

**SCHOOL DISTRICT
OF**

CAPE MAY CITY

**Cape May City Board of Education
Cape May, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

Annual Comprehensive Financial Report

of the

Cape May City Board of Education

Cape May, New Jersey

For the Fiscal Year Ended June 30, 2024

**Prepared by
Cape May City Board of Education
Finance Department**

CAPE MAY CITY SCHOOL DISTRICT

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9

FINANCIAL SECTION

Independent Auditor's Report	11
-------------------------------------	----

Required Supplementary Information - Part I	
Management's Discussion and Analysis	15

Basic Financial Statements

A. District-wide Financial Statements:

A-1	Statement of Net Position	23
A-2	Statement of Activities	24

B. Fund Financial Statements:

Governmental Funds:

B-1	Balance Sheet	26
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	27
B-3	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28

Proprietary Funds:

B-4	Statement of Net Position	29
B-5	Statement of Revenues, Expenses, and Changes in Fund Net Position	30
B-6	Statement of Cash Flows	31

Fiduciary Funds	N/A
-----------------	-----

Notes to the Financial Statements	32
--	----

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule - General Fund	64
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	70
C-3	Budget-to-GAAP Reconciliation	71

Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB-68)	
L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	73
L-2	Schedule of the District Contributions - Public Employees Retirement System	74
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability - Teachers' Pension and Annuity Fund	75
M.	Schedule Related to Accounting and Reporting for OPEB (GASB-75)	
M-1	Schedule of Changes in the District's Total OPEB Liability Share of the Net OPEB Liability and Related Ratios	76
	Notes to the Required Supplementary Information - Part III	77

Other Supplementary Information

D.	School Level Schedules :	
E.	Special Revenue Fund:	
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	80
E-2	Preschool Education Aid Schedule of Expenditures - Budgetary Basis	82
F.	Capital Projects Fund	
F-1	Summary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	84
F-2	Summary Statement of Project Expenditures	N/A
G.	Proprietary Fund:	
	Enterprise Fund:	
G-1	Combining Statement of Net Position	88
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	89
G-3	Combining Statement of Cash Flows	90
	Internal Service Fund:	
G-4	Statement of Net Position	91
G-5	Stat Fund Net Position	92
G-6	Statement of Cash Flows	93

	<u>Page</u>
H. Fiduciary Funds	N/A
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Leases	95
I-3 Budgetary Comparison Schedule - Debt Service Fund	N/A
I-4 Schedule of Obligations Under Subscription-Based IT Arrangements (SBITAs)	N/A

STATISTICAL SECTION (Unaudited)

Financial Trends

J-1 Net Position by Component	97
J-2 Changes in Net Position, Last Ten Fiscal Years	98
J-3 Fund Balances, Governmental Funds, Last Ten Fiscal Years	100
J-4 Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	101
J-5 General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	102

Revenue Capacity

J-6 Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	103
J-7 Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	104
J-8 Principal Property Tax Payers, Current Year and Nine Years Ago	105
J-9 Property Tax Levies and Collections, Last Ten Fiscal Years	106

Debt Capacity

J-10 Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	107
J-11 Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	108
J-12 Ratios of Overlapping Governmental Activities Debt, As of December 31, 2023	109
J-13 Legal Debt Margin Information, Last Ten Fiscal Years	110

Demographic and Economic Information

J-14 Demographic and Economic Statistics	111
J-15 Principal Employers, Current Year & Nine Years Ago (information not available)	N/A

Operating Information

J-16 Full-time Equivalent District Employees by Function/Program, Last Nine Fiscal Years	112
J-17 Operating Statistics, Last Ten Fiscal Years	113
J-18 School Building Information, Last Ten Fiscal Years	114
J-19 Schedule of Required Maintenance, Last Ten Fiscal Years	115
J-20 Insurance Schedule	116

SINGLE AUDIT SECTION

K-1 Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	118
K-2 Report on Compliance for Each Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey Circular 15-08-OMB	120
K-3 Schedule of Expenditures of Federal Awards, Schedule A	123
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	124
K-5 Notes to the Schedules of Awards and Financial Assistance	125
K-6 Schedule of Findings and Questioned Costs	
Section 1 - Financial Statement Findings	127
Section 2 - Schedule of Financial Statement Findings	129
Section 3 - Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	130
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	131

Introductory Section



CAPE MAY CITY BOARD OF EDUCATION

Dr. Zachary H. Palombo
Superintendent

John R. Thomas
Business Administrator & Board
Secretary

Board Members

Dawn M. Austin, President
Sharon Lee Kustra, Vice President
Edward B. Connolly
Anita de Satnick
Shaun Deignan
Mark J. Le Munyon
Joseph McKenna
Larry Reed
Janet VanPelt

November 27, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Cape May City School District for the fiscal year ended June 30, 2024 is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal regulations, cost principles, and audit requirements for Federal awards (uniform guidance); and State of New Jersey Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



"To Achieve Excellence in Partnership with Family and Community."

1. REPORTING ENTITY AND ITS SERVICES:

Cape May City School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Cape May City Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to Four Year Old Preschool through Grade 6. These include regular as well as special education for handicapped youngsters. The District completed the 2023-2024 school year with an enrollment of 158.9 students, which is a slight increase of two students from the previous year's enrollment. The following chart details the changes in the student enrollment of the District over the last eleven years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2023-24	158.9	1.33%
2022-23	156.8	-6.72%
2021-22	168.1	11.50%
2020-21	148.8	0.08%
2019-20	147.6	-2.38%
2018-19	151.2	-10.06%
2017-18	168.1	-14.58%
2016-17	196.8	4.63%
2015-16	188.1	7.36%
2014-15	175.2	9.37%
2013-14	160.2	19.91%

2. ECONOMIC CONDITION AND OUTLOOK:

One of the key objectives of the Cape May City's Municipal Government is to maintain the City's environmental and historic quality by control of commercial land use patterns and adoption of improved design and performance standards for land use in all of the areas regardless of whether they are in the historic district. Another objective-related strategy involves support for the continued existence of the Coast Guard, fishing, and tourism industries so as to enhance their important economic contributions. The City Council and Taxpayers Association continually meet to form a new vision for Cape May that would involve upgrading structures and services to attract new visitors to Cape May.

Affordable housing for families has decreased dramatically, impacting on student enrollment. As in all South Jersey shore communities, school enrollment remains flat or reflects a decrease which will impact on budget concerns.

Approximately three fifths of the school's students are Coast Guard families who are based in Cape May. The number of students fluctuates, dependent on family sizes of Coast Guard active duty members assigned to Cape May on-base housing. A strong educational partnership exists between the Coast Guard, the school and the Housing Authority. We have been notified that the US Coast Guard Training Center Cape May (TRACEN) will be increasing the number of Cape May Training Center activities and personnel in the coming years.

3. MAJOR INITIATIVES:

- Administration: Administrative shared services continue with West Cape May Boro School District, a shared Superintendent (50/50) and a shared School Business Administrator & Board Secretary (90/10). Food Services are also shared/contracted and provided by Cape May.
- Preschool 3/4: We continued participation in the preschool expansion program. We also added a classroom for four (4) total, and renovated the bathrooms in all four. We also entered into a tuition agreement with the West Cape May Boro School District to provide preschool instruction to West Cape May students at our facility, in the 4th classroom.
- K-6 grades: Shared services continue with West Cape May, sharing ELL, Speech, Art, and World Language. Swim instruction also continues. Also, twice a week, our music teacher delivers instruction at West Cape May, and our student receive S.T.E.M. instruction from a West Cape May teacher.
- Professional development and training for all staff continues primarily with virtual providers, as many providers learned during school shutdowns that delivery this way is more economical and convenient.
- School technology initiatives included a 1:1 chromebook to student ration from K-6, and allowing some of the older grade students to take their devices home.
- School facility cleaning and disinfecting protocols continue, following EPA guidelines and approved disinfectants. Individual HEPA filter air scrubbers continue to be deployed to each classroom, with annual filter changes.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

6. ACCOUNTING SYSTEMS AND REPORTS:

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

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements,” Note 2. The District has adopted a cash management plan 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.

8. RISK MANAGEMENT:

The Board carried various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, boiler insurance, parent volunteer insurance, student accident insurance and fidelity bonds. Staff training of safety procedures is on-going and the district was reviewed by the insurance company inspector for compliance.

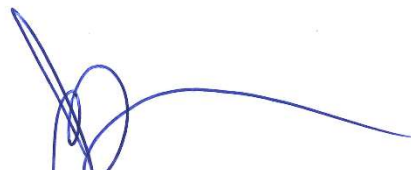
9. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, LLC, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB’s Circular 04-04. The auditor’s report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

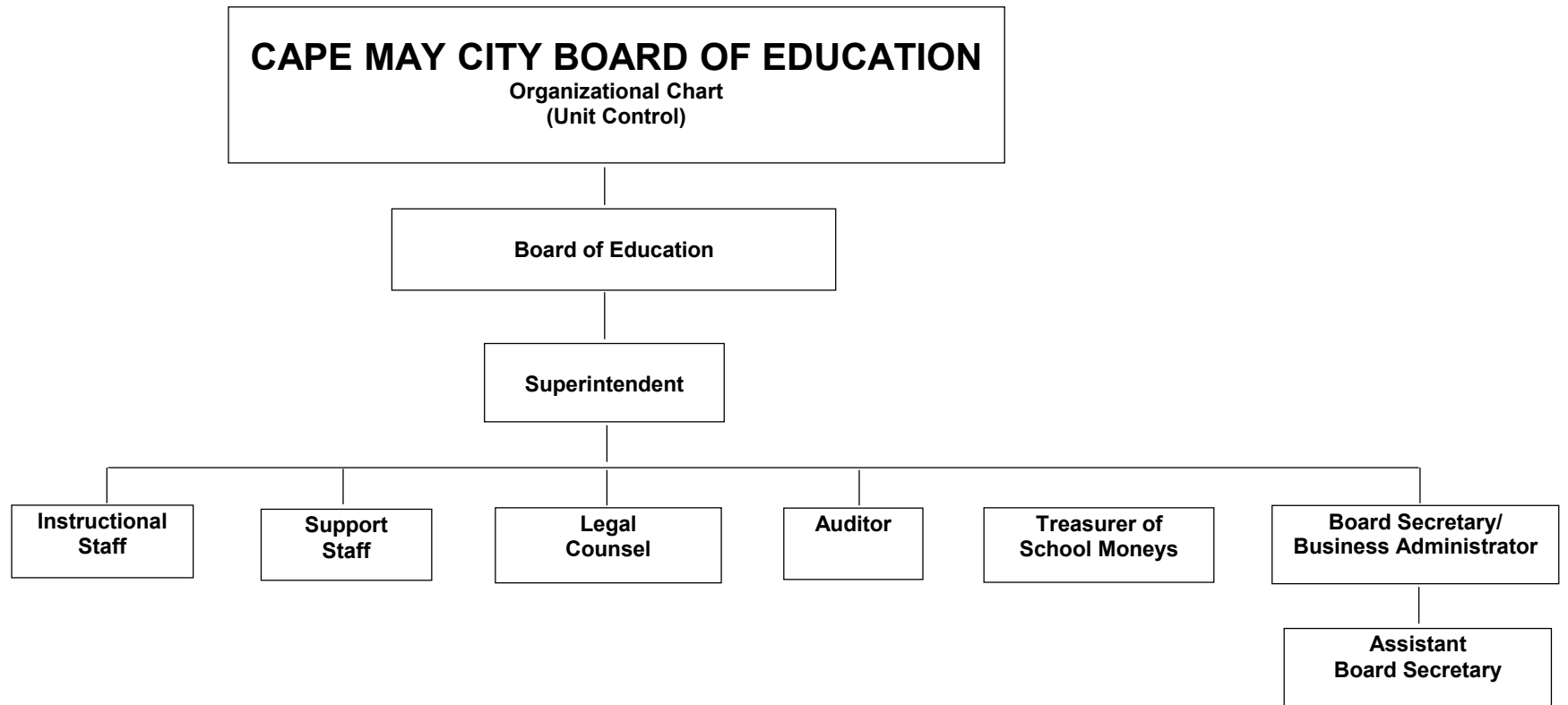
Respectfully submitted,



Zachary H. Palombo
Superintendent



John R. Thomas
Board Secretary/Business Administrator



**CAPE MAY CITY BOARD OF EDUCATION
CAPE MAY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dawn M. Austin, President	2025
Sharon Lee Kustra, Vice President	2026
Edward Connolly	2025
Shaun Deignan	2024
Anita de Satnick	2025
Mark J. Le Munyon	2024
Joseph McKenna	2024
Larry Reed	2026
Janet VanPelt	2026

Other Officials

Zachary Palombo, Superintendent
John Thomas, Business Administrator/Board Secretary
Christopher A. Barrett, Esq., Board Solicitor

CAPE MAY CITY BOARD OF EDUCATION
Consultants and Advisors

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North
Suite 402
Marlton, NJ 08053

Attorneys

Christopher A. Barrett, Esq.
Barton Gilman LLP
1617 JFK Boulevard
20th Floor, Suite 2007
Philadelphia, PA 19103

Official Depository

Sturdy Savings Bank
701 Washington Street
Cape May, NJ 08204

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@inversocpa.com

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I 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 Cape May City School District (the "District"), in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2024, 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 my 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 District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 misstatement, 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 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

My 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 my 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 generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment 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 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 District'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 27, 2024, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 District's internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 27, 2024

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cape May City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

As management of the Board of Education of Cape May City, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$11,137,728 (*net position*).
- Governmental activities have an unrestricted net position of \$1,881,069. The accounting treatments in the governmental funds for compensated absences payable, net pension liability, the June state aid payments, and state statutes that prohibit a school district from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this amount.
- The total net position of the School District increased by \$4,233,116, or a 61.31% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the results of operations in the governmental funds.
- Fund balance of the School District's governmental funds increased by \$4,062,158, resulting in an ending fund balance of \$10,383,686. This increase was largely due to the results of operations in the General Fund and Capital Projects Fund.
- Business-type activities have an unrestricted balance of \$27,845, which may be used to meet the School District's ongoing obligations of the food service and child care operations.
- The School District's long-term obligations decreased by \$120,945, which is the result of a reduction in leases payable and a decrease in net pension liability.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect only the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's enterprise funds are considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2025. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2025.

The assets of the primary government activities exceeded liabilities by \$11,057,704 with a unrestricted balance of \$1,881,069. The net position of the primary government does not include internal balances.

A net investment of \$1,353,618 in land, improvements, buildings, equipment, and vehicles provides the services to the School District's 159 public school students. A balance of \$7,823,017 has been restricted as follows:

Restricted for Future Capital Projects	\$ 4,970,393
Restricted for Future Maintenance Projects	251,320
Reserve for Impact Aid	986,086
Reserve for Unemployment Compensation	28,481
Reserve for Future Budget Appropriation	<u>1,586,737</u>
Total	<u><u>\$ 7,823,017</u></u>

**Comparative Summary of Net Position
As of June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current assets	\$ 10,989,822	\$ 6,498,770	\$ 139,186	\$ 86,058	\$ 11,129,008	\$ 6,584,828
Capital assets	1,400,895	1,290,223	52,179	54,937	1,453,074	1,345,160
Total assets	12,390,717	7,788,993	191,365	140,995	12,582,082	7,929,988
Deferred Outflows of Resources	43,668	77,244			43,668	77,244
LIABILITIES						
Current liabilities	651,292	214,149	111,341	56,043	762,633	270,192
Noncurrent liabilities	491,432	613,716			491,432	613,716
Total liabilities	1,142,724	827,865	111,341	56,043	1,254,065	883,908
Deferred Inflows of Resources	233,957	218,712			233,957	218,712
Net Position	\$ 11,057,704	\$ 6,819,660	\$ 80,024	\$ 84,952	\$ 11,137,728	\$ 6,904,612
Net Position Consists of:						
Invested in Capital Assets	\$ 1,353,618	\$ 1,229,224	\$ 52,179	\$ 54,937	\$ 1,405,797	\$ 1,284,161
Restricted Assets	7,823,017	4,805,025			7,823,017	4,805,025
Unrestricted Assets	1,881,069	785,411	27,845	30,015	1,908,914	815,426
Net Position	\$ 11,057,704	\$ 6,819,660	\$ 80,024	\$ 84,952	\$ 11,137,728	\$ 6,904,612

Governmental Activities

Governmental activities increased the net position of the School District by \$4,238,044 during the current fiscal. Key elements of the increase in net position for governmental activities are as follows:

- Result of operations in the governmental funds was a gain of \$4,062,158.

