

SCHOOL DISTRICT
OF
City
of
Estell Manor

City of Estell Manor School District
Estell Manor, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

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Introductory Section

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Estell Manor School District

128 Cape May Avenue, Estell Manor, New Jersey 08319
District Website: estellmanorschool.com

Rose Millar

School Business Administrator
Telephone: (609) 476-2267

David L. Ricci

Superintendent
Telephone: (609) 476-2267
Fax: (609) 476-4205

Sarah Foley

Supervisor C&I/Special Services
Telephone: (609) 476-2267

November 15, 2023

Honorable President and
Members of the Board of Education
City of Estell Manor School District
Estell Manor, New Jersey

The annual comprehensive financial report of the City of Estell Manor 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 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
- 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 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 multi-year basis. The District is required to undergo an annual single audit in conformity with provisions of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Requirements of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulation, findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The District is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB.) All major funds of the District are included in this report. The District provides a full range of educational services appropriate to grade levels K through 8. These included regular education, as well as special education for students with disabilities. The District



Estell Manor School District

completed the 2022-2023 fiscal year with an enrollment of 169 students.

2) ECONOMIC CONDITION AND OUTLOOK

The City of Estell Manor continues to experience a period of very little development; however, the district was awarded the Preschool Education Aid grant beginning January 2022. This added an additional 15 in-house students and five resident students who attend at our neighboring district.

MAJOR INITIATIVES

The NJ Department of Education required testing at the beginning of the 2021-2022 school year as a baseline for students in grades four through eight. This resulted in redirecting instruction to accommodate the time lost during the pandemic at all grade levels. It also increased before and after school tutoring sessions as necessary for all students. The district's Title I program was intensified beginning with the hiring of two additional staff members in an effort to get our students on par. The district purchased a new math series for the 2022-2023 school year in addition to a new benchmark assessment tool—both across all grade levels.

There continues to be a central supply system and due to purchasing from discount vendors, the District has maximized its buying power. Over the past ten years, the District has accumulated over 80 PC computers for students and staff. During the pandemic, additional Chromebook were purchased so every student had access in order to accommodate remote instruction. Annually obsolete equipment is replaced as funds allow. All computers are part of the District network and all instructional areas have Internet access. Promethean Boards were purchased to replace outdated Smartboards; and iPads were purchased to provide supplemental instruction for K – 3. These continue to be updated as funding allows. Our facility is WIFI enabled, and our message board is being used to its fullest extent. Every teacher has access to either a Promethean ActivBoard or a Smartboard for instructional purposes.

3) INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining internal control structure 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 accounting principles generally accepted in the United States of America (GAAP). Internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal 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. As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, 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.



Estell Manor School District

4) BUDGETARY CONTROLS

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

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

5) ACCOUNTING SYSTEM AND REPORTS

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

6) CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7) RISK MANAGEMENT

The Board of Education is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBOJIF). This fund was formed under the provisions of NJS 18A: 18A 1-10. The fund commenced operations on July 1, 1991. 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.



Estell Manor School District

The Fund provides the following coverage:

- Property, including buildings, contents, inland marine, crime, boiler and machinery and auto physical damage
- General Liability, including school board legal liability
- Automobile Liability
- 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 District also purchases Student Accident Insurance for all students and coverage for all school volunteers.

8) 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., CPA's 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 under the guidelines of Single Audit. The auditor's report on the basic financial statements and detailed schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9) ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the City of Estell Manor School Board 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 administration and business staff.

Respectfully submitted,

David L. Ricci

David L. Ricci
Superintendent of School

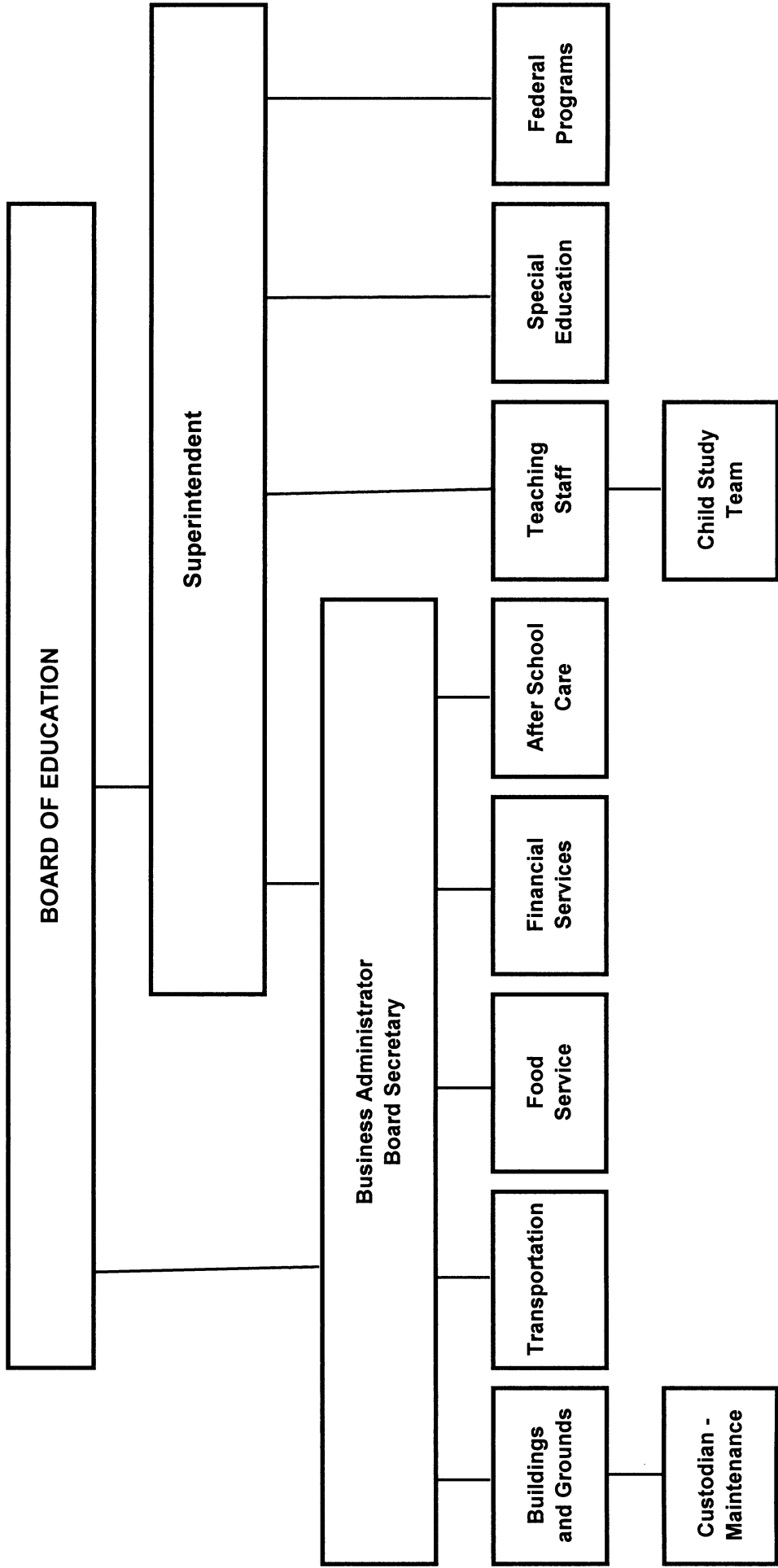
Rose Millar

Rose Millar
School Business Administrator

CITY OF ESTELL MANOR SCHOOL DISTRICT

**County of Atlantic
Estell Manor, New Jersey**

ORGANIZATIONAL CHART



CITY OF ESTELL MANOR SCHOOL DISTRICT

**Roster of Officials
June 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kathy Mimler, President	2024
Sarah Ferrari, Vice President	2024
Alicia Gray	2023
Brianne Seelman	2025
Theresa Gellura	2023

Other Officials

David L. Ricci, Superintendent

Rose Millar, Business Administrator/Board Secretary

Debra D'Amore, Treasurer of School Monies

CITY OF ESTELL MANOR SCHOOL DISTRICT

Consultants and Advisors

Attorney

William Morlock, Esquire
Parker McCay, P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, NJ 08054

Audit Firm

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

Official Depository

Newfield National Bank
3535 East Landis Avenue
Vineland, NJ 08361

Risk Management Consultant

Denis M. Brown
Glenn Insurance
500 East Absecon Blvd.
P.O. Box 365
Absecon, NJ 08201

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
City of Estell Manor 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 City of Estell Manor School District, in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Estell Manor School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Estell Manor 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 15, 2023 on our consideration of the City of Estell Manor School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Estell Manor 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

Michael S. Garcia

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

November 15, 2023

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Required Supplemental Information
Part I

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MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Estell Manor 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 \$253,307.80. The increase is due mainly to an increase in operating grants and contributions.
- The State of New Jersey reimbursed the District \$123,456.29 during the fiscal year ended June 30, 2023 for the employer’s share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$630,220.00 on behalf of the District for TPAF Pension Contributions. 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 2% of the total general fund expenditures. Any excess is required to be designated as Reserved 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 fund balance in the amount of \$956,329.97, of which \$360,319.85 has been included in the 2023-2024 budget and the remaining \$596,010.12 will be included in the 2024-2025 budget.
- During the fiscal year ended June 30, 2023, the District’s exceeded revenues and special items exceeded expenditures by \$128,364.92. During the prior fiscal year, expenditures exceeded revenues and special items by \$152,899.18.
- In the District’s business-type activities, net assets increased \$34,721.93 due to the revenues exceeding the costs of operation.

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 and after school program.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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

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

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**Major Features of City of Estell Manor School District's
Government-wide and Fund Financial Statements
(Figure A-1)**

	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 after school programs and student activities	Activities the District operates similar to private businesses; food service and after school programs	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 changes in net position	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
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.
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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 changes in net position 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 Township’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 program and after school program are 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 assets and a statement of changes in fiduciary net assets. 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 \$253,307.80 between fiscal years 2022 and 2023. The business-type activities net assets increased \$34,721.93 due to revenues exceeding operating costs.

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	1,818,540	1,677,829	150,815	115,990	1,969,355	1,793,819
Capital Assets	5,277,898	5,347,931	3,386	4,398	5,281,284	5,352,329
Deferred Outflows	97,196	145,643			97,196	145,643
Total Assets	7,193,634	7,171,403	154,201	120,388	7,347,835	7,291,791
Long-term Liabilities	1,214,912	1,245,314			1,214,912	1,245,314
Other Liabilities	102,035	100,528	33,235	34,144	135,270	134,672
Deferred Inflows	204,537	406,718			204,537	406,718
Total Liabilities	1,521,484	1,752,560	33,235	34,144	1,554,719	1,786,704
Net Position						
Invested in Capital Assets	5,277,898	5,347,931	3,386	4,398	5,281,284	5,352,329
Restricted	1,691,199	1,582,644			1,691,199	1,582,644
Unrestricted	(1,296,947)	(1,511,732)	117,580	81,846	(1,179,367)	(1,429,886)
Total Net Position	5,672,150	5,418,843	120,966	86,244	5,793,116	5,505,087

Changes in net position. The total governmental funds revenue of the District decreased approximately \$428,423.00 due to a decrease in operating grants and contributions. The local tax levy is 42.22% of total general fund revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 34.34% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. The District expenses are primarily related to instruction, administration, and plant operations.

	2023		2022	
	2023 Amount	Percentage	2022 Amount	Percentage
Property taxes	\$ 2,706,013	46.22%	\$ 2,655,268	42.26%
Unrestricted Federal and State aid	2,010,760	34.34%	1,946,841	30.98%
Miscellaneous	26,072	0.45%	46,856	0.75%
Operating grants and contributions	1,112,405	19.00%	1,634,708	26.02%
Totals	\$ 5,855,250	100.00%	\$ 6,283,673	100.00%

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-type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program revenue						
Charges for services		-	85,729	33,825	85,729	33,825
Federal and state grants	1,112,405	1,634,708	80,162	152,475	1,192,567	1,787,183
General revenues						
Property taxes	2,706,013	2,655,268			2,706,013	2,655,268
State aid entitlements	2,010,760	1,946,841			2,010,760	1,946,841
Miscellaneous	26,072	46,856	72	(367)	26,144	46,489
Total revenues	5,855,250	6,283,673	165,963	185,933	6,021,213	6,469,606
Expenses						
Instruction:						
Regular	1,360,087	1,824,794			1,360,087	1,824,794
Special Education	900,491	1,072,550			900,491	1,072,550
School Sponsored Activities	88,348	154,336			88,348	154,336
Support services:						
Tuition	812,101	960,014			812,101	960,014
Student & instruction related	923,183	823,163			923,183	823,163
School admin services	92,514	122,301			92,514	122,301
General admin services	325,697	285,278			325,697	285,278
Admin Info Tech	-	8,366			-	8,366
Plant operations/maint	555,590	546,261			555,590	546,261
Pupil transportation	420,069	401,970			420,069	401,970
Capital Outlay	21,198	28,846			21,198	28,846
Interst on Long-Term Debt	24,056	26,171			24,056	26,171
Charter School	57,100				57,100	-
Student Activities	21,508				21,508	
Business-type activities			131,241	136,689	131,241	136,689
Total expenses	5,601,942	6,254,050	131,241	136,689	5,733,183	6,390,739
Excess (Deficiency) before Extraordinary and Special Cancellations	253,308	29,623	34,722	49,244	288,030	78,867
Increase (decrease) in net position	253,308	29,623	34,722	49,244	288,030	78,867

Business-type Activities

Operating revenues of the District's business-type activities decreased by \$19,970 from the previous year and expenditures decreased by \$5,448.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$1,718,215.41 which is \$128,703.17 higher than the beginning of the year. This is mainly a result of the district having an increase in unrestricted state aid.

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 and special revenue funds. The budgets are submitted to the County office annually. Transfers of appropriations that do not exceed 10% on a cumulative basis may be made by Board resolution at any time during the fiscal year. Transfers of appropriations that exceed 10% on a cumulative basis must be approved by the Commissioner of Education. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th 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 OPEB and TPAF Pension Contributions, which are not budgeted, the District’s actual revenue was more than the budget by \$150,135.75. This is a result of more extraordinary aid, non-public transportation aid and stabilization aid. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions, actual expenditures were \$409,052.10 less than the budgeted appropriations. This is result of lower transportation and benefits costs than anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested over \$5.2 million, net of depreciation, in a broad range of capital assets, including land, buildings and equipment. Refer to Note 4 for more detailed information.

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	110,400	110,400		-	110,400	110,400
Buildings and Improvements	5,090,553	4,986,414		-	5,090,553	4,986,414
Equipment	76,945	251,117	3,386	4,398	80,331	255,515
Total	\$ 5,277,898	5,347,931	3,386	4,398	5,281,284	5,352,329

Long-term Debt

At June 30, 2023, the School district has \$1,205,648 of outstanding debt.

	Balance June 30, 2022	Issued	Retired/ Adjusted	Balance June 30, 2023
General Obligations Bonds	\$ 845,000		90,000	755,000
Compensated Absences Payable	89,513	25,451	60,770	54,194
Net Pension Liability	310,801	85,653		396,454
Total	<u>\$ 1,245,314</u>	<u>111,104</u>	<u>150,770</u>	<u>1,205,648</u>

More detailed information about the District's long-term debt is presented in Note 5 to the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 128 Cape May Avenue, Estell Manor, New Jersey 08319.

