

**SCHOOL DISTRICT  
OF**

# **CAPE MAY POINT**

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

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

# **Annual Comprehensive Financial Report**

**of the**

## **Cape May Point Board of Education**

**Cape May Point, New Jersey**

**For the Fiscal Year Ended June 30, 2024**

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

# CAPE MAY POINT SCHOOL DISTRICT

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## **Introductory Section**

Cape May Point School District  
PO Box 143  
Cape May Point, New Jersey 08212

November 27, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Cape May Point 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.

## **1. REPORTING ENTITY AND ITS SERVICES:**

The Cape May Point 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 Point Board of Education and all its school constitute the District's reporting entity.

The District is a sending district and operates no schools and/or facilities. Students are sent on a tuition basis to Cape May City Elementary School for grades PreK-6 and to Lower Cape May Regional School District for grades 7-12. They are sent to the Special Services District when appropriate. The District completed the 2023-2024 school year with an enrollment of 1 student.

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

**Average Daily Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>	
2023-24	1.0	-0-	%
2022-23	1.0	-50.00	%
2021-22	2.0	-0-	%
2020-21	2.0	-33.33	%
2019-20	3.0	-0-	%
2018-19	3.0	-25.00	%
2017-18	4.0	33.33	%
2016-17	3.0	-25.00	%
2015-16	4.0	-0-	%
2014-15	4.0	33.33	%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The Borough of Cape May Point is a relatively affluent area. The majority of taxpayers are summer residents. There is minimal expansion and development occurring at present due to a weak economy and lack of property available for development.

**3. MAJOR INITIATIVES:**

The Cape May Point School District relies on its receiving districts for curriculum, school management and accomplishments of our students. Board members may attend Board meetings of the Cape May City and Lower Cape May Regional districts but have no voting rights at present.

**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 generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of 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.

## **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, 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 reappropriations of fund balances in the subsequent year. Those amounts to be reappropriated 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 carries various forms of insurance, including but not limited to general liability, and fidelity bonds.

## **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. 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.

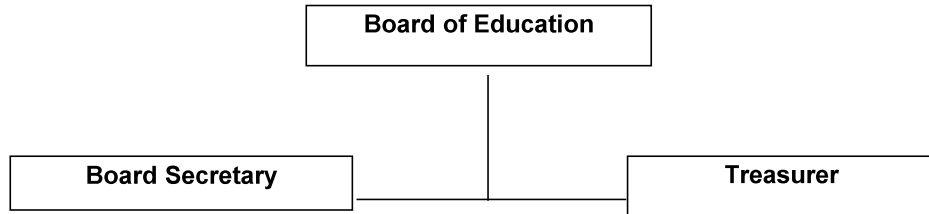
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rose Millar", with a stylized flourish at the end.

Rose M. Millar  
Board Secretary, Business Administrator

# CAPE MAY POINT BOARD OF EDUCATION

## Organizational Chart (UNIT CONTROL)



# CAPE MAY POINT SCHOOL DISTRICT

## Roster of Officials

June 30, 2024

### Members of the Board of Education:

### Term Expires

Alice Gibson, President	2024
Janet Westcott, Vice President	2025
Peter Manzo Jr., Member	2026

### Other Officials:

Rose Millar, Business Administrator/Board Secretary  
Francine Springer, Treasurer



**CAPE MAY POINT SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

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

**Official Depository**

OceanFirst Bank  
975 Hooper Avenue  
Toms River, NJ 08753

## **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](mailto: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 Point School District  
County of Cape May  
Cape May Point, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Cape May Point 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, 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.

The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

### ***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 Point School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024**

As management of the Board of Education of the Cape May Point School District in Cape May New Jersey, 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 \$565,328 (*net position*).
- Governmental activities have an unrestricted net position of \$252,527.
- The total net position of the School District increased by \$51,367, or a 9.99% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased by \$51,367 resulting in an ending fund balance of \$565,328. This increase is due to the results of operations of the General Fund.

**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.

The district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. The District maintains no Business-type activities.

## **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 one individual governmental fund. The major fund is the General Fund.

The School District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided 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 no proprietary funds.

*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.

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.