Business-type Activities

Business-type activities decreased the School District's net position by \$4,928. This was due to the result of operations in the food service fund.

**Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
Revenues:						
Charges for services	\$ 23,961	\$ 20,653	\$ 30,087	\$ 25,353	\$ 54,048	\$ 46,006
Operating grants and contributions	2,469,137	2,458,265	92,178	91,631	2,561,315	2,549,896
Property taxes	1,962,587	1,924,105			1,962,587	1,924,105
State aid	6,599,801	3,355,099			6,599,801	3,355,099
Tuition	-	-			-	-
Other revenues	86,361	35,442	609	233	86,970	35,675
Total Revenues	<u>11,141,847</u>	<u>7,793,564</u>	<u>122,874</u>	<u>117,217</u>	<u>11,264,721</u>	<u>7,910,781</u>
Expenses:						
Governmental Activities:						
Instruction	2,278,855	2,342,900			2,278,855	2,342,900
Tuition	191,294	107,041			191,294	107,041
Related services	629,768	619,933			629,768	619,933
Administrative services	144,157	117,548			144,157	117,548
Central Services	149,304	133,644			149,304	133,644
Operations and Maintenance	1,165,771	431,763			1,165,771	431,763
Transportation	150,743	141,663			150,743	141,663
Employee benefits	2,191,446	2,104,706			2,191,446	2,104,706
Other	2,465	3,697			2,465	3,697
Business-Type Activities:						
Operations			127,802	125,303	127,802	125,303
Total Expenses	<u>6,903,803</u>	<u>6,002,895</u>	<u>127,802</u>	<u>125,303</u>	<u>7,031,605</u>	<u>6,128,198</u>
Increase (Decrease) in Net Position before transfers	4,238,044	1,790,669	(4,928)	(8,086)	4,233,116	1,782,583
Transfers						
Change in Net Position	<u>4,238,044</u>	<u>1,790,669</u>	<u>(4,928)</u>	<u>(8,086)</u>	<u>4,233,116</u>	<u>1,782,583</u>
Net Position July 1	6,819,660	5,028,991	84,952	93,038	6,904,612	5,122,029
Net Position June 30	<u>\$ 11,057,704</u>	<u>\$ 6,819,660</u>	<u>\$ 80,024</u>	<u>\$ 84,952</u>	<u>\$ 11,137,728</u>	<u>\$ 6,904,612</u>

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$10,383,686, an increase of \$4,062,158 in comparison with the prior year.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of unreserved fund balance for the General Fund of \$1,741,797, and a deficit unreserved fund balance of (\$50,026) for the Special Revenue Fund. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) appropriated as a revenue source in the subsequent year's budget \$866,328, 2) reserved for encumbrances \$2,570 3) reserved for maintenance \$251,320; 4) reserved for future capital expenditures \$4,970;393, 5) reserved for impact aid \$986,086; 6) reserved for unemployment compensation \$28,481, 7) reserved for future budget appropriation \$1,586,737. The General Fund is the chief operating fund of the School District.

The balance in the unreserved fund balance is limited primarily by the accounting treatment of the June state aid payments and state statutes that prohibit a New Jersey school district from maintaining more than 2% of its adopted budget as unreserved fund balance.

Revenue in the special revenue fund is generally recognized at the time that the outlays are identified; therefore, no fund balances are normally generated.

General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget.

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$1,878,914, while total fund balance (budgetary basis) was \$5,605,231. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$8,087,576. Unassigned fund balance (budgetary basis) represents 23.23% of expenditures while total fund balance (budgetary basis) represents 69.31% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental activities as of June 30, 2024, totaled \$1,453,074 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$107,914, which represents a 8.02% increase.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$49,283.
- Capital outlay for the current fiscal year was \$173,793.

Capital Asset/Leases (net of accumulated depreciation/amortization) June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		District-Wide	
	2024	2023	2024	2023	2024	2023
Land	\$ 540,600	\$ 540,600	\$ -	\$ -	\$ 540,600	\$ 540,600
Building and Building Improvements	604,974	485,756			604,974	485,756
Equipment	210,189	204,897	52,179	54,937	262,368	259,834
Leases	45,132	58,970			45,132	58,970
Total	<u>\$ 1,400,895</u>	<u>\$ 1,290,223</u>	<u>\$ 52,179</u>	<u>\$ 54,937</u>	<u>\$ 1,453,074</u>	<u>\$ 1,345,160</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 6) of this report.

Economic Factors and Next Year's Budgets and Rates

For the 2024-2025 school year, the School District was able to sustain its budget through the tax levy, federal aid, state aid, and miscellaneous revenue sources. One of the most important factors affecting the School District's budget is the amount of state aid it will receive in comparison to its enrollment. The 2024-2025 budget was adopted based on increased aid from the State of New Jersey. The tax levy remained unchanged from the prior year. The General Fund budget increased by \$862,244 or 79.04%. The School District continues to examine its costs in an effort to prevent additional burden on the taxpayers.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Cape May City School District Business Administrator, 921 Lafayette Street, Cape May, New Jersey 08204.

Basic Financial Statements

District-Wide Financial Statements

CAPE MAY CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 6,347,911	\$ 130,534	\$ 6,478,445
Accounts receivables, net	3,399,710	3,773	3,403,483
Inventory		4,879	4,879
Restricted assets:			
Cash and cash equivalents	1,242,201		1,242,201
Capital assets, net	1,355,763	52,179	1,407,942
Right-to-use lease assets, net	45,132		45,132
Total Assets	<u>12,390,717</u>	<u>191,365</u>	<u>12,582,082</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>43,668</u>	<u>-</u>	<u>43,668</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>12,434,385</u>	<u>191,365</u>	<u>12,625,750</u>
LIABILITIES:			
Accounts payable:			
Other	465,135		465,135
Related to pensions	26,164		26,164
Internal balances	(110,383)	110,383	-
Unearned revenue	251,384	958	252,342
Noncurrent liabilities:			
Due within one year	18,992		18,992
Due beyond one year	491,432		491,432
Total Liabilities	<u>1,142,724</u>	<u>111,341</u>	<u>1,254,065</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>233,957</u>	<u>-</u>	<u>233,957</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,376,681</u>	<u>111,341</u>	<u>1,488,022</u>
NET POSITION:			
Net investment in capital assets	1,353,618	52,179	1,405,797
Restricted for:			
Capital projects	4,970,393		4,970,393
Maintenance	251,320		251,320
Impact	986,086		986,086
Excess surplus	1,586,737		1,586,737
Unemployment compensation	28,481		28,481
Unrestricted (deficit)	<u>1,881,069</u>	<u>27,845</u>	<u>1,908,914</u>
Total Net Position	<u>\$ 11,057,704</u>	<u>\$ 80,024</u>	<u>\$ 11,137,728</u>

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

CAPE MAY CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,785,747	\$ 23,961	\$ 363,896	\$ -	\$ (1,397,890)	\$ -	\$ (1,397,890)
Special Education	239,350		57,634		(181,716)		(181,716)
Other instruction	253,758				(253,758)		(253,758)
Support Services:							
Tuition	191,294				(191,294)		(191,294)
Student & instruction related services	629,768		79,419		(550,349)		(550,349)
General administrative services	101,925				(101,925)		(101,925)
School administrative services	42,232				(42,232)		(42,232)
Central administrative services	149,304				(149,304)		(149,304)
Plant operations and maintenance	1,165,771		509,792		(655,979)		(655,979)
Pupil transportation	150,743				(150,743)		(150,743)
Unallocated employee benefits	2,191,446		1,458,396		(733,050)		(733,050)
Unallocated depreciation and amortization	2,465				(2,465)		(2,465)
Total Governmental Activities	<u>6,903,803</u>	<u>23,961</u>	<u>2,469,137</u>	<u>-</u>	<u>(4,410,705)</u>	<u>-</u>	<u>(4,410,705)</u>
Business-Type Activities:							
Food service	127,802	30,087	92,178	-	-	(5,537)	(5,537)
Total Business-Type Activities	<u>127,802</u>	<u>30,087</u>	<u>92,178</u>	<u>-</u>	<u>-</u>	<u>(5,537)</u>	<u>(5,537)</u>
Total Primary Government	<u>\$ 7,031,605</u>	<u>\$ 54,048</u>	<u>\$ 2,561,315</u>	<u>\$ -</u>	<u>(4,410,705)</u>	<u>(5,537)</u>	<u>(4,416,242)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					1,962,587		1,962,587
Federal and State aid unrestricted					6,599,801		6,599,801
Investment and Interest earnings - restricted					16,996		16,996
Miscellaneous					69,365	609	69,974
Total general revenues, special items, extraordinary items and transfers					<u>8,648,749</u>	<u>609</u>	<u>8,649,358</u>
Change in Net Position					4,238,044	(4,928)	4,233,116
Net Position - July 1					<u>6,819,660</u>	<u>84,952</u>	<u>6,904,612</u>
Net Position - June 30					<u>\$ 11,057,704</u>	<u>\$ 80,024</u>	<u>\$ 11,137,728</u>

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

Fund Financial Statements

CAPE MAY CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 7,578,916	\$ -	\$ 11,196	\$ -	\$ 7,590,112
Interfund Accounts Receivables					
General Fund			2,583,000		2,583,000
Capital Projects Fund	178,598				178,598
Special Revenue Fund	154,620				154,620
Enterprise Fund	110,383				110,383
Internal Service Fund	223,597				223,597
Intergovernmental Accounts Receivables					
Federal		458,469			458,469
State	3,129		2,550,000		2,553,129
Other	23,962	140,553			164,515
Total Assets	<u>\$ 8,273,205</u>	<u>\$ 599,022</u>	<u>\$ 5,144,196</u>	<u>\$ -</u>	<u>\$ 14,016,423</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable:					
General Fund	-	154,620	178,598	-	333,218
Capital Projects Fund	2,583,000				2,583,000
Accounts Payable:					
Payroll Deductions and Withholdings Payable	2,333				2,333
Unemployment Compensation Claims Payable	13,576				13,576
Other	42,633	406,593			449,226
Unearned Revenue	163,549	87,835			251,384
Total liabilities	<u>2,805,091</u>	<u>649,048</u>	<u>178,598</u>		<u>3,632,737</u>
Fund Balances:					
Restricted for:					
Capital Reserve	4,795				4,795
Maintenance Reserve	251,320				251,320
Impact Aid Reserve	986,086				986,086
Excess Surplus	1,586,737				1,586,737
Unemployment Compensation	28,481				28,481
Capital Projects			4,965,598		4,965,598
Assigned:					
Other	2,570				2,570
Designated for Subsequent Year's Expenditures	866,328				866,328
Unassigned (Deficit)	1,741,797	(50,026)			1,691,771
Total Fund Balances	<u>5,468,114</u>	<u>(50,026)</u>	<u>4,965,598</u>		<u>10,383,686</u>
Total Liabilities and Fund Balances	<u>\$ 8,273,205</u>	<u>\$ 599,022</u>	<u>\$ 5,144,196</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,175,807 and the accumulated depreciation is \$2,820,044. 1,355,763

Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$92,791 and the accumulated amortization is \$47,659. 45,132

Accounts payable related to the April 1, 2024 required PERS contribution that is not to be liquidated with current financial resources. (26,164)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	\$ 43,668	
Net Pension Liability	(208,662)	
Deferred Inflows of resources from Pensions	(233,957)	(398,951)

Long-term liabilities, including leases and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Leases Payable	(47,277)	
Compensated Absences Payable	(254,485)	(301,762)

Net position of governmental activities \$ 11,057,704

CAPE MAY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
for the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 1,962,587	\$ -	\$ -	\$ -	\$ 1,962,587
Tuition	23,961				23,961
Interest earned Maintenance Reserve	200				200
Interest earned Impact Aid Reserve	12,774				12,774
Interest earned Capital Reserve	3,978				3,978
Restricted miscellaneous revenues	44				44
Unrestricted miscellaneous revenues	69,365				69,365
Federal sources	2,438,303	606,116			3,044,419
State sources	2,678,467	471,987	2,550,000		5,700,454
Total revenues	7,189,679	1,078,103	2,550,000		10,817,782
EXPENDITURES:					
Current expense:					
Regular instruction	1,278,808	452,666			1,731,474
Special education instruction	181,716	57,634			239,350
Other instruction	253,758				253,758
Support services and undistributed costs:					
Tuition	191,294				191,294
Student & instruction related services	550,349	79,419			629,768
General administrative services	96,997				96,997
School administrative services	42,232				42,232
Central services	149,304				149,304
Plant operations and maintenance	504,610				504,610
Pupil transportation	150,743				150,743
Unallocated employee benefits	1,871,286	67,362			1,938,648
Capital outlay	150,103	509,792	167,551		827,446
Total expenditures	5,421,200	1,166,873	167,551		6,755,624
Excess (deficiency) of revenues over (under) expenditures	1,768,479	(88,770)	2,382,449		4,062,158
Other Financing Sources (Uses):					
Transfers in		83,376	2,583,000		2,666,376
Transfers out	(2,666,376)				(2,666,376)
Total other financing sources (uses)	(2,666,376)	83,376	2,583,000		
Net change in fund balance	(897,897)	(5,394)	4,965,449		4,062,158
Fund balances, July 1	6,366,011	(44,632)	149		6,321,528
Fund balances, June 30	\$ 5,468,114	\$ (50,026)	\$ 4,965,598	\$ -	\$ 10,383,686

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

CAPE MAY CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental funds (from B-2) \$ 4,062,158

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

Capital outlays are reported in the governmental funds as expenditures.

However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation expense	\$ (49,283)	
Capital outlay	173,793	124,510

Capital outlays related to leases are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlays exceeded amortization in the current fiscal year.

Amortization expense	(18,412)	
Lease Asset Additions	4,574	(13,838)

Repayment of leases 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.

18,296

The proceeds of a lease is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.

(4,574)

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.