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BASIC FINANCIAL STATEMENTS

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DISTRICT - WIDE FINANCIAL STATEMENTS

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City of Estell Manor School District
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,358,843.50	142,469.77	1,501,313.27
Other accounts receivable	-	-	-
Receivables from other governments	424,073.90	-	424,073.90
Interfund receivables	26,357.89	-	26,357.89
Other current assets	-	4,600.93	4,600.93
Inventory	-	3,744.93	3,744.93
Right to Use Leased Assets	9,264.00		9,264.00
Capital assets not being depreciated			
Land	110,400.00	-	110,400.00
Depreciable assets, net of accumulated depreciation	5,167,497.98	3,385.80	5,170,883.78
Total assets	<u>7,096,437.27</u>	<u>154,201.43</u>	<u>7,250,638.70</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	97,196.00	-	97,196.00
Total Deferred Outflows of Resources	<u>97,196.00</u>	<u>-</u>	<u>97,196.00</u>
LIABILITIES			
Accounts payable	29,141.67	5,495.39	34,637.06
Interfund payable	-	26,357.89	26,357.89
Accrued Interest Payable	10,974.22		10,974.22
Unearned revenue	61,918.21	1,382.20	63,300.41
Noncurrent liabilities:			
Due within one year	99,632.00	-	99,632.00
Due beyond one year	718,825.68	-	718,825.68
Net pension liability	396,454.00	-	396,454.00
Total liabilities	<u>1,316,945.78</u>	<u>33,235.48</u>	<u>1,350,181.26</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	204,537.00	-	204,537.00
Total Deferred Inflows of Resources	<u>204,537.00</u>	<u>-</u>	<u>204,537.00</u>
NET POSITION			
Net investment in capital assets	5,277,897.98	3,385.80	5,281,283.78
Restricted for:			
Capital projects	28,815.08	-	28,815.08
Other purposes	1,662,384.41	-	1,662,384.41
Unrestricted net position/(deficit)	(1,296,946.98)	117,580.15	(1,179,366.83)
Total net position	<u>\$ 5,672,150.49</u>	<u>120,965.95</u>	<u>5,793,116.44</u>

The accompanying notes are an integral part of these financial statements

**City of Estell Manor School District
Statement of Activities
For the Year Ended June 30, 2023**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	\$ 874,685.80	485,401.40		157,725.51	(1,202,361.69)	(1,202,361.69)
Special education	605,257.07	295,233.95		540,877.87	(359,613.15)	(359,613.15)
Other special instruction	56,552.27	27,585.22		7,065.84	(77,071.65)	(77,071.65)
Other instruction	2,829.89	1,380.37		353.57	(3,856.69)	(3,856.69)
Support services:						
Tuition	812,101.14				(812,101.14)	(812,101.14)
Student & instruction related services	647,274.18	275,908.36		408,849.52	(514,333.02)	(514,333.02)
School administrative services	57,822.08	34,692.21		(4,652.96)	(97,167.25)	(97,167.25)
General and business administrative services	217,689.64	108,007.34		(14,486.06)	(340,183.04)	(340,183.04)
Plant operations and maintenance	389,946.61	165,643.42		(22,216.28)	(577,806.31)	(577,806.31)
Pupil transportation	420,068.76				(420,068.76)	(420,068.76)
Unallocated benefits	1,393,852.27	(1,393,852.27)			-	-
Capital outlay	21,198.08			21,198.08	(24,056.26)	(24,056.26)
Interest on Long-Term Debt	24,056.26				(3,817.99)	(3,817.99)
Student Activities and Scholarship	21,507.54			17,689.55	(57,100.00)	(57,100.00)
Transfer to Charter Schools	57,100.00				(4,489,536.95)	(4,489,536.95)
Total governmental activities	5,544,841.59	-	-	1,112,404.64	-	(4,489,536.95)
Business-type activities:						
Food Service	107,117.10		47,583.30	80,161.97	20,628.17	20,628.17
Community Service Programs	24,124.12		38,145.50		14,021.38	14,021.38
Total business-type activities	131,241.22	-	85,728.80	80,161.97	34,649.55	34,649.55
Total government	5,676,082.81	-	85,728.80	1,192,566.61	(4,489,536.95)	(4,454,887.40)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net					2,588,019.00	2,588,019.00
Property taxes, levied for debt service					117,994.00	117,994.00
Federal and State aid not restricted					2,010,760.00	2,010,760.00
Investment Earnings					72.38	72.38
Other Income					26,071.75	26,071.75
Special item:						
Cancellation of Prior Year Payables					-	-
Prior Period Grant Adjustments					-	-
Transfers					-	-
Total general revenues and transfers					4,742,844.75	4,742,844.75
Change in Net Position					253,307.80	288,029.73
Net Position—beginning balance					5,418,842.69	5,505,086.71
Net Position—ending balance					5,672,150.49	5,793,116.44

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

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City of Estell Manor School District
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,328,627.09		27,515.32	2,701.09	1,358,843.50
Other accounts receivable					-
Interfund accounts receivable	243,370.44		1,299.76		244,670.20
Receivables from other governments	129,317.65	294,756.25	-		424,073.90
Other current assets	-	-	-		-
Total assets	<u>1,701,315.18</u>	<u>294,756.25</u>	<u>28,815.08</u>	<u>2,701.09</u>	<u>2,027,587.60</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	29,141.67		-	-	29,141.67
Other Current Liabilities			-	-	-
Interfund accounts payable		218,312.31			218,312.31
Unearned revenue		61,918.21			61,918.21
Total liabilities	<u>29,141.67</u>	<u>280,230.52</u>	<u>-</u>	<u>-</u>	<u>309,372.19</u>
Fund Balances:					
Restricted for:					
Excess surplus	596,010.12				596,010.12
Excess surplus -- designated for Subsequent year's expenditures	360,319.85				360,319.85
Capital projects			28,815.08		28,815.08
Debt Service				2,701.09	2,701.09
Capital Reserve	500,000.00				500,000.00
Maintenance Reserve	100,050.00				100,050.00
Unemployment	-				-
Payroll	25,242.39				25,242.39
Student Activities		37,123.15			37,123.15
Scholarship		4,243.58			4,243.58
Assigned to:					
Designated for subsequent year's expenditures:					
Unreserved fund balance	7,879.15				7,879.15
Encumbrances	-				-
Unreserved, reported in:					
General fund	82,672.00				82,672.00
Special Revenue		(26,841.00)			(26,841.00)
Total Fund balances	<u>1,672,173.51</u>	<u>14,525.73</u>	<u>28,815.08</u>	<u>2,701.09</u>	<u>1,718,215.41</u>
Total liabilities and fund balances	<u>1,701,315.18</u>	<u>294,756.25</u>	<u>28,815.08</u>	<u>2,701.09</u>	
Amounts reported for <i>governmental activities</i> 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.					
					5,277,897.98
Pension Liabilities Net of Deferred Outflows & Inflows					
					(503,795.00)
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.					
					9,264.00
Some liabilities, such as compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds.					
Bonds Payable					(755,000.00)
Accrued Interest					(10,974.22)
Compensated Absences					(54,193.68)
Copier Lease					(9,264.00)
Total net position of governmental activities					<u>\$ 5,672,150.49</u>

City of Estell Manor School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local tax levy	\$ 2,588,019.00			117,994.00	2,706,013.00
Tuition charges					-
Other Income	26,071.75				26,071.75
State sources	2,764,436.29	283,004.41			3,047,440.70
Federal sources		509,689.38			509,689.38
Local sources		51,081.55	-		51,081.55
Total revenues	5,378,527.04	843,775.34	-	117,994.00	6,340,296.38
EXPENDITURES					
Current:					
Regular instruction	1,145,728.71				1,145,728.71
Special education instruction	231,607.50	465,254.95			696,862.45
Other special instruction	65,111.42				65,111.42
Other instruction	3,258.20				3,258.20
Support services and undistributed costs:					
Tuition	755,001.14				755,001.14
Student & instruction related services	402,366.47	338,176.76			740,543.23
School administrative services	81,886.58				81,886.58
Other administrative services	254,937.69				254,937.69
Administration Information Technology	-				-
Plant operations and maintenance	390,980.38				390,980.38
Pupil transportation	420,068.76				420,068.76
Unallocated Benefits	1,393,852.27				1,393,852.27
Student activities		20,905.29			20,905.29
Scholarship		602.25			602.25
Debt Service					
Principal				90,000.00	90,000.00
Interest				25,293.76	25,293.76
Capital outlay	14,871.00	21,198.08	-	-	36,069.08
Transfer to Charter Schools	57,100.00				57,100.00
Total expenditures	5,216,770.12	846,137.33	-	115,293.76	6,178,201.21
(Deficiency) of revenues over expenditures	161,756.92	(2,361.99)	-	2,700.24	162,095.17
OTHER FINANCING SOURCES (USES)					
Transfer to Fund 20	(33,392.00)				(33,392.00)
Prior Period Grant Adjustments	-				-
Transfer to Debt Service	-				-
Total other financing sources and uses	(33,392.00)	-	-	-	(33,392.00)
Net change in fund balances	128,364.92	(2,361.99)	-	2,700.24	128,703.17
Fund Balance, July 1	1,543,808.59	16,887.72	28,815.08	0.85	1,589,512.24
Fund balance—June 30	<u>\$ 1,672,173.51</u>	<u>14,525.73</u>	<u>28,815.08</u>	<u>2,701.09</u>	<u>1,718,215.41</u>

**City of Estell Manor 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)	\$	128,703.17
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because</p> <p>Capital outlays are reported in governmental funds as expenditures. However, 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 depreciation exceeded capital outlays in the period</p>		
	Depreciation expense	(213,565.02)
	Capital outlays	143,531.26
		(70,033.76)
District pension contributions - PERS		33,128.00
Cost of benefits earned net of employee contributions		34,954.00
		68,082.00
In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The (decrease)/increase in accrued interest from the previous year is an increase/(decrease) in the reconciliation		1,237.50
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		90,000.00
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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)		35,318.89
Change in net position of governmental activities:		253,307.80

City of Estell Manor School District
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds		Totals
	Food Service	Playgroup Childcare	
ASSETS			
Current assets:			
Cash and cash equivalents	64,501.29	77,968.48	142,469.77
Accounts receivable	4,600.93	-	4,600.93
Inventories	3,744.93		3,744.93
Total current assets	<u>72,847.15</u>	<u>77,968.48</u>	<u>150,815.63</u>
Noncurrent assets:			
Furniture, machinery & equipment	16,704.74	-	16,704.74
Less accumulated depreciation	(13,318.94)	-	(13,318.94)
Total noncurrent assets	<u>3,385.80</u>	<u>-</u>	<u>3,385.80</u>
Total assets	<u><u>76,232.95</u></u>	<u><u>77,968.48</u></u>	<u><u>154,201.43</u></u>
LIABILITIES			
Current liabilities:			
Accounts Payable	5,495.39		5,495.39
Interfund Payable	-	26,357.89	26,357.89
Unearned revenue	1,382.20	-	1,382.20
Total current liabilities	<u>6,877.59</u>	<u>26,357.89</u>	<u>33,235.48</u>
Non-current liabilities:			
Compensated absences payable	-		-
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,877.59</u>	<u>26,357.89</u>	<u>33,235.48</u>
NET POSITION			
Investment in capital assets	3,385.80	-	3,385.80
Unrestricted	65,969.56	51,610.59	117,580.15
Total net position	<u><u>69,355.36</u></u>	<u><u>51,610.59</u></u>	<u><u>120,965.95</u></u>

The accompanying notes are an integral part of these financial statements

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

	Business-type Activities - Enterprise Fund		Total
	Food Service	Playgroup Childcare	
Operating revenues			
Charges for services			
Daily sales - reimbursable program	\$ 32,579.04		32,579.04
Daily sales - non-reimbursable program	8,937.26		8,937.26
Community service activities:			
Miscellaneous	6,067.00	38,145.50	38,145.50
Total operating revenue:	<u>47,583.30</u>	<u>38,145.50</u>	<u>85,728.80</u>
Operating expenses			
Cost of sales - Reimbursable	36,876.61		36,876.61
Cost of sales - Non Reimbursable	4,918.53		4,918.53
Salaries	37,091.17	24,124.12	61,215.29
Employee benefits	7,021.27	-	7,021.27
Supplies and Material:	3,380.43	-	3,380.43
General Expense	5,292.99		5,292.99
Management Fee	11,524.00		11,524.00
Depreciation	1,012.10	-	1,012.10
Total Operating Expense:	<u>107,117.10</u>	<u>24,124.12</u>	<u>131,241.22</u>
Operating (loss):	<u>(59,533.80)</u>	<u>14,021.38</u>	<u>(45,512.42)</u>
Nonoperating revenues (expenses)			
State sources:			
State school breakfast program	35.20		35.20
State school lunch program	893.30		893.30
Federal sources			
National school breakfast program	10,230.16		10,230.16
National school lunch program	29,526.04		29,526.04
Food distribution program	15,170.42		15,170.42
Healthy Hunger Free Kids Act	1,107.52		1,107.52
Supply chain assistance	23,199.33		23,199.33
Interest and investment revenue	32.90	39.48	72.38
Total nonoperating revenue	<u>80,194.87</u>	<u>39.48</u>	<u>80,234.35</u>
(Loss) before contributions & transfers:	<u>20,661.07</u>	<u>14,060.86</u>	<u>34,721.93</u>
Other Financing Sources/(Uses):			
Cancellation of Prior Receivable	-	-	-
Transfer in from General Fund	-	-	-
Change in net position:	<u>20,661.07</u>	<u>14,060.86</u>	<u>34,721.93</u>
Total net position—beginning	<u>48,694.29</u>	<u>37,549.73</u>	<u>86,244.02</u>
Total net position—ending	<u>\$ 69,355.36</u>	<u>51,610.59</u>	<u>120,965.95</u>

The accompanying notes are an integral part of these financial statements

City of Estell Manor School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Food Service</u>	<u>Playgroup Childcare</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	45,471.08	38,145.50	83,616.58
Payments to employees	(44,112.44)	(24,124.12)	(68,236.56)
Payments to suppliers	(48,686.27)	-	(48,686.27)
Net cash (used for) operating activities	<u>(47,327.63)</u>	<u>14,021.38</u>	<u>(33,306.25)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	1,258.36		1,258.36
Federal Sources	87,347.82		87,347.82
Operating subsidies and transfers from other funds	-	-	-
Net cash provided by non-capital financing activities	<u>88,606.18</u>	<u>-</u>	<u>88,606.18</u>
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES			
Purchase of capital assets	-	-	-
Net cash (used for) capital & related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interfund loans received	-	-	-
Interest and dividends	32.90	39.48	72.38
Net cash provided by investing activities	<u>32.90</u>	<u>39.48</u>	<u>72.38</u>
Net increase in cash and cash equivalents	41,311.45	14,060.86	55,372.31
Balances—beginning of year	23,189.84	63,907.62	87,097.46
Balances—end of year	<u>64,501.29</u>	<u>77,968.48</u>	<u>142,469.77</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating (loss)	<u>(59,533.80)</u>	<u>14,021.38</u>	<u>(45,512.42)</u>
Adjustments to reconcile operating (loss) to net cash provided by/ (used for) operating activities			
Depreciation expense	1,012.10	-	1,012.10
Federal commodities	15,170.42		15,170.42
Decrease in accounts receivable	(2,112.22)	-	(2,112.22)
Decrease in inventories	(955.67)		(955.67)
Increase in deferred revenue	340.84	-	340.84
(Decrease) in deposits payable	-	-	-
Increase in accounts payable	(1,249.30)	-	(1,249.30)
Increase in compensated absences payable	-		-
Total adjustments	<u>12,206.17</u>	<u>-</u>	<u>12,206.17</u>
Net cash (used for) operating activities	<u>(47,327.63)</u>	<u>14,021.38</u>	<u>(33,306.25)</u>

The accompanying notes are an integral part of these financial statements

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY:

The City of Estell Manor 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. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-8. The City of Estell Manor School District had an approximate enrollment at June 30, 2023 of 194 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE 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, special revenue, capital project, and debt service activities are classified as governmental activities. The District's food service and playground childcare program are classified as business-type activities.

