	4,859,101.27
Business-type activities:										
Charges for services:										
Food service	66,443.00	61,187.00	48,991.19	49,132.06	49,933.47	43,229.52	21,481.58	1,331.99	12,849.61	51,493.04
Operating grants and contributions	323,967.00	334,699.00	370,296.46	352,639.55	371,556.54	370,881.93	255,490.14	409,022.10	527,841.51	533,772.61
Total business-type activities program revenues	390,410.00	395,886.00	419,287.65	401,771.61	421,490.01	414,111.45	276,971.72	410,354.09	540,691.12	585,265.65
Total district program revenues	2,573,189.00	7,099,330.00	3,642,883.22	5,286,601.23	5,684,434.91	4,975,015.26	4,004,785.17	5,633,892.04	5,726,052.62	5,444,366.92
<b>Net (Expense)/Revenue</b>										
Governmental activities	(8,129,309.00)	(4,719,942.00)	(9,867,987.29)	(9,061,719.56)	(8,952,405.20)	(9,353,437.12)	(9,582,847.23)	(9,545,712.75)	(9,655,870.37)	(9,460,234.00)
Business-type activities	(15,030.00)	(9,066.00)	(10,258.13)	(20,957.54)	(2,563.02)	(2,815.15)	(25,264.53)	121,396.03	72,783.45	(17,979.54)
Total district-wide net expense	(8,144,339.00)	(4,729,008.00)	(9,878,245.42)	(9,082,677.10)	(8,954,968.22)	(9,356,252.27)	(9,608,111.76)	(9,424,316.72)	(9,583,086.92)	(9,478,213.54)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	2,370,859.00	2,523,087.00	2,596,048.00	2,647,969.00	2,716,683.00	2,761,017.00	2,830,311.00	2,886,917.00	2,886,917.00	2,886,917.00
Taxes levied for debt service	534,821.00	632,510.00	631,304.00	547,383.00	554,943.00	478,609.00	423,389.00	369,083.00	597,896.00	605,748.00
Unrestricted grants and contributions	5,257,862.00	5,275,987.00	6,275,088.95	5,320,337.07	5,345,151.31	5,627,969.53	5,952,615.60	6,117,552.05	6,923,438.13	7,778,980.22
Restricted grants and contributions	98,341.00	-	-	-	-	-	-	-	-	-
Investment earnings	7,210.00	1,316.00	1,854.29	1,699.88	2,297.95	3,830.31	3,699.46	4,345.63	2,287.01	15,982.17
Miscellaneous income	80,257.00	322,361.00	58,610.83	24,433.22	26,357.85	42,639.14	63,252.71	20,877.06	12,704.18	905,637.85
Transfers in				262,914.44	121,768.04	227,818.74	227,323.94	307,042.00	105,936.00	495,448.00
Transfers out				(262,914.44)	(121,768.04)	(227,818.74)	(227,323.94)	(307,042.00)	(122,112.04)	(495,448.00)
Capital leases (non-budgeted)				(132,962.64)	-	126,850.40	-	-	(17,515.15)	(599.80)
Cost of issuance on refunding bonds				(4,525.00)	-	-	-	-	(26,045.99)	(39,035.31)
Loss on asset adjustment									54,622.96	796.51
Adjustment to prior year receivables										
Cancellation of prior year payables										
Cancellation of Receivable										
Total governmental activities	8,349,349.00	8,755,261.00	9,562,906.07	8,397,309.85	8,718,379.83	9,046,479.36	9,273,267.77	9,410,855.06	10,418,128.10	12,154,426.64
Business-type activities:										
Investment earnings	9.00	38.00	92.89	207.79	724.44	1,248.92	275.03	174.61	157.56	1,007.99
Contributed capital					125.00	-		(2,880.00)	3,709.38	-
Adjustment to prior year fixed assets					849.44	1,248.92	275.03	(2,705.39)	3,866.94	1,007.99
Total business-type activities	9.00	38.00	92.89	207.79	873.88	9,047,728.28	9,273,542.80	9,408,149.67	10,421,995.04	12,155,434.63
Total district-wide	8,349,358.00	8,755,299.00	9,562,998.96	8,397,517.64	8,719,229.27	9,047,728.28	9,273,542.80	9,408,149.67	10,421,995.04	12,155,434.63
<b>Change in Net Position</b>										
Governmental activities	220,040.00	4,035,319.00	(305,081.22)	(664,409.71)	(234,025.37)	(306,957.76)	(309,579.46)	(134,857.69)	762,257.73	2,694,192.64
Business-type activities	(15,021.00)	(9,028.00)	(10,165.24)	(20,749.75)	(1,713.58)	(1,566.23)	(24,989.50)	118,690.64	76,650.39	(16,971.55)
Total district	205,019.00	4,026,291.00	(315,246.46)	(685,159.46)	(235,738.95)	(308,523.99)	(334,568.96)	(16,167.05)	838,908.12	2,677,221.09