71,267

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

(19,775)

Change in position of governmental activities

\$ 4,238,044

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

CAPE MAY CITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities Enterprise Funds	Governmental Activities - Internal Service
	Food Service Program	Shared Services - Administration & Professional Staff
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 130,534	\$ -
Interfund Receivable	-	-
Accounts Receivable	3,773	223,597
Inventories	4,879	-
	<hr/>	<hr/>
Total Current Assets	139,186	223,597
	<hr/>	<hr/>
Noncurrent Assets:		
Equipment	65,131	-
Less: Accumulated Depreciation	(12,952)	-
	<hr/>	<hr/>
Total Noncurrent Assets	52,179	-
	<hr/>	<hr/>
Total Assets	191,365	223,597
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities:		
Unearned Revenue	958	-
Accounts Payable	-	-
Interfund Payable	110,383	223,597
	<hr/>	<hr/>
Total Liabilities	111,341	223,597
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	52,179	-
Unrestricted	27,845	-
	<hr/>	<hr/>
Total Net Position	<u>\$ 80,024</u>	<u>\$ -</u>

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

CAPE MAY CITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Position
Proprietary Funds
for the Fiscal Year Ended June 30, 2024

	Business-type Activities Enterprise Funds	Governmental Activities - Internal Service
	Food Service Program	Shared Services - Administration & Professional Staff
Operating revenues:		
Charges for services:		
Daily sales-reimbursable programs	\$ 27,131	\$ -
Daily sales-non-reimbursable programs	1,116	-
Shared Services Agreement	-	223,597
Miscellaneous	1,840	-
Total operating revenue	<u>30,087</u>	<u>223,597</u>
Operating expenses:		
Salaries	68,209	219,984
Employee benefits	5,218	-
Supplies and materials	686	-
Depreciation	2,758	-
Other purchased services	2,697	3,613
Cost of sales - reimbursable programs	46,907	-
Cost of sales - nonreimbursable programs	1,327	-
Total operating expenses	<u>127,802</u>	<u>223,597</u>
Operating income (loss)	<u>(97,715)</u>	<u>-</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	2,664	-
State school breakfast program	881	-
State after bell	1,722	-
NJEIE lunch	4,116	-
NJEIE breakfast	2,087	-
Federal sources:		
National school lunch program	43,867	-
National school breakfast program	21,379	-
Summer P-EBT	653	-
U.S.D.A. commodities	14,809	-
Local sources:		
Interest revenue	609	-
Total nonoperating revenues (expenses)	<u>92,787</u>	<u>-</u>
Change in net position	(4,928)	-
Total net position - July 1	<u>84,952</u>	<u>-</u>
Total net position - June 30	<u><u>\$ 80,024</u></u>	<u><u>\$ -</u></u>

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

CAPE MAY CITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year Ended June 30, 2024

	Business-type Activities Enterprise Funds	Governmental Activities - Internal Service
	Food Service Program	Shared Services - Administration & Professional Staff
Cash flows from operating activities:		
Receipts from customers	\$ 28,493	\$ -
Cash receipts from shared services agreement		223,597
Payments to employees	-	(219,984)
Payments to suppliers	(35,381)	(3,613)
Net cash used for operating activities	(6,888)	-
Cash flows from noncapital financing activities:		
Cash received from state and federal reimbursements	78,325	-
Net cash provided by non-capital financing activities	78,325	-
Cash flows from investing activities:		
Interest and dividends	609	-
Net cash provided by investing activities	609	-
Net increase in cash and cash equivalents	72,046	-
Balances - July 1	58,488	-
Balances - June 30	\$ 130,534	\$ -
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (97,715)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	2,758	-
Federal commodities	14,809	-
(Increase) decrease in inventories	1,427	-
Increase/(decrease) in interfund receivable	16,535	-
Increase/(decrease) in interfund payable	110,383	-
Increase/(decrease) in accounts payable	(55,167)	-
Increase/(decrease) in unearned revenue	82	-
Total adjustments	90,827	-
Net cash provided by (used for) operating activities	\$ (6,888)	\$ -

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

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Cape May City School District (District) is a Type II school district located in Cape May County, New Jersey and covers an area of approximately one square mile. As a Type II school district, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the District is to provide educational services for all of Cape May City's students in grades K through 6. Students in grades 7 through 8 attend Richard Teitleman Middle School. Students in grades 9 through 12 attend Lower Cape May Regional High School. The Cape May City School District has an approximate enrollment at June 30, 2024 of 159 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria require blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements (Continued) - Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued)

Enterprise Funds – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund Financial Statements (Continued) - Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, 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 School 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. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

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. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue 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.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - N.J.S.A. 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 Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2024 and 2023 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Lease Assets - Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position – Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net investment in capital assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Fund Balance – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2024.

Restricted – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements – In June 2022, the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

In December 2023, the GASB issued Statement 102, *Certain Risk Disclosures*. This statement requires government financial statements to disclose risks related to concentrations or constraints that could make a government vulnerable. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement aims to improve the financial reporting model to provide more effective information for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$7,805,494 as of June 30, 2024, \$250,000 was insured under FDIC and the remaining balance of \$7,555,494 was collateralized under GUDPA.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

3. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balance - June 30, 2023		\$ 816
Increased by:		
Interest Earned	\$ 3,979	
Unspent Appropriation	-	
Board Resolution	<u>2,583,000</u>	<u>2,586,979</u>
		2,587,795
Decreased by:		
Transfer to Capital Projects Fund		<u>2,583,000</u>
Balance - June 30, 2024		<u><u>\$ 4,795</u></u>

The June 30, 2024 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. FEDERAL IMPACT AID RESERVE

As permitted by P.L. 2015, c.46 which amended N.J.S.A. 18A:7F-41 a federal impact reserve was established by the Board of Education of the Cape May City School District by transfer of \$400,000 on June 15, 2017. Additionally, by board resolution on June 20, 2019, June 18, 2020, June 17, 2021, June 15, 2023, and June 20, 2024 \$400,000, \$600,000, \$800,000, \$900,000, and \$750,000 were approved increases for the amount of federal impact aid funds – general fund – received during the current fiscal year for use as general fund expenditures in subsequent years. The activity of the Impact Aid Reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Balances, June 30, 2023	\$ 2,806,312
Increased by:	
Interest earned	12,774
Transfer by Resolution	<u>750,000</u>
	3,569,086
Decreased by:	
Transfer to Capital Reserve	<u>2,583,000</u>
Balances, June 30, 2024	<u><u>\$ 986,086</u></u>

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

5. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2024 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2024 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Total
Intergovernmental					
State	\$ 3,129	\$ -	\$ 2,550,000	\$ 399	\$ 2,553,528
Federal	-	458,469	-	3,374	461,843
Other	23,962	140,553	-	-	164,515
Total	<u>\$ 27,091</u>	<u>\$ 599,022</u>	<u>\$ 2,550,000</u>	<u>\$ 3,773</u>	<u>\$ 3,179,886</u>

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Land	\$ 540,600	\$ -	\$ -	\$ 540,600
Total Capital Assets not being				
Depreciation	540,600		-	540,600
Building and Improvements	3,038,717	146,076		3,184,793
Equipment	422,697	27,717		450,414
Total Historical Cost	4,002,014	173,793	-	4,175,807
Less Accumulated Depreciation:				
Building and Improvements	(2,552,961)	(26,858)		(2,579,819)
Equipment	(217,800)	(22,425)		(240,225)
Total Accumulated Depreciation	(2,770,761)	(49,283)	-	(2,820,044)
Governmental Activities Capital				
Assets, Net	<u>\$ 1,231,253</u>	<u>\$ 124,510</u>	<u>\$ -</u>	<u>\$ 1,355,763</u>
Business-Type Activities:				
Equipment	\$ 65,131	\$ -	\$ -	\$ 65,131
Less - Accumulated Depreciation	(10,194)	(2,758)		(12,952)
Business-Type Activities Capital				
Assets, Net	<u>\$ 54,937</u>	<u>\$ (2,758)</u>	<u>\$ -</u>	<u>\$ 52,179</u>

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

6. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$49,283 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 34,498
General Administration	4,928
Plant Operation and Maintenance	7,392
Unallocated	<u>2,465</u>
Total depreciation expense	<u>\$ 49,283</u>

7. LEASE ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Lease Assets, being Amortized:				
Machinery and Equipment	\$ 90,286	\$ 4,574	\$ (2,069)	\$ 92,791
Total Lease Assets Being Amortized	<u>90,286</u>	<u>4,574</u>	<u>(2,069)</u>	<u>92,791</u>
Governmental Activities Lease Assets	<u>90,286</u>	<u>4,574</u>	<u>(2,069)</u>	<u>92,791</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(31,316)	(18,412)	2,069	(47,659)
Total Accumulated Amortization	<u>(31,316)</u>	<u>(18,412)</u>	<u>2,069</u>	<u>(47,659)</u>
Governmental Activities Lease Assets, Net	<u>\$ 58,970</u>	<u>\$ (13,838)</u>	<u>\$ -</u>	<u>\$ 45,132</u>

Amortization expense in the amount of \$18,412 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 15,650
Administration	1,841
Central Services	<u>921</u>
	<u>\$ 18,412</u>

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

8. INVENTORY

Inventory in the food service fund at June 30, 2024 consisted of the following:

Food	\$	4,174
Supplies		<u>705</u>
	\$	<u><u>4,879</u></u>

9. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 234,710	\$ 25,184	\$ 5,409	\$ 254,485	\$ -
Leases Payable	60,999	4,574	18,296	47,277	18,992
Net Pension Liability	<u>335,660</u>		<u>126,998</u>	<u>208,662</u>	
	<u>\$ 631,369</u>	<u>\$ 29,758</u>	<u>\$ 150,703</u>	<u>\$ 510,424</u>	<u>\$ 18,992</u>

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Leases Payable:

The School District has 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 the present value of the future minimum lease payments as of the date of their inception.

On November 1, 2021, the School District entered a 60-month lease as lessee for the use of copiers. An initial lease liability was recorded in the amount of \$88,218. The lease liability was \$43,346 as of June 30, 2024. The School District was required to make an initial payment of \$12,800 at lease commencement. Annual payments of \$19,177 are due thereafter. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2024, was \$41,168 with accumulated amortization of \$47,049.

On November 1, 2023, the School District entered a 60-month lease as lessee for the use of a postage meter. An initial lease liability was recorded in the amount of \$4,574. The lease liability was \$3,931 as of June 30, 2024. The School District is required to make quarterly payments of \$252. The lease has an interest rate of 4.00%. The value of the right to use asset as of June 30, 2024, was \$3,964 with accumulated amortization of \$610.

As of June 30, 2024, the District had leases outstanding as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Copiers	November 1, 2021	October 1, 2026	4.00%	\$ 43,346
Copiers	November 1, 2023	October 31, 2018	4.00%	<u>3,931</u>
Total				<u><u>\$ 47,277</u></u>

**Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

9. LONG-TERM OBLIGATIONS

Leases Payable (Continued):

The future annual lease obligations as of June 30, 2024, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 18,992	\$ 1,192	\$ 20,184
2026	19,765	419	20,184
2027	7,294	91	7,385
2028	976	31	1,007
2029	250	2	252
Total	<u>\$ 47,277</u>	<u>\$ 1,735</u>	<u>\$ 49,012</u>

10. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Empower (formerly Prudential Financial) for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at the following website: <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional, and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A.18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2023. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2024 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$545,964 and was paid by April 1, 2024. School District employee contributions to the pension plan during the fiscal year ended June 30, 2024 were \$178,213.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to 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 additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

At June 30, 2024, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2024, the School District recognized pension expense of \$164,279 and revenue of \$164,279 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

**Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

10. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>06/30/23</u>	<u>06/30/22</u>
Collective deferred outflows of resources	\$ 2,413,548,676	\$ 4,885,289,911
Collective deferred inflows of resources	14,741,373,312	19,563,805,393
Collective net pension liability (Non-Employer – State of New Jersey)	51,109,961,824	51,676,587,303
State's portion of the net pension liability that was associated with the School District	6,686,940	7,428,760
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0131032524%	.0143983796%

Actuarial assumptions – The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 – 5.65%
	based on years of service
Investment Rate of Return:	7.00%

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

The actuarial assumptions used in the July 1, 2022 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

10. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2023. 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 (State of New Jersey) 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2023, the pension plan's measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) that the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>7,885,116</u>	<u>6,686,940</u>	<u>5,677,791</u>
	<u>\$ 7,885,116</u>	<u>\$ 6,686,940</u>	<u>\$ 5,677,791</u>

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The School District's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Based on the most recent PERS measurement date of June 30, 2023, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2024, was \$19,254 and was paid by April 1, 2024. School District employee contributions to the pension plan during the fiscal year ended June 30, 2024, were \$13,497.

**Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

10. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Normal Contributions	Accrued Liability	Non Contributory Life	Long-Term Disability	Total Liability Paid by District
2024	\$ 3,417	\$ 15,024	\$ 813	\$ -	\$ 19,254
2023	4,272	22,562	1,214	-	28,048
2022	4,287	29,488	1,632	-	35,407

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by 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.

At June 30, 2024, the School District reported a liability of \$208,662 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2024, the School District recognized pension expense of (\$52,014). At June 30, 2024, the School District reported a liability of \$208,662 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,995	\$ 853
Changes of assumptions	458	12,646
Net Difference between projected and actual earnings on pension plan investments	961	-
Changes in proportion	14,090	220,458
District contributions subsequent to the measurement date	26,164	
Total	\$ 43,668	\$ 233,957

\$26,164 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ended June 30, 2025.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2025	\$ (87,676)
2026	(63,587)
2027	(46,615)
2028	(19,025)
2029	450
Total	\$ (216,453)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

10. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2023 and 2022 are as follows:

	<u>6/30/2023</u>	<u>6/30/2022</u>
Collective deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective deferred inflows of resources	\$ 1,780,216,457	\$ 3,236,303,935
Collective net pension liability	\$ 14,484,374,047	\$ 15,091,376,611
School District's Proportion	.0014405991%	.0022241818%

Actuarial assumptions - The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

This actuarial valuation used the following actuarial 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 disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

10. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
Total	100.00%	

Discount rate. The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2023. 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 and nonemployer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the 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 all projected benefit payments to determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 271,634	\$ 208,662	\$ 155,065

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Empower (formerly Prudential Financial). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

**Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

10. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Empower not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Fiscal Year	Total Liability	Paid by School District
2024	\$ 7,897	\$ 7,897
2023	9,324	9,324
2022	7,364	7,364

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefits Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32F, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Membership

As of June 30, 2023, the program membership consisted of the following:

Active Plan Members	217,212
Retirees	<u>152,383</u>
	<u><u>369,595</u></u>

Total Non-Employer OPEB Liability

The State of New Jersey, 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 School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: nj.gov/treasury/omb/fr.shtml. The State, as a nonemployer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

Actuarial assumptions and other imputes - The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State's most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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 the Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "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, 2022 valuation were based on the results of the TPAF, PERS, and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65%. 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 Nonemployer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	Total OPEB Liability
Balance as of June 30, 2022	\$ 9,436,697
Changes for the Year	
Service Cost	327,476
Interest	339,012
Changes of benefit terms	-
Differences between expected and actual experience	(241,125)
Changes in assumptions	19,402
Gross Benefit Payments	(264,265)
Contributions from the Non-employer	N/A
Contributions from the Member	8,688
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	189,188
Balance at 06/30/2023	<u>\$ 9,625,885</u>

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2023, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 11,284,698	\$ 9,625,885	\$ 8,294,051

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2023 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 7,990,969	\$ 9,625,885	\$ 11,765,177

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2024, the School District recognized \$211,800 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue were based on the OPEB Plan's June 30, 2023 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2023, the State's proportionate share of the total nonemployer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 430,942	\$ (230,774)
Differences between expected and actual experience	1,404,444	(2,535,362)
Changes of assumptions	1,368,813	(2,656,400)
Total	\$ 3,204,199	\$ (5,422,536)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State's proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2025	\$ (440,303)
2026	(440,303)
2027	(382,686)
2028	(225,617)
2029	(46,181)
Thereafter	(683,247)
Total	\$ (2,218,337)

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

12. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal retirement costs, post-retirement medical costs and long-term disability insurance were \$707,745, \$192,622, and \$359, respectively. In addition, \$166,243 on-behalf payments were made by the state for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

13. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Joint Insurance Pool - The School District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). Insurance coverage as provided by the Fund can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained at: www.njsbaig.com.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the School District's unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the current and previous two fiscal years:

Fiscal Year	Employee Contributions	Board Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2023-2024	\$ 5,846	\$ -	\$ 44	\$ 622	\$ 42,057
2022-2023	5,291	-	14	10,561	36,789
2021-2022	5,081		2	177	42,045

14. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

15. COMPENSATED ABSENCES

The School 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.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2024, the liability for compensated absences in the governmental activities fund type was \$254,485.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

16. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2025. The following interfund balances were recorded on the various balance sheets as of June 30, 2024:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 667,198	\$ 2,583,000
Special Revenue	-	154,620
Capital Projects	2,583,000	178,598
Proprietary	-	110,383
Internal Service	-	223,597
	<hr/>	<hr/>
Total	\$ 3,250,198	\$ 3,250,198

17. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2024, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District.

18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements.

If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The municipality recognized revenue of \$222,280 from the annual service charge in lieu of payment of taxes in 2023. The assessed value on these tax exemption properties amounted to \$13,718,300 which would have resulted in 2023 taxes billed in full of \$147,335. Of this amount \$9,191 would have been allocated to the district.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

19. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$50,026 in the Special Revenue Fund as of June 30, 2024 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable.

Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unassigned special revenue fund balance that is reported as a direct result of a delay in the June payments of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$50,026 in the Special Revenue Fund is equal to or less than the June state aid payments.

20. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Capital Reserve – As of June 30, 2024, the balance in the capital reserve account is \$4,795. This amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan.

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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, 2024 is \$499,915. Additionally, \$1,086,822 of excess fund balance generated during the 2022-2023 fiscal year has been restricted and designated for utilization in the 2024-2025 budget.