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

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 and playgroup childcare program). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student & instruction related services, etc.) or a business-type activity. Operating grants include

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

operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, On-behalf TPAF Post Retirement Medical 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. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria is 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.
- 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.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds.
- d. **Debt Service** funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Fund Balances – Governmental Funds

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

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

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's enterprise funds consist of a food service fund and playgroup childcare program.

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 by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

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

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

2. Investments:

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

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

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2023, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 2,638.22
Supplies	1,106.71
	\$ 3,744.93

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2023 is \$1,906.16.

4. Capital:

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	30-50 years
Equipment & Vehicles	3-20 years
Improvements	10-50 years
Software	5-7 years

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

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 eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

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

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

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 are the major transfers made during the year.

		To	From
Salaries of Teachers - Grades 1-5	\$	34,834.02	
Resource Room - Other Salaries			53,386.73
Tuition to CSSD & Regional Day Schools			70,831.86
Speech, OT, PT and Related Services			
Purchased Professional - Educational Services		42,765.00	
Required Maintenance - Security Officer		35,000.00	
Contracted Services (Sped Ed) Joint Agreement		41,381.90	
Contracted Services (Sped Ed) Other Transportation		109,549.65	
Unallocated Benefits - Social Security Contributions		50,217.70	
Unallocated Benefits - Health Benefits			105,322.63

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

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

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

10. Encumbrances

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

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 actual expenditures by program.

14. Pensions

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

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

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

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

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

NOTE 2. 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 is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$0 of the District's bank balance of \$1,748,277.80 was exposed to custodial credit risk.

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

NOTE 4. FIXED ASSETS

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

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 110,400			110,400
Total capital assets not being depreciated	<u>110,400</u>	<u>-</u>	<u>-</u>	<u>110,400</u>
Land Improvements				-
Bldg and bldg improve	8,197,579	131,129		8,328,708
Machinery & equipment	613,222	12,403		625,625
Total at historical cost	<u>8,810,801</u>	<u>143,532</u>	<u>-</u>	<u>8,954,333</u>
Less accum depr for:				
Land Improvements				-
Bldg and improve	(3,055,610)	(182,545)		(3,238,155)
Machinery & equipment	(517,660)	(31,020)		(548,680)
Total accum deprec	<u>(3,573,270)</u>	<u>(213,565)</u>	<u>-</u>	<u>(3,786,835)</u>
Total capital assets being depr, net of accum depr	<u>5,237,531</u>	<u>(70,033)</u>	<u>-</u>	<u>5,167,498</u>
Governmental activities capital assets, net	<u>5,347,931</u>	<u>(70,033)</u>	<u>-</u>	<u>5,277,898</u>
Business-type activities:				
Equipment	16,705			16,705
Less accum depr for:				
Equipment	(12,307)	(1,012)		(13,319)
Business-type activities capital assets, net	<u>\$ 4,398</u>	<u>(1,012)</u>	<u>-</u>	<u>3,386</u>

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

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$	74,373
Special education		45,236
Other special instruction		4,227
Other Instruction		211
Student & instruction related services		42,274
School administrative expenses		5,315
General and business administration		16,549
Plant operations and maintenance		25,380
		213,565
	\$	213,565

NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023	Amounts Due Within One Year
General Obligation Bonds	\$ 845,000		90,000	755,000	95,000
Compensated Absences	89,513	25,451	60,770	54,194	
Lease Liability	13,896		4,632	9,264	4,632
Net Pension Liability	310,801	85,653		396,454	
	\$ 1,259,210	111,104	155,402	1,214,912	99,632

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

On July 15, 2015 the District issued \$1,234,000 of School Bonds, due in annual installment through July 15, 2030, with variable interest rates between 3.00% and 3.250%. The balance remaining as of June 30, 2023 is \$755,000.

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

Fiscal Year Ending June 30,		Principal	Interest	Total
2024	\$	95,000	22,459	\$ 117,459
2025		95,000	19,491	114,491
2026		95,000	16,522	111,522
2027		95,000	13,553	108,553
2028		95,000	10,584	105,584
2029-2031		280,000	13,488	293,488
	\$	755,000	96,097	\$ 851,097

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Lease Liability

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

The first agreement was executed in July 2021, to lease copiers in the school district. The term of the lease is 48 months and matures in June 2025. The remaining liability as of June 30, 2023, is \$9,264.00.

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,632.00	-	\$ 4,632.00
2025	4,632.00	-	4,632.00
	<u>\$ 9,264.00</u>	<u>-</u>	<u>\$ 9,264.00</u>

NOTE 6. 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 Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2022Complete.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.

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Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.50% 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 \$630,220, \$607,980, and \$470,900, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for 2008. However, the contributions for 2011 and 2010 were not made by the State. The School District's contributions to PERS for the years ending June 30, 2023, 2022 and 2021 were \$33,128, \$30,917, and \$33,116, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2023, 2022 and 2021, the State of New Jersey contributed \$131,074, \$115,105, and \$112,298, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$123,456.29, \$116,337. and \$101,907 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

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 Teachers' Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for 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).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th 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 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 7: PENSION LIABILITIES – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. The following information describes the District's proportionate share of the statewide pension system's liabilities and expenses.

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

Public Employees' Retirement System

The District has a liability of \$396,454 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 0.00262702130%, which is an increase of 0.13% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District recognized negative pension expense of \$34,954. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected & actual experience	\$ 2,861	\$ (2,523)
Changes of assumptions	1,228	(59,365)
Net difference between projected and actual earnings on pension plan investments	16,409	-
Changes in proportion	76,698	(142,649)
Total	<u>\$ 97,196</u>	<u>\$ (204,537)</u>

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 <u>June 30,</u>	
2024	\$ (98,116)
2025	(36,135)
2026	(2,539)
2027	29,680
2028	(231)
Total	<u>\$ (107,341)</u>

Actuarial Assumptions

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (based on years of service)
Investment rate of return:	7.00%

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

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

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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%

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	\$ 475,430	\$ 396,454	\$ 329,317

Pension plan fiduciary net position.

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

NOTE 8 – PENSION LIABILITIES - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

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

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

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

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		<u>6,088,653.00</u>
Total	\$	<u><u>6,088,653.00</u></u>

The net pension liability was measured as of June 30, 2022 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$163,863 and revenue of \$163,863 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

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount rate.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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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	\$ 7,139,075.03	\$ 6,088,653.00	\$ 5,203,804.43

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 9. 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-

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retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State’s contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent, from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2020 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS, and PFRS experience studies for the period July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026, and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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>

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

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:

	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 (\$186,945.00) 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)

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

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

Year Ended June 30,		
2023	\$	(2,517,151,602.00)
2024		(2,517,151,602.00)
2025		(2,517,151,602.00)
2026		(2,175,449,761.00)
2027		(1,243,951,140.00)
Thereafter		<u>(3,921,361,006.00)</u>
	\$	<u>(14,892,216,713.00)</u>

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

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

NOTE 10. 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. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee and are capped based on the terms stated in the various contracts.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be 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 governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following 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 plans are not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 12. 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.

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

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 and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 243,370.44	
Special Revenue Fund		218,312.31
Capital Projects Fund	1,299.76	
Playgroup Childcare Fund		26,357.89
Total	\$ 244,670.20	244,670.20

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. It is anticipated that all interfunds will be liquidated during the fiscal year. All governmental fund interfunds are eliminated in the governmental-wide statements, except for Due From Agency, which is a Fiduciary Fund.

NOTE 14. ECONOMIC DEPENDENCY

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

NOTE 15 – MAINTENANCE RESERVE ACCOUNT

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

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

Beginning Balance, July 1, 2022	\$ 100,030
Budgeted Increase - FY 2023	20
Excess Surplus Transfer by Board Resolution	
Withdrawals: Per Approved Budget Board Resolution	
Ending Balance, June 30, 2023	\$ 100,050

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

NOTE 16. FUND BALANCE APPROPRIATED

General Fund – Of the \$1,843,537.51 General Fund fund balance at June 30, 2023, \$0.00 is reserved for encumbrances; \$956,329.97 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$360,319.85 of the total reserve for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2024); \$7,879.15 has been legally restricted and included as anticipated revenue for the year ending June 30, 2024; \$100,050.00 has been reserved in the Maintenance Reserve Account; \$500,000.00 has been reserved in the Capital Reserve Account; \$25,242.39 has been reserved for Payroll and \$254,036.00 is unreserved and undesignated.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$956,329.97, of which \$360,319.85 has been appropriated and included as anticipated revenue for the year ended June 30, 2024.

NOTE 18. LITIGATION

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

NOTE 20 – RIGHT TO USE ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Copiers	\$ 13,896.00		4,632.00	9,264.00
Right to use assets, net	<u>\$ 13,896.00</u>	<u>-</u>	<u>4,632.00</u>	<u>9,264.00</u>

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated events through November 15, 2023, the date on which the financial statements were available to be issued and no additional items were noted for disclosure.

Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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**City of Estell Manor Board of Education
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
REVENUES:					
Local Sources:					
Local Tax Levy	2,588,019.00	-	2,588,019.00	2,588,019.00	-
Interest			-	881.05	881.05
Other Income			-	25,190.70	25,190.70
Total - Local Sources	2,588,019.00	-	2,588,019.00	2,614,090.75	26,071.75
State Sources:					
Categorical Special Education Aid	167,247.00		167,247.00	167,247.00	-
Categorical Security Aid	34,171.00		34,171.00	34,171.00	-
Equalization Aid	1,423,627.00		1,423,627.00	1,423,627.00	-
School Choice Aid	224,117.00		224,117.00	224,117.00	-
Stabilization Aid	-		-	120,028.00	120,028.00
Extraordinary Aid	15,000.00		15,000.00	15,916.00	916.00
Nonpublic Transportation Aid			-	3,120.00	3,120.00
On-Behalf TPAF Pension Contributions (non-budgeted)				630,220.00	630,220.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				123,456.29	123,456.29
Total - State Sources	1,864,162.00	-	1,864,162.00	2,741,902.29	877,740.29
Total Revenues	4,452,181.00	-	4,452,181.00	5,355,993.04	903,812.04

**City of Estell Manor Board of Education
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
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	108,722.00	-	108,722.00	92,432.30	16,289.70
Grades 1-5	537,050.00	34,834.02	571,884.02	571,884.02	-
Grades 6-8	398,995.00	2,322.32	401,317.32	401,317.32	-
Regular Programs - Home Instruction:					
Salaries of Teachers	7,500.00	(7,500.00)	-	-	-
Purchased Professional - Educational Services	3,750.00	(3,750.00)	-	-	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	23,654.00	(3,189.51)	20,464.49	20,464.49	-
Purchased Professional - Educational Services	20,000.00	(4,958.60)	15,041.40	-	15,041.40
Other Purchased Services	15,000.00	(6,114.07)	8,885.93	8,885.93	-
General Supplies	40,000.00	11,195.47	51,195.47	50,744.65	450.82
Textbooks	15,000.00	(15,000.00)	-	-	-
Total Regular Programs	<u>1,169,671.00</u>	<u>7,839.63</u>	<u>1,177,510.63</u>	<u>1,145,728.71</u>	<u>31,781.92</u>
Resource Room/Resource Center:					
Salaries of Teachers	168,216.00	4,342.59	172,558.59	172,558.59	-
Other Salaries for Instruction	111,088.00	(53,386.73)	57,701.27	57,701.27	-
Other Purchased Services	1,000.00	(292.29)	707.71	-	707.71
General Supplies	1,000.00	347.64	1,347.64	1,347.64	-
Textbooks		-		-	-
Total Resource Room/Resource Center	<u>281,304.00</u>	<u>(48,988.79)</u>	<u>232,315.21</u>	<u>231,607.50</u>	<u>707.71</u>
Total Special Education - Instruction	<u>281,304.00</u>	<u>(48,988.79)</u>	<u>232,315.21</u>	<u>231,607.50</u>	<u>707.71</u>

**City of Estell Manor Board of Education
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
Basic Skills/Remedial- Instruction					
Salaries of Teachers	120,143.00	-	120,143.00	65,111.42	55,031.58
General Supplies	1,000.00	-	1,000.00	-	1,000.00
Total Basic Skills/Remedial - Instruction	121,143.00	-	121,143.00	65,111.42	56,031.58
School Sponsored Cocurricular Activities - Instruction:					
Salaries	10,480.00	-	10,480.00	-	10,480.00
Purchased Services	1,000.00	-	1,000.00	-	1,000.00
Total School Sponsored Cocurricular Activities - Instruction	11,480.00	-	11,480.00	-	11,480.00
School Sponsored Athletics - Instruction					
Salaries	7,200.00	-	7,200.00	-	7,200.00
Purchased Services	500.00	5,348.00	5,848.00	3,150.20	2,697.80
Supplies and Materials	500.00	(148.00)	352.00	108.00	244.00
Total School Sponsored Athletics - Instruction	8,200.00	5,200.00	13,400.00	3,258.20	10,141.80

**City of Estell Manor Board of Education
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 Instruction	1,591,798.00	(35,949.16)	1,555,848.84	1,445,705.83	110,143.01
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Regular	624,636.00	(18,000.00)	606,636.00	606,396.00	240.00
Tuition to Other LEAs within the State - Special	21,500.00	-	21,500.00	2,565.00	18,935.00
Tuition to County Voc. School District - Regular	63,396.00	-	63,396.00	63,396.00	-
Tuition to County Voc. School District - Special	6,375.00	-	6,375.00	6,375.00	-
Tuition to CSSD & Regional Day Schools	172,416.00	(70,831.86)	101,584.14	76,269.14	25,315.00
Total Undistributed Expenditures - Instruction	888,323.00	(88,831.86)	799,491.14	755,001.14	44,490.00
Undistributed Expenditures - Attendance and Social Work:					
Salaries	12,824.00	-	12,824.00	9,337.49	3,486.51
Other Purchased Services (400-500 series)	12,000.00	-	12,000.00	11,108.49	891.51
Total Undistributed Expenditures - Attendance and Social Work	24,824.00	-	24,824.00	20,445.98	4,378.02
Undistributed Expenditures - Health Services:					
Salaries	80,810.00	-	80,810.00	80,315.00	495.00
Purchased Professional and Technical Services	600.00	492.00	1,092.00	1,092.00	-
Other Purchased Services (400-500 series)	1,500.00	-	1,500.00	1,441.00	59.00
Supplies and Materials	5,500.00	-	5,500.00	3,678.23	1,821.77
Total Undistributed Expenditures - Health Services	88,410.00	492.00	88,902.00	86,526.23	2,375.77