Source: ACFR Schedule A-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Restricted	618,649.00	740,826.00	884,858.49	906,398.27	1,096,251	1,175,180.51	1,348,436.63	1,501,682.26	2,012,292.78	2,267,717.52
Committed	202,423.00	52,172.00	149,267.52	202,634.52	302,886	372,051.19	373,123.57	373,992.97	474,364.07	1,100,676.58
Assigned	-	-	-	-	-	-	38,490.53	31,974.84	0.00	-
Unassigned	(21,969.00)	(144,345.00)	(153,081.73)	(197,249.49)	(148,903)	(217,238.08)	(197,051.66)	(156,003.58)	(297,547.32)	(451,522.73)
Reserved										
Unreserved										
<b>Total general fund</b>	<b>799,103.00</b>	<b>648,653.00</b>	<b>881,044.28</b>	<b>911,783.30</b>	<b>1,250,234.03</b>	<b>1,329,993.62</b>	<b>1,562,999.07</b>	<b>1,751,646.49</b>	<b>2,189,109.53</b>	<b>2,916,871.37</b>
<b>All Other Governmental Funds</b>										
Restricted	708,601.00	673,348.00	673,688.26	586,799.30	511,640	395,290.30	247,540.30	17,303.23	928.04	(616,954.56)
Reserved										2.00
Unreserved, reported in:										
Special revenue fund	(26,621.00)	(27,993.00)	-	-	-	-	-	-	-	-
Capital projects fund										1,819,394.19
Debt service fund	62.00	155.00	688.00	5,864.83	37,766	33,767.71	2,409.52	1,568.67	485.90	165.64
<b>Total all other governmental funds</b>	<b>682,042.00</b>	<b>645,510.00</b>	<b>674,376.26</b>	<b>592,664.13</b>	<b>549,406.45</b>	<b>429,058.01</b>	<b>249,949.82</b>	<b>18,871.90</b>	<b>1,413.94</b>	<b>1,202,607.27</b>