**Cape May Point School District  
Comparative Summary of Net Position  
As of June 30, 2024 and 2023**

	Governmental Activities	
	2024	2023
<b>ASSETS</b>		
Current assets	\$ 566,241	\$ 514,586
Capital assets	<u>-</u>	<u>-</u>
Total assets	<u>566,241</u>	<u>514,586</u>
<b>LIABILITIES</b>		
Current liabilities	913	625
Noncurrent liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>913</u>	<u>625</u>
Net Position	<u>\$ 565,328</u>	<u>\$ 513,961</u>
Net Position Consists of:		
Restricted Assets	\$ 312,801	\$ 261,848
Unrestricted Assets	<u>252,527</u>	<u>252,113</u>
Net Position	<u>\$ 565,328</u>	<u>\$ 513,961</u>

**Governmental Activities**

Governmental activities increased the net position of the School District by \$51,367 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- The increase is due to results of operations in the General Fund.

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

	Governmental Activities 2024	2023
Revenues:		
General Revenues:		
Property taxes	\$ 103,118	\$ 103,118
State aid - unrestricted	2,441	9,480
Other revenues	883	453
Total Revenues	<u>106,442</u>	<u>113,051</u>
Expenses:		
Governmental Activities:		
Tuition	30,455	25,481
Related Services	-	-
Administrative Services	7,154	8,035
Central services	15,000	12,000
Transportation	1,165	2,511
Employee benefits	1,301	1,000
Total Expenses	<u>55,075</u>	<u>49,027</u>
Increase (Decrease) in Net		
Position before transfers	51,367	64,024
Transfers	<u>-</u>	<u>-</u>
Change in Net Position	51,367	64,024
Net Position, July 1	<u>513,961</u>	<u>449,937</u>
Net Position, June 30	<u><u>\$ 565,328</u></u>	<u><u>\$ 513,961</u></u>

**Governmental Activities**

Governmental activities increased the net position of the School District by \$51,367 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- The increase is due to the results of operations in the General Fund.

**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, unreserved 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 \$565,328, an increase of \$51,367 in comparison with the prior year.

The unreserved fund balance for the School District at the end of the fiscal year includes an unassigned fund balance for the General Fund of \$252,527, reserve for future budget appropriation of \$61,196, reserve for unemployment claims \$1,605, and emergency reserve of \$250,000.

### **General Fund Budgetary Highlights**

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$250,000 and total fund balance (budgetary basis) was \$565,331. 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 \$55,075. Unreserved fund balance (budgetary basis) represents 453.93% of expenditures and total fund balance (budgetary basis) represents 1,026.68% of that same amount.

### **Capital Assets**

The School District does not have any capital assets.

### **Debt Administration**

At June 30, 2024, the District did not have outstanding debt issues.

### **For the Future**

The Cape May Point School District is in satisfactory financial condition presently. Cape May Point is a residential community, with few large ratables; thus, the burden is focused on homeowners to share the tax burden. The 2024-2025 Budget reflects little change from the previous year.

In conclusion, the Cape May Point School District has committed itself to financial excellence. The School District plans to continue its sound fiscal management to meet the challenges of the future.

### **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 Point School District Business Administrator, P.O. Box 143, Cape May Point, NJ 08212.

## Basic Financial Statements

**District-Wide Financial Statements**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 566,241	\$ -	\$ 566,241
Accounts receivable, net	-	-	-
Total Assets	<u>566,241</u>	<u>-</u>	<u>566,241</u>
<b>LIABILITIES:</b>			
Accounts Payable			
Other	\$ 748	\$ -	\$ 748
Unemployment claims payable	90	-	90
Unearned revenue	<u>75</u>	<u>-</u>	<u>75</u>
Total Liabilities	<u>913</u>	<u>-</u>	<u>913</u>
<b>NET POSITION:</b>			
Restricted for:			
Excess surplus	61,196	-	61,196
Emergency	250,000		250,000
Unemployment compensation	1,605		1,605
Unrestricted	<u>252,527</u>	<u>-</u>	<u>252,527</u>
Total Net Position	<u><u>\$ 565,328</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 565,328</u></u>

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

**CAPE MAY POINT 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:							
Support Services:							
Tuition	\$ 30,455	\$ -	\$ -	\$ -	\$ (30,455)	\$ -	\$ (30,455)
General administrative services	7,154	-	-	-	(7,154)	-	(7,154)
Central services	15,000	-	-	-	(15,000)	-	(15,000)
Pupil transportation	1,165	-	-	-	(1,165)	-	(1,165)
Employee benefits	1,301	-	-	-	(1,301)	-	(1,301)
Total Governmental Activities	55,075	-	-	-	(55,075)	-	(55,075)
Business-Type Activities:							
None	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-
Total Primary Government	\$ 55,075	\$ -	\$ -	\$ -	(55,075)	-	(55,075)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					103,118	-	103,118
Federal and State aid not restricted					2,441	-	2,441
Miscellaneous income					883	-	883
Total general revenues, special items, and transfers					106,442	-	106,442
Change in Net Position					51,367		51,367
Net Position - July 1					513,961		513,961
Net Position - June 30					\$ 565,328	\$ -	\$ 565,328