**City of Estell Manor Board of Education
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 - Speech, OT, PT and Related Services:					
Salaries	70,000.00	(18,041.20)	51,958.80	14,921.28	37,037.52
Purchased Prof. - Educational Services	24,000.00	42,765.00	66,765.00	59,972.56	6,792.44
Supplies and Materials	400.00	(400.00)	-	-	-
Total Undistributed Expenditures - Speech, OT, PT and Related Services:	94,400.00	24,323.80	118,723.80	74,893.84	43,829.96
Undistributed Expenditures - Other Support Services - Extra Services					
Purchased Professional-Educational Services	49,860.00	(22,907.00)	26,953.00	5,124.00	21,829.00
Total Undistributed Expenditures - Other Support Services - Extra Services	49,860.00	(22,907.00)	26,953.00	5,124.00	21,829.00
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	46,967.00	7,532.94	54,499.94	52,499.94	2,000.00
Supplies and Materials	500.00	-	500.00	339.17	160.83
Total Undistributed Services - Guidance	47,467.00	7,532.94	54,999.94	52,839.11	2,160.83
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	17,510.00	3,215.00	20,725.00	12,975.02	7,749.98
Salaries of Secretarial and Clerical Assistants	19,644.00	1,308.66	20,952.66	18,814.92	2,137.74
Purchased Professional - Educational Services	40,000.00	(10,679.48)	29,320.52	4,500.00	24,820.52
Other Purchased Professional and Technical Services	500.00	10,679.48	11,179.48	1,179.48	10,000.00
Supplies and Materials	500.00	-	500.00	464.20	35.80
Total Undistributed Expenditures - Child Study Teams	78,154.00	4,523.66	82,677.66	37,933.62	44,744.04
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	89,967.00	308.63	90,275.63	90,275.63	-
Total Undistributed Expenditures - Improv. of Instr. Services	89,967.00	308.63	90,275.63	90,275.63	-

**City of Estell Manor Board of Education
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 - Educational Media Services - School Library					
Purchased Professional and Technical Services	18,088.00	17,824.00	35,912.00	28,077.50	7,834.50
Other Purchased Services (400-500 series)	3,600.00	(824.00)	2,776.00	2,641.40	134.60
Supplies and Materials	1,000.00	(625.00)	375.00	375.00	-
Total Undistributed Expenditures - Educational Media Services - School Library	22,688.00	16,375.00	39,063.00	31,093.90	7,969.10
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	6,000.00	(1,634.16)	4,365.84	1,475.00	2,890.84
Other Purchased Services (400-500 series)	500.00	1,259.16	1,759.16	1,759.16	-
Total Undistributed Expenditures - Instructional Staff Training Services	6,500.00	(375.00)	6,125.00	3,234.16	2,890.84
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	81,226.00	-	81,226.00	81,189.90	36.10
Legal Services	18,000.00	(4,087.22)	13,912.78	11,095.05	2,817.73
Audit Fees	19,000.00	(2,970.25)	16,029.75	16,029.75	-
Communications/Telephone	21,341.48	2,412.72	23,754.20	23,570.46	183.74
Misc Purchased Services (400-500)	2,000.00	976.00	2,976.00	2,976.00	-
General Supplies	1,500.00	-	1,500.00	90.88	1,409.12
BOE Membership Dues and Fees	6,000.00	575.65	6,575.65	6,575.65	-
Total Undistributed Expenditures - Support Services - Gen. Admin.	149,067.48	(3,093.10)	145,974.38	141,527.69	4,446.69
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	62,000.00	-	62,000.00	62,000.00	-
Salaries of Secretarial and Clerical Assistants	15,922.00	-	15,922.00	15,796.58	125.42
Supplies and Materials	1,500.00	(364.50)	1,135.50	-	1,135.50
Other Objects	500.00	3,590.00	4,090.00	4,090.00	-
Total Undistributed Expenditures - Support Serv. - School Admin.	79,922.00	3,225.50	83,147.50	81,886.58	1,260.92

**City of Estell Manor Board of Education
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 - Central Services					
Salaries	113,540.00	-	113,540.00	104,103.60	9,436.40
Purchased Professional Service		1,100.00	1,100.00	1,100.00	-
Purchased Technical Services	6,400.00	1,878.00	8,278.00	7,806.40	471.60
Supplies and Materials	500.00	(10.00)	490.00	400.00	90.00
Total Undistributed Expenditures - Central Services	120,440.00	2,968.00	123,408.00	113,410.00	9,998.00
Undistributed Expenditures - Administration Information Technology					
Salaries	25,000.00	(1,100.00)	23,900.00	-	23,900.00
Purchased Professional Service		-		-	-
Total Undistributed Expenditures - Administration Info Technology	25,000.00	(1,100.00)	23,900.00	-	23,900.00
Undistributed Expenditures - Required Maintenance for School Facilities					
Security Officer	-	35,000.00	35,000.00	34,177.50	822.50
Salaries	62,317.00	-	62,317.00	62,317.00	-
Cleaning Repairs and Maintenance Services	30,000.00	7,914.92	37,914.92	33,758.18	4,156.74
General Supplies	9,756.10	456.08	10,212.18	10,211.83	0.35
Total Undistributed Expenditures - Required Maintenance for School Facilities	102,073.10	43,371.00	145,444.10	140,464.51	4,979.59
Undistributed Expenditures - Custodial Services					
Salaries	88,198.00	(7,532.94)	80,665.06	80,542.28	122.78
Purchased Professional and Technical Services	6,500.00	(6,500.00)	-	-	-
Cleaning, Repair and Maintenance Services	30,581.00	(6,115.08)	24,465.92	23,356.34	1,109.58
Insurance	28,000.00	1,006.00	29,006.00	29,006.00	-
General Supplies	15,000.00	-	15,000.00	13,846.67	1,153.33
Energy (Electricity)	90,000.00	-	90,000.00	79,828.84	10,171.16
Energy (Oil)	15,000.00	11,609.08	26,609.08	23,935.74	2,673.34
Other Objects	500.00	-	500.00	-	500.00
Total Undistributed Expenditures - Custodial Services	273,779.00	(7,532.94)	266,246.06	250,515.87	15,730.19

**City of Estell Manor Board of Education
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 - Care and Upkeep of Grounds	10,000.00	-	10,000.00	-	10,000.00
Purchased Professional and Technical Services					
Total Undistributed Expenditures - Care and Upkeep of Grounds	10,000.00	-	10,000.00	-	10,000.00
Total Undistributed Expen - Oper & Main of Plant Serv	385,852.10	35,838.06	421,690.16	390,980.38	30,709.78
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transp. (Between Home and School)-Regular	57,290.00	3,059.98	60,349.98	57,524.96	2,825.02
Contracted Services - Aid in Lieu of Payments Non Public	8,000.00	3,242.00	11,242.00	11,242.00	-
Contracted Services - Aid in Lieu of Payments Charter School	4,000.00	-	4,000.00	3,044.00	956.00
Contracted Services - Aid in Lieu of Payments School Choice	18,000.00	-	18,000.00	7,154.00	10,846.00
Contracted Services - (Oth than Between Home and School) - Vendors	5,000.00	1,901.82	6,901.82	6,461.82	440.00
Contracted Services (Between Home and School) - Joint Agreements	272,000.00	(23,014.68)	248,985.32	217,866.81	31,118.51
Contracted Services (Special Ed Students) - Vendors	40,500.00	(20,581.12)	19,918.88	19,918.88	-
Contracted Services (Special Ed Students) - Joint Agreements	61,446.00	41,381.90	102,827.90	96,856.29	5,971.61
Total Undistributed Expenditures - Student Transportation Serv.	466,236.00	5,989.90	472,225.90	420,068.76	52,157.14
Unallocated Benefits:					
Social Security Contributions	48,000.00	50,217.70	98,217.70	98,217.70	-
Other Retirement Contributions - PERS	51,000.00	(17,872.00)	33,128.00	33,128.00	-
Unemployment Compensation	7,800.00	(7,800.00)	-	-	-
Health Benefits	569,996.00	(105,322.63)	464,673.37	464,673.37	-

**City of Estell Manor Board of Education
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
Tuition Reimbursements	12,000.00	3,000.00	15,000.00	15,000.00	-
Other Employee Benefits		29,156.91	29,156.91	29,156.91	-
Total Unallocated Benefits	688,796.00	(48,620.02)	640,175.98	640,175.98	-
On-behalf TPAF Pension Contributions (non-budgeted)				630,220.00	(630,220.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				123,456.29	(123,456.29)
Total On-behalf Contributions	-	-	-	753,676.29	(753,676.29)
Total Undistributed Expenditures	3,305,906.58	(63,349.49)	3,242,557.09	3,699,093.29	(456,536.20)
Total Current Expense	4,897,704.58	(99,298.65)	4,798,405.93	5,144,799.12	(346,393.19)
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
General Admin				-	-
Non-Instructional Services				-	-
Total Equipment	-	-	-	-	-
Facilities Acquisition and Construction Services					
Equipment - General Administration	14,871.00		14,871.00	-	-
Assessment for Debt Service on SDA Funding				14,871.00	-
Total Facilities Acquisition and Construction Services	14,871.00		14,871.00	14,871.00	-
Total Capital Outlay	14,871.00	-	14,871.00	14,871.00	-
Transfers to Charter Schools	102,512.00	(10,251.00)	92,261.00	57,100.00	35,161.00
Total Expenditures	5,015,087.58	(109,549.65)	4,905,537.93	5,216,770.12	(311,232.19)

**City of Estell Manor Board of Education
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
Excess (Deficiency) of Revenues Over (Under) Expenditures	(562,906.58)	109,549.65	(453,356.93)	139,222.92	592,579.85
Other Financing Sources (Uses):					
Operating Transfers Out:					
Local Contribution - Trans to Special Rev - Regular	(33,392.00)	-	(33,392.00)	(33,392.00)	-
Transfer to Food Service					-
Prior Period Grant Adjustments					-
Transfer to Debt Service					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(596,298.58)	109,549.65	(486,748.93)	105,830.92	592,579.85
Fund Balances, July 1	1,737,706.59	-	1,737,706.59	1,737,706.59	-
Fund Balances, June 30	1,141,408.01	109,549.65	1,250,957.66	1,843,537.51	592,579.85

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Excess Surplus	596,010.12
Excess Surplus-Designated for Subsequent Year's Expenditures	360,319.85
Capital Reserve	500,000.00
Maintenance Reserve	100,050.00
Payroll Reserves	25,242.39

Assigned Fund Balance:

Designated for Subsequent Year's Expenditures	7,879.15
Reserve for Encumbrances	-

Unassigned Fund Balance

	254,036.00
--	------------

1,843,537.51

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

	(171,364.00)
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Fund Balance per Governmental Funds (GAAP)

	1,672,173.51
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**City of Estell Manor School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance Under/(Over) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 10,000.00	-	10,000.00	51,081.55	41,081.55
Total - Local Sources	10,000.00	-	10,000.00	51,081.55	41,081.55
State Sources:					
Preschool Education Expansion Aid	303,292.00	24,149.00	327,441.00	250,799.41	(76,641.59)
Other	-	6,660.00	6,660.00	6,600.00	(60.00)
Federal Sources:	303,292.00	30,809.00	334,101.00	257,399.41	(76,701.59)
Title I	32,280.00	50,856.00	83,136.00	83,136.00	-
Title II	5,673.00	9,806.00	15,479.00	6,374.50	(9,104.50)
Title IV	8,500.00	11,500.00	20,000.00	20,000.00	-
I.D.E.A., Part B	60,671.00	-	60,671.00	60,671.00	-
I.D.E.A., Preschool	1,820.00	1,820.00	1,820.00	1,820.00	-
ESSER	479,534.00	23,978.23	503,512.23	282,299.65	(221,212.58)
Other	18,260.00	13,781.00	30,041.00	17,629.00	(12,412.00)
Total - Federal Sources	604,738.00	109,921.23	714,659.23	471,930.15	(242,729.08)
Total Revenues	918,030.00	140,730.23	1,058,760.23	780,411.11	(278,349.12)
EXPENDITURES:					
Instruction					
Salaries of Teachers	199,780.00	24,591.70	224,371.70	171,465.80	52,905.90
Purchased Professional and Technical Services	23,750.00	4,151.30	27,901.30	1,000.00	26,901.30
Tuition	129,966.00	-	129,966.00	128,989.00	977.00
Other Purchased Services (400-500 series)	1,000.00	6,799.00	7,799.00	2,477.00	5,322.00
General Supplies	117,760.00	61,253.47	179,013.47	104,964.68	74,048.79
Other Objects	500.00	-	500.00	500.00	-
Total instruction	472,756.00	96,795.47	569,551.47	409,396.48	160,154.99
Support Services					
Salaries of Supervisors of Instruction	10,000.00	-	10,000.00	10,000.00	-
Salaries of Program Directors	15,500.00	-	15,500.00	15,500.00	-
Salaries of Secretary and Clerical Assistants	4,275.00	-	4,275.00	4,275.00	-
Other Salaries	89,284.00	-	89,284.00	52,692.80	36,591.20
Personal Services - Employee Benefits	75,758.00	28,079.00	103,837.00	103,836.00	1.00
Purchased Professional and Technical Services	18,173.00	9,806.00	27,979.00	6,828.60	21,150.40
Other Purchased Services	163,000.00	-	163,000.00	134,024.68	28,975.32
Supplies and Materials	33,784.00	3,400.72	37,184.72	7,618.96	29,565.76
Other Objects	500.00	-	500.00	-	500.00
Student activities	10,000.00	-	10,000.00	20,905.29	(10,905.29)
Scholarship	-	-	-	602.25	(602.25)
Total support services	420,274.00	41,285.72	461,559.72	356,283.58	105,276.14
Facilities acquisition and construction services:					
Instructional Equipment	5,000.00	-	5,000.00	-	5,000.00
Non-Instructional Equipment	20,000.00	2,649.04	22,649.04	18,549.04	4,100.00
Total facilities acquisition and construction services	25,000.00	2,649.04	27,649.04	18,549.04	9,100.00
Total expenditures	918,030.00	140,730.23	1,058,760.23	784,229.10	274,531.13
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	(3,817.99)	(3,817.99)
Fund Balance, July 1				\$ 45,184.72	
Fund Balance, June 30				\$ 41,366.73	

City of Estell Manor School District
Required Supplementary Information
Budgetary Comparison Schedule
Note 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 Expenditure:

		<u>General Fund</u>	<u>Special Revenue</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1; C-2	\$ 5,355,993.04	780,411.11
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			61,908.23
Current Year			-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		193,898.00	28,297.00
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		<u>(171,364.00)</u>	<u>(26,841.00)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	<u>5,378,527.04</u>	<u>843,775.34</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1; C-2	5,216,770.12	784,229.10
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			61,908.23
Current Year			-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	<u>\$ 5,216,770.12</u>	<u>846,137.33</u>

Required Supplemental Information
Part III

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CITY OF ESTELL MANOR 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)	0.00262702130%	0.00262356540%	0.00300251500%	0.00396502236%	0.00251709870%	0.0025457873%	0.0025769835%	0.0035307508%	0.0035307508%	0.0034296882%
District's proportionate of the net pension liability (asset)	\$ 396,454	310,801.00	489,632	714,437	495,604	599,881	899,997	731,459	661,053	655,482
District's covered payroll	228,163	209,234	225,444	211,019	290,045	268,434	not available	not available	not available	not available
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.76%	148.54%	217.19%	338.57%	170.87%	223.47%				
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

CITY OF ESTELL MANOR 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	\$ 33,128.00	30,725.00	32,846.00	38,568.00	25,037.00	23,873.00	26,996.00	50,005.00	29,107.00	25,842.00
Contributions in relation to the contractually required contribution	\$ 33,128.00	30,725.00	32,846.00	38,568.00	25,037.00	23,873.00	26,996.00	50,005.00	29,107.00	25,842.00
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 228,163.00	209,234.00	225,444.00	211,019.00	290,045.00	268,434.00	not available	not available	not available	not available
Contributions as a percentage of covered-employee payroll	15%	15%	15%	18%	9%	8.89%	0.00%	0.00%	0.00%	0.00%

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

CITY OF ESTELL MANOR 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	\$ 6,088,653.00	5,815,698.00	7,787,609.00	7,766,283.00	8,166,692.00	7,988,274.00	9,980,935.00	8,194,839.00	6,450,153.00	6,166,012.00
Total	\$ 6,088,653.00	5,815,698.00	7,787,609.00	7,766,283.00	8,166,692.00	7,988,274.00	9,980,935.00	8,194,839.00	6,450,153.00	6,166,012.00
District's covered payroll	\$ 1,629,654.00	1,359,926.00	1,453,402.00	1,337,260.00	1,319,857.00	1,279,250.00	1,275,418.82	1,285,356.11	1,202,581.55	1,296,712.86
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

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

CITY OF ESTELL MANOR 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	<u>\$ 7,366,249.00</u>	<u>9,027,297.00</u>	<u>10,448,497.00</u>	<u>6,365,355.00</u>	<u>6,894,075.00</u>	<u>9,304,266.00</u>	<u>10,158,543.00</u>
Total	<u>\$ 7,366,249.00</u>	<u>9,027,297.00</u>	<u>10,448,497.00</u>	<u>6,365,355.00</u>	<u>6,894,075.00</u>	<u>9,304,266.00</u>	<u>10,158,543.00</u>
District's covered payroll	1,857,817.00	1,569,160.00	1,678,846.00	1,548,279.00	1,609,902.00	1,547,684.00	not available
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	308,370.00	372,032.00					
Interest Cost	195,214.00	234,178.00					
Change in Benefit Terms	-	(9,608.00)					
Differences between Expected & Actual	(1,408.00)	(1,848,229.00)					
Changes in Assumptions	(1,976,062.00)	8,906.00					
Member Contributions	6,203.00	5,987.00					
Benefit Payments	(193,365.00)	(184,466.00)					
Change in Total OPEB liability	<u>(1,661,048.00)</u>	<u>(1,421,200.00)</u>					
State's proportionate share of the net OPEB liability (asset) associated with the District							
Beginning Balance	<u>9,027,297.00</u>	<u>10,448,497.00</u>					
Ending Balance	<u>\$ 7,366,249.00</u>	<u>\$ 9,027,297.00</u>					

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.

Other Supplementary Information

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SPECIAL REVENUE FUND

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CITY OF ESTELL MANOR SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Title I	Title II	Title IV	ARP ESSER III	CRRSA Act ESSER II Learning Acceleration	CRRSA Act ESSER II Summer Learning	CRRSA Act ESSER II Mental Health	IDEA Basic	IDEA Preschool
REVENUES:									
Federal Sources	\$ 83,136.00	6,374.50	20,000.00	202,011.93	13,727.00	21,561.72	44,999.00	60,671.00	1,820.00
State Sources									
Local Sources									
Total revenues	83,136.00	6,374.50	20,000.00	202,011.93	13,727.00	21,561.72	44,999.00	60,671.00	1,820.00
EXPENDITURES									
Instruction:									
Salaries of teachers	55,057.00			13,408.80		20,000.00			
Other salaries for instruction									
Purchased prof. and technical services									
Tuition					2,477.00			60,671.00	1,820.00
Other purchased services			20,000.00	31,400.69		1,561.72			
General supplies									
Other objects									
Total instruction	55,057.00	-	20,000.00	44,809.49	2,477.00	21,561.72	-	60,671.00	1,820.00
Support services:									
Salaries of supervisors of instruction									
Salaries of Program Directors									
Salaries of Secretary and Clerical Assistants									
Other salaries	28,079.00	6,374.50		11,250.00	11,250.00		31,034.00		
Personal services- employee benefits							13,965.00		
Purchased professional & technical services									
Purchased Property Services									
Other Purchased Services				109,024.68					
Supplies and materials				7,618.96					
Other objects									
Student activities									
Scholarship									
Total support services	28,079.00	6,374.50	-	141,302.44	11,250.00	-	44,999.00	-	-
Facilities acquisition and const. serv.:									
Instructional equipment									
Non-Instructional Equipment				15,900.00					
Total facilities acquisition and construction services	-	-	-	15,900.00	-	-	-	-	-
Transfer to Charter Schools									
Total expenditures	83,136.00	6,374.50	20,000.00	202,011.93	13,727.00	21,561.72	44,999.00	60,671.00	1,820.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-	-	-	-	-

CITY OF ESTELL MANOR SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	REAP	Total Federal Projects	Preschool Education	Climate Control	Total State Projects	Student Activities	Scholarship Trust	Total Local Projects	Total
REVENUES:									
Federal Sources	17,629.00	471,930.15	-	6,600.00	-	17,387.30	302.25	-	471,930.15
Slate Sources	-	-	250,799.41	-	33,392.00	-	-	-	257,399.41
Local Sources	-	-	33,392.00	-	-	17,387.30	302.25	17,689.55	51,081.55
Total revenues	17,629.00	471,930.15	284,191.41	6,600.00	290,791.41	17,387.30	302.25	17,689.55	780,411.11
EXPENDITURES									
Instruction:									
Salaries of teachers		88,465.80	62,000.00	-	62,000.00	-	-	-	150,465.80
Other salaries for instruction		-	21,000.00	-	21,000.00	-	-	-	21,000.00
Purchased prof. and technical services		-	1,000.00	-	1,000.00	-	-	-	1,000.00
Tuition		62,491.00	66,498.00	-	66,498.00	-	-	-	128,989.00
Other purchased services		2,477.00	-	-	-	-	-	-	2,477.00
General supplies	17,629.00	70,591.41	27,773.27	6,600.00	34,373.27	-	-	-	104,964.68
Other objects	-	-	500.00	-	500.00	-	-	-	500.00
Total instruction	17,629.00	224,025.21	178,771.27	6,600.00	185,371.27	-	-	-	409,396.48
Support services:									
Salaries of supervisors of instruction		-	10,000.00	-	10,000.00	-	-	-	10,000.00
Salaries of Program Directors		-	15,500.00	-	15,500.00	-	-	-	15,500.00
Salaries of Secretary and Clerical Assistants		-	4,275.00	-	4,275.00	-	-	-	4,275.00
Other salaries		44,442.80	8,250.00	-	8,250.00	-	-	-	52,692.80
Personal services- employee benefits		64,544.00	39,292.00	-	39,292.00	-	-	-	103,836.00
Purchased professional & technical services		6,374.50	454.10	-	454.10	-	-	-	6,828.60
Purchased Property Services		-	-	-	-	-	-	-	-
Other Purchased Services		109,024.68	25,000.00	-	25,000.00	-	-	-	134,024.68
Supplies and materials		7,618.96	-	-	-	-	-	-	7,618.96
Other objects		-	-	-	-	20,905.29	-	-	20,905.29
Student activities		-	-	-	-	-	602.25	602.25	602.25
Scholarship		-	-	-	-	-	-	-	-
Total support services	-	232,004.94	102,771.10	-	102,771.10	20,905.29	602.25	21,507.54	356,283.58
Facilities acquisition and const. serv.:									
Instructional equipment		-	2,649.04	-	2,649.04	-	-	-	2,649.04
Non-instructional Equipment		15,900.00	-	-	-	-	-	-	15,900.00
Total facilities acquisition and construction services	-	15,900.00	2,649.04	-	2,649.04	-	-	-	18,549.04
Transfer to Charter Schools		-	-	-	-	-	-	-	-
Total expenditures	17,629.00	471,930.15	284,191.41	6,600.00	290,791.41	20,905.29	602.25	21,507.54	784,229.10
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	(3,517.99)	(300.00)	(3,817.99)	(3,817.99)
Fund Balance, July 1	-	-	-	-	-	40,841.14	-	45,184.72	45,184.72
Fund Balance, June 30	-	-	-	-	-	37,123.15	4,243.58	41,366.73	41,366.73

CITY OF ESTELL MANOR SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2023

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 62,000.00	62,000.00	-
Other Salaries for Instruction	21,000.00	21,000.00	-
Other Purchased Services	1,000.00	1,000.00	-
Tuition	67,475.00	66,498.00	977.00
General Supplies	31,499.96	27,773.27	3,726.69
Other Objects	500.00	500.00	-
Total Instruction	183,474.96	178,771.27	4,703.69
Support Services:			
Salaries of Other Professional Staff			-
Salaries of Program Directors	15,500.00	15,500.00	-
Salaries of Supervisors of Instruction	10,000.00	10,000.00	-
Salaries of Secretarial and Clerical Assistants	4,275.00	4,275.00	-
Other Salaries	6,250.00	6,250.00	-
Salaries of Family/Parent Liaison	2,000.00	2,000.00	-
Personal Services - Employee Benefits	39,292.00	39,292.00	-
Other Purchased Services	5,000.00	454.10	4,545.90
Transportation	53,000.00	25,000.00	28,000.00
General Supplies	500.00		500.00
Other Objects	500.00		500.00
Total Support Services	136,317.00	102,771.10	33,545.90
Facilities Acquisition and Construction Services			
Non-Instructional Equipment	5,000.00		5,000.00
Instructional Equipment	2,649.04	2,649.04	-
Total Facilities Acquisition and Construction Ser.	7,649.04	2,649.04	5,000.00
Total Expenditures	\$ 327,441.00	284,191.41	43,249.59

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-23 Preschool Aid Allocation	\$ 269,900.00
Adjustments	-
Add: Actual ECPA Carryover June 30, 2022	26,408.12
Add: Budgeted Transfer from the General Fund	33,392.00
Total Preschool Education Aid Funds Available for 2022-23 Budget	329,700.12
Less: 2022-23 Budgeted Preschool Education Aid	(327,441.00)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	2,259.12
Add: June 30, 2023 Unexpended Preschool Education Aid	43,249.59
2022-23 Actual Carryover - Preschool Education Aid	\$ 45,508.71
2022-23 Preschool Education Aid Carryover Budgeted for 2023-24	\$ -

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CAPITAL PROJECTS FUND

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City of Estell Manor School District
 Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2023

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2023
			Prior Years	Current Year	
HVAC Replacement	11/4/14	1,420,934.01	1,377,008.90		43,925.11
Roof Replacement	11/4/14	534,181.05	562,164.82		(27,983.77)
Emergency Generator	11/4/14	172,252.44	159,398.22		12,854.22
		\$ 2,127,367.50	2,098,571.94	-	28,795.56

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

Revenues and Other Financing Sources	
State Sources	
SCC Grant	\$ -
Bond proceeds and transfers	-
Other	<u> </u>
Total revenue	<u> -</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	-
Land and improvements	-
Construction Services	-
Equipment Purchases	<u> -</u>
Total expenditures	<u> -</u>
Excess (deficiency) of revenues over (under) expenditures	-
Fund balance - beginning	<u> 28,815.08</u>
Fund balance - ending	<u> \$ 28,815.08</u>

**City of Estell Manor School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
HVAC Replacement, Roof Replacement and Emergency Generator
From Inception and for the Year Ended June 30, 2023**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State sources				
Schools Construction Corp (SCC) Grant	\$ 740,367.10		740,367.10	740,367.10
Bond proceeds and transfers				
City of Estell Manor	1,234,000.00		1,234,000.00	1,234,000.00
Transfer from Capital Reserve	153,000.00		153,000.00	153,000.00
Total revenue	2,127,367.10	-	2,127,367.10	2,127,367.10
Expenditures and Other Financing Uses:				
Purchased professional and technical services	176,811.68		176,811.68	132,925.00
Land and improvements	-		-	
Construction services	1,889,523.89		1,889,523.89	1,649,681.20
Miscellaneous	32,235.97		32,235.97	344,760.90
Total expenditures	2,098,571.54	-	2,098,571.54	2,127,367.10
Excess (deficiency) of revenues over (under) expenditures	\$ 28,795.56	-	28,795.56	-

Additional project information:

Project number	
HVAC Replacement	1410-050-14-1001-G04
Roof Replacement	1410-050-14-1002-G04
Emergency Generator	1410-050-14-1003-G04
Grant date	
Bond authorization date	11/4/2014
Bond authorized	1,234,000.00
Bonds issued	1,234,000.00
Original authorized cos	2,170,994.00
Additional authorized cos	(43,626.90)
Revised authorized cos	2,127,367.10
Percentage increase over original cos	-2.01%
Percentage completion	100%
Original target completion date	
Revised target completion date	

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PROPRIETARY FUNDS

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CITY OF ESTELL MANOR SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
June 30, 2023

	Food Service	Playgroup Childcare	2023
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 64,501.29	77,968.48	142,469.77
Interfund Accounts Receivable			-
Accounts Receivable:			
State	68.20	-	68.20
Federal	2,415.41	-	2,415.41
Other	2,117.32	-	2,117.32
Inventories	3,744.93	-	3,744.93
Total Current Assets	<u>72,847.15</u>	<u>77,968.48</u>	<u>150,815.63</u>
Fixed Assets:			
Equipment	16,704.74	-	16,704.74
Accumulated depreciation	(13,318.94)	-	(13,318.94)
Total Fixed Assets	<u>3,385.80</u>	<u>-</u>	<u>3,385.80</u>
Total assets	<u>76,232.95</u>	<u>77,968.48</u>	<u>154,201.43</u>
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	5,495.39		5,495.39
Interfund payable		26,357.89	26,357.89
Deferred revenue	1,382.20		1,382.20
Total current liabilities:	<u>6,877.59</u>	<u>26,357.89</u>	<u>33,235.48</u>
Total liabilities	<u>6,877.59</u>	<u>26,357.89</u>	<u>33,235.48</u>
Net Position			
Invested in capital assets, net of related debt	3,385.80	-	3,385.80
Unrestricted net position	65,969.56	51,610.59	117,580.15
Total net position	<u>69,355.36</u>	<u>51,610.59</u>	<u>120,965.95</u>
Total liabilities and net position	<u>\$ 76,232.95</u>	<u>77,968.48</u>	<u>154,201.43</u>