Source: ACFR Schedule B-1



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax levy	2,905,679.00	3,155,597.00	3,227,352.00	3,195,352.00	3,271,626.00	3,239,626.00	3,253,700.00	3,256,000.00	3,484,813.00	3,492,665.00
Interest earnings	7,210.00	1,316.00	1,854.29	1,699.88	2,297.95	3,830.31	3,699.46	4,345.63	2,287.01	15,982.17
Miscellaneous	85,281.00	332,892.31	274,270.39	115,861.88	89,399.35	203,673.96	196,388.45	77,816.97	209,346.83	1,118,822.14
State sources	6,445,687.00	7,039,571.00	6,608,795.13	6,207,371.33	6,938,778.41	7,372,162.31	7,982,063.94	8,432,909.68	9,975,323.46	10,744,516.20
Federal sources	1,088,270.00	1,115,941.32	1,297,978.83	1,334,567.70	1,255,685.30	1,406,409.58	837,399.37	1,106,987.41	1,952,810.97	2,438,337.00
Total revenue	10,532,127.00	11,645,317.63	11,410,250.64	11,367,852.79	11,557,787.01	12,225,702.16	12,273,241.22	12,878,059.69	15,624,581.27	17,810,322.51
<b>Expenditures</b>										
Instruction										
Regular instruction	2,817,164.00	2,941,900.31	2,988,328.72	3,167,562.19	3,124,730.55	3,160,690.53	3,014,477.71	3,417,451.09	3,478,108.68	3,895,887.53
Special education instruction	892,619.00	840,859.00	775,050.23	771,505.10	795,380.93	855,083.83	856,983.22	595,367.41	883,071.59	941,352.71
Other special instruction	191,926.00	218,252.00	193,420.45	168,698.13	152,205.84	145,140.91	197,202.22	162,334.97	289,344.58	231,473.32
Nonpublic school programs										
Support Services:										
Tuition	528,508.00	571,533.00	780,381.01	717,220.31	530,817.33	616,406.44	817,563.17	687,886.17	606,233.69	554,301.32
Student & instruction related services	1,107,709.00	1,052,140.46	1,094,390.94	1,123,048.07	1,191,781.96	1,371,057.20	1,198,720.41	1,241,712.88	1,644,826.13	1,700,367.66
General administrative services	214,526.00	210,288.00	198,808.76	196,793.03	184,956.80	191,172.70	194,118.19	212,509.51	218,676.03	211,035.51
School Administrative services	196,650.00	219,526.00	221,243.54	226,733.95	237,013.08	224,239.86	228,238.33	235,286.54	234,376.57	253,865.40
Business administrative services	189,596.00	212,339.00	224,829.05	221,751.49	230,356.58	298,482.81	306,769.09	300,865.14	332,373.22	342,622.23
Plant operations and maintenance	746,159.00	810,570.00	764,884.62	786,926.16	793,978.48	986,327.76	875,008.08	900,163.65	1,003,179.11	855,607.08
Pupil transportation	180,712.00	181,933.00	192,003.68	191,831.54	171,616.29	243,223.98	220,199.89	226,834.32	187,665.65	256,650.36
Unallocated employee benefits	2,677,244.00	2,761,165.86	2,888,466.60	2,974,703.29	2,870,770.36	3,121,842.34	3,232,326.13	3,753,699.52	4,611,273.35	4,814,794.44
Charter Schools	13,751.00	13,885.00	-	66,625.00	184,469.00	194,737.00	243,921.00	311,467.00	292,030.00	226,198.00
Capital outlay	296,684.00	1,165,325.00	195,873.00	195,873.00	195,873.00	263,168.37	318,094.28	306,014.73	780,094.43	1,852,741.72
Debt service:										
Principal	293,577.00	300,000.00	310,000.00	435,000.00	375,000.00	390,000.00	405,000.00	415,000.00	425,000.00	445,000.00