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

## Fund Financial Statements



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

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Assets:			
Cash and cash equivalents	\$ 566,166	\$ 75	\$ 566,241
Accounts receivable, net	-	-	-
<b>Total Assets</b>	<u>\$ 566,166</u>	<u>\$ 75</u>	<u>\$ 566,241</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable			
Other	\$ 748	\$ -	\$ 748
Unemployment compensation claims payable	90	-	90
Unearned revenue	-	75	75
<b>Total Liabilities</b>	<u>838</u>	<u>75</u>	<u>913</u>
Fund Balances:			
Restricted for:			
Emergency reserve	250,000	-	250,000
Excess surplus	61,196		61,196
Unemployment compensation	1,605		1,605
Assigned to:			
Designated for subsequent year's expenditures	2,730		2,730
Unassigned	249,797	-	249,797
<b>Total Fund Balances</b>	<u>565,328</u>	<u>-</u>	<u>565,328</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 566,166</u>	<u>\$ 75</u>	

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

NONE

-

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\$ 565,328

**CAPE MAY POINT 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	Total Governmental Funds
<b>REVENUES:</b>			
Local property tax levy	\$ 103,118	\$ -	\$ 103,118
Unrestricted miscellaneous revenues	883		883
Federal sources	-		-
State sources	2,441		2,441
	<hr/>	<hr/>	<hr/>
Total Revenues	106,442	-	106,442
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>			
Current:			
Support services and undistributed costs:			
Tuition	30,455		30,455
General administrative services	7,154		7,154
Central services	15,000		15,000
Pupil transportation	1,165		1,165
Unallocated benefits	1,301		1,301
	<hr/>	<hr/>	<hr/>
Total Expenditures	55,075	-	55,075
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	51,367	-	51,367
Fund Balances - July 1	513,961		513,961
	<hr/>	<hr/>	<hr/>
Fund Balances - June 30	<u>\$ 565,328</u>	<u>\$ -</u>	<u>\$ 565,328</u>

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

**CAPE MAY POINT 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)	\$ 51,367
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
None	-
Change in Net Position of Governmental Activities	\$ 51,367

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

**Cape May Point 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 Point School District (District) is located in Cape May County, New Jersey. It is organized under the Constitution of the State of New Jersey and is considered a non-operating school district. Students in grades K through 6 are transported to the Cape May City School District and students in grades 7 through 12 are transported to the Lower Cape May Regional School District. The District is managed under a locally elected Board form of government consisting of three members elected to three-year terms. The terms are staggered so that a least one member's term expires each year. As of June 30, 2024, the District has 1 student.

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 requires the 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. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions.

**Cape May Point 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)** -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.

**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.

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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and expenditures from the budgetary basis of accounting as presented in the general 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.

N.J.S.A. 17:9-41et 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 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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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** - The District is a non-operating school district and does not possess any fixed assets required to be capitalized.

**Compensated Absences** - The District does not offer compensated absences (e.g. unused vacation, sick leave) to its employees.

**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.

**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. The District is a non-operating school district and does not possess any fixed assets required to be capitalized.

**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.



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements (Continued)**

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. 17:9-41 et 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 \$567,290 as of June 30, 2024, \$250,000 was insured under FDIC and \$317,289 was collateralized under GUDPA.

**3. 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. The School District maintains commercial insurance coverage for workers compensation and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

**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 School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance for the current and previous two fiscal years:

<b>Fiscal Year</b>	<b>Employee Contributions</b>	<b>Board Contributions</b>	<b>Interest Earned</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2023-2024	\$ 52	\$ -	\$ -	\$ -	\$ 1,695
2022-2023	39	-	-	-	1,643
2021-2022	42	-	-	152	1,604

**4. LEASES**

As of June 30, 2024, the School District had no outstanding leases.

**5. PENSION PLANS**

None of the School District's employees are eligible to participate in the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), or the Defined Contribution Retirement Program (DCRP).