Maintenance Reserve Account – As of June 30, 2024, the balance in the maintenance reserve account is \$251,320. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Impact Aid Reserve – As of June 30, 2024, the balance in the impact aid reserve is \$986,086.

Unemployment Compensation – As of June 30, 2024, the balance in unemployment compensation is \$28,481. These funds are restricted for the purpose of financing unemployment claims.

Capital Projects Fund:

Capital Projects – As of June 30, 2024, the balance in capital projects is \$4,965,598.

Cape May City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

20. FUND BALANCES (Continued)

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Year-end Encumbrances – At June 30, 2024, a total of \$2,570 in the General Fund is committed to meet contractual obligations. The School District has purchase orders outstanding with vendors in this amount and expects the vendors to deliver the goods and services in the upcoming year.

Designated for Subsequent Year's Expenditures – The School District has appropriated \$866,328 as an anticipated revenue for the fiscal year ending June 30, 2025.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized

General Fund – As of June 30, 2024, the unassigned fund balance of the general fund was \$1,741,797.

Special Revenue Fund – As of June 30, 2024, the unassigned fund balance of the special revenue fund was a deficit of \$50,026. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 19).

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CAPE MAY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,962,587	\$ -	\$ 1,962,587	\$ 1,962,587	\$ -
Tuition - Individuals	28,831		28,831	23,961	(4,870)
Maintenance reserve - interest	20		20	200	180
Capital reserve - interest	5		5	3,978	3,973
Impact aid reserve - interest				12,774	12,774
Other restricted miscellaneous revenues				44	44
Unrestricted miscellaneous revenues	1,000		1,000	69,365	68,365
Total local sources	1,992,443		1,992,443	2,072,909	80,466
State sources:					
School choice aid	194,004		194,004	194,004	
Transportation aid	5,993		5,993	5,993	
Special education aid	78,905		78,905	78,905	
Security aid	40,306		40,306	40,306	
Adjustment aid	66,714		66,714	66,714	
Military impact aid	1,240,270		1,240,270	1,240,270	
Nonpublic Transportation Aid				2,730	2,730
On-behalf TPAF pension contributions (non-budgeted)				707,745	707,745
On-behalf TPAF post retirement medical (non-budgeted)				192,622	192,622
On-behalf TPAF - LTDL (non-budgeted)				359	359
Reimbursed TPAF social security contributions (non-budgeted)				166,243	166,243
Total state sources	1,626,192		1,626,192	2,695,891	1,069,699
Federal sources:					
P.L. 103-382 Impact Aid - General	700,000		700,000	2,321,926	1,621,926
P.L. 103-382 Impact Aid - Capital				54,258	54,258
Department of Defense		62,119	62,119	62,119	
Total federal sources	700,000	62,119	762,119	2,438,303	1,676,184
TOTAL REVENUES	4,318,635	62,119	4,380,754	7,207,103	2,826,349
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	47,346		47,346	47,041	305
Kindergarten	196,776	5,538	202,314	202,314	
Grades 1-5	696,971	12,778	709,749	668,605	41,144
Grades 6-8	119,011	1,411	120,422	120,422	
Total Instruction	1,060,104	19,727	1,079,831	1,038,382	41,449
Regular Programs - Home Instruction:					
Salaries of Teachers	5,200	(1,412)	3,788	3,458	330
Total Home Instruction	5,200	(1,412)	3,788	3,458	330

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CAPE MAY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	\$ 83,455	\$ 6,376	\$ 89,831	\$ 89,831	\$ -
Purchased technical services	65,000	9,196	74,196	72,306	1,890
Other purchased services	4,000	2,500	6,500	5,333	1,167
General supplies	160,000	(29,490)	130,510	62,803	67,707
Textbooks	85,000	(32,940)	52,060	370	51,690
Other objects	18,500		18,500	6,325	12,175
Total Undistributed Instruction	415,955	(44,358)	371,597	236,968	134,629
Total - Regular Programs - Instruction	1,481,259	(26,043)	1,455,216	1,278,808	176,408
Special Educ Instruction: Resource Room					
Salaries of teachers	203,024	(2,346)	200,678	181,161	19,517
General supplies	1,000		1,000	555	445
Total Resource Room	204,024	(2,346)	201,678	181,716	19,962
Total Special Education - Instruction	204,024	(2,346)	201,678	181,716	19,962
Basic Skills/Remedial - Instruction					
Salaries of teachers	208,830	9,742	218,572	218,572	
General supplies	3,500	(1,216)	2,284	2,177	107
Total Basic Skills/Remedial - Instruction	212,330	8,526	220,856	220,749	107
Bilingual Education - Instruction					
Salaries of teachers	31,643		31,643	31,643	
Purchased Technical Services	1,500	(1,175)	325	325	
Textbooks	1,000		1,000		1,000
General supplies		500	500	491	9
Total Bilingual Education - Instruction	34,143	(675)	33,468	32,459	1,009
Summer School - Instruction					
Salaries of teachers	20,000	36	20,036		20,036
Other salaries for instruction					
General supplies	1,000		1,000		1,000
Total Summer School - Instruction	21,000	36	21,036		21,036
School-Sponsored Cocurricular Act - Inst.					
Salaries	20,000	5,000	25,000	550	24,450
Supplies and materials	5,000	(5,000)			
Total School-Sponsored Cocurr. Act. - Inst	25,000		25,000	550	24,450
Undistributed Expenditures - Instruction					
Tuition to CSSD & Reg. Day Schools	206,505		206,505	191,294	15,211
Total Undistributed Expenditures - Instruction	206,505		206,505	191,294	15,211

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CAPE MAY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Attend. and Social Work					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services		-			-
Total Undistributed Expenditures - Attendance					
Undistributed Expenditures - Health Services					
Salaries	72,165	2,837	75,002	75,002	
Purchased prof. and technical services	4,000	(1,500)	2,500	2,500	
Other purchased services		99	99	99	
Supplies and materials	5,000	(1,436)	3,564	2,359	1,205
Total Undistributed Expenditures - Health Svcs.	81,165		81,165	79,960	1,205
Undist. Expend. - Speech, OT, PT & Rel. Serv.					
Salaries	58,347		58,347	56,899	1,448
Purchased prof. and educational services	55,000		55,000	23,817	31,183
Supplies and materials	3,000		3,000	302	2,698
Total Undst. Expend. - Speech, OT, PT & Rel. Serv.	116,347		116,347	81,018	35,329
Undist. Expend. - Supp Serv STD- Extra Serv					
Salaries	70,805	(4,808)	65,997	65,997	
Purchased prof. and educational services	80,000	13,980	93,980	79,793	14,187
Total Undst. Expend. - Supp Serv STD - Extra Serv	150,805	9,172	159,977	145,790	14,187
Undist. Expend. - Guidance					
Salaries of other professional staff	86,580	6,320	92,900	92,417	483
Supplies and materials	2,000		2,000	70	1,930
Total Undst. Expend. - Guidance	88,580	6,320	94,900	92,487	2,413
Undist. Expend. - Child Study Teams					
Salaries of other professional staff					
Salaries of secretarial and clerical assistants	14,865		14,865	13,063	1,802
Purchased professional and educational services	78,500	(15,492)	63,008	31,462	31,546
Supplies and materials	2,000	(1,257)	743	656	87
Total Undst. Expend. - Child Study Teams	95,365	(16,749)	78,616	45,181	33,435
Undist. Expend. - Improvement of Inst. Services					
Salaries of other supervisor of instruction	68,906	2,650	71,556	71,556	
Salaries of secretarial and clerical assistants	14,863	(1,405)	13,458	13,458	
Supplies and Materials	12,000	12	12,012	3,562	8,450
Total Undst. Expend. - Improvement of Inst. Services	95,769	1,257	97,026	88,576	8,450
Undist. Expend. - Educ. Media Serv./Sch. Library					
Salaries					
Salaries of technology coordinators	10,000		10,000	10,385	(385)
Purchased prof/technical services	4,000	(1,067)	2,933	2,632	301
Supplies and materials	5,000	1,067	6,067	4,320	1,747
Total Undst. Expend. - Educ. Media Serv./Sch. Library	19,000		19,000	17,337	1,663

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CAPE MAY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. General Admin.					
Salaries	\$ 50,375	\$ -	\$ 50,375	\$ 33,817	\$ 16,558
Legal services	15,000	14,300	29,300	25,360	3,940
Audit Fees	14,000	500	14,500	14,500	
Expenditure and internal control audit fees	3,200		3,200		3,200
Architectural/Engineering services	10,000		10,000		10,000
Other Purchased Professional Services	10,000	(500)	9,500	2,820	6,680
Communications / telephone	15,000		15,000	5,941	9,059
BOE Other Purchased Services	8,500		8,500		8,500
General supplies	5,000	(2,248)	2,752	1,210	1,542
BOE in-house training/meeting supplies	1,200		1,200	820	380
Miscellaneous expenditures	5,000	(119)	4,881	3,662	1,219
BOE membership dues and fees	6,500	2,367	8,867	8,867	
Total Undst. Expend. - Supp. Serv. General Admin.	143,775	14,300	158,075	96,997	61,078
Undist. Expend. - Supp. Serv. School Admin.					
Salaries of principals/assist. principals	50,373	(16,556)	33,817	33,816	1
Salaries of other professional staff		16,556	16,556		16,556
Other purchased services		6,475	6,475	6,475	
Supplies and materials	2,500	(975)	1,525	118	1,407
Other objects	2,500		2,500	1,823	677
Total Undst. Expend. - Supp. Serv. School Admin.	55,373	5,500	60,873	42,232	18,641
Undist. Expend. - Central Services					
Salaries	120,801	(1,578)	119,223	119,223	
Purchased Professional Services	12,300	16,578	28,878	8,033	20,845
Other Purchased Services	7,500	(7,500)			
Supplies and materials	2,500	3,307	5,807	5,807	
Miscellaneous expenditures		2,287	2,287	2,287	
Total Undst. Expend. - Central Services	143,101	13,094	156,195	135,350	20,845
Undist. Expend. - Admin. Info. Technology					
Salaries					
Purchased technical services	12,000	1,954	13,954	13,954	
Total Undst. Expend. - Admin. Info. Technology	12,000	1,954	13,954	13,954	
Undist. Expend. - Required Maint. Sch. Facilities					
Salaries	42,765	(16,084)	26,681	26,681	
Cleaning, repair, and required maintenance services	115,000	(44,449)	70,551	69,771	780
Lead Testing of Drinking Water					
Supplies and materials	5,000	(4,966)	34	34	
Total Undst. Expend. - Required Maint. Sch. Facilities	162,765	(65,499)	97,266	96,486	780
Undist. Expend. - Custodial Services					
Salaries	123,658	(24,939)	98,719	98,719	
Purchased professional & tech. services	10,000	(2,096)	7,904	7,904	
Insurance	38,538	3,194	41,732	41,732	
Misc. purchased services					
General supplies	18,500	22,274	40,774	40,774	
Energy (natural gas)	65,000	(12,429)	52,571	52,571	
Energy (electricity)	65,000	17,710	82,710	80,921	1,789
Energy (gasoline)	500	(500)			
Other objects	10,000	7,654	17,654	17,653	1
Total Undst. Expend. - Custodial Services	331,196	10,868	342,064	340,274	1,790

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CAPE MAY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Security					
Salaries	\$ 52,062	\$ (6,554)	\$ 45,508	\$ 44,425	\$ 1,083
Purchased professional & tech. services	22,999		22,999	22,845	154
General Supplies	10,000		10,000	580	9,420
Total Security	85,061	(6,554)	78,507	67,850	10,657
Total Undst. Expend. - Oper. & Maint. of Plant Services	579,022	(61,185)	517,837	504,610	13,227
Undist. Expend. - Student Trans. Services					
Sal. of Non-Instructional Aides	7,765	(1,945)	5,820	5,820	
Contr. serv. - Aid in Lieu - nonpublic	6,000	990	6,990	6,990	
Contr. serv. - Aid in Lieu - choice school	4,200	460	4,660	4,660	
Contr. serv. (other than bet. home & sch.) - vendors	3,500	(925)	2,575	2,575	
Contr. serv. (sp ed stds) - vendors	72,000	(72,000)			
Contr. serv. (sp ed stds) - joint agreements	25,000	105,698	130,698	130,698	
Total Undst. Expend. - Student Trans. Services	118,465	32,278	150,743	150,743	
Unallocated Benefits - Employee Benefits					
Social security contributions	47,000	1,573	48,573	48,573	
Other retirement contributions - PERS	37,500	(10,874)	26,626	19,254	7,372
Other retirement contributions - reg.	5,000	2,927	7,927	7,927	
Unemployment compensation					
Workmen's compensation	51,000	(3,194)	47,806	37,910	9,896
Health benefits	578,008		578,008	565,693	12,315
Tuition reimbursement	18,500	1,221	19,721	9,672	10,049
Other employee benefits	57,248	83,704	140,952	115,288	25,664
Total Unallocated Benefits - Employee Benefits	794,256	75,357	869,613	804,317	65,296
On-behalf TPAF pension contributions (non-budgeted)				707,745	(707,745)
On-behalf TPAF post retirement medical (non-budgeted)				192,622	(192,622)
On-behalf TPAF - LTDI (non-budgeted)				359	(359)
Reimbursed TPAF social security contributions (non-budgeted)				166,243	(166,243)
Total Undistributed Expenditures - TPAF				1,066,969	(1,066,969)
Total Undistributed Expenditures	2,699,528	81,298	2,780,826	3,556,815	(775,989)
Total General Current Expense	4,677,284	60,796	4,738,080	5,271,097	(533,017)
EXPENDITURES:					
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures:					
Non-instructional services	9,000	62,119	71,119	66,037	5,082
Total Equipment	9,000	62,119	71,119	66,037	5,082

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CAPE MAY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Services					
Construction services	\$ -	\$ -	\$ -	\$ -	\$ -
Infrastructure	736,657	(60,796)	675,861	80,905	594,956
Assessment for Debt Service on SDA Funding	3,161	-	3,161	3,161	-
Total Facilities Acquisition and Construction Services	739,818	(60,796)	679,022	84,066	594,956
Total Capital Outlay	748,818	1,323	750,141	150,103	600,038
Total Expenditures	5,426,102	62,119	5,488,221	5,421,200	67,021
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(1,107,467)		(1,107,467)	1,785,903	2,893,370
Other Financing Sources:					
Operating Transfer Out - Capital Projects Fund				(2,583,000)	2,583,000
Operating Transfer Out - Special Revenue Fund	(83,376)		(83,376)	(83,376)	
Operating Transfer Out - Food Service Fund	(5,000)		(5,000)		(5,000)
Total Other Financing Sources	(88,376)		(88,376)	(2,666,376)	2,578,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,195,843)		(1,195,843)	(880,473)	315,370
Fund Balance, July 1	6,485,704		6,485,704	6,485,704	
Fund Balance, June 30	<u>\$ 5,289,861</u>	<u>\$ -</u>	<u>\$ 5,289,861</u>	<u>\$ 5,605,231</u>	<u>\$ 315,370</u>
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ -	
Capital Reserve				4,795	
Maintenance Reserve				251,320	
Impact Aid Reserve					
Designated for Subsequent Year's Expenditures					
Impact Aid Reserve				986,086	
Unemployment Compensation				28,481	
Excess Surplus:					
Designated for Subsequent Year's Expenditures				1,086,822	
Current Year				499,915	
Assigned:					
Year-end encumbrances				2,570	
Designated for Subsequent Year's Expenditures				866,328	
Unassigned				<u>1,878,914</u>	
				5,605,231	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				(137,117)	
Fund Balance per Government Fund (GAAP)				<u>\$ 5,468,114</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CAPE MAY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 645,274	\$ -	\$ 645,274	\$ 477,381	\$ (167,893)
Federal sources	111,329	510,986	622,315	606,116	(16,199)
Total revenues	756,603	510,986	1,267,589	1,083,497	(184,092)
EXPENDITURES:					
Instruction:					
Salaries of teachers	274,884	26,552	301,436	285,126	16,310
Other Salaries for Instruction	78,900		78,900	69,087	9,813
Purchase Prof. Tech Services	20,000	(5,813)	14,187	14,957	(770)
Other Purchased Services		10,750	10,750	10,750	
Tuition	44,045	11,331	55,376	55,376	
General supplies	36,512	52,373	88,885	75,004	13,881
Total instruction	454,341	95,193	549,534	510,300	39,234
Support services:					
Salaries of Supervisors of Instruction	17,226		17,226	5,318	11,908
Other Salaries	12,170	(5,300)	6,870	6,863	7
Salaries of Community Parent Involvement Spec.	34,732		34,732	29,564	5,168
Salaries of Master Teachers	34,732		34,732	29,564	5,168
Personal services - employee benefits	74,330	19,800	94,130	67,362	26,768
Purchase Prof. Tech. Services					
Other Purchased Prof. Ed. Services	10,000	(6,885)	3,115	3,115	
Cleaning, Repair, and Maintenance	5,000	(1,107)	3,893	1,154	2,739
Other purchased services	4,930	(1,402)	3,528	3,528	
Prof. Development/Travel	2,500	(2,500)			
Supplies and Materials	1,000	(665)	335	313	22
Total support services	196,620	1,941	198,561	146,781	51,780
Facilities acquisition and const. serv.:					
Instructional Equipment	61,000	27,706	88,706	79,706	9,000
Non-Instructional Equipment	44,642		44,642	43,940	702
Buildings		386,146	386,146	386,146	
Total facilities acquisition and const. serv.:	105,642	413,852	519,494	509,792	9,702
Total expenditures	756,603	510,986	1,267,589	1,166,873	100,716
Other financing sources (uses):					
Transfer from General Fund				83,376	83,376
Total other financing sources (uses)				83,376	83,376
Total outflows	756,603	510,986	1,267,589	1,083,497	184,092
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -

CAPE MAY CITY SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
Fiscal Year Ended June 30, 2024

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 7,207,103	\$ 1,083,497
Difference - budget to GAAP:		
The last State aid payment for the prior year is recognized as revenue for GAAP purposes and differs from budgetary basis which recognized this revenue in the prior year.	119,693	44,632
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognizes this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(137,117)</u>	<u>(50,026)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,189,679</u>	<u>\$ 1,078,103</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,421,200	\$ 1,083,497
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		<u>83,376</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,421,200</u>	<u>\$ 1,166,873</u>

Required Supplementary Information - Part III

Schedules Related to Accounting and Reporting

For Pensions and

Other Post Employment Benefits

CAPE MAY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability (asset)	0.0014405991%	0.0022241818%	0.0030233549%	0.0029100976%	0.0033819077%	0.0029620673%	0.0028242867%	0.0028805056%	0.0027185222%	0.0018551999%
District's proportionate share of the net pension liability (asset)	\$ 208,662	\$ 335,660	\$ 358,162	\$ 474,561	\$ 609,368	\$ 583,216	\$ 657,449	\$ 853,123	\$ 610,254	\$ 347,344
District's covered-employee payroll	173,612	147,851	155,019	161,413	219,167	191,765	237,191	207,887	196,958	183,842
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	120.19%	227.03%	231.04%	294.00%	278.04%	304.13%	277.18%	410.38%	309.84%	188.94%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

CAPE MAY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 26,164	\$ 19,254	\$ 28,048	\$ 35,407	\$ 31,835	\$ 33,194	\$ 29,463	\$ 26,164	\$ 25,590	\$ 23,372
Contributions in relation to the contractually required contributions	<u>(26,164)</u>	<u>(19,254)</u>	<u>(28,048)</u>	<u>(35,407)</u>	<u>(31,835)</u>	<u>(33,194)</u>	<u>(29,463)</u>	<u>(26,164)</u>	<u>(25,590)</u>	<u>(23,372)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	173,612	147,851	155,019	161,413	219,167	191,765	237,191	207,887	196,958	183,842
Contributions as a percentage of covered-employee payroll	15.07%	13.02%	18.09%	21.94%	14.53%	17.31%	12.42%	12.59%	12.99%	12.71%

CAPE MAY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Ten Fiscal Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability (asset)	0.0131032524%	0.0143983796%	0.0150918068%	0.0155432978%	0.0148717178%	0.0144954202%	0.0141587944%	0.0144438971%	0.0152416614%	0.0152518196%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 6,686,940	\$ 7,428,760	\$ 7,255,415	\$ 10,235,075	\$ 9,126,914	\$ 9,221,675	\$ 9,546,370	\$ 11,362,489	\$ 9,633,381	\$ 8,151,601
Total	<u>\$ 6,686,940</u>	<u>\$ 7,428,760</u>	<u>\$ 7,255,415</u>	<u>\$ 10,235,075</u>	<u>\$ 9,126,914</u>	<u>\$ 9,221,675</u>	<u>\$ 9,546,370</u>	<u>\$ 11,362,489</u>	<u>\$ 9,633,381</u>	<u>\$ 8,151,601</u>
District's covered-employee payroll	2,356,275	2,116,696	1,878,164	1,515,422	1,617,636	1,715,479	1,600,701	1,511,342	1,409,569	1,458,772
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	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

CAPE MAY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Seven Fiscal Years

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>\$ 9,625,885</u>	<u>\$ 9,436,697</u>	<u>\$ 10,772,138</u>	<u>\$ 12,140,525</u>	<u>\$ 7,397,526</u>	<u>\$ 8,298,594</u>	<u>\$ 9,646,738</u>
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 9,625,885</u>	<u>\$ 9,436,697</u>	<u>\$ 10,772,138</u>	<u>\$ 12,140,525</u>	<u>\$ 7,397,526</u>	<u>\$ 8,298,594</u>	<u>\$ 9,646,738</u>
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%
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability							
Service Cost	\$ 327,476	\$ 398,480	\$ 474,388	\$ 265,610	\$ 254,563	\$ 272,213	\$ 326,151
Interest	339,012	250,083	279,441	264,654	326,784	351,297	303,793
Changes in benefit terms			(11,466)				
Difference between expected and actual experiences	(241,125)	787,242	(1,908,401)	2,200,029	(1,372,362)	(805,117)	
Changes of assumptions	19,402	(2,531,479)	10,628	2,217,657	110,298	(952,305)	(1,208,100)
Member Contributions	8,688	7,947	7,144	6,406	6,731	7,669	8,228
Benefit payments	<u>(264,265)</u>	<u>(247,714)</u>	<u>(220,121)</u>	<u>(211,357)</u>	<u>(227,082)</u>	<u>(221,901)</u>	<u>(223,439)</u>
Net Change in total OPEB Liability	\$ 189,188	\$ (1,335,441)	\$ (1,368,387)	\$ 4,742,999	\$ (901,068)	\$ (1,348,144)	\$ (793,367)
Total OPEB Liability - beginning	<u>\$ 9,436,697</u>	<u>\$ 10,772,138</u>	<u>\$ 12,140,525</u>	<u>\$ 7,397,526</u>	<u>\$ 8,298,594</u>	<u>\$ 9,646,738</u>	<u>\$ 10,440,105</u>
Total OPEB Liability - ending	<u>\$ 9,625,885</u>	<u>\$ 9,436,697</u>	<u>\$ 10,772,138</u>	<u>\$ 12,140,525</u>	<u>\$ 7,397,526</u>	<u>\$ 8,298,594</u>	<u>\$ 9,646,738</u>
District's covered-employee payroll	2,529,887	2,264,547	2,033,183	1,676,835	1,836,803	1,907,244	1,837,892
Total OPEB Liability as a percentage of covered-employee payroll	380.49%	416.71%	529.82%	724.01%	402.74%	435.11%	524.88%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Cape May City School District
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2024

Teacher's Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

Changes of assumptions: There were none.

Public Employees' Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: There were none.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

Other Supplementary Information

Special Revenue Fund

CAPE MAY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2024

	CRRSA Learning Acceleration	CRRSA Mental Health	ARP ESSER III	ARP Accelerated Learning	ARP Summer Learning	ARP Beyond the School Day	ARP NJTSS Mental Health	Preschool Education Aid	Exhibit E-1 Totals	Total
REVENUES:										
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477,381	\$ -	\$ 477,381
Federal sources	63	770	386,146	50,000	3,106	32,828	14,187	-	119,016	606,116
Total Revenues	63	770	386,146	50,000	3,106	32,828	14,187	477,381	119,016	1,083,497
EXPENDITURES:										
Instruction:										
Salaries of Teachers					3,106	32,828		211,392	37,800	285,126
Other Salaries for Instruction								69,087		69,087
Purchase Prof. Tech. Services		770					14,187			14,957
Other Purchased Services								10,750		10,750
Tuition									55,376	55,376
General Supplies	63			50,000				22,429	2,512	75,004
Total instruction	63	770		50,000	3,106	32,828	14,187	313,658	95,688	510,300
Support services:										
Salaries of Supervisor of Instruction								5,318		5,318
Other Salaries								6,863		6,863
Salaries of Community Parent Involvement Spec.								29,564		29,564
Salaries of Master Teachers								29,564		29,564
Personal Services - Employee Benefits								47,562	19,800	67,362
Purchase Prof. Tech. Services										
Other Purchased Prof. Ed. Services								3,115		3,115
Cleaning, Repair, and Maintenance								1,154		1,154
Other Purchased Services									3,528	3,528
Travel										
Supplies and Materials								313		313
Total support services								123,453	23,328	146,781
Facilities acquisition and const. serv.:										
Instructional Equipment								79,706		79,706
Non-Instructional Equipment								43,940		43,940
Buildings			386,146							386,146
Total facilities acquisition and const. serv.:			386,146					123,646		509,792
Total Expenditures	63	770	386,146	50,000	3,106	32,828	14,187	560,757	119,016	1,166,873
Other financing sources (uses)										
Transfer from General Fund								83,376		83,376
Total other financing sources (uses)								83,376		83,376
Total outflows								477,381		1,083,497
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPE MAY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Statement of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year Ended June 30, 2024

	No Child Left Behind (N.C.L.B.)				I.D.E.A. Part B - Basic Current Year	I.D.E.A. Part B - Preschool Current Year	Total
	Title I Current Year	Title II - Part A Current Year	Title IV - Part A Current Year	Title IV - Part A Prior Year			
REVENUES:							
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	57,600	3,528	202	52	55,376	2,258	119,016
Total Revenues	57,600	3,528	202	52	55,376	2,258	119,016
EXPENDITURES:							
Instruction:							
Salaries of Teachers	37,800						37,800
Salaries of Aides							
Purchase Prof Tech							
Other Purchased Service							
Tuition					55,376		55,376
General Supplies			202	52		2,258	2,512
Total instruction	37,800		202	52	55,376	2,258	95,688
Support services:							
Personal Services - Employee Benefits	19,800						19,800
Purchase Prof. Service							
Purchase Property Service							
Other Purchased Services		3,528					3,528
Prof. Devel./Travel							
Supplies and Materials							
Total support services	19,800	3,528					23,328
Facilities acquisition and const. serv.:							
Buildings							
Total facilities acquisition and const. serv.:							
Total Expenditures	57,600	3,528	202	52	55,376	2,258	119,016
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPE MAY CITY SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
for the Fiscal Year Ended June 30, 2024

<u>District-Wide Total</u>			
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 220,530	\$ 211,392	\$ 9,138
Other salaries for instruction	78,900	69,087	9,813
Other Purchased Services	10,750	10,750	-
General Supplies	26,512	22,429	4,083
Total Instruction	336,692	313,658	23,034
Support Services:			
Salaries of Supervisor of Instruction	17,226	5,318	11,908
Other Salaries	6,870	6,863	7
Salaries of Community Parent Involvement	34,732	29,564	5,168
Salaries of Master Teachers	34,732	29,564	5,168
Personal Services - Employee Benefits	74,330	47,562	26,768
Other Purch Professional - Ed. Services	3,115	3,115	
Cleaning Repair and Maintenance Services	3,893	1,154	2,739
Supplies and Materials	336	313	23
Total support services	175,234	123,453	51,781
Facilities Acquisition and Construction Services			
Instructional Equipment	88,706	79,706	9,000
Noninstructional Equipment	44,642	43,940	702
Total Facilities Acquisition and Construction Services	133,348	123,646	9,702
Total expenditures	<u>\$ 645,274</u>	<u>\$ 560,757</u>	<u>\$ 84,517</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2023-2024 Preschool Education Allocation	\$ 500,256
Add: Actual PreK/ECPA Aid Carryover June 30, 2023	61,642
Add: Budgeted Transfer From General Fund	83,376
Total Preschool Education Aid Funds Available for 2023-2024	645,274
Less: 2023-2024 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(645,274)
Available & Unbudgeted Preschool Education Funds as of June 30, 2024	-
Add: June 30, 2024 Unexpended Preschool Education Aid	84,517
2023-2024 Preschool Education Aid Carryover	<u>\$ 84,517</u>
2023-2024 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2024-25	<u>\$ 64,959</u>

Capital Projects Fund
Detail Statements

CAPE MAY CITY SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2024

Revenues and Other Financing Sources:

State Aid - SDA Grant	\$ 2,550,000
Transfer from capital outlay	<u>2,583,000</u>
Total revenues and other financing sources	<u>5,133,000</u>

Expenditures and Other Financing (Uses):

Purchased professional services	167,551
Construction services	
Total expenditures and other financing (uses)	<u>167,551</u>

Excess (deficiency) or revenues over (under) expenditures	4,965,449
---	-----------

Fund Balance - July 1	<u>149</u>
-----------------------	------------

Fund Balance - June 30	<u><u>\$ 4,965,598</u></u>
------------------------	----------------------------

CAPE MAY CITY SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Elementary School - Security Upgrade
From Inception and for the Fiscal Year ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 11,196	\$ -	\$ 11,196	\$ 11,196
Transfer from capital outlay	16,571		16,571	16,571
Total revenues	<u>27,767</u>	<u>-</u>	<u>27,767</u>	<u>27,767</u>
Expenditures and Other Financing Uses:				
Purchased professional services	2,998		2,998	2,998
Construction services	24,620		24,620	24,620
	<u>27,618</u>	<u></u>	<u>27,618</u>	<u>27,618</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 149</u>
Additional project information:				
Project Number	0710-050-09-2001			
Grant Date	06/09/10			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 46,250			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 27,618			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	12/31/09			
Revised target completion date	12/31/09			

CAPE MAY CITY SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Elementary School - Replacement of Roof, Heating Ventilating and Air Conditioning Systems- HVAC System
Replacements to include Boilers, Unit Ventilators, RTU's and Related Equipment
From Inception and for the Fiscal Year ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SDA Grant	\$ -	\$ 2,550,000	\$ 2,550,000	\$ 2,550,000
Transfer from capital reserve	-	2,583,000	2,583,000	2,583,000
Total revenues	<u>-</u>	<u>5,133,000</u>	<u>5,133,000</u>	<u>5,133,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	-	167,551	167,551	167,551
Construction services	-	-	-	-
	<u>-</u>	<u>167,551</u>	<u>167,551</u>	<u>167,551</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 4,965,449</u>	<u>\$ 4,965,449</u>	<u>\$ 4,965,449</u>
Additional project information:				
Project Number	0710-050-23-G5CX			
Grant Date	06/04/24			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 6,375,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ -			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original target completion date	12/31/25			
Revised target completion date	N/A			

Proprietary Funds

CAPE MAY CITY SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
as of June 30, 2024

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 130,534
Accounts Receivable:	
State	399
Federal	3,374
Inventories	<u>4,879</u>
Total Current Assets	<u>139,186</u>
Fixed Assets:	
Equipment	65,131
Less: Accumulated Depreciation	<u>(12,952)</u>
Total Fixed Assets	<u>52,179</u>
Total Assets	<u>191,365</u>
LIABILITIES:	
Current liabilities:	
Unearned Revenue	958
Interfund Payable	<u>110,383</u>
Total Current Liabilities	<u>111,341</u>
NET POSITION:	
Net Investment in Capital Assets	52,179
Unreserved Retained Earnings	<u>27,845</u>
Total Net Position	<u><u>\$ 80,024</u></u>

CAPE MAY CITY SCHOOL DISTRICT
Enterprise Funds

Combined Statement of Revenues, Expenses and Changes in Net Position
for the Fiscal Year ended June 30, 2024