Interest and other charges	339,814.00	332,563.00	321,312.50	167,529.96	223,643.76	210,281.26	198,581.26	186,431.26	173,981.26	161,231.26
Total expenditures	10,686,639.00	11,832,279.63	11,148,993.10	11,411,801.22	11,262,593.96	12,271,854.99	12,307,202.98	12,953,024.19	15,160,234.29	16,743,128.54
Excess (Deficiency) of revenues over (under) expenditures	(154,512.00)	(186,962.00)	261,257.54	(43,948.43)	295,193.05	(46,152.83)	(33,961.76)	(74,964.50)	464,346.98	1,067,193.97
<b>Other Financing sources (uses)</b>										
Cancellation of prior year receivable				(7,024.68)	-	5,563.98	-	12,080.32	(26,045.99)	(39,035.31)
Adjustment to prior year payable									(2,119.87)	796.51
Capital leases (non-budgeted)									-	900,000.00
Transfers in				262,914.44	121,768.04	227,818.74	87,859.02	307,042.00	105,936.00	495,448.00
Transfers out				(262,914.44)	(121,768.04)	(227,818.74)	(227,323.94)	(307,042.00)	(122,112.04)	(495,448.00)
Total other financing sources (uses)	-	-	-	(7,024.68)	-	5,563.98	87,859.02	12,080.32	(44,341.90)	861,761.20
Net change in fund balances	(154,512.00)	(186,962.00)	261,257.54	(50,973.11)	295,193.05	(40,588.85)	53,897.26	(62,884.18)	420,005.08	1,928,955.17
Debt service as a percentage of noncapital expenditures	6.10%	5.93%	5.76%	5.37%	5.41%	5.00%	5.03%	4.76%	4.17%	4.07%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2014	74.00	29,529.00	50,717.00	80,320.00
2015	975.00	174,232.00	147,983.00	323,190.00
2016	1,144.99	207,769.57	57,729.07	266,643.63
2017	1,699.88	82,932.80	19,268.43	103,901.11
2018	2,297.95	55,273.89	25,914.77	83,486.61
2019	3,830.31	152,804.02	41,315.32	197,949.65
2020	3,699.46	129,998.51	62,168.64	195,866.61
2021	4,345.63	54,197.39	20,393.65	78,936.67
2022	2,287.01	192,392.20	12,701.69	207,380.90
2023	15,982.17	207,628.06	5,472.85	229,083.08

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2014	5,785,800	176,902,100	-	-	30,375,400	5,515,800	4,778,800	223,357,900	-	1,475,852	224,833,752	1.264	238,719,458
2015	6,384,000	177,085,300	-	-	30,669,400	5,694,500	5,248,200	225,081,400	-	-	225,081,400	1.376	239,689,183
2016	6,011,800	174,834,200	-	-	31,155,800	5,694,500	6,137,000	223,833,300	-	-	223,833,300	1.445	215,752,918
2017	6,061,700	173,631,600	-	-	31,581,600	5,694,500	5,228,800	222,198,200	-	-	222,198,200	1.442	232,036,550
2018	4,546,500	147,792,300	-	-	32,694,600	5,585,700	7,248,200	197,867,300	-	-	197,867,300	1.639	213,058,361
2019	4,396,300	149,951,600	-	-	31,650,800	5,476,600	7,248,200	198,723,500	-	-	198,723,500	1.638	216,497,985
2020	3,788,600	151,087,300	-	-	31,261,900	5,476,600	7,248,200	198,862,600	-	-	198,862,600	1.647	213,899,753
2021	3,567,900	151,104,600	-	-	30,922,300	5,476,600	7,162,500	198,233,900	-	-	198,233,900	1.632	207,553,031
2022	3,635,500	151,821,500	-	-	30,841,300	5,476,600	7,162,500	198,937,400	-	-	198,937,400	1.632	234,679,014
2023	3,405,400	153,355,400	-	-	33,060,500	8,943,900	7,174,800	205,940,000	-	-	205,940,000	1.721	263,856,502