**6. POST EMPLOYMENT BENEFITS**

The School District has no liability for other post-employment benefits.

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

**7. 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.

As of December 31, 2024, the Borough of Cape May Point had no tax abatements.

**8. 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:**

**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 \$50,952 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$10,244 of excess fund balance generated during the 2022-2023 fiscal year has been restricted and designated for utilization in the 2024-2025 budget.

**Emergency Reserve** – As of June 30, 2024, the balance in the emergency reserve is \$250,000. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

*RESTRICTED*

**Unemployment Compensation** – As of June 30, 2024, the Unemployment Compensation balance is \$1,605. These funds are restricted for the purpose of financing unemployment claims.

*ASSIGNED*

**General Fund:**

**Designated for Subsequent Year's Expenditures** – The school district has appropriated \$2,730 as an anticipated revenue for the fiscal year ended June 30, 2025.

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

**8. FUND BALANCES (Continued)**

*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 as follows:

**General Fund** – As of June 30, 2024, \$249,797 of general fund balance was unassigned.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

**CAPE MAY POINT SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 103,118	\$ -	\$ 103,118	\$ 103,118	\$ -
Other restricted miscellaneous revenues	-	-	-	1	1
Unrestricted miscellaneous revenues	100	-	100	882	782
Total local sources	103,218	-	103,218	104,001	783
State sources:					
Security aid	231	-	231	231	-
Transportation aid	1,796	-	1,796	1,796	-
Total state sources	2,027	-	2,027	2,027	-
<b>TOTAL REVENUES</b>	<b>105,245</b>	<b>-</b>	<b>105,245</b>	<b>106,028</b>	<b>783</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Undistributed expenditures - Instruction					
Tuition to other LEAs within the state - regular	30,455	-	30,455	30,455	-
Tuition to CSSD & Reg. Day Schools	40,554	-	40,554	-	40,554
Total undistributed expenditures - instruction	71,009	-	71,009	30,455	40,554
Support services - General administration:					
Salaries	2,000	-	2,000	2,000	-
Legal services	200	-	200	-	200
Audit fees	4,000	-	4,000	3,500	500
Communications / telephone	200	80	280	266	14
Other purchased services	500	620	1,120	1,106	14
Miscellaneous expenditures	5,000	(700)	4,300	282	4,018
BOE membership dues and fees	1,000	-	1,000	-	1,000
Total support services - General administration	12,900	-	12,900	7,154	5,746

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 POINT SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2024**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Central services					
Salaries	\$ 15,000	\$ -	\$ 15,000	\$ 15,000	\$ -
Total central services	15,000	-	15,000	15,000	-
Student transportation services:					
Contr. Serv. (between home & school) - joint agreements	4,786	-	4,786	1,165	3,621
Total student transportation	4,786	-	4,786	1,165	3,621
Unallocated benefits - Employee benefits					
Social security contributions	1,450	-	1,450	1,301	149
Unemployment	-	-	-	-	-
Employee benefits	100	-	100	-	100
Total regular programs - instruction - employee benefits	1,550	-	1,550	1,301	249
Total undistributed expenditures	105,245	-	105,245	55,075	50,170
Total general current expense	105,245	-	105,245	55,075	50,170
TOTAL EXPENDITURES	105,245	-	105,245	55,075	50,170
Excess (Deficiency) of Revenues					
Over (Under) Expenditures:	-	-	-	50,953	50,953
Fund Balance - July 1	514,578		514,578	514,578	
Fund Balance - June 30	\$ 514,578	\$ -	\$ 514,578	\$ 565,531	\$ 50,953
Recapitulation:					
Restricted:					
Emergency Reserve				\$ 250,000	
Excess Surplus:					
Prior Year - Designated for Subsequent					
Year's Expenditures				10,244	
Current Year				50,952	
Unemployment Compensation				1,605	
Assigned Fund Balance					
Designated for Subsequent Year Expenditures				2,730	
Unassigned Fund Balance				250,000	
				565,531	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(203)	
Fund Balance per Governmental Funds (GAAP)				\$ 565,328	

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



**CAPE MAY POINT SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budgetary Comparison**  
**For the 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>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 106,028	\$ -
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	617	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(203)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 106,442</u>	<u>\$ -</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 55,075	\$ -
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.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 55,075</u>	<u>\$ -</u>