CITY OF ESTELL MANOR SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year ended June 30, 2023

	Food Service	Playgroup Childcare	2023
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Program:	\$ 32,579.04	-	32,579.04
Daily Sales - Non-Reimbursable Program:	8,937.26	-	8,937.26
Community Service Activities:		38,145.50	38,145.50
Miscellaneous	6,067.00	-	6,067.00
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	47,583.30	38,145.50	85,728.80
OPERATING EXPENSES:			
Salaries	37,091.17	24,124.12	61,215.29
Employee benefits	7,021.27		7,021.27
Supplies and materials	3,380.43		3,380.43
Cost of sales - Reimbursable	36,876.61		36,876.61
Cost of sales - Non Reimbursable	4,918.53		4,918.53
General expense	5,292.99		5,292.99
Management Fee	11,524.00		11,524.00
Depreciation	1,012.10		1,012.10
	<hr/>	<hr/>	<hr/>
Total operating expenses	107,117.10	24,124.12	131,241.22
Operating income (loss)	<u>(59,533.80)</u>	<u>14,021.38</u>	<u>(45,512.42)</u>
Nonoperating revenues:			
State sources			
State school lunch program	893.30		893.30
State school breakfast program	35.20		35.20
Federal sources			
Nutrition reimbursements	-		-
National school lunch program	29,526.04		29,526.04
National school breakfast program	10,230.16		10,230.16
Healthy Hunger Free Kids Act	1,107.52		1,107.52
USDA commodities	15,170.42		15,170.42
Supply Chain Assistance	23,199.33		23,199.33
Interest Revenues	32.90	39.48	72.38
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues	80,194.87	39.48	80,234.35
Net income (loss) before operating transfers	20,661.07	14,060.86	34,721.93
Other Financing Sources/(Uses)			
Cancellation of Prior Receivables			-
Adjustment to Fixed Assets			-
Transfer in from General Fund			-
	<hr/>	<hr/>	<hr/>
Net Income (Loss)	20,661.07	14,060.86	34,721.93
Unrestricted net position, July 1	48,694.29	37,549.73	86,244.02
	<hr/>	<hr/>	<hr/>
Unrestricted net position/(deficit) June 30	<u>\$ 69,355.36</u>	<u>51,610.59</u>	<u>120,965.95</u>

City of Estell Manor School District
Combining Schedule of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>	<u>Playgroup Childcare</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 45,471.08	38,145.50	83,616.58
Payments to employees	(44,112.44)	(24,124.12)	(68,236.56)
Payments to suppliers	(48,686.27)	-	(48,686.27)
Net cash provided by/(used for) operating activities	<u>(47,327.63)</u>	<u>14,021.38</u>	<u>(33,306.25)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	1,258.36		1,258.36
Federal Sources	87,347.82		87,347.82
Operating subsidies and transfers from other funds	-		-
Net cash provided by non-capital financing activities	<u>88,606.18</u>	<u>-</u>	<u>88,606.18</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	-	-
Net cash (used) by capital & related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interfund loans			-
Interest and dividends	32.90	39.48	72.38
Net cash provided by investing activities	<u>32.90</u>	<u>39.48</u>	<u>72.38</u>
Net increase in cash and cash equivalents	41,311.45	14,060.86	55,372.31
Balances—beginning of year	23,189.84	63,907.62	87,097.46
Balances—end of year	<u>64,501.29</u>	<u>77,968.48</u>	<u>142,469.77</u>
Reconciliation of operating income (loss) to net cash provided			
(used) by operating activities:			
Operating income/(loss)	(59,533.80)	14,021.38	(45,512.42)
Adjustments to reconcile operating (loss) to net cash provided by/(used for) operating activities			
Depreciation expense	1,012.10	-	1,012.10
Federal commodities	15,170.42		15,170.42
(Increase)/decrease in accounts receivable	(2,112.22)	-	(2,112.22)
Decrease in inventories	(955.67)		(955.67)
Increase in deferred revenue	340.84	-	340.84
Increase/(decrease) in deposits payable		-	-
Increase/(decrease) in accounts payable	(1,249.30)	-	(1,249.30)
Increase in compensated absences payable	-		-
Total adjustments	<u>12,206.17</u>	<u>-</u>	<u>12,206.17</u>
Net cash provided by/(used for) operating activities	<u>\$ (47,327.63)</u>	<u>14,021.38</u>	<u>(33,306.25)</u>

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LONG-TERM DEBT

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City of Estell Manor School District
 Long-Term Debt
 Schedule of General Serial Bonds
 For the Fiscal Year Ended June 30, 2023

I-1

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2023			Interest Rate	Balance June 30, 2022	Increased	Decreased	Balance June 30, 2023
			Date	Amount	Rate					
School Additions	7/15/2015	\$ 1,234,000	7/15/2023	95,000	3.125%	845,000.00	-	90,000.00	755,000.00	
			7/15/2024	95,000	3.125%					
			7/15/2025	95,000	3.125%					
			7/15/2026	95,000	3.125%					
			7/15/2027	95,000	3.125%					
			7/15/2028	95,000	3.250%					
			7/15/2029	95,000	3.250%					
			7/15/2030	90,000	3.250%					
						845,000.00	-	90,000.00	755,000.00	
Total Bond Issue						845,000.00	-	90,000.00	755,000.00	

**City of Estell Manor School District
Long-Term Debt
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 117,994.00		117,994.00	117,994.00	-
Total Revenues	<u>117,994.00</u>	<u>-</u>	<u>117,994.00</u>	<u>117,994.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	27,994.00		27,994.00	25,293.76	2,700.24
Redemption of Principal	90,000.00		90,000.00	90,000.00	-
Total Regular Debt Service	<u>117,994.00</u>	<u>-</u>	<u>117,994.00</u>	<u>115,293.76</u>	<u>2,700.24</u>
Total Expenditures	<u>117,994.00</u>	<u>-</u>	<u>117,994.00</u>	<u>115,293.76</u>	<u>2,700.24</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,700.24</u>	<u>2,700.24</u>
Other Financing Sources (Uses):					
Operating Transfers In:					
Transfer from Other Funds			-		-
Transfer from Capital Reserve			-		-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,700.24</u>	<u>2,700.24</u>
Fund Balance, July 1	0.85		0.85	0.85	-
Fund Balance, June 30	<u>0.85</u>	<u>-</u>	<u>0.85</u>	<u>2,701.09</u>	<u>2,700.24</u>

Statistical Section

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CITY OF ESTELL MANOR SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets	\$ 3,804,962.59	3,896,642.11	4,551,478.89	4,692,469.75	5,883,049.96	5,696,309.17	5,509,636.41	5,325,464.72	5,347,930.74	5,277,897.98
Restricted	335,383.64	458,793.79	1,205,297.00	1,159,791.78	1,339,677.51	1,315,255.64	1,612,321.97	2,232,291.42	1,582,644.32	1,691,199.49
Unrestricted	(48,753.95)	(662,275.81)	(767,363.40)	(798,675.15)	(1,988,260.07)	(1,836,804.74)	(1,798,917.95)	(2,188,536.87)	(1,511,732.37)	(1,296,946.98)
Total governmental activities net position	4,091,592.28 *	3,693,160.09	4,989,412.49	5,053,586.38	5,234,467.40	5,174,760.07	5,323,040.43	5,389,219.27	5,418,842.69	5,672,150.49
Business-type activities										
Invested in capital assets	4,030.20	3,582.40	3,134.60	2,886.80	2,239.00	1,791.20	6,422.10	5,410.00	4,397.90	3,385.80
Unrestricted	(732.86)	(5,396.43)	1,159.61	2,969.88	1,964.39	8,807.95	19,121.93	31,590.27	81,846.12	117,580.15
Total business-type activities net position	3,297.34	(1,814.03)	4,294.21	5,856.68	4,203.39	10,599.15	25,544.03	37,000.27	86,244.02	120,965.95
District-wide										
Invested in capital assets	3,808,992.79	3,900,224.51	4,554,613.49	4,695,156.55	5,885,288.96	5,698,100.37	5,516,058.51	5,330,874.72	5,352,328.64	5,281,283.78
Restricted	335,383.64	458,793.79	1,205,297.00	1,159,791.78	1,339,677.51	1,315,255.64	1,612,321.97	2,232,291.42	1,582,644.32	1,691,199.49
Unrestricted	(49,486.81)	(667,672.24)	(766,203.79)	(795,705.27)	(1,986,295.68)	(1,827,956.79)	(1,779,796.02)	(2,136,946.60)	(1,429,886.25)	(1,179,366.83)
Total district net position	\$ 4,094,889.62	3,691,346.06	4,993,706.70	5,059,243.06	5,238,670.79	5,185,389.22	5,348,584.46	5,426,219.54	5,505,086.71	5,793,116.44

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

Source: ACFR Schedule A-1

CITY OF ESTELL MANOR SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction	1,408,027.19	1,540,622.84	2,355,644.42	2,368,961.49	2,338,331.70	1,700,587.86	1,847,914.32	1,970,083.57	1,824,793.66	1,360,087.20
Regular	319,473.64	322,622.20	224,132.84	238,235.28	232,834.31	234,076.23	298,723.13	469,307.93	1,072,549.84	900,491.02
Special education	10,223.98	14,360.29	75,486.07	79,638.32	117,791.78	135,084.01	124,069.00	124,550.96	131,595.40	84,137.49
Other special instruction					9,935.30	4,387.53	29,988.53	986.67	22,741.09	4,210.26
Support Services:										
Tuition	1,246,322.16	1,122,655.39	627,909.59	936,458.12	797,157.31	1,045,581.62	992,586.16	977,361.45	960,014.40	812,101.14
Student & instruction related services	452,117.02	426,688.67	555,987.61	667,175.22	594,087.40	494,357.50	583,194.36	734,314.00	823,163.23	944,690.08
General administrative services	110,389.14	149,014.56	194,727.03	173,423.05	162,608.57	127,074.06	123,351.94	158,893.62	225,501.46	92,514.29
School administrative services	122,362.71	135,615.21	200,323.95	195,736.51	304,276.46	225,996.47	212,401.73	352,883.75	285,277.68	325,696.98
Admin Information Technology									8,365.58	#REF!
Central Services	106,801.12	114,117.36	121,602.57	105,164.83						
Plant operations and maintenance	480,158.62	384,794.25	377,311.42	395,957.36	683,426.79	519,043.87	443,162.22	527,754.30	546,260.63	555,590.03
Pupil transportation	243,779.47	249,402.21	267,684.80	276,796.19	263,537.48	375,209.66	261,536.40	434,095.62	401,969.96	420,068.76
Capital outlay	14,871.00	14,871.00	14,871.00	14,871.00	25,819.97	14,871.00	14,871.00	21,459.00	28,846.00	21,198.08
Charter School			16,738.00	55,314.00		36,926.00				
Interest on Debt	24,113.62	15,913.62	48,348.38	46,935.01					26,170.87	24,056.26
Depreciation	133,637.22	130,499.62	134,504.03	134,504.01						
Total governmental activities expenses	4,672,246.89	4,621,157.22	5,215,251.71	5,683,172.39	5,529,807.37	4,913,195.81	4,954,847.79	5,848,764.87	6,254,049.80	#REF!
Business-type activities:										
Food Service	87,691.10	104,593.00	108,925.75	114,485.67	102,116.20	104,095.12	91,745.25	97,699.91	117,751.99	107,117.10
Community Service Programs					17,006.94	18,742.38	13,758.90		18,936.60	24,124.12
Total business-type activities expense	87,691.10	104,593.00	108,925.75	114,485.67	119,123.14	122,837.50	105,504.15	97,699.91	136,688.59	131,241.22
Total district expenses	4,759,937.99	4,725,750.22	5,324,177.46	5,803,658.06	5,648,930.51	5,036,033.31	5,060,351.94	5,946,464.78	6,390,738.39	#REF!
Program Revenues										
Governmental activities:										
Charges for services					35.00					
Operating grants and contributions	382,807.78	837,903.93	1,144,823.11	1,214,957.48	1,102,865.71	245,070.89	508,054.12	1,110,483.51	1,634,708.42	1,112,404.64
Total governmental activities program revenues	382,807.78	837,903.93	1,144,823.11	1,214,957.48	1,102,900.71	245,070.89	508,054.12	1,110,483.51	1,634,708.42	1,112,404.64
Business-type activities:										
Charges for services										
Food Service	54,804.60	64,706.35	67,604.30	77,376.76	56,234.07	54,274.03	37,526.96	283.58	5,199.18	47,583.30
Community Service Programs					15,975.00	25,607.50	17,971.87	17,710.00	28,625.50	38,145.50
Operating grants and contributions	31,295.49	32,264.11	41,413.84	38,296.93	45,436.50	49,374.60	64,915.62	91,136.34	152,474.46	80,161.97
Total business type activities program revenues	86,100.09	96,970.46	109,018.14	115,673.69	117,645.57	129,256.13	120,414.45	109,129.92	186,299.14	165,890.77
Total district program revenues	468,907.87	934,874.39	1,253,841.25	1,330,631.17	1,220,546.28	374,327.02	628,468.57	1,219,613.43	1,821,007.56	1,278,295.41

CITY OF ESTELL MANOR SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental activities	(4,289,439.11)	(3,783,253.29)	(4,070,428.60)	(4,474,214.91)	(4,474,214.91)	(4,668,124.92)	(4,446,793.67)	(4,738,281.36)	(4,619,341.38)	#REF!
Business-type activities	(1,591.01)	(7,622.54)	92.39	1,188.02	(1,477.57)	6,418.63	14,910.30	11,430.01	49,610.55	34,649.55
Total district-wide net expense	(4,291,030.12)	(3,790,875.83)	(4,070,336.21)	(4,473,026.89)	(4,475,692.48)	(4,661,706.29)	(4,431,883.37)	(4,726,851.35)	(4,569,730.83)	#REF!
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	2,375,949.00	2,367,749.00	2,373,649.00	2,369,139.04	2,354,957.00	2,374,305.00	2,504,678.00	2,603,143.00	2,655,268.00	2,706,013.00
Unrestricted grants and contributions	2,021,503.00	1,617,439.80	2,966,086.87	2,135,868.00	2,212,987.96	2,211,186.00	1,975,966.00	1,979,932.00	1,946,841.00	2,010,760.00
Transportation Fees										
Investment earnings	73.96	321.70	50.00	1,270.06	-	1,720.58	-	-	-	-
Miscellaneous income	30,124.06	27,813.78	32,895.13	32,121.70	20,494.72	21,206.01	20,642.36	8,131.64	46,855.80	26,071.75
Debt service assessment										
Special items										
Transfers	(4,373.40)	(2,500.00)	(6,000.00)	-	-	-	-	-	-	-
Total governmental activities	4,423,276.62	4,010,824.28	5,366,681.00	4,538,388.80	4,588,439.68	4,608,417.59	4,501,286.36	4,591,206.64	4,648,964.80	4,742,844.75
Business-type activities:										
Investment earnings	1.10	11.17	15.85	174.45	24.28	35.06	34.58	26.23	39.55	72.38
Other adjustments						(57.93)			(406.35)	
Transfers	4,373.40	2,500.00	6,000.00	-	-					
Total business-type activities	4,374.50	2,511.17	6,015.85	174.45	24.28	(22.87)	34.58	26.23	(366.80)	72.38
Total district-wide	4,427,651.12	4,013,335.45	5,372,696.85	4,538,563.25	4,588,463.96	4,608,394.72	4,501,320.94	4,591,232.87	4,648,598.00	4,742,917.13
Change in Net Position										
Governmental activities	133,837.51	227,570.99	1,296,252.40	64,173.89	64,173.89	(59,707.33)	54,492.69	(147,074.72)	29,623.42	#REF!
Business-type activities	2,783.49	(5,111.37)	6,108.24	1,362.47	(1,453.29)	6,395.76	14,944.88	11,456.24	49,243.75	34,721.93
Total district	136,621.00	222,459.62	1,302,360.64	65,536.36	62,720.60	(53,311.57)	69,437.57	(135,618.48)	78,867.17	#REF!