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

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

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

Fiscal Year Ended June 30,	Egg Harbor City Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Greater Egg Harbor Regional	Egg Harbor City	Atlantic County	
		Total Direct					
2014	1.029	0.235	1.264	0.580	1.828	0.506	4.178
2015	1.229	0.147	1.376	0.563	1.867	0.470	4.276
2016	1.166	0.279	1.445	0.658	1.892	0.538	4.533
2017	1.160	0.282	1.442	0.673	1.959	0.592	4.666
2018	1.611	0.028	1.639	0.756	2.263	0.606	5.264
2019	1.397	0.241	1.638	0.722	2.299	0.596	5.255
2020	1.434	0.213	1.647	0.756	2.299	0.579	5.281
2021	1.446	0.186	1.632	0.723	2.299	0.571	5.225
2022	1.331	0.301	1.632	0.788	2.299	0.624	5.343
2023	1.427	0.294	1.721	0.726	2.300	0.644	5.391

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

Source: District Records and Municipal Tax Collector

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

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

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

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Renault Egg Harbor Township, LLC	2,000,000.00	4	0.97%	2,748,100.00	1	1.22%
EHCWW LLC C/O The Kamson Corp	2,467,300.00	1	1.20%			
New Jersey American Water Co., Inc.	3,320,300.00	2	1.61%			
Bell Atlantic				1,831,052.00	3	0.81%
Egg Harbor Holdings Urban Renewal	2,001,500.00	3	0.97%	1,879,900.00	2	0.84%
Harbor Plaza Holdings, LLC	1,580,000.00	5	0.77%	1,797,400.00	4	0.80%
Egg Harbor Realty Holdings LLC				1,189,600.00	5	0.53%
Agree Egg Harbor NJ, LLC	1,224,500.00	6	0.59%			
Duerer Street Holdings, LLC	1,045,900.00	7	0.51%			
Taxpayer #1				1,088,100.00	6	0.48%
Taxpayer #2				989,700.00	7	0.44%
Taxpayer #3				924,000.00	8	0.41%
Taxpayer #4				873,100.00	9	0.39%
Daniel G. Kamin c/o Rite Aid Corp.	995,600.00	8	0.48%			
EHG 2020 LLC	870,700.00	9	0.42%			
Lenore Realty, LLC	855,100.00	10	0.42%			
Pembrook Associates, LLC				869,000.00	10	0.39%
<b>Total</b>	<b>16,360,900.00</b>		<b>6.62%</b>	<b>14,189,952.00</b>		<b>6.31%</b>

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

205,940,000

224,833,752

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	2,905,679.00	2,905,679.00	100%	-
2015	3,155,597.00	3,155,597.00	100%	-
2016	3,227,352.00	3,227,352.00	100%	
2017	3,195,352.00	3,195,352.00	100%	
2018	3,271,626.00	3,271,626.00	100%	-
2019	3,239,626.00	3,239,626.00	100%	
2020	3,253,700.00	3,253,700.00	100%	
2021	3,256,000.00	3,256,000.00	100%	
2022	3,484,813.00	3,484,813.00	100%	
2023	3,492,665.00	3,492,665.00	100%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2014	8,693,577	-	-	-	-	8,693,577	4.709%	2,056
2015	8,400,000	-	-	-	-	8,400,000	4.643%	2,005
2016	8,100,000	-	-	-	-	8,100,000	5.347%	1,958
2017	7,725,000	-	-	-	-	7,725,000	4.216%	1,881
2018	7,350,000	-	-	-	-	7,350,000	3.744%	1,801
2019	6,960,000	-	-	-	-	6,960,000	3.345%	1,714
2020	6,555,000	-	-	-	-	6,555,000	2.895%	1,616
2021	6,140,000	-	-	-	-	6,140,000	2.395%	1,397
2022	5,715,000	-	-	-	-	5,715,000	2.223%	1,297
2023	5,270,000	-	-	-	-	5,270,000	2.050%	1,196

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

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

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

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

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value a of Property	Per Capita <sup>b</sup>
2014	8,400,000	-	8,400,000	3.52%	1,987
2015	8,100,000	-	8,100,000	3.38%	1,934
2016	7,790,000	-	7,790,000	3.61%	1,883
2017	7,725,000	-	7,725,000	3.33%	1,881
2018	7,350,000	-	7,350,000	3.45%	1,801
2019	6,960,000		6,960,000	3.21%	1,714
2020	6,555,000		6,555,000	3.06%	1,616
2021	6,140,000		6,140,000	2.96%	1,397
2022	5,715,000		5,715,000	2.44%	1,297
2023	5,270,000		5,270,000	2.00%	1,196