	Food Service Fund
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs	\$ 27,131
Total-daily sales-reimbursable programs	27,131
Daily sales non-reimbursable programs	1,116
Miscellaneous	1,840
Total operating revenue	30,087
OPERATING EXPENSES:	
Salaries	68,209
Employee benefits	5,218
Supplies and materials	686
Depreciation	2,758
Other purchased services	2,697
Cost of Sales - reimbursable programs	46,907
Cost of Sales - nonreimbursable programs	1,327
Total operating expenses	127,802
Operating income (loss)	(97,715)
Non-operating revenues:	
State sources:	
State school lunch program	2,664
State school breakfast program	881
State after bell	1,722
NJEIE lunch	4,116
NJEIE breakfast	2,087
Federal sources:	
National school lunch program	43,867
National school breakfast program	21,379
Summer P-EBT	653
U.S.D.A. commodities	14,809
Interest revenue	609
Total non-operating revenues	92,787
Change in Net Position	(4,928)
Net Position - July 1	84,952
Net Position - June 30	\$ 80,024

CAPE MAY CITY SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
for the Fiscal Year ended June 30, 2024

	Food Service Fund
Cash flows from operating activities:	
Cash receipts from customers	\$ 28,493
Cash payments to employees for services	-
Cash payments to suppliers for goods and services	<u>(35,381)</u>
Net cash used by operating activities	<u>(6,888)</u>
Cash flows from noncapital financing activities:	
Transfers from / (to) other funds	-
Cash received from state and federal reimbursements	<u>78,325</u>
Net cash provided by noncapital financing activities	<u>78,325</u>
Cash flows from investing activities:	
Interest on investments	<u>609</u>
Net cash provided by investing activities	<u>609</u>
Net increase (decrease) in cash and cash equivalents	72,046
Cash and cash equivalents, July 1	<u>58,488</u>
Cash and cash equivalents, June 30	<u><u>\$ 130,534</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (97,715)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	2,758
Federal commodities	14,809
Change in assets and liabilities:	
(Increase)/decrease in inventory	1,427
(Increase)/decrease in interfund receivable	16,535
Increase/(decrease) in interfund payable	110,383
Increase/(decrease) in accounts payable	(55,167)
Increase/(decrease) in unearned revenue	<u>82</u>
Net cash used by operating activities	<u><u>\$ (6,888)</u></u>

CAPE MAY CITY SCHOOL DISTRICT
Internal Service Fund
Statement of Net Position
as of June 30, 2024

	Governmental Activities - Internal Service Shared Services - Administration & Professional Staff
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable:	
Intergovernmental	<u>223,597</u>
Total current assets	<u>223,597</u>
Total assets	<u><u>\$ 223,597</u></u>
LIABILITIES:	
Current liabilities:	
Interfund payable	<u>\$ 223,597</u>
Total current liabilities	<u>223,597</u>
NET POSITION:	
Unrestricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

CAPE MAY CITY SCHOOL DISTRICT**Internal Service Fund**

Statement of Revenues, Expenses and Changes in Net Position
for the Fiscal Years ended June 30, 2024

	Governmental Activities - Internal Service Shared Services - Administration & Professional Staff
OPERATING REVENUES:	
Local sources:	
Shared Service Agreement	\$ 223,597
Total operating revenue	223,597
OPERATING EXPENSES:	
Salaries	219,984
Purchased Professional Services	3,613
Total operating expenses	223,597
Operating income (loss)	-
Net Income (loss)	-
Net position - July 1	-
Net position - June 30	\$ -

CAPE MAY CITY SCHOOL DISTRICT
Internal Service Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2024

	Governmental Activities - Internal Service Shared Services - Administration & Professional Staff
Cash flows from operating activities:	
Cash receipts from shared services agreement	\$ 223,597
Payments to employees	(219,984)
Cash payments to suppliers for goods and services	(3,613)
	<u>-</u>
Net cash used by operating activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents, July 1	<u>-</u>
Cash and cash equivalents, June 30	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Change in assets and liabilities:	
(Increase)/decrease in accounts receivable	-
Increase/(decrease) in interfund payable	-
	<u>-</u>
Net cash used by operating activities	<u><u>\$ -</u></u>

Long-Term Debt Schedules

CAPE MAY CITY SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
June 30, 2024

Purpose	Original Issue	Interest Rate	Balance June 30, 2023	Issued	Retired	Balance June 30, 2024
Copiers	\$ 88,218	4.00%	\$ 60,762	\$ -	\$ 17,416	\$ 43,346
Postage Meter	4,762	3.00%	237	-	237	-
Postage Meter	4,574	4.00%	-	4,574	643	3,931
			<u>\$ 60,999</u>	<u>\$ 4,574</u>	<u>\$ 18,296</u>	<u>\$ 47,277</u>

Statistical Section

Cape May City School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-1

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	\$ 1,494,960	\$ 1,433,367	\$ 1,381,120	\$ 1,350,142	\$ 1,309,084	\$ 1,252,487	\$ 1,191,742	\$ 1,234,002	\$ 1,229,224	\$ 1,353,618
Restricted for:										
Special Revenue	(6,622)	(10,077)	(6,622)	(9,501)	(9,058)	(6,817)	(5,727)	-	-	-
Capital Projects	75,784	814	814	963	963	964	964	964	965	4,970,393
Other Purposes	445,963	550,455	1,092,618	1,848,490	1,901,419	2,095,138	1,682,928	2,754,759	4,804,060	2,852,624
Unrestricted	(473,567)	(111,385)	(276,327)	(525,826)	(203,616)	(208,256)	740,830	1,039,266	785,411	1,881,069
Total Governmental Activities Net Position	<u>\$ 1,536,518</u>	<u>\$ 1,863,174</u>	<u>\$ 2,191,603</u>	<u>\$ 2,664,268</u>	<u>\$ 2,998,792</u>	<u>\$ 3,133,516</u>	<u>\$ 3,610,737</u>	<u>\$ 5,028,991</u>	<u>\$ 6,819,660</u>	<u>\$ 11,057,704</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 3,231	\$ 2,678	\$ 2,125	\$ 1,572	\$ 1,055	\$ 722	\$ 389	\$ 55	\$ 54,937	\$ 52,179
Unrestricted	9,772	29,331	58,912	38,989	23,145	1,988	11,820	92,983	30,015	27,845
Total Business-Type Activities Net Position	<u>\$ 13,003</u>	<u>\$ 32,009</u>	<u>\$ 61,037</u>	<u>\$ 40,561</u>	<u>\$ 24,200</u>	<u>\$ 2,710</u>	<u>\$ 12,209</u>	<u>\$ 93,038</u>	<u>\$ 84,952</u>	<u>\$ 80,024</u>
District-Wide:										
Net Investment in Capital Assets	\$ 1,498,191	\$ 1,436,045	\$ 1,383,245	\$ 1,351,714	\$ 1,310,139	\$ 1,253,209	\$ 1,192,131	\$ 1,234,057	\$ 1,284,161	\$ 1,405,797
Restricted:										
Special Revenue	(6,622)	(10,077)	(6,622)	(9,501)	(9,058)	(6,817)	(5,727)	-	-	-
Capital Projects	75,784	814	814	963	963	964	964	964	965	4,970,393
Other Purposes	445,963	550,455	1,092,618	1,848,490	1,901,419	2,095,138	1,682,928	2,754,759	4,804,060	2,852,624
Unrestricted	(463,795)	(82,054)	(217,415)	(486,837)	(180,471)	(206,268)	752,650	1,132,249	815,426	1,908,914
Total District Net Position	<u>\$ 1,549,521</u>	<u>\$ 1,895,183</u>	<u>\$ 2,252,640</u>	<u>\$ 2,704,829</u>	<u>\$ 3,022,992</u>	<u>\$ 3,136,226</u>	<u>\$ 3,622,946</u>	<u>\$ 5,122,029</u>	<u>\$ 6,904,612</u>	<u>\$ 11,137,728</u>

Cape May City School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 1,312,897	\$ 1,270,164	\$ 1,438,810	\$ 1,462,681	\$ 1,479,658	\$ 1,527,725	\$ 1,356,799	\$ 1,735,348	\$ 1,922,333	\$ 1,785,747
Special education	171,441	203,176	168,574	117,852	120,214	172,023	126,514	247,267	212,692	239,350
Other instruction	157,194	197,190	78,871	155,457	163,986	93,048	100,585	157,767	207,875	253,758
Support Services:										
Tuition	89,986	88,431	122,621	112,400	102,844	126,550	14,984	16,196	107,041	191,294
Student & instruction related services	416,911	452,330	470,087	462,510	543,508	442,260	524,092	527,371	619,933	629,768
School administrative services	60,446	61,667	58,878	77,198	75,312	72,318	84,443	31,910	43,257	42,232
General and business administrative services	186,199	186,721	205,117	232,055	240,671	232,662	220,646	227,042	207,935	251,229
Plant operations and maintenance	338,590	396,742	388,374	396,402	606,522	588,017	539,653	1,054,815	431,763	1,165,771
Pupil transportation	55,063	53,207	70,351	52,533	76,766	51,708	19,906	43,049	141,663	150,743
Unallocated employee benefits	866,717	908,577	1,123,291	2,383,378	2,199,234	2,072,230	2,635,107	2,032,137	2,104,706	2,191,446
Unallocated depreciation	3,899	3,080	2,910	3,039	3,074	3,047	3,037	3,111	3,697	2,465
Total governmental activities expenses	<u>3,659,343</u>	<u>3,821,285</u>	<u>4,127,884</u>	<u>5,455,505</u>	<u>5,611,789</u>	<u>5,381,588</u>	<u>5,625,766</u>	<u>6,076,013</u>	<u>6,002,895</u>	<u>6,903,803</u>
Business-type activities:										
Food service	112,031	105,936	110,228	120,167	103,858	95,280	84,126	115,216	125,303	127,802
Child care program	14,504	18,852	14,831	15,328	13,420	10,468	-	-	-	-
Total business-type activities expense	<u>126,535</u>	<u>124,788</u>	<u>125,059</u>	<u>135,495</u>	<u>117,278</u>	<u>105,748</u>	<u>84,126</u>	<u>115,216</u>	<u>125,303</u>	<u>127,802</u>
Total district expenses	<u>\$ 3,785,878</u>	<u>\$ 3,946,073</u>	<u>\$ 4,252,943</u>	<u>\$ 5,591,000</u>	<u>\$ 5,729,067</u>	<u>\$ 5,487,336</u>	<u>\$ 5,709,892</u>	<u>\$ 6,191,229</u>	<u>\$ 6,128,198</u>	<u>\$ 7,031,605</u>
Program Revenues:										
Governmental activities:										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,299	\$ 5,030	\$ -	\$ 20,653	\$ 23,961
Operating grants and contributions	470,970	563,360	660,564	1,933,738	1,654,438	1,489,368	2,169,752	2,333,782	2,458,265	2,469,137
Total governmental activities program revenues	<u>470,970</u>	<u>563,360</u>	<u>660,564</u>	<u>1,933,738</u>	<u>1,654,438</u>	<u>1,495,667</u>	<u>2,174,782</u>	<u>2,333,782</u>	<u>2,478,918</u>	<u>2,493,098</u>
Business-type activities:										
Charges for services:										
Food service	17,897	19,733	25,988	25,686	19,517	16,927	3,982	2,988	25,353	30,087
Child care program	20,663	13,483	13,224	14,774	6,565	8,959	-	-	-	-
Operating grants and contributions	73,932	93,046	96,329	74,514	74,786	50,046	89,631	193,049	91,631	92,178
Total business type activities program revenues	<u>112,492</u>	<u>126,262</u>	<u>135,541</u>	<u>114,974</u>	<u>100,868</u>	<u>75,932</u>	<u>93,613</u>	<u>196,037</u>	<u>116,984</u>	<u>122,265</u>
Total district program revenues	<u>\$ 583,462</u>	<u>\$ 689,622</u>	<u>\$ 796,105</u>	<u>\$ 2,048,712</u>	<u>\$ 1,755,306</u>	<u>\$ 1,571,599</u>	<u>\$ 2,268,395</u>	<u>\$ 2,529,819</u>	<u>\$ 2,595,902</u>	<u>\$ 2,615,363</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (3,188,373)	\$ (3,257,925)	\$ (3,467,320)	\$ (3,521,767)	\$ (3,957,351)	\$ (3,885,921)	\$ (3,450,984)	\$ (3,742,231)	\$ (3,523,977)	\$ (4,410,705)
Business-type activities	(14,043)	1,474	10,482	(20,521)	(16,410)	(29,816)	9,487	80,821	(8,319)	(5,537)
Total district-wide net expense	<u>\$ (3,202,416)</u>	<u>\$ (3,256,451)</u>	<u>\$ (3,456,838)</u>	<u>\$ (3,542,288)</u>	<u>\$ (3,973,761)</u>	<u>\$ (3,915,737)</u>	<u>\$ (3,441,497)</u>	<u>\$ (3,661,410)</u>	<u>\$ (3,532,296)</u>	<u>\$ (4,416,242)</u>

(Continued)

Cape May City School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,574,143	\$ 1,731,557	\$ 1,804,282	\$ 1,849,389	\$ 1,849,389	\$ 1,886,377	\$ 1,886,377	\$ 1,886,377	\$ 1,924,105	\$ 1,962,587
Unrestricted grants and contributions	1,708,647	1,822,464	1,987,533	2,100,528	2,422,780	2,050,454	2,001,380	3,192,335	3,355,099	6,599,801
Investment earnings	63	30	23	21	-	-	5	113	2,829	16,996
Miscellaneous income	68,288	48,030	22,411	44,494	19,706	83,814	12,027	81,660	32,613	69,365
Transfers	(20,000)	(17,500)	(18,500)	-	-	-	-	-	-	-
Total governmental activities	<u>3,331,141</u>	<u>3,584,581</u>	<u>3,795,749</u>	<u>3,994,432</u>	<u>4,291,875</u>	<u>4,020,645</u>	<u>3,899,789</u>	<u>5,160,485</u>	<u>5,314,646</u>	<u>8,648,749</u>
Business-type activities:										
Investment earnings	10	32	46	45	49	8,326	12	8	233	609
Transfers	20,000	17,500	18,500	-	-	-	-	-	-	-
Total business-type activities	<u>20,010</u>	<u>17,532</u>	<u>18,546</u>	<u>45</u>	<u>49</u>	<u>8,326</u>	<u>12</u>	<u>8</u>	<u>233</u>	<u>609</u>
Total district-wide	<u>\$ 3,351,151</u>	<u>\$ 3,602,113</u>	<u>\$ 3,814,295</u>	<u>\$ 3,994,477</u>	<u>\$ 4,291,924</u>	<u>\$ 4,028,971</u>	<u>\$ 3,899,801</u>	<u>\$ 5,160,493</u>	<u>\$ 5,314,879</u>	<u>\$ 8,649,358</u>
Change in Net Position:										
Governmental activities	\$ 142,768	\$ 326,656	\$ 328,429	\$ 472,665	\$ 334,524	\$ 134,724	\$ 448,805	\$ 1,418,254	\$ 1,790,669	\$ 4,238,044
Business-type activities	5,967	19,006	29,028	(20,476)	(16,361)	(21,490)	9,499	80,829	(8,086)	(4,928)
Total district-wide	<u>\$ 148,735</u>	<u>\$ 345,662</u>	<u>\$ 357,457</u>	<u>\$ 452,189</u>	<u>\$ 318,163</u>	<u>\$ 113,234</u>	<u>\$ 458,304</u>	<u>\$ 1,499,083</u>	<u>\$ 1,782,583</u>	<u>\$ 4,233,116</u>