Other Supplementary Information

## **Statistical Section**

**Cape May Point 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										
Restricted for:										
Capital projects	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-	-	-	-
Other purposes	48,496	12,188	12,188	12,530	46,907	93,679	150,821	203,632	261,848	312,801
Unrestricted	61,550	124,399	184,955	247,345	247,451	247,681	248,169	246,305	252,113	252,527
Total governmental activities net position	\$ 110,046	\$ 136,587	\$ 197,143	\$ 259,875	\$ 294,358	\$ 341,360	\$ 398,990	\$ 449,937	\$ 513,961	\$ 565,328
Business-type activities:										
Net investment in capital assets										
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District-wide:										
Restricted:										
Other purposes	\$ 48,496	\$ 12,188	\$ 12,188	\$ 12,530	\$ 46,907	\$ 93,679	\$ 150,821	\$ 203,632	\$ 261,848	\$ 312,801
Unrestricted	61,550	124,399	184,955	247,345	247,451	247,681	248,169	246,305	252,113	252,527
Total district net position	\$ 110,046	\$ 136,587	\$ 197,143	\$ 259,875	\$ 294,358	\$ 341,360	\$ 398,990	\$ 449,937	\$ 513,961	\$ 565,328

Fiscal Year Ending June 30,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses:</b>										
Governmental activities:										
Support Services:										
Tuition	\$ 79,236	\$ 86,356	\$ 51,244	\$ 47,624	\$ 74,770	\$ 58,842	\$ 46,775	\$ 43,198	\$ 25,481	\$ 30,455
General administrative services	7,845	6,065	5,703	5,739	5,615	5,753	5,723	6,531	8,035	7,154
Central services	9,123	9,305	10,000	10,000	10,000	11,000	11,000	12,000	12,000	15,000
Pupil transportation	1,729	1,716	1,768	2,652	3,000	3,000	1,600	2,000	2,511	1,165
Unallocated employee benefits	831	845	901	900	898	975	909	1,147	1,000	1,301
Total governmental activities expenses	98,764	104,287	69,616	66,915	94,283	79,570	66,007	64,876	49,027	55,075
Business-type activities:										
None	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	-	-	-	-	-	-	-	-	-	-
Total district expenses	\$ 98,764	\$ 104,287	\$ 69,616	\$ 66,915	\$ 94,283	\$ 79,570	\$ 66,007	\$ 64,876	\$ 49,027	\$ 55,075
<b>Program Revenues:</b>										
Governmental activities:										
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities program revenues	-	-	-	-	-	-	-	-	-	-

(Continued)

**Cape May Point School District**  
**Changes in Net Assets, 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
Business-type activities:										
None	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	-	-	-	-	-	-	-	-	-	-
Total district program revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (98,764)	\$ (104,287)	\$ (69,616)	\$ (66,915)	\$ (94,283)	\$ (79,570)	\$ (66,007)	\$ (64,876)	\$ (49,027)	\$ (55,075)
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide net expense	\$ (98,764)	\$ (104,287)	\$ (69,616)	\$ (66,915)	\$ (94,283)	\$ (79,570)	\$ (66,007)	\$ (64,876)	\$ (49,027)	\$ (55,075)
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 39,058	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118
Unrestricted grants and contributions	26,797	26,803	26,983	26,523	25,590	23,424	18,802	12,661	9,480	2,441
Miscellaneous income	196	907	71	6	58	30	38	44	453	883
Total governmental activities	66,051	130,828	130,172	129,647	128,766	126,572	121,958	115,823	113,051	106,442
Business-type activities:										
None	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 66,051	\$ 130,828	\$ 130,172	\$ 129,647	\$ 128,766	\$ 126,572	\$ 121,958	\$ 115,823	\$ 113,051	\$ 106,442
<b>Change in Net Assets:</b>										
Governmental activities	\$ (32,713)	\$ 26,541	\$ 60,556	\$ 62,732	\$ 34,483	\$ 47,002	\$ 55,951	\$ 50,947	\$ 64,024	\$ 51,367
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ (32,713)	\$ 26,541	\$ 60,556	\$ 62,732	\$ 34,483	\$ 47,002	\$ 55,951	\$ 50,947	\$ 64,024	\$ 51,367