Source: ACFR Schedule A-2

CITY OF ESTELL MANOR SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 315,868.57	365,464.65	779,097.97	1,086,895.90	1,131,198.31	876,768.41	1,078,034.47	2,035,842.70	1,399,030.95	1,556,379.97
Assigned	19,515.38	18,934.95	290,777.85	44,100.63	150,857.99	380,865.78	476,665.83	49,880.21	11,049.62	7,879.15
Unassigned	45,769.94	62,040.00	57,723.00	56,567.00	45,579.00	94,505.00	83,191.00	(431,010.81)	63,980.00	82,672.00
Reserved										
Unreserved										
Total general fund	381,153.89	446,439.60	1,127,598.82	1,187,563.53	1,327,635.30	1,352,139.19	1,637,891.30	1,654,712.10	1,474,060.57	1,646,931.12
All Other Governmental Funds										
Restricted	(0.31)	74,394.19	135,421.18	28,795.25	28,810.57	28,810.81	28,811.03	28,811.25	28,815.93	31,516.17
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	46,950.95	16,887.72	14,525.73
Capital Projects										
Debt Service										
Total all other governmental funds \$	(0.31)	74,394.19	135,421.18	28,795.25	28,810.57	28,810.81	28,811.03	75,762.20	45,703.65	46,041.90

Source: ACFR Schedule B-1

CITY OF ESTELL MANOR SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 2,375,949.00	2,367,749.00	2,373,649.00	2,369,139.04	2,374,305.00	2,374,305.00	2,504,678.00	2,603,143.00	2,655,268.00	2,706,013.00
Tuition charges					35.00					
Interest earnings	73.96	321.70	50.00	1,270.06			20,642.36	8,131.64	46,855.80	26,071.75
Miscellaneous	30,124.06	27,813.78	32,894.43	37,529.70	20,494.72			12,305.38	15,293.45	51,081.55
Local sources				15.08				2,552,739.12	2,857,143.75	3,047,440.70
State sources	2,295,061.21	2,352,465.30	3,178,847.87	2,474,829.17	2,532,012.96	2,680,135.36	2,441,879.44	123,013.00	393,765.37	509,689.38
Federal sources	109,249.57	102,878.43	102,209.34	120,650.31	63,026.64	11,012.53	1,166.69	5,299,332.14	5,968,326.37	6,340,296.38
Total revenue	4,870,457.80	4,851,228.21	5,687,650.64	5,003,418.28	4,989,889.40	5,088,379.48	4,978,856.49	5,299,332.14	5,968,326.37	6,340,296.38
Expenditures										
Instruction										
Regular instruction	1,107,898.40	1,090,031.43	1,176,923.99	1,247,826.28	1,223,699.84	1,154,229.78	1,130,836.13	1,169,712.02	1,120,215.54	1,145,728.71
Special education instruction	238,759.30	227,961.24	113,102.85	125,759.08	121,847.26	158,157.22	183,749.79	278,253.10	658,423.48	696,862.45
Other special instruction					61,643.00	91,271.60	76,317.00	73,846.38	80,784.60	65,111.42
Other instruction					5,199.36	2,964.51	18,446.46	585.00	13,960.44	3,258.20
Nonpublic school programs	10,223.98	14,360.29	75,486.07	79,638.32						
Support Services:										
Tuition	1,246,322.16	1,122,655.39	627,909.59	936,458.12	749,682.31	1,008,655.62	969,517.16	900,287.45	864,173.40	755,001.14
Student & Instruction related services	337,890.61	301,479.32	280,554.70	352,186.89	310,898.86	334,020.29	356,572.20	466,835.23	512,661.46	740,543.23
General administrative services	82,477.14	105,292.02	98,263.97	91,547.21	98,610.18	99,755.17	94,157.02	108,173.67	99,354.44	81,886.58
School administrative services	91,448.03	95,824.19	101,088.31	103,324.93	184,524.52	177,411.19	159,750.95	234,310.52	218,765.52	254,937.69
Central Services	106,801.12	114,117.36	121,602.57	105,164.83						
Plant operations and maintenance	467,443.62	384,794.25	377,311.42	395,957.36	439,244.28	407,457.72	355,509.33	334,466.34	355,450.82	390,980.38
Pupil transportation	243,779.47	249,402.21	267,684.80	276,796.19	263,537.48	375,209.66	261,536.40	434,095.62	401,969.96	420,068.76
Unallocated employee benefits	628,270.65	748,121.66	864,729.05	922,921.77	1,119,655.46	1,087,331.83	1,025,405.61	1,192,100.95	1,306,942.94	1,393,852.27
Capital outlay	27,586.00	137,050.64	1,928,211.11	180,365.87	13,383.00	14,871.00	14,871.00	21,459.00	279,325.92	36,069.08
Debt Service	126,158.00	117,958.00	123,858.00	176,818.65	210,401.76	115,613.76	117,153.78	115,618.78	117,983.76	115,293.76
Charter Schools			16,738.00	55,314.00	47,475.00	36,926.00	23,069.00	77,074.00	95,841.00	57,100.00
Total expenditures	4,715,058.48	4,709,048.00	6,173,464.43	5,050,079.50	4,849,802.31	5,063,875.35	4,786,891.83	5,406,818.06	6,125,863.28	6,156,693.67
Excess (Deficiency) of revenues over (under) expenditures	95,399.32	142,180.21	(485,813.79)	(46,661.22)	140,087.09	24,504.13	191,964.66	(107,485.92)	(157,536.91)	183,602.71
Other Financing sources (uses)										
City of Estel Manor Bond Proceeds			1,234,000.00							
Transfers out	(4,373.40)	(2,500.00)	(6,000.00)							
Total other financing sources (uses)	(4,373.40)	(2,500.00)	(6,000.00)							
Net change in fund balances	\$ 91,025.92	139,680.21	742,186.21	(46,661.22)	140,087.09	24,504.13	191,964.66	(107,485.92)	(157,536.91)	183,602.71
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: ACFR Schedule B-2

CITY OF ESTELL MANOR SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Prior Year Refunds	Misc.	Total
2014	73.96		30,124.06	30,198.02
2015	321.70		27,813.78	28,135.48
2016	50.00		32,894.43	32,944.43
2017	1,270.06		37,529.70	38,799.76
2018	388.02		20,106.70	20,494.72
2019	1,720.58		21,161.01	22,881.59
2020	1,932.27		18,710.09	20,642.36
2021	1,553.18		6,578.46	8,131.64
2022	877.39		45,978.41	46,855.80
2023	881.05		25,190.70	26,071.75

Source: District Records

CITY OF ESTELL MANOR SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land		Residential		Total Assessed Value	Taxable value of Locally Assessed Personal Property		Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	49,899,900		104,098,900		153,998,800	383,296			154,382,096	1.534	163,726,382
2015	50,024,100		104,105,500		154,129,600	385,512			154,515,112	1.536	164,116,482
2016	50,076,800		104,533,800		154,610,600				154,610,600	1.528	167,876,529
2017	49,873,300		104,047,800		153,921,100				153,921,100	1.539	160,066,269
2018	49,557,600		104,159,200		153,716,800		398,273		154,115,073	1.541	161,216,741
2019	49,235,300		104,886,700		154,122,000		492,570		154,614,570	1.619	170,207,198
2020	49,320,300		106,182,800		155,503,100		870,620		156,373,720	1.664	169,132,031
2021	49,160,300		106,869,300		156,029,600		913,847		156,943,447	1.691	172,038,702
2022	49,127,000		107,788,300		156,915,300		831,047		157,746,347	1.716	189,182,554
2023	48,731,500		108,495,700		157,227,200		779,300		158,006,500	1.824	204,198,108

Source: District records Tax list summary & Municipal Tax Assessc

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxa

Note:

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

b Tax rates are per \$100

CITY OF ESTELL MANOR SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	City of Estell Manor Board of Education			City of Estell Manor			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	City of Estell Manor	Local Municipal Library c	Atlantic County	
2014	1.534		1.534	0.253		0.507	2.294
2015	1.536		1.536	0.299		0.530	2.365
2016	1.528		1.528	0.308		0.559	2.395
2017	1.539		1.539	0.297		0.580	2.416
2018	1.541		1.541	0.299		0.581	2.421
2019	1.619		1.619	0.332		0.595	2.546
2020	1.664		1.664	0.343		0.579	2.586
2021	1.691		1.691	0.372		0.594	2.657
2022	1.716		1.716	0.402		0.626	2.744
2023	1.824		1.824	0.411		0.640	2.875

Source: District Records and Municipal Tax Collector

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.

- Note:**
- 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
 - c** Effective with the 2011 tax year the amount to be raised by taxation to fund municipal free libraries is displayed separately on the tax bill and the municipal tax levy and rate is reduced by this amount. Previously, the library tax was combined with the local tax levy on the tax bill

CITY OF ESTELL MANOR SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago
Unaudited

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Campground of Pleasant Valley LP	1,875,000	1	1.19%	Information not available		
Holiday Haven Campground LLC	1,408,000	2	0.89%			
MHC Mays Landing LLC	1,000,000	3	0.63%			
170 Estell Manor LLC	716,800	4	0.45%			
176 Route 50 LLC	675,000	5	0.43%			
Taxpayer #1	569,300	6	0.36%			
Taxpayer #2	519,100	7	0.33%			
M.H.S. LLC	500,000	8	0.32%			
Taxpayer #3	472,400	9	0.30%			
Tuckahoe Turf Farms Inc	459,800	10	0.29%			
Total	8,195,400		5.19%	-		0.00%
Total Assessed Value			158,006,500			154,382,096

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

CITY OF ESTELL MANOR SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for	Collected within the Fiscal Year of		Collections in Subsequent Years
	the Fiscal Year	the Levy	Percentage of Levy	
2014	2,375,949.00	2,375,949.00	100%	-
2015	2,367,749.00	2,367,749.00	100%	-
2016	2,373,649.00	2,373,649.00	100%	-
2017	2,369,139.04	2,369,139.04	100%	-
2018	2,354,957.00	2,354,957.00	100%	-
2019	2,354,957.00	2,354,957.00	100%	-
2020	2,487,524.00	2,487,524.00	100%	-
2021	2,487,524.00	2,487,524.00	100%	-
2022	2,537,274.00	2,537,274.00	100%	-
2023	2,588,019.00	2,588,019.00	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.

CITY OF ESTELL MANOR 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 ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	438,000.00	-	-	-	-	438,000.00	0.06%	251	
2015	338,000.00	-	-	-	-	338,000.00	0.06%	195	
2016	1,462,000.00	-	-	-	-	1,462,000.00	0.06%	848	
2017	1,352,000.00	-	-	-	-	1,352,000.00	0.06%	787	
2018	1,184,000.00	-	-	-	-	1,184,000.00	0.06%	693	
2019	1,104,000.00	-	-	-	-	1,104,000.00	0.06%	644	
2020	1,020,000.00	-	-	-	-	1,020,000.00	0.06%	590	
2021	935,000.00	-	-	-	-	935,000.00	0.06%	538	
2022	845,000.00	-	-	-	-	845,000.00	0.06%	506	
2023	755,000.00	-	-	-	-	755,000.00	0.000596303	450	

Source: District ACFR Schedules I-1 and City's Annual Debt Statement

^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

CITY OF ESTELL MANOR SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2014	438,000.00	-	438,000.00	0.28%	251
2015	338,000.00	-	338,000.00	0.22%	195
2016	1,462,000.00	-	1,462,000.00	0.95%	848
2017	1,352,000.00	-	1,352,000.00	0.88%	787
2018	1,184,000.00	-	1,184,000.00	0.77%	693
2019	1,104,000.00	-	1,104,000.00	0.71%	644
2020	1,020,000.00	-	1,020,000.00	0.65%	590
2021	935,000.00	-	935,000.00	0.60%	538
2022	845,000.00	-	845,000.00	0.54%	506
2023	845,000.00	-	845,000.00	0.53%	504

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.

CITY OF ESTELL MANOR SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Deb
As of June 30, 2023
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
City of Estell Manor	\$ -	100.00%	-
Atlantic County	215,921,220.56	0.51%	1,101,198.22
Other debt			
None			
Subtotal, overlapping debt			1,101,198.22
City of Estell Manor School District debt	755,000.00	100.00%	755,000.00
Total direct and overlapping debt			<u>\$ 1,856,198.22</u>

Sources: City of Estell Manor Finance Officer and Atlantic County Finance Officer

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 Estell Manor. 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 payee.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property value. 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.

CITY OF ESTELL MANOR SCHOOL DISTRICT
 Legal Debt Margin Informator
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 20:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	5,318,157.00	5,103,963.00	5,009,341.00	4,899,004.84	4,873,651.65	4,819,553.11	4,960,793.26	5,056,043.75	5,236,400.07	5,598,821.35
Total net debt applicable to limit	438,000.00	338,000.00	1,462,000.00	845,000.00	1,184,000.00	1,104,000.00	1,020,000.00	935,000.00	845,000.00	755,000.00
Legal debt margin	4,880,157.00	4,765,963.00	3,547,341.00	4,054,004.84	3,689,651.65	3,715,553.11	3,940,793.26	4,121,043.75	4,391,400.07	4,843,821.35
Total net debt applicable to the limit as a percentage of debt limit	8.24%	6.62%	29.19%	17.25%	24.29%	22.91%	20.56%	18.49%	16.14%	13.48%

	2022	2021	2020
Equalized valuation basis	202,680,573.00	186,973,757.00	170,227,805.00
	<u>559,882,135.00</u>	<u>186,627,378.33</u>	<u>186,627,378.33</u>
Average equalized valuation of taxable property			
Debt limit (3% of Net bonded school debt) Legal debt margin	5,598,821.35	845,000.00	4,753,821.35

Source: Abstract of Ratables and District Records ACFR Schedule J-1f

CITY OF ESTELL MANOR SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	1,742	70,469	40,453	10.10%
2015	1,737	70,953	40,848	8.60%
2016	1,724	72,313	41,945	7.70%
2017	1,717	73,786	42,974	7.70%
2018	1,709	75,630	44,254	8.00%
2019	1,715	79,845	46,557	6.70%
2020	1,729	84,147	48,668	5.40%
2021	1,738	87,997	50,631	12.90%
2022	1,670	93,189	55,802	9.50%
2023	1,677	97,786	58,310	5.20%

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 US Department of Commerce, Bureau of Economic Analysis,
November 2014

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

CITY OF ESTELL MANOR SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
Unaudited

Employer	2023			2014		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
	-		0.00%			-

Source: City of Estell Manor Chief Financial Officer

The City does not maintain the above statistical data

GASB requires this table to present the principal taxpayers for the current year and nine years ago, however information from 2001 was not available.