Cape May City School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-3

Fiscal Year Ending June 30,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,962	\$ 2,570
Capital reserve	75,784	814	814	814	814	815	815	815	816	4,795
Maintenance reserve	48	68	88	100,098	200,151	250,991	250,952	250,975	251,120	251,320
Emergency reserve	50,000	13,049	13,931	-	-	-	-	-	-	-
Impact Aid reserve	-	-	400,003	700,013	1,100,364	1,103,306	1,403,554	1,903,643	2,806,312	986,086
Excess surplus	-	-	-	-	-	-	-	571,718	1,718,190	1,586,737
Unemployment Compensation	-	-	-	-	-	-	28,422	28,423	28,438	28,481
Unreserved - designated for subsequent year's expenditures	395,915	537,338	678,596	930,967	600,904	740,841	1,066,761	1,289,587	519,188	866,328
Unreserved	346,922	699,046	585,976	341,141	653,075	631,384	514,064	582,584	936,985	1,741,797
Total general fund	<u>\$ 868,669</u>	<u>\$ 1,250,315</u>	<u>\$ 1,679,408</u>	<u>\$ 2,073,033</u>	<u>\$ 2,555,308</u>	<u>\$ 2,727,337</u>	<u>\$ 3,264,568</u>	<u>\$ 4,627,745</u>	<u>\$ 6,366,011</u>	<u>\$ 5,468,114</u>
All Other Governmental Funds										
Reserved:										
Encumbrances	\$ -	\$ -	\$ -	\$ 117,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	(6,622)	(10,077)	(6,622)	(9,501)	(9,058)	(6,817)	(5,727)	(46,685)	(44,632)	(50,026)
Capital projects fund	-	-	-	149	149	149	149	149	149	4,965,598
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (6,622)</u>	<u>\$ (10,077)</u>	<u>\$ (6,622)</u>	<u>\$ 108,060</u>	<u>\$ (8,909)</u>	<u>\$ (6,668)</u>	<u>\$ (5,578)</u>	<u>\$ (46,536)</u>	<u>\$ (44,483)</u>	<u>\$ 4,915,572</u>

Cape May City School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-4

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 1,574,143	\$ 1,731,557	\$ 1,804,282	\$ 1,849,389	\$ 1,849,389	\$ 1,886,377	\$ 1,886,377	\$ 1,886,377	\$ 1,924,105	\$ 1,962,587
Tuition charges	68,063	41,996	21,911	15,611	16,979	6,299	5,030	-	20,653	23,961
Interest earnings	63	50	23	21	404	4,783	323	111	2,829	16,996
Miscellaneous	225	6,014	500	28,734	2,323	79,031	11,709	81,662	32,613	69,365
State sources	846,276	1,005,437	1,034,524	1,127,695	1,238,267	1,205,161	1,227,785	3,032,955	2,903,821	5,700,454
Federal sources	1,333,341	1,380,387	1,613,573	1,732,683	1,997,727	1,667,365	1,761,771	1,856,710	2,251,575	3,044,419
Total revenue	<u>3,822,111</u>	<u>4,165,441</u>	<u>4,474,813</u>	<u>4,754,133</u>	<u>5,105,089</u>	<u>4,849,016</u>	<u>4,892,995</u>	<u>6,857,815</u>	<u>7,135,596</u>	<u>10,817,782</u>
Expenditures										
Instruction										
Regular Instruction	1,220,649	1,253,365	1,400,210	1,407,061	1,425,601	1,491,558	1,293,669	1,670,885	1,844,217	1,731,474
Special education instruction	171,441	203,176	168,574	117,852	120,214	172,023	126,514	247,267	212,692	239,350
Other instruction	157,194	154,075	78,871	155,457	163,986	93,048	100,585	157,767	207,875	253,758
Support Services:										
Tuition	89,986	88,431	122,621	112,400	102,844	126,550	14,984	16,196	107,041	191,294
Student & instruction related services	416,911	452,330	470,087	462,510	543,508	442,260	524,092	527,371	619,933	629,768
General admin.services	100,239	100,218	111,109	135,972	131,626	117,941	83,923	99,668	66,447	96,997
School administrative services	60,446	61,667	58,878	77,198	75,312	72,318	84,443	31,910	43,257	42,232
Central Services	78,161	80,344	88,190	90,008	102,897	108,626	130,649	119,204	132,728	149,304
Plant operations and maintenance	323,731	284,342	326,226	337,913	468,000	436,558	383,276	475,070	428,441	504,610
Pupil transportation	55,063	53,207	70,351	52,533	76,766	51,708	19,906	43,049	141,663	150,743
Unallocated employee benefits	911,940	935,434	1,069,288	1,217,766	1,379,305	1,415,489	1,473,784	1,470,942	1,522,326	1,938,648
Capital outlay	3,161	103,161	59,360	79,156	149,724	146,667	147,265	676,267	68,657	827,446
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>3,588,922</u>	<u>3,769,750</u>	<u>4,023,765</u>	<u>4,245,826</u>	<u>4,739,783</u>	<u>4,674,746</u>	<u>4,383,090</u>	<u>5,535,596</u>	<u>5,395,277</u>	<u>6,755,624</u>
Excess (Deficiency) of revenues over (under) expenditures	233,189	395,691	451,048	508,307	365,306	174,270	509,905	1,322,219	1,740,319	4,062,158
Other Financing Sources (Uses):										
Transfers in	-	-	-	-	-	-	-	-	26,254	2,666,376
Transfers out	(20,000)	(17,500)	(18,500)	-	-	-	-	-	(26,254)	(2,666,376)
Total other financing sources (uses)	<u>(20,000)</u>	<u>(17,500)</u>	<u>(18,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 213,189</u>	<u>\$ 378,191</u>	<u>\$ 432,548</u>	<u>\$ 508,307</u>	<u>\$ 365,306</u>	<u>\$ 174,270</u>	<u>\$ 509,905</u>	<u>\$ 1,322,219</u>	<u>\$ 1,740,319</u>	<u>\$ 4,062,158</u>
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: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Cape May City School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Building Use</u>	<u>Refund of Prior Year Expenditures</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 63	\$ 68,063	\$ 225	\$ -	\$ -	\$ 68,351
2016	411	41,996	3,725	-	1,928	48,060
2017	523	21,911	-	-	-	22,434
2018	773	15,611	225	19,000	8,757	44,366
2019	978	16,979	662	1,032	55	19,706
2020	1,109	6,299	-	70,661	7,261	85,330
2021	764	5,030	-	6,788	4,480	17,062
2022	387	-	-	22,122	59,264	81,773
2023	7,139	20,653	-	21,839	3,635	53,266
2024	32,008	-	-	15,940	21,417	69,365
	<u>\$ 44,155</u>	<u>\$ 196,542</u>	<u>\$ 4,837</u>	<u>\$ 157,382</u>	<u>\$ 106,797</u>	<u>\$ 509,713</u>

Source: District records

**Cape May City School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

EXHIBIT J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax- Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2015	\$ 64,370,700	\$ 2,177,186,500	\$ 430,297,700	\$ 133,612,100	\$ 2,805,467,000	\$ 621,231	\$ 2,806,088,231	\$ 433,484,900	\$ 0.062	\$ 2,742,474,025
2016	62,194,300	2,187,231,000	429,579,600	133,420,700	2,812,425,600	625,355	2,813,050,955	433,758,300	0.065	2,711,154,162
2017	61,236,100	2,193,506,400	427,044,200	131,838,600	2,813,625,300	612,446	2,814,237,746	433,571,800	0.066	2,814,237,746
2018	66,574,600	2,214,046,300	431,678,400	130,479,000	2,842,778,300	628,331	2,843,406,631	432,997,700	0.066	2,871,036,576
2019	69,618,400	2,230,627,200	432,392,700	127,325,200	2,859,963,500	-	2,859,963,500	431,388,400	0.066	2,964,429,051
2020	66,588,800	2,253,648,100	441,592,700	125,058,100	2,886,887,700	-	2,886,887,700	431,388,400	0.066	2,886,887,700
2021	57,306,100	2,290,501,500	441,823,000	123,147,200	2,912,777,800	-	2,912,777,800	427,666,100	0.065	3,284,890,675
2022	63,825,900	2,321,983,200	439,622,300	123,147,200	2,948,578,600	-	2,948,578,600	430,051,900	0.066	3,667,123,166
2023	57,872,800	2,356,032,600	434,609,400	123,499,300	2,972,014,100	-	2,972,014,100	429,950,000	0.067	4,426,517,364
2024	46,632,900	2,394,312,800	444,018,700	122,511,500	3,007,475,900	-	3,007,475,900	430,188,100	0.065	4,845,557,839

Source: Municipal Tax Assessor

Note:

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

c Information not available.

Cape May City School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

EXHIBIT J-7

Fiscal Year Ended June 30,	Cape May City School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Regional School District	City of Cape May	Cape May County	
2015	\$ 0.062	\$ -	\$ 0.062	\$ 0.215	\$ 0.339	\$ 0.249	\$ 0.865
2016	0.065	-	0.065	0.178	0.340	0.249	0.832
2017	0.066	-	0.066	0.210	0.340	0.268	0.884
2018	0.066	-	0.066	0.243	0.350	0.272	0.931
2019	0.066	-	0.066	0.275	0.363	0.283	0.987
2020	0.066	-	0.066	0.246	0.363	0.295	0.970
2021	0.065	-	0.065	0.274	0.363	0.316	1.018
2022	0.066	-	0.066	0.257	0.361	0.348	1.032
2023	0.067	-	0.067	0.269	0.361	0.377	1.074
2024	0.065	-	0.065	0.266	0.361	0.365	1.057

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

**Cape May City School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

EXHIBIT J-8

Taxpayer	2024		Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Congress Hall, LLC	\$ 27,401,100	0.91%	Congress Hall LLC	\$ 28,418,000	1.04%
ADIS Inc.	25,967,400	0.86%	Oceanfront Properties LLC	25,310,200	0.92%
Oceanfront Properties, LLC	25,310,200	0.84%	ADIS Inc.	21,787,600	0.79%
Cape Coachman Realty, LLC	16,048,300	0.53%	Ocean Club Hotel CM, LLC	13,000,000	0.47%
Ocean Club Hotel CM, LLC	13,000,000	0.43%	Cape Coachman Realty, LLC	11,989,500	0.44%
Kejzman Hospitality, LLC	10,400,000	0.35%	Kejzman Hospitality, LLC	11,473,100	0.42%
Madison Cape May Re LLC	10,089,700	0.34%	Osprey Landing Development Co. LLC	10,487,300	0.38%
Pella, LLC	8,884,800	0.30%	Montreal Inn	10,089,700	0.37%
Individual #1	8,812,600	0.29%	Individual #1	8,812,600	0.32%
Mahalo Cape May LLC	8,475,100	0.28%	Cape Jetty, LLC	8,074,700	0.29%
	<u>\$ 154,389,200</u>	<u>5.50%</u>	Total	<u>\$ 149,442,700</u>	<u>5.33%</u>

Source: Municipal Tax Assessor

**Cape May City School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

EXHIBIT J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 1,574,143	\$ 1,574,143	100.00%	\$ -
2016	1,731,557	1,731,557	100.00%	-
2017	1,804,282	1,804,282	100.00%	-
2018	1,849,389	1,849,389	100.00%	-
2019	1,849,389	1,849,389	100.00%	-
2020	1,886,377	1,886,377	100.00%	-
2021	1,886,377	1,886,377	100.00%	-
2022	1,886,377	1,886,377	100.00%	-
2023	1,924,105	1,924,105	100.00%	-
2024	1,962,587	1,962,587	100.00%	-

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

- a** 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 the amount voted upon or certified prior to the end of the school year.

Cape May City School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

EXHIBIT J-10

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income ^a	Per Capita ^b
	General Obligation Bonds	Financed Purchases/ Leases	Total District		
2015	\$ -	\$ -	\$ -	0.00%	\$ -
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	90,978	90,978	0.00%	32
2022	-	79,364	79,364	0.00%	29
2023	-	60,732	60,732	0.00%	c
2024	-	43,109	43,109	0.00%	c

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

- a Based on Per Capita Income for Cape May County.
- b Based on School District Population as of July 1,
- c Not available

Cape May City School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ -	\$ -	\$ -	0.00%	\$ -
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	-	-	0.00%	-

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

a See Exhibit J-6 for property tax data.

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

**Cape May City School District
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2023**

EXHIBIT J-12

<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 Cape May	\$ 39,279,500	100.000%	\$ 39,279,500
Lower Cape May Regional School Debt	18,867,000	39.514%	7,455,148
County of Cape May - City's Share	31,135,688	5.718%	<u>1,780,401</u>
Subtotal, overlapping debt			48,515,049
Cape May City School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 48,515,049</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Cape May County Board of Taxation.
Debt outstanding data provided by each governmental unit.

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 Cape May City. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis	
	2021	\$ 3,610,732,366
	2022	4,378,643,600
	2023	4,773,553,004
	[A]	<u>\$ 12,762,928,970</u>
Average equalized valuation of taxable property	[A/3]	\$ 4,254,309,657
Debt limit (2.5% of average equalized valuation)	[B]	106,357,741
Net bonded school debt	[C]	-
Legal debt margin	[B-C]	<u>\$ 106,357,741</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 68,701,450	\$ 67,816,494	\$ 68,853,741	\$ 69,766,741	\$ 71,794,437	\$ 73,747,773	\$ 77,206,749	\$ 82,838,391	\$ 93,608,917	\$ 106,357,741
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 68,701,450</u>	<u>\$ 67,816,494</u>	<u>\$ 68,853,741</u>	<u>\$ 69,766,741</u>	<u>\$ 71,794,437</u>	<u>\$ 73,747,773</u>	<u>\$ 77,206,749</u>	<u>\$ 82,838,391</u>	<u>\$ 93,608,917</u>	<u>\$ 106,357,741</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

**Cape May City School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

EXHIBIT J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2015	3,510	\$ 185,682,510	\$ 52,901	12.5%
2016	3,491	191,209,052	54,772	11.2%
2017	3,478	199,905,006	57,477	10.3%
2018	3,448	207,728,208	60,246	9.6%
2019	3,422	216,280,666	63,203	8.5%
2020	3,404	230,913,744	67,836	8.5%
2021	2,834	204,076,340	72,010	10.0%
2022	2,778	198,877,020	71,590	7.7%
2023	2,757	e	e	8.6%
2024	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development.
- ^b Personal income for Cape May City.
- ^c Per Capita for Cape May County.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.
- ^e Not available.

Cape May City School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

EXHIBIT J-16

Function/Program	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	15.6	16.6	17.6	18.2	18.2	18.2	16.6	19.6	22.0	21.0
Special education	3.5	3.5	3.5	3.5	3.5	3.5	2.5	3.0	4.0	4.0
Other special education	2.9	2.9	2.9	2.9	2.9	2.9	2.0	2.0	2.0	2.0
Other instruction	2.4	2.4	2.4	2.4	2.4	2.4	4.8	4.8	4.8	4.8
Support Services:										
Student & instruction related services	2.0	2.0	2.0	2.5	2.5	3.0	2.0	2.0	2.0	2.0
School administrative services	0.5	0.5	0.5	0.5	0.5	1.5	2.0	2.5	2.5	3.0
General and business administrative services	2.1	2.1	2.1	2.1	2.1	2.1	2.0	3.0	3.0	2.5
Plant operations and maintenance	3.0	3.0	3.0	3.0	3.0	3.0	2.5			0.5
Pupil transportation										
Business and other support services										
Special Schools										
Food Service	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7
Total	<u>33.6</u>	<u>34.6</u>	<u>35.6</u>	<u>36.7</u>	<u>36.7</u>	<u>38.2</u>	<u>36.0</u>	<u>38.6</u>	<u>42.0</u>	<u>41.5</u>

Source: District Personnel Records

Cape May City School District
Operating Statistics,
Last Ten Fiscal Years

EXHIBIT J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary				
2015	175	\$ 3,585,761	\$ 20,490	-12.26%	19.1	9.2	175.2	165.2	9.36%	94.29%
2016	188	3,666,589	19,503	-4.82%	20.1	9.4	188.1	178.4	7.36%	94.82%
2017	197	3,964,405	20,124	3.18%	21.1	9.3	196.8	187.4	4.63%	95.22%
2018	176	4,166,670	23,674	17.64%	21.7	8.1	168.1	158.6	-14.57%	94.31%
2019	153	4,590,059	30,000	26.72%	21.7	7.1	151.2	142.1	-10.05%	93.94%
2020	149	4,528,079	30,390	1.30%	21.7	6.9	147.6	137.4	-2.38%	93.14%
2021	149	4,235,825	28,428	-6.45%	19.1	7.8	148.7	142.3	0.75%	95.65%
2022	168	4,859,329	28,925	1.75%	22.6	7.4	168.1	158.2	13.34%	94.12%
2023	157	5,326,620	33,928	17.30%	26.0	6.0	156.8	146.8	-6.72%	93.64%
2024	159	6,755,624	42,488	25.23%	25.0	6.1	158.9	151.5	3.20%	95.34%

Sources: District records

Note: Enrollment based on average daily enrollment.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- 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).