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

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

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



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2023**  
*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Egg Harbor City	3,686,500.00	100.00%	3,686,500.00
<b>Other debt</b>			
Greater Egg Harbor Regional School District	6,393,544,375.67	3.68%	235,075,367.00
Atlantic County	215,921,220.56	0.66%	1,422,822.00
Subtotal, overlapping debt	240,184,689.00		
<b>Egg Harbor City of School District debt</b>	<b>5,270,000.00</b>	<b>100.00%</b>	<b>5,270,000.00</b>
<b>Total direct and overlapping debt</b>			<b><u>245,454,689.00</u></b>

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

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

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

See Accompanying Auditor's Report



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

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2014	4,228	184,611	43,171	18.40%
2015	4,189	180,900	43,974	10.60%
2016	4,137	151,493	44,735	9.90%
2017	4,106	183,213	46,304	9.20%
2018	4,081	196,337	48,110	8.70%
2019	4,060	208,063	51,247	7.70%
2020	4,057	226,389	55,802	7.20%
2021	4,396	256,331	58,310	19.50%
2022	4,408	257,030	58,310	11.10%
2023	4,408	257,030	58,310	6.80%

**Source:**

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

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

c Per Capita Income based on Census Bureau midyear population estimates. Estimates for 2012-2021 reflect county population estimates available as of March 2022.

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



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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	29.7	31.8	32.8	32.1	31.6	31.4	32.0	34.0	35.6	35.6
Special education	25.6	24.6	24.8	24.8	27.4	28.6	26.7	30.3	31.4	31.1
Support Services:										
Student & instruction related services	15.7	13.7	11.5	13.7	13.8	14.8	14.1	11.5	15.0	13.6
General administrative services	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.9
School administrative services	6.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	4.5	5.5
Business administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Plant operations and maintenance	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
<b>Total</b>	<b>89.00</b>	<b>87.10</b>	<b>86.10</b>	<b>87.60</b>	<b>89.80</b>	<b>91.80</b>	<b>90.80</b>	<b>93.75</b>	<b>99.00</b>	<b>98.70</b>

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

**Source: District Personnel Records**

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2014	491	9,756,564	19,871	0.37%	61	8:1	8:1	493	463	0.40%	94.02%
2015	503	10,034,392	19,949	0.39%	61	11:1	10:1	505	474	2.44%	93.86%
2016	527	10,321,808	19,586	-1.82%	58	9:1	9:1	511	479	1.19%	93.74%
2017	501	10,613,398	21,184	8.16%	57	8:1	10:1	495	463	-3.13%	93.54%
2018	534	10,488,077	19,603	-7.46%	54	10:1	10:1	540	507	9.09%	93.89%
2019	519	11,408,405	21,982	12.13%	48	10:1	10:1	529	498	-2.06%	94.20%
2020	512	11,385,527	22,237	1.16%	51	9:1	9:1	501	482	-5.27%	96.21%
2021	522	12,045,578	23,076	3.77%	51	9.7:1	10.5:1	517	477	3.19%	92.26%
2022	537	14,561,253	27,116	17.51%	56	9.7:1	10.5:1	582	533	12.57%	91.58%
2023	570	16,136,897	28,310	4.40%	56	9.7:1	10.5:1	559	513	-3.93%	91.68%

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

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

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

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

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>Elementary</u></b>										
Charles L. Spragg School (1955)	44,718	44,718	44,718	44,718	44,718	44,718	44,718	44,718	44,718	44,718
Square Feet	326	326	326	326	326	326	326	326	326	326
Capacity (students)	254	272	292	259	277	273	247	259	261	277
Enrollment										
<b><u>Middle School</u></b>										
Egg Harbor Community School (2010)	61,954	61,954	61,954	61,954	61,954	61,954	61,954	61,954	61,954	61,954
Square Feet	343	343	343	343	343	343	343	343	343	343
Capacity (students)	237	233	235	235	263	246	258	263	276	293
Enrollment										

Number of District Buildings at June 30, 2023

Elementary = 1

Middle School = 1

**Source: District records, ASSA**

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

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

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

	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School Facilities											
Elementary School	N/A	127,133.00	138,070.84	106,631.98	99,298.01	226,660.70	74,686.49	90,186.63	71,988.20	94,502.81	70,077.04
Middle School	N/A	195,171.98	202,460.31	196,264.97	175,300.69	157,267.72	141,628.14	131,200.95	147,867.46	140,840.25	125,857.96
Total School Facilities		<u>322,304.98</u>	<u>340,531.15</u>	<u>302,896.95</u>	<u>274,598.70</u>	<u>383,928.42</u>	<u>216,314.63</u>	<u>221,387.58</u>	<u>219,855.66</u>	<u>235,343.06</u>	<u>195,935.00</u>
Other Facilities											
Grand Total		<u>\$ 322,304.98</u>	<u>\$ 340,531.15</u>	<u>\$ 302,896.95</u>	<u>\$ 274,598.70</u>	<u>\$ 383,928.42</u>	<u>216,314.63</u>	<u>221,387.58</u>	<u>219,855.66</u>	<u>235,343.06</u>	<u>195,935.00</u>



**EGG HARBOR CITY SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2023**  
**Unaudited**

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

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

Source: District Records.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Single Audit Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

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**

The Honorable President and  
Members of the Board of Education  
Egg Harbor City School District  
County of Atlantic, 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 Egg Harbor City School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Egg Harbor City School District's basic financial statements, and have issued our report thereon dated November 20, 2023.