CITY OF ESTELL MANOR SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

<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	17.00	17.00	17.00	16.00	16.00	16.00	16.00	16.00	17.00	17.00
Special education	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Other special educator										
Other instruction										
Support Services:										
Student & instruction related services:	2.20	2.20	2.20	2.50	2.50	2.50	2.50	2.50	2.50	2.50
General administrative services:	1.30	1.30	1.30	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School administrative services:	1.80	1.80	1.80	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Business administrative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plant operations and maintenance	3.10	3.10	3.10	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Other										
Food Service										
Child Care										
Total	<u>28.40</u>	<u>28.40</u>	<u>28.40</u>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>29.00</u>	<u>29.00</u>

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

Source: District Personnel Records

CITY OF ESTELL MANOR SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year	Pupil/Teacher Ratio							Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary School	Intermediate School				
2014	174	4,561,314.00	26,214.45	13.57%	19.0			177	168	-6.35%	94.92%
2015	164	4,454,039.00	27,158.77	3.60%	19.0			164	155	-7.34%	94.51%
2016	169	4,127,395.00	24,422.46	-10.08%	19.0			171	162	4.27%	94.74%
2017	175	4,692,895.00	26,816.54	9.80%	18.0			174	162	1.75%	93.10%
2018	184	4,578,542.55	24,883.38	-7.21%	18.0			174	162	0.00%	93.10%
2019	183	4,578,542.55	25,019.36	0.55%	18.0			Not available	Not available		
2020	196	4,631,798.05	23,631.62	-5.55%	18.0			Not available	Not available		
2021	192	5,192,666.28	27,045.14	14.44%	18.0			Not available	Not available		
2022	195	5,632,702.60	28,885.65	6.81%	19.0			193	174		
2023	169	5,948,230.83	35,196.63	21.85%	19.0			195	179	0.03%	0.03%

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).

CITY OF ESTELL MANOR SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Estell Manor Elementary School										
Square Feet	43,366	43,366	43,366	43,366	43,366	43,366	43,366	43,366	43,366	43,366
Capacity (students)	877	877	877	877	877	877	877	877	877	877
Enrollment	177	164	171	174	184	183	196	192	181	194

Number of Schools at June 30, 2023:
 Elementary Schools - 1

Source: District records, ASSA

CITY OF ESTELL MANOR SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

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

School Facilities	Project #	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Facilities											
Estell Manor Schoo	N/A	116,305.00	116,671.00	119,423.00	98,421.00	106,629.12	141,722.32	106,985.49	115,625.08	93,745.07	140,464.51
Grand Total		<u>116,305.00</u>	<u>116,671.00</u>	<u>119,423.00</u>	<u>98,421.00</u>	<u>106,629.12</u>	<u>141,722.32</u>	<u>106,985.49</u>	<u>115,625.08</u>	<u>93,745.07</u>	<u>140,464.51</u>

**CITY OF ESTELL MANOR SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
Atlantic and Cape May Counties Schoo		
Business Officials Joint Insurance Func		
Property, Inland Marine and Automobile Physical Damage:		
Limit of Liability - Per Occurrence	\$ 150,000,000	
ACCASBOJIF Self Insured Retention - Per Occurrence	250,000	
Member District Deductible		\$ 500.00
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Member District Deductible		1,000.00
Crime		
Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Member District Deductible		500.00
General and Automobile Liability		
Limit of Liability	15,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Member District Deductible		-
Workers Compensation		
Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	
Member District Deductible		-
Educator's Legal Liability		
Limit of Liability	15,000,000	
ACCASBOJIF Self Insured Retention	175,000	
Member District Deductible		-
Pollution Legal Liability		
Limit of Liability	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Member District Deductible		25,000.00
Cyber Liability		
Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Member District Deductible		25,000.00
Western Surety Company		
Surety Bonds		
Treasurer	200,000	
Board Secretary/Business Administrator	148,000	

Source: District Records.

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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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
City of Estell Manor 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 City of Estell Manor School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Estell Manor School District's basic financial statements, and have issued our report thereon dated November 15, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Estell Manor 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

Michael S. Garcia

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

November 15, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

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

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

Basis for Opinion on Each Major Federal & State Program

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Estell Manor School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Estell Manor School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of City of Estell Manor 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

Michael S. Garcia

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

November 15, 2023

CITY OF ESTELL MANOR SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal CFDA Number	Federal Grantor/Pass-Through Grantor (U.S. Department of Agriculture)	Federal FAIN Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2022	Carryover Amount	Cash Received	Budgetary Expenditures			Adjustments	Repayment of Prior Year's Balances	(Accounts Receivable)	Balance at June 30, 2023
									Pass Through	Direct	Total				
U.S. Department of Agriculture															
Emergency Operational Costs Reimbursement															
10.555	2022Z1H170341			7/1/22 - 6/30/23	15,170.42	(25,700.18)	102,518.24	15,170.42	(15,170.42)	(15,170.42)	-	-	-	-	-
10.553	231NLS04N1099		N/A	7/1/21 - 6/30/23	10,320.18	(8,403.74)	9,615.42	9,615.42	(10,230.16)	(614.71)	-	-	-	-	-
10.555	231NLS04N1099		N/A	7/1/22 - 6/30/23	30,633.56	(17,296.44)	28,832.86	28,832.86	(30,633.56)	(1,800.70)	-	-	-	-	-
10.555	221NLS04N1099		N/A	7/1/21 - 6/30/22	87,136.67	(23,196.33)	23,196.44	23,196.44	(23,196.33)	-	-	-	-	-	-
10.555	2022Z1H170341			7/1/22 - 6/30/23	23,196.33	(79,233.47)	102,518.24	23,196.33	(79,233.47)	(2,415.41)	-	-	-	-	-
Total U.S. Department of Agriculture															
U.S. Department of Education															
Passed-through State Department of Education:															
ESSA															
84.010	S010A210030		NCLB302022	7/1/22 - 6/30/23	83,136.00	(45,406.00)	83,136.00	83,136.00	(83,136.00)	-	-	-	-	-	-
84.010	S010A210030		NCLB302021	7/1/21 - 6/30/22	109,877.00	(45,406.00)	43,468.00	43,468.00	-	-	-	-	-	-	-
84.387A	S367A210029		NCLB302024	7/1/21 - 6/30/22	16,934.00	(616.00)	16,318.00	16,318.00	(6,374.50)	-	-	-	-	-	-
84.424	S424A210031		NCLB302024	7/1/22 - 6/30/23	20,000.00	(8,550.00)	19,397.00	20,000.00	(10,000.00)	-	-	-	-	-	-
84.424	S424A210031		NCLB302021	7/1/21 - 6/30/22	19,501.00	(8,550.00)	19,397.00	19,397.00	(10,000.00)	-	-	-	-	-	-
Education Stabilization Fund - Elementary and Secondary Education Act (ESEA)															
84.425D	S425D200027		N/A	3/19/20-9/30/22	34,931.00	(1,809.00)	1,809.00	1,809.00	-	-	-	-	-	-	-
84.425D	S425D210027		N/A	3/19/20-9/30/23	135,603.00	(76,927.00)	76,927.00	76,927.00	(202,011.93)	(202,011.93)	-	-	-	-	-
84.425D	S425D210027		N/A	3/19/20-9/30/23	120,000.00	(23,981.00)	25,790.00	25,790.00	(13,727.00)	-	-	-	-	-	-
84.425D	S425D210027		N/A	3/19/20-9/30/23	40,000.00	(3,197.60)	3,197.60	3,197.60	(21,581.72)	(21,581.72)	-	-	-	-	-
84.027	H027A200100		FT05	7/1/22 - 6/30/23	60,671.00	(1,820.00)	1,820.00	60,671.00	(60,671.00)	-	-	-	-	-	-
84.173	H173A200114		FT05	7/1/22 - 6/30/23	1,820.00	(1,820.00)	1,820.00	1,820.00	(1,820.00)	-	-	-	-	-	-
Total Special Revenue Fund															
84.358	S336E210030			7/1/21 - 06/30/22	31,070.00	(25,185.66)	32,440.00	32,440.00	(17,630.00)	(17,630.00)	-	-	-	-	-
Total Federal Financial Aids															
\$ (242,807.78)															
16,349.50															
16,349.50															

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

CITY OF ESTELL MANOR SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023			MEMO		
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable)		Unearned Revenue	Due to Grantor
State Department of Education												
General Fund:												
Categorical Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	167,247.00			167,247.00	(167,247.00)				15,489.00	167,247.00
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	1,423,627.00			1,423,627.00	(1,423,627.00)				131,929.00	1,423,627.00
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	34,171.00			34,171.00	(34,171.00)				3,167.00	34,171.00
School Choice	23-495-034-5120-088	7/1/22-6/30/23	224,117.00			224,117.00	(224,117.00)				20,769.00	224,117.00
On-Behalf TPAF Pension Contribution	23-495-034-5094-003	7/1/22-6/30/23	496,956.00			496,956.00	(496,956.00)					496,956.00
On-Behalf TPAF Post-Retirement Medical Contribution	23-495-034-5094-001	7/1/22-6/30/23	131,074.00			131,074.00	(131,074.00)					131,074.00
On-Behalf TPAF Long-Term Disability Insurance Contribution	23-495-034-5094-004	7/1/22-6/30/23	180.00			180.00	(180.00)					180.00
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	15,916.00			15,916.00	(15,916.00)			(15,916.00)		15,916.00
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	21,668.00	(21,668.00)		21,668.00						21,668.00
Reimbursed Non-Public Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	3,190.00	(3,190.00)		3,190.00				(3,120.00)		3,190.00
Reimbursed Non-Public Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	3,120.00			29,983.63						3,120.00
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	116,336.87	(29,893.63)		122,724.29				(732.00)		116,336.87
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/21-6/30/22	123,456.29			2,655,947.92						123,456.29
Total General Fund				<u>(54,841.63)</u>		<u>2,655,947.92</u>	<u>(2,621,874.29)</u>			<u>(19,768.00)</u>	<u>171,364.00</u>	<u>2,631,805.16</u>
Special Revenue Fund												
Preschool Education Expansion Grant	23-495-034-5120-086	7/1/22-6/30/23	269,900.00			269,900.00	(224,391.29)		45,508.71		26,841.00	224,391.29
Preschool Education Expansion Grant	22-495-034-5120-086	7/1/21-6/30/22	264,840.00	26,408.12		6,660.00	(26,408.12)		60.00			264,840.00
Climate Control	23-534-042-4890-003	7/1/22-6/30/23	6,660.00			276,560.00	(257,398.41)					6,660.00
Total Special Revenue Fund				<u>26,408.12</u>		<u>276,560.00</u>	<u>(257,398.41)</u>		<u>45,568.71</u>		<u>26,841.00</u>	<u>495,831.29</u>
Capital Projects Fund:												
SDA Grant - P-C	GS-4792	7/1/15-6/30/17	501,481.00									
SDA Grant - R-C	GS-4793	7/1/15-6/30/17	196,235.00	(1,299.76)				1,299.76				1,299.76
SDA Grant - Emergency Generator	GS-6155	7/1/15-6/30/17	42,651.00									
Total Capital Fund				<u>(1,299.76)</u>				<u>1,299.76</u>				
Enterprise Fund:												
National School Lunch Program (State Share)	22-100-010-3350-023	7/1/21-6/30/22	2,306.97	(396.06)		396.06	(893.30)					2,306.97
National School Lunch Program (State Share)	23-100-010-3350-023	7/1/22-6/30/23	893.30			832.00	(893.30)			(61.30)		893.30
National School Breakfast Program (State Share)	23-100-010-3350-021	7/1/22-6/30/23	35.20			28.30	(35.20)					
Total Enterprise Fund				<u>(396.06)</u>		<u>1,256.36</u>	<u>(928.50)</u>			<u>(66.20)</u>		<u>3,202.27</u>
Total State Financial Assistance				<u>(30,131.33)</u>		<u>2,934,766.28</u>	<u>(2,880,202.20)</u>		<u>45,568.71</u>	<u>(19,836.20)</u>	<u>198,205.00</u>	<u>3,132,138.48</u>
Less: On-Behalf Payments												
Pension Contribution	23-495-034-5094-003					(496,956.00)	496,956.00					
Post-Retirement Medical Contribution	23-495-034-5094-001					(131,074.00)	131,074.00					
Long-term Disability Insurance Contribution	23-495-034-5094-004					(190.00)	190.00					
Total State Financial Assistance				<u>(30,131.33)</u>		<u>2,304,546.28</u>	<u>(2,249,982.20)</u>		<u>45,568.71</u>	<u>(19,836.20)</u>	<u>198,205.00</u>	<u>2,633,182.48</u>

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the 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 included 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 last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$22,534.00 for the general fund and \$63,364.23 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis:

City of Estell Manor School District
Notes to the Schedules of Financial Assistance
June 30, 2023

	<u>Federal</u>	<u>State</u>	<u>On-Behalf Payments</u>	<u>Total</u>
General Fund	\$	2,621,874.29	(630,220.00)	1,991,654.29
Special Revenue Fund	530,656.15	250,799.41		781,455.56
Food Service Fund	79,233.47	928.50		80,161.97
	<u>\$ 609,889.62</u>	<u>2,873,602.20</u>	<u>(630,220.00)</u>	<u>2,853,271.82</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 amounts 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.

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

K-6

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:		Unmodified			
Internal control over financial reporting:					
1) Material weakness(es) identified?	_____	yes	_____ X _____	no	
2) Significant deficiency(ies) identified	_____	yes	_____ X _____	no	
Noncompliance material to financial statements noted?	_____	yes	_____ X _____	no	

Federal Awards Section

Not Applicable

Internal Control over major programs:					
1) Material weakness(es) identified?	_____	yes	_____	no	
2) Significant deficiency(ies) identified	_____	yes	_____	no	
Type of auditor's report on compliance for major programs	_____				
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance	_____	yes	_____	no	

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?		yes		no			n/a
	_____		_____		_____		

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

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiency(ies) identified _____ yes X no

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

_____ Unmodified _____

Any audit findings disclosed that are required to
be reported in accordance with NJ OMB
Circular 15-08?

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	<u>State Aid Cluster</u>
_____	_____
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
_____	_____
_____	_____
_____	_____
_____	_____

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

_____ \$750,000 _____

Auditee qualified as low-risk auditee?

 X yes _____ no _____

**CITY OF ESTELL MANOR SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING JUNE 30, 2023**

Part 2 – Schedule of Financial Statement Findings

None

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

None

**CITY OF ESTELL MANOR SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDING JUNE 30, 2023**

Status of Prior Year Findings

None