	Fiscal Year Ending June 30,																					
	2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024											
General Fund:																						
Reserved for:																						
Excess surplus	\$	-	\$	-	\$	342	\$	34,377	\$	47,114	\$	39,840	\$	-	\$	10,244	\$	50,952				
Excess surplus - designated for subsequent year's expenditures		-		-		-		-		-		47,114		39,840		-		10,244				
Emergency	12,188	12,188	12,188	12,188	12,188	12,188	12,188	12,188	12,188	62,188	250,000	250,000	1,604	1,604	1,604	1,605						
Unemployment Compensation		-		-		-		-		-		1,679		1,604								
Unreserved - designated for subsequent years expenditures	36,308	36,308	-	-	-	342	34,377	-	-	-	-	-	-	-	-	-	-	-				
Unreserved	61,550	61,550	124,399	184,955	247,345	247,451	247,681	248,169	246,305	252,113	252,527											
Total general fund	\$	110,046	\$	110,046	\$	136,587	\$	197,143	\$	259,875	\$	294,358	\$	341,360	\$	398,990	\$	449,937	\$	513,961	\$	565,328
All Other Governmental Funds																						
Reserved:																						
Encumbrances	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total all other governmental funds	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

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

Fiscal Year Ending June 30,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax levy	\$ 39,058	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118	\$ 103,118
Miscellaneous	196	907	71	6	58	30	38	44	453	883
State sources	26,797	26,803	26,983	26,523	25,590	23,424	-	-	-	2,441
Federal sources	-	-	-	-	-	-	18,802	12,661	9,480	-
Total revenue	<u>66,051</u>	<u>130,828</u>	<u>130,172</u>	<u>129,647</u>	<u>128,766</u>	<u>126,572</u>	<u>121,958</u>	<u>115,823</u>	<u>113,051</u>	<u>106,442</u>
<b>Expenditures</b>										
Support Services:										
Tuition	79,236	86,356	51,244	47,624	74,770	58,842	46,775	43,198	25,481	30,455
General and business admin. services	16,968	15,370	15,703	15,739	15,615	16,753	16,723	18,531	20,035	22,154
Pupil transportation	1,729	1,716	1,768	2,652	3,000	3,000	1,600	2,000	2,511	1,165
Other support services	831	845	901	900	898	975	909	1,147	1,000	1,301
Total expenditures	<u>98,764</u>	<u>104,287</u>	<u>69,616</u>	<u>66,915</u>	<u>94,283</u>	<u>79,570</u>	<u>66,007</u>	<u>64,876</u>	<u>49,027</u>	<u>55,075</u>
Excess (Deficiency) of revenues over (under) expenditures	(32,713)	26,541	60,556	62,732	34,483	47,002	55,951	50,947	64,024	51,367
<b>Other Financing sources (uses)</b>										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (32,713)</u>	<u>\$ 26,541</u>	<u>\$ 60,556</u>	<u>\$ 62,732</u>	<u>\$ 34,483</u>	<u>\$ 47,002</u>	<u>\$ 55,951</u>	<u>\$ 50,947</u>	<u>\$ 64,024</u>	<u>\$ 51,367</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 Point 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>Refund of Prior Year Expense</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 196	\$ -	\$ -	\$ 196
2016	186	-	721	907
2017	62	-	9	71
2018	6	-	-	6
2019	28	-	30	58
2020	30	-	-	30
2021	38	-	-	38
2022	44	-	-	44
2023	453	-	-	453
2024	145	738	-	883
	<u>\$ 1,188</u>	<u>\$ 738</u>	<u>\$ 760</u>	<u>\$ 2,686</u>

**Source: District records**

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	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	\$ 34,211,700	\$ 481,385,600	\$ -	\$ -	\$ 884,700	\$ -	\$ -	\$ 516,482,000	\$ 24,901	\$ 516,506,901	\$ 47,242,600	\$ 0.011	\$ 463,613,831
2016	27,995,000	420,927,600	-	-	817,400	-	-	449,740,000	24,483	449,764,483	44,118,800	0.023	445,972,218
2017	23,303,300	429,110,100	-	-	817,400	-	-	453,230,800	24,201	453,255,001	44,118,800	0.023	458,568,545
2018	21,330,100	432,701,000	-	-	817,400	-	-	454,848,500	24,499	454,872,999	45,067,700	0.023	459,508,157
2019	22,546,100	434,909,500	-	-	817,700	-	-	458,273,300	-	458,273,300	44,855,700	0.023	497,946,601
2020	21,324,000	442,939,200	-	-	817,400	-	-	465,080,600	-	465,080,600	44,855,700	0.023	515,480,737
2021	20,774,500	447,487,100	-	-	817,400	-	-	469,079,000	-	469,079,000	44,855,700	0.022	552,052,944
2022	18,888,300	455,314,400	-	-	817,400	-	-	475,020,100	-	475,020,100	44,855,700	0.022	601,255,743
2023	18,474,000	460,925,800	-	-	817,400	-	-	480,217,200	-	480,217,200	44,855,700	0.022	707,284,181
2024	15,034,500	474,458,500	-	-	817,400	-	-	490,310,400	-	490,310,400	44,855,700	0.021	806,611,902