**Report on Internal Control over Financial Reporting**

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

**Purpose of this Report**

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

*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 20, 2023



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

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**

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

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

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

We have audited the Egg Harbor City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Egg Harbor City School District's major federal and state programs for the year ended June 30, 2023. The Egg Harbor City School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Egg Harbor City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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 Egg Harbor City 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 Egg Harbor City 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 Egg Harbor City 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 Egg Harbor City 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 Egg Harbor City 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 Egg Harbor City 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 Egg Harbor City 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 20, 2023

**Egg Harbor City School District**  
**Schedule of Expenditures of Federal Awards**  
**FY 2022 (Year ended June 30, 2023)**

Federal AL Number	Federal FEIN Number	Grant or State Project Number	Grant Period	Award Amount	Unexpended Revenue June 30, 2022	Committed (Waiver) Amount	Cash Received	Budget Expenditures		Payment of Prior Year's Balances	Accounts Receivable	Balance at June 30, 2023	Due to Grantor
								Passed Through	Direct				
<b>U.S. Department of Agriculture</b>													
<b>Passed through State Department of Education:</b>													
10.555	2311NUN001099	N/A	7/1/2022-6/30/2023	40,489.54	-	-	40,489.54	(40,489.54)	-	-	(8,538.18)	-	-
10.553	2311NUN001099	N/A	7/1/2022-6/30/2023	179,886.64	-	-	179,886.64	(179,886.64)	-	-	-	-	-
10.553	2311NUN001199	N/A	7/1/2022-6/30/2023	181,487.88	(15,072.53)	-	166,415.35	(253,543.29)	-	-	(11,600.39)	-	-
10.555	2311NUN001199	N/A	7/1/2022-6/30/2023	311,688.22	(25,659.94)	-	286,028.28	(253,543.29)	-	-	-	-	-
10.555	2311NUN001199	N/A	7/1/2022-6/30/2023	5,179.92	-	-	5,179.92	(4,519.92)	-	-	(248.88)	-	-
10.555	2311NUN001199	N/A	7/1/2022-6/30/2023	38,091.10	(60,120.00)	-	38,091.10	(38,091.10)	-	-	(63,991.00)	-	-
10.649	2311NUN0450009	N/A	7/1/2022-6/30/2023	683.00	(60,120.00)	-	683.00	(683.00)	-	-	(683.00)	-	-
<b>Total Enterprise Fund</b>													
93.778	2009NUNMAP	N/A	7/1/2022-6/30/2023	54,035.51	-	-	54,035.51	(54,035.51)	-	-	-	-	-
93.778	2009NUNMAP	N/A	11/02/21-12/31/2021	4,897.71	-	-	4,897.71	(4,897.71)	-	-	-	-	-
<b>Total General Fund</b>													
<b>Passed through State Department of Education:</b>													
<b>Special Revenue Fund:</b>													
84.010A	S010AZ0030	NCLB23	7/1/2022-9/30/2023	276,070.00	(87,735.00)	-	170,348.00	(276,070.00)	-	-	(105,722.00)	-	-
84.010A	S010AZ0030	NCLB22	7/1/2021-6/30/2022	291,180.00	-	-	87,735.00	(87,735.00)	-	-	(7,981.00)	-	-
84.010A	S010AZ0030	NCLB22	7/1/2021-6/30/2022	37,421.00	(865.15)	-	46,895.00	(53,055.00)	-	-	(7,981.00)	-	-
84.010A	S010AZ0030	NCLB22	7/1/2021-6/30/2022	37,421.00	(865.15)	-	394,342.00	(329,125.00)	0.15	-	(183,803.00)	-	-
84.367A	S397A20029	NCLB23	7/1/2022-9/30/2023	27,118.00	-	-	22,112.00	(27,118.00)	-	-	(6,006.00)	-	-
84.367A	S397A20029	NCLB22	7/1/2021-6/30/2022	17,544.00	(5,445.00)	-	5,445.00	(27,118.00)	-	-	(5,006.00)	-	-
84.027A	H027A20100	IDEA22	7/1/2022-9/30/2023	185,140.00	-	-	185,140.00	(185,140.00)	-	-	-	-	-
84.175A	H175A20114	IDB21	7/1/2022-9/30/2023	8,715.00	(2,487.00)	-	8,715.00	(8,715.00)	-	-	-	-	-
84.175A	H175A20114	IDB21	7/1/2021-6/30/2022	9,011.00	(2,487.00)	-	198,342.00	(193,855.00)	-	-	-	-	-
84.027X	H027X20100	N/A	7/1/2021-6/30/2022	29,335.00	-	-	309.00	(87.00)	-	-	-	-	-
84.173X	H173X20114	N/A	7/1/2021-6/30/2022	2,488.00	(222.00)	-	309.00	(87.00)	-	-	-	-	-
<b>Total Special Education Cluster</b>													
84.287C	S287C210000	N/A	9/1/2022-8/31/2023	350,000.00	-	-	275,954.00	(349,503.30)	-	-	(73,549.30)	-	-
84.287C	S287C210000	N/A	9/1/2021-8/31/2022	400,000.00	(42,293.87)	-	318,248.00	(349,503.30)	-	-	(73,549.30)	-	-
84.425D	S425D210027	N/A	3/1/2020-9/30/2023	548,800.00	(20,723.00)	-	29,723.00	(368,225.96)	0.75	-	(16,640.95)	-	-
84.425D	S425D210027	N/A	3/1/2020-9/30/2023	60,768.00	(9,427.16)	-	15,999.00	(1,547.89)	0.20	-	0.20	-	-
84.425D	S425D210027	N/A	3/1/2020-9/30/2023	45,000.00	(138,465.60)	-	30,159.73	(359,712.92)	0.95	-	(116,640.95)	-	-
84.425U	S425U210027	N/A	3/1/2020-9/30/2024	###	(133,465.27)	-	907,284.27	(1,448,331.59)	-	-	(695,512.59)	-	-
84.425U	S425U210027	N/A	3/1/2020-9/30/2024	40,000.00	-	-	40,000.00	(40,000.00)	-	-	-	-	-
84.425U	S425U210027	N/A	3/1/2020-9/30/2024	40,000.00	-	-	16,602.00	(20,821.94)	-	-	(4,019.94)	-	-
84.425W	S425W210031	N/A	4/23/2021-6/30/2023	13,266.00	-	-	13,266.00	(13,266.00)	-	-	(53,988.00)	-	-
84.425W	S425W210031	N/A	4/23/2021-6/30/2023	13,266.00	-	-	1,071,893.27	(1,851,128.53)	-	-	(713,100.33)	-	-
<b>Total Federal American Rescue Plan (ARP)</b>													
84.358A	S358A222849	N/A	7/1/2022-9/30/2023	18,160.00	-	-	18,160.00	(18,160.00)	-	-	-	-	-
<b>Total Special Revenue Fund</b>													
<b>Total Federal Awards</b>													
							\$	2,912,747.39	(3,445,594.07)	1.10	(1,057,799.59)	-	(1,042,799.53)