Cape May City School District
School Building Information
Last Ten Fiscal Years

EXHIBIT J-18

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Elementary</u>										
Cape May City Elementary (1967)										
Square Feet	32,412	32,412	32,412	32,412	32,412	32,412	32,412	32,412	32,412	32,412
Capacity (students)	275	275	275	275	275	275	275	275	275	275
Enrollment	175	188	197	168	151	148	149	168	157	159

Number of Schools at June 30, 2024
 Elementary = 1

Source: District Facilities Office
Note: Year of original construction is shown in parentheses. Enrollment is based on average daily enrollment.

Cape May City School District
Schedule of Required Maintenance
Last Ten Years

EXHIBIT J-19

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

	Fiscal Year Ending June 30,										Total
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
* School Facilities											
Cape May City Elementary	\$ 132,526	\$ 104,586	\$ 127,018	\$ 115,883	\$ 137,296	\$ 122,875	\$ 111,766	\$ 120,240	\$ 77,606	\$ 96,486	\$ 1,146,282
Project # (s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total School Facilities	<u>\$ 132,526</u>	<u>\$ 104,586</u>	<u>\$ 127,018</u>	<u>\$ 115,883</u>	<u>\$ 137,296</u>	<u>\$ 122,875</u>	<u>\$ 111,766</u>	<u>\$ 120,240</u>	<u>\$ 77,606</u>	<u>\$ 96,486</u>	<u>\$ 1,146,282</u>

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

Cape May City School District
Insurance Schedule
June 30, 2024

EXHIBIT J-20

	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Board Association Insurance Group -		
School Package Policy -		
Blanket Real and Personal Property	\$ 350,000,000	\$ 1,000
Blanket Extra Expense	50,000,000	1,000
Blanket Valuable Papers & Records	10,000,000	1,000
Limited Builders Risk	10,000,000	1,000
Equipment Breakdown	100,000,000	25,000
Errors & Omissions	4,000,000	5,000
General Liability	5,000,000	
Business Auto	5,000,000	
Workers Compensation	3,000,000	
Employee Dishonesty Faithful Performance	25,000	500
Forgery & Alteration	25,000	500
Money & Securities	25,000	500
National Union Insurance Company -		
Student Accident	500,000	
Group Accident	1,000,000	
New Jersey School Board Association Insurance Group -		
Public Officials Bond:		
Business Administrator/Board Secretary	75,000	

Source: District records

Single Audit Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: rinverso@inversocpa.com

-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 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 Cape May City School District (the "District"), in the County of Cape May, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated November 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, I 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is 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 my 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC

Certified Public Accountants



Robert P. Inverso

Certified Public Accountant

Public School Accountant No. CS001095

Marlton, New Jersey
November 27, 2024

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: rinverso@inversocpa.com

-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT
 ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
 UNIFORM GUIDANCE AND STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

I have audited Cape May City School District's (the "District"), in the County of Cape May, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on the District's major federal and state programs for the year ended June 30, 2024. The 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 my opinion, the 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, 2024.

Basis for Opinion on Each Major Federal and State Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations 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 Recipients of Federal Grants, State Grants and State Aid*. My responsibilities under those standards and the Circular 15-08-OMB are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal and state program. My audit does not provide a legal determination of the District's compliance with the compliance 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 the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 District's compliance based on my 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 the N.J. Circular 15-08-OMB 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, would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. Circular 15-08-OMB, I:

- 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the 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 N.J. Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

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 a 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.

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

My 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.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
November 27, 2024

CAPE MAY CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period	June 30, 2023			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	June 30, 2024		
						Accounts Receivable	Deferred Revenue	Due to Grantor at					Accounts Receivable	Deferred Revenue	Due to Grantor at
U.S. Department of Education															
Direct Federal Award:															
General Fund:															
Impact Aid - 7003(b)	84.041	S041B243047	N/A - Direct	\$ 1,954,877	Various	\$ -	\$ -	\$ -	\$ -	\$ 2,300,603	\$ (2,300,603)	\$ -	\$ -	\$ -	\$ -
Impact Aid - 7003(d)	84.041	S041B243047	N/A - Direct	21,323	Various					21,323	(21,323)				
Impact Aid - 7007	84.041	S041B243047	N/A - Direct	54,258	Various					54,258	(54,258)				
U.S. Department of Defense															
Direct Federal Award:															
Department of Defense Impact Aid	12.558	N/A	N/A - Direct	62,119	08/01/23-09/30/24					62,119	(62,119)				
Total General Fund						-	-	-	-	2,438,303	(2,438,303)	-	-	-	-
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Every Student Succeeds Act (ESSA)															
Title I	84.010	S010A230030	ESSA-0710-24	57,801	07/01/23-09/30/24					57,600	(57,600)		-		
Title I	84.010	S010A220030	ESSA-0710-23	67,943	07/01/22-09/30/23	(67,893)				67,893			-		
Title IIA	84.367A	S367A230029	ESSA-0710-24	3,528	07/01/23-09/30/24					3,528	(3,528)		-		
Title IIA	84.367A	S367A220029	ESSA-0710-23	6,163	07/01/22-09/30/23	(6,163)				6,163			-		
Title IV	84.424	S424A230031	ESSA-0710-24	10,000	07/01/23-09/30/24						(202)		(202)		
Title IV	84.424	S424A220031	ESSA-0710-23	10,000	07/01/22-09/30/23	(9,948)				10,000	(52)		-		
Individuals With Disabilities Act (I.D.E.A.)															
Part B - Basic	84.027A	H027A230100	IDEA-0710-24	55,376	07/01/23-09/30/24					55,376	(55,376)		-		
Part B - Basic	84.027A	H027A220100	IDEA-0710-23	52,789	07/01/22-09/30/23	(52,789)				52,789			-		
Part B - Preschool	84.173A	H173A230114	IDEA-0710-24	2,258	07/01/23-09/30/24					2,258	(2,258)		-		
Part B - Preschool	84.173A	H173A220114	IDEA-0710-23	2,267	07/01/22-09/30/23	(2,267)				2,267			-		
Coronavirus Response and Relief Supplemental Act:															
CRRSA - ESSER II	84.425D	S425D210027	N/A	292,021	03/13/20-9/30/23	(225,609)				225,609			-		
CRRSA - Learning Acceleration	84.425D	S425D210027	N/A	25,000	03/13/20-9/30/23	(213)				276	(63)		-		
CRRSA - Mental Health	84.425D	S425D210027	N/A	45,000	03/13/20-9/30/23	(42,389)				43,159	(770)		-		
American Rescue Plan:															
ARP ESSER III	84.425U	S425U210027	N/A	656,298	03/13/20-9/30/24	(270,152)				198,031	(386,146)		(458,267)		
Accelerated Learning	84.425U	S425U210027	N/A	50,000	03/13/20-9/30/24					50,000	(50,000)				
Summer Learning and Enrichment	84.425U	S425U210027	N/A	40,000	03/13/20-9/30/24	(36,894)				40,000	(3,106)		-		
Beyond the School Day	84.425U	S425U210027	N/A	40,000	03/13/20-9/30/24					32,828	(32,828)				
Mental Health	84.425U	S425U210027	N/A	45,000	03/13/20-9/30/24	(30,813)				45,000	(14,187)		-		
Total Special Revenue Fund						(745,130)	-	-	-	892,777	(606,116)	-	(458,469)	-	-
U.S. Department of Agriculture															
Passed-through State Department of Agriculture:															
Enterprise Fund:															
Food Distribution Program	10.555	241NJ304N1099	N/A	14,809	07/01/23-06/30/24					14,809	(14,809)				
School Breakfast Program	10.553	241NJ304N1099	N/A	21,379	10/01/23-09/30/24					20,302	(21,379)		(1,077)		
School Breakfast Program	10.553	231NJ304N1099	N/A	25,268	10/01/22-09/30/23	(1,454)				1,454					
National School Lunch Program	10.555	241NJ304N1099	N/A	43,867	10/01/23-09/30/24					41,570	(43,867)		(2,297)		
National School Lunch Program	10.555	231NJ304N1099	N/A	45,162	10/01/22-09/30/23	(3,018)				3,018					
P-EBT Administrative Cost	10.649	231NJ30459009	N/A	653	10/01/22-09/30/23					653	(653)		-		
Total Enterprise Fund						(4,472)	-	-	-	81,806	(80,708)	-	(3,374)	-	-
Total Federal Awards						\$ (749,602)	\$ -	\$ -	\$ -	\$ 3,412,886	\$ (3,125,127)	\$ -	\$ (461,843)	\$ -	\$ -

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

CAPE MAY CITY SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2024

State Grantor / Program Title	Grant or State Project Number	Program Award Amount	Local Share	Grant Period	June 30, 2023				Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Paid to Grantor	Adjustments	6/30/20234		
					Accounts Receivable	Deferred Revenue	Due to Grantor at	Due to Grantor at						(Accounts Receivable)	Deferred Revenue	Due to Grantor at
State Department of Education																
General Fund:																
Reimbursement of Nonpublic Transportation Aid	24-495-034-5120-014	\$ 2,730	\$ -	07/1/23 - 06/30/24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(2,730)	\$ -	\$ -	\$ (2,730)	\$ -	\$ -
Reimbursement of Nonpublic Transportation Aid	23-495-034-5120-014	1,248	-	07/1/22 - 06/30/23	(1,248)					1,248						
Transportation Aid	24-495-034-5120-014	5,993		07/1/23 - 06/30/24						5,488	(5,993)			(505)		
Transportation Aid	23-495-034-5120-014	5,993		07/1/22 - 06/30/23	(484)					484						
Special Education Categorical Aid	24-495-034-5120-089	78,905		07/1/23 - 06/30/24						72,252	(78,905)			(6,653)		
Special Education Categorical Aid	23-495-034-5120-089	78,905		07/1/22 - 06/30/23	(6,375)					6,375						
Security Aid	24-495-034-5120-084	40,306		07/1/23 - 06/30/24						36,907	(40,306)			(3,399)		
Security Aid	23-495-034-5120-084	40,306		07/1/22 - 06/30/23	(3,256)					3,256						
Adjustment Aid	24-495-034-5120-085	66,714		07/1/23 - 06/30/24						61,089	(66,714)			(5,625)		
Adjustment Aid	23-495-034-5120-085	72,583		07/1/22 - 06/30/23	(5,864)					5,864						
School Choice Aid	24-495-034-5120-068	194,004		07/1/23 - 06/30/24						177,646	(194,004)			(16,358)		
School Choice Aid	23-495-034-5120-068	168,576		07/1/22 - 06/30/23	(13,619)					13,619						
State Military Impact Aid	24-495-034-5120-114	1,240,270		07/1/23 - 06/30/24						1,135,693	(1,240,270)			(104,577)		
State Military Impact Aid	23-495-034-5120-114	1,115,164		07/1/22 - 06/30/23	(90,095)					90,095				-		
Maintenance of Equity Aid	23-495-034-5120-128	54,528		07/1/22 - 06/30/23	(54,528)					54,528				-		
On Behalf TPAF - Pension Contributions	24-495-034-5094-002	707,745		07/1/23 - 06/30/24						707,745	(707,745)					
On Behalf TPAF Post Retirement	24-495-034-5094-001	192,622		07/1/23 - 06/30/24						192,622	(192,622)					
On Behalf - LTDI	24-494-034-5094-004	359		07/1/23 - 06/30/24						359	(359)					
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	166,243		07/1/23 - 06/30/24						165,844	(166,243)			(399)		
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	157,105		07/1/22 - 06/30/23	(13,097)					13,097				-		
Total General Fund					(188,566)	-		-		2,744,211	(2,695,891)	-	-	(140,246)	-	-
Special Revenue Fund																
Preschool Education Aid - Current Year	24-495-034-5120-086	500,256	83,376	07/1/23 - 06/30/24					61,642	533,606	(560,757)			(50,026)	84,517	
Preschool Education Aid - Current Year	23-495-034-5120-086	446,318	26,254	07/1/22 - 06/30/23	(44,632)	64,959			(61,642)	44,632				3,317		
Total Special Revenue Fund					(44,632)	64,959	-	-	-	578,238	(560,757)	-	-	(50,026)	87,834	-
New Jersey School Development Authority																
Capital Projects Fund																
SDA Grant	0710-050-23-G5CX	2,550,000		6/4/2024 - Completion									(2,550,000)	(2,550,000)		
Total Capital Projects Fund					-	-	-	-	-	-	-	-	(2,550,000)	(2,550,000)	-	-
State Department of Agriculture																
Enterprise Fund:																
State Breakfast Program	24-100-010-3350-023	4,690		07/1/23 - 06/30/24						4,522	(4,690)			(168)		
State Breakfast Program	23-100-010-3350-023	2,394		07/1/22 - 06/30/23	(138)					138						
State School Lunch Program	24-100-010-3350-023	6,780		07/1/23 - 06/30/24						6,549	(6,780)			(231)		
State School Lunch Program	23-100-010-3350-023	1,853		07/1/22 - 06/30/23	(121)					121						
Total Enterprise Fund					(259)	-	-		-	11,330	(11,470)	-	-	(399)	-	-
Total State Financial Assistance					\$ (233,457)	\$ 64,959	\$ -	\$ -	\$ -	\$ 3,333,779	\$ (3,268,118)	\$ -	\$ (2,550,000)	\$ (2,740,671)	\$ 87,834	\$ -
Less: State Financial Assistance Not Subject to Major Program Determination																
On-Behalf (Non-Budgeted):																
TPAF Contribution - Pension	24-495-034-5094-002	707,745		07/1/23 - 06/30/24							(707,745)					
TPAF Contribution - Post-Retirement Medical	24-495-034-5094-001	192,622		07/1/23 - 06/30/24							(192,622)					
TPAF Contribution - LTDI	24-495-034-5094-004	359		07/1/23 - 06/30/24							(359)					
Total State Financial Assistance Subject to Major Program Determination											\$ (2,367,392)					

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

Cape May City School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Cape May City School District ("School District"). The School District is defined in Note 1 to the School District'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, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using 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 School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$17,424) in the general fund and (\$88,770) in the special revenue fund. See Exhibit C-3, 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.

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 2,438,303	\$ 2,678,467	\$ 5,116,770
Special Revenue Fund	606,116	471,987	1,078,103
Capital Projects		2,550,000	2,550,000
Food Service Fund	<u>80,708</u>	<u>11,470</u>	<u>92,178</u>
Total Awards & Financial Assistance	<u>\$ 3,125,127</u>	<u>\$ 5,711,924</u>	<u>\$ 8,837,051</u>

**Cape May City School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024
(Continued)**

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the State for the School District's share of social security contributions for TPAF members for the year ended June 30, 2024.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	<u>Federal</u>	<u>State</u>
SDA Grant Receivable	\$ <u> </u>	\$ <u>2,550,000</u>

**CAPE MAY CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weaknesses identified? yes X no
- 2) Significant deficiencies identified that are
not considered to be a material weakness? yes X none reported

Noncompliance material to basic financial
statements noted? yes X no

Federal Awards

Internal Control over major programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are
not considered to be a material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516 of the Uniform
Administrative Requirements, Cost Principles, and Audit
Requirements for Federal Awards (Uniform Guidance)? yes X no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.041</u>	<u>S041B240347</u>	<u>Impact Aid</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

**CAPE MAY CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>24-495-034-5120-068</u>	State Aid Public Cluster: <u>School Choice Aid</u>
<u>24-95-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>24-495-034-5120-084</u>	<u>Security Aid</u>
<u>24-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>24-495-034-5120-114</u>	<u>Military Impact Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**CAPE MAY CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings and/or questioned costs identified.

**CAPE MAY CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, 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 New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

No findings and/or questioned costs identified.

STATE AWARDS:

No findings and/or questioned costs identified.

**CAPE MAY CITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.