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 Point 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 Point School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Cape May Point	Cape May County	
2015	\$ 0.011	\$ -	\$ 0.011	\$ 0.258	\$ 0.229	\$ 0.498
2016	0.023	-	0.023	0.296	0.255	0.574
2017	0.023	-	0.023	0.296	0.267	0.586
2018	0.023	-	0.023	0.297	0.272	0.592
2019	0.023	-	0.023	0.296	0.295	0.614
2020	0.023	-	0.023	0.295	0.304	0.622
2021	0.022	-	0.022	0.313	0.312	0.647
2022	0.022	-	0.022	0.329	0.354	0.705
2023	0.022	-	0.022	0.334	0.373	0.729
2024	0.021	-	0.021	0.348	0.371	0.740

**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 Point School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

**EXHIBIT J-8**

2024		2015	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
Cape May Point Science Center		Sisters of Saint Joseph	
Individual # 1	\$ 4,103,300	Individual # 1	\$2,519,900
Chin Up LLC	2,260,500	Individual # 2	1,739,900
Individual # 2	1,500,700	Individual # 3	1,621,400
Individual # 3	1,892,900	Individual # 4	1,537,500
Individual # 4	1,890,900	Individual # 5	1,459,300
Individual # 5	1,680,200	Individual # 6	1,436,600
Individual # 6	1,613,800	Individual # 7	1,410,300
Individual # 7	1,597,700	Individual # 8	1,403,400
Individual # 8	1,594,300	Individual # 9	1,399,700
	1,954,200		1,393,300
Total	\$ 20,088,500	Total	\$ 15,921,300
	4.10%		3.08%

**Source:** Municipal Tax Assessor

**Cape May Point 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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 39,058	\$ 39,058	100.00%	\$ -
2016	103,118	103,118	100.00%	-
2017	103,118	103,118	100.00%	-
2018	103,118	51,559	50.00%	51,559
2019	103,118	154,677	150.00%	-
2020	103,118	51,559	50.00%	51,559
2021	103,118	103,118	100.00%	
2022	103,118	103,118	100.00%	
2023	103,118	103,118	100.00%	
2024	103,118	103,118	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 Point School District**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

**EXHIBIT J-10**

Not applicable as the District has no debt outstanding for the past ten years.

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

**EXHIBIT J-11**

Not applicable as the District has no debt outstanding for the past ten years.

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Cape May Point	\$ 849,200	100.000%	\$ 849,200
Cape May County General Obligation Debt	311,305,688	0.943%	2,935,613
			<hr/>
Subtotal, overlapping debt			3,784,813
<b>Cape May Point School District Direct Debt</b>			<hr/> -
<b>Total direct and overlapping debt</b>			<hr/> <b>\$ 3,784,813</b> <hr/>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Cape May County Board of Taxation.

**Note:** Debt outstanding data provided by each governmental unit.  
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 Point Borough. 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 2024**

	Equalized valuation basis	
	2021	\$ 593,695,735
	2022	699,587,776
	2023	789,960,849
	<b>[A]</b>	<b>\$ 2,083,244,360</b>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 694,414,787

School borrowing margin - N/A Cape May Point is a sending district.

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

**EXHIBIT J-14**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2015	280	\$ 14,812,280	\$ 52,901	9.8%
2016	279	15,281,388	54,772	5.3%
2017	278	15,978,606	57,477	5.2%
2018	276	16,632,864	60,264	5.3%
2019	275	17,380,825	63,203	4.2%
2020	272	18,451,392	67,836	7.8%
2021	300	21,603,000	72,010	5.2%
2022	301	21,548,590	71,590	6.1%
2023	299	e	e	5.0%
2024	e	e	e	e

**Source:**

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

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

**EXHIBIT J-16**

Not applicable - Cape May Point is a non-operating School District with no full-time employees.