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

Egg Harbor City School District  
Schedule of Financial Assistance  
For the Fiscal Year ended June 30, 2023

State Grantor/Program Title	Project or State Grant Number	Grant Period	Award Amount	Balance at June 30, 2022		Comptroller (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Year's Balances	Balance at June 30, 2023		Cumulative Total Expenditures
				Due to Grantor	Due to Grantor (Accounts Receivable)						Deferred Revenue	Due to Grantor	
<b>State Department of Education</b>													
General Fund:													
Special Education Aid	495-034-5120-089	7/1/2022-6/30/2023	287,087.00	\$			240,185.14	(387,087.00)			26,901.86	287,087.00	
Equalization Aid	495-034-5120-078	7/1/2022-6/30/2023	7,140,084.00			6,420,911.68	(7,140,084.00)				719,172.32	7,140,084.00	
Security Aid	495-034-5120-084	7/1/2022-6/30/2023	224,238.00			201,652.02	(224,238.00)				22,585.98	224,238.00	
Total State Aid Public Cluster						6,862,748.84	(7,831,409.00)				768,660.16	7,651,409.00	
Transportation Aid	495-034-5120-014	7/1/2022-6/30/2023	120,395.00			110,967.16	(120,395.00)				12,428.84	120,395.00	
Extracurricular Aid	495-034-5120-044	7/1/2021-6/30/2022	37,228.00			(37,228.00)				(67,228.00)		37,228.00	
Additional Nonpublic School Transportation Aid	495-034-5120-044	7/1/2021-6/30/2022	10,590.00	(10,590.00)		10,590.00	(5,928.00)	4,662.00				10,590.00	
Additional Nonpublic School Transportation Aid	495-034-5120-014	7/1/2022-6/30/2023	5,928.00			4,338.00	(5,928.00)					5,928.00	
Reimbursed TPAF Social Security Contributions	495-034-5120-014	7/1/2021-6/30/2022	4,338.00	(4,338.00)		364,032.86	(365,782.20)				(1,746.34)	365,782.20	
On-Behalf TPAF Social Security Contributions	495-034-5094-003	7/1/2022-6/30/2023	365,782.20			1,576,273.00	(1,576,273.00)					365,782.20	
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/2021-6/30/2022	352,256.95	(1,813.51)		1,576,273.00	(1,576,273.00)					352,256.95	
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	7/1/2021-6/30/2022	1,576,273.00	(1,813.51)		1,576,273.00	(1,576,273.00)					1,576,273.00	
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-001	7/1/2021-6/30/2022	414,083.00			414,083.00	(414,083.00)					414,083.00	
Non-contributory Insurance	495-034-5094-004	7/1/2021-6/30/2022	788.00			788.00	(788.00)					788.00	
Total General Fund				(16,741.51)		9,345,634.37	(10,154,887.20)			(44,905.34)		10,522,072.15	
Special Revenue Fund:													
Preschool Education Aid	495-034-5064-086	7/1/2022-6/30/2023	647,760.00	51,924.22	51,924.22	647,760.00	(647,760.00)	4,584.73			56,506.95	647,760.00	
Preschool Education Aid	495-034-5064-086	7/1/2021-6/30/2022	662,100.00									536,894.27	
Total Preschool Education Aid												1,184,654.27	
Schools Development Authority (SDA) Emergent and Capital Needs Maintenance													
State of New Jersey Department of Community Affairs													
Local Recreation Improvement Grants	2021-04960-0383-00	7/1/2022-6/30/2023	12,313.00			12,313.00	(12,313.00)					12,313.00	
Climate Awareness Education Grant	N/A	7/1/2022-6/30/2023	75,000.00	(75,000.00)		75,000.00	(6,660.00)					6,660.00	
Total Special Revenue Fund				(23,075.79)		741,733.00	(686,733.00)	4,584.73				1,203,627.27	
<b>Capital Projects Fund:</b>													
New Jersey Clean Energy Program - School and Small Business Ventilation and Energy Efficiency Verification and Repair Program	NA	7/1/2022-6/30/2024	929,547.62			9,290.00	(9,290.00)					9,290.00	
Total Capital Projects Fund						9,290.00	(9,290.00)					9,290.00	
<b>State Department of Agriculture</b>													
Enterprise Fund:													
National Breakfast Program (State Share)	100-010-3350-023	7/1/2022-6/30/2023	10,494.80			9,986.60	(10,494.80)					6,434.32	
National School Lunch Program (State Share)	100-010-3350-023	7/1/2022-6/30/2023	6,434.32			6,121.81	(6,434.32)					7,064.64	
National School Lunch Program (State Share)	100-010-3350-023	7/1/2021-6/30/2022	7,064.64	(690.52)		590.52						7,064.64	
Total Enterprise Fund				(690.52)		16,698.93	(16,929.12)				(629.71)	13,498.96	
Total State Financial Assistance				(40,407.81)		10,113,356.30	(10,847,839.32)	4,584.73				11,739,198.38	
Less On-Behalf TPAF Pension System Contributions													
On-Behalf Teachers' Pension and Annuity Fund													(1,576,273.00)
On-Behalf TPAF Post-Retirement Medical													(414,083.00)
On-Behalf TPAF Long-Term Disability Insurance													(295.00)
Total On-Behalf TPAF System Contributions													(1,991,144.00)
Total for State Financial Assistance Major Program Determination													\$ (8,656,686.32)

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

**Egg Harbor City School District**  
**Notes to the Schedules of Financial Assistance**  
**June 30, 2023**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to GAAP basis is (\$86,394.00) for the general fund and (\$548,536.80) for the special revenue fund. See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**Egg Harbor City School District  
Notes to the Schedules of Financial Assistance  
June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>State Assistance:</b>					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	10,154,887.20	666,733.00	9,290.00	16,929.12	10,847,839.32
Difference – budget to "GAAP"					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	694,695.00				694,695.00
State aid payments recognized for budgetary purposes not recognized for GAAP statements until the subsequent year.	(781,089.00)				(781,089.00)
<hr/>					
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances/net position	10,068,493.20	666,733.00	9,290.00	16,929.12	10,761,445.32

**Egg Harbor City School District  
Notes to the Schedules of Financial Assistance  
June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<b>Federal Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	58,123.22	2,928,750.58	516,843.49	3,503,717.29
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(548,536.80)		(548,536.80)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances/net position	<u>58,123.22</u>	<u>2,380,213.78</u>	<u>516,843.49</u>	<u>2,955,180.49</u>

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

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

**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.



**EGG HARBOR CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**State Awards Section**

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

M) Identification of major programs:

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

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



EGG HARBOR CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit K-6

*Part 2 – Schedule of Financial Statement Findings*

NONE

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

**FEDERAL AWARDS**

NONE

**STATE AWARDS**

NONE

**Financial Statement Findings:**

NONE

Exhibit K-7

**STATUS OF PRIOR YEAR FINDINGS**

NONE