Fiscal Year	Pupil/Teacher Ratio									
	Operating Expenditures <sup>a</sup>		Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Average Daily Enrollment (ADE) <sup>c</sup>		Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment					Elementary				
2015	4	\$ 98,764	\$ 24,691	38.50%	N/A	N/A	N/A	N/A	N/A	N/A
2016	4	104,287	26,072	5.59%	N/A	N/A	N/A	N/A	N/A	N/A
2017	3	69,616	23,205	-10.99%	N/A	N/A	N/A	N/A	N/A	N/A
2018	4	66,915	16,729	-27.91%	N/A	N/A	N/A	N/A	N/A	N/A
2019	3	94,283	31,428	87.87%	N/A	N/A	N/A	N/A	N/A	N/A
2020	3	79,570	26,523	-15.61%	N/A	N/A	N/A	N/A	N/A	N/A
2021	2	66,007	33,004	24.43%	N/A	N/A	N/A	N/A	N/A	N/A
2022	2	63,876	31,938	-3.23%	N/A	N/A	N/A	N/A	N/A	N/A
2023	1	49,027	49,027	53.51%	N/A	N/A	N/A	N/A	N/A	N/A
2024	1	55,075	55,075	12.34%	N/A	N/A	N/A	N/A	N/A	N/A

Sources: District records

Note: Enrollment based on annual October district count.

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

Not applicable - Cape May Point is a non-operating School District.

Not applicable - Cape May Point is a non-operating School District.

**Cape May Point School District  
Insurance Schedule  
June 30, 2024**

**EXHIBIT J-20**

	<u>Coverage</u>	<u>Deductible</u>
RLI Insurance Company:		
Treasurer	\$ 35,000	
Board Secretary/Business Administrator	25,000	

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 Point School District  
County of Cape May  
Cape May Point, 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 Point 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 are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of 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

CAPE MAY POINT 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	Balance at June 30, 2023		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Balance at June 30, 2024		
						Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Treasury Passed-through State Department of Education: Special Revenue Fund: Coronavirus Relief Fund	21.019	C8220COVID19	N/A	\$ 75	3/13/20 - 9/30/22	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75	\$ -
						75	-	-	-	-	-	-	75	-
						\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75	\$ -
Total Special Revenue Fund														
Total Federal Awards														

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

CAPE MAY POINT 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 or Award Amount	Grant Period From - To	Balance June 30, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2024		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
	Security Aid	24-495-034-5120-084	\$ 231	7/1/23 - 6/30/24	\$ -	\$ -	\$ -	\$ 208	\$ (231)	\$ -	\$ (23)	\$ -
Security Aid	23-495-034-5120-084	368	7/1/22 - 6/30/23	(37)	-	-	37	-	-	-	-	-
Special Education Categorical Aid												
		23-495-034-5120-089	4,000	7/1/22 - 6/30/23	(400)	-	400	-	-	-	-	-
Transportation Aid												
		24-495-034-5120-101	1,796	7/1/23 - 6/30/24	-	-	1,616	(1,796)	-	(180)	-	-
Transportation Aid	23-495-034-5120-101	1,796	7/1/22 - 6/30/23	(180)	-	-	180	-	-	-	-	-
Total General Fund				(617)	-	-	2,441	(2,027)	-	(203)	-	-
Total State Financial Assistance												
				\$ (617)	\$ -	\$ -	\$ 2,441	\$ (2,027)	\$ -	\$ (203)	\$ -	\$ -

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

**Cape May Point 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 Board of Education, Cape May Point School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, 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 last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$414 for the general fund and \$-0- for 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. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
<b>General Fund</b>	\$ - 0 -	\$ 2,441	\$ 2,441
<b>Total Awards &amp; Financial Assistance</b>	<u>\$ - 0 -</u>	<u>\$ 2,441</u>	<u>\$ 2,441</u>

**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.

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

*Section 1 -- Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weaknesses identified?	<u>          </u> yes	<u>      X      </u> no	
Significant deficiencies identified?	<u>          </u> yes	<u>      X      </u> none reported	
Noncompliance material to general purpose financial statements noted?	<u>          </u> yes	<u>      X      </u> no	

**Federal Awards**

Not Applicable.

**State Awards**

Not Applicable.

**CAPE MAY POINT 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 identified.

**CAPE MAY POINT 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:**

A federal single audit was not required.

**STATE AWARDS:**

A state single audit was not required.



**CAPE MAY POINT 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**

A federal single audit was not required.

**STATE AWARDS**

A state single audit was not required.