

SCHOOL DISTRICT  
OF  
**CITY OF MARGATE**

Margate City Board of Education  
Margate, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2021



# TABLE OF CONTENTS

| <b>INTRODUCTORY SECTION</b> |  | Page  |
|-----------------------------|--|-------|
|                             | Letter of Transmittal  | 1-6   |
|                             | Organizational Chart   | 7     |
|                             | Roster of Officials  | 8     |
|                             | Consultants and Advisors   | 9     |
| <b>FINANCIAL SECTION</b>    |  |       |
|                             | <b>Independent Auditor's Report</b>  | 10-12 |
|                             | <b>Required Supplementary Information - Part I</b>   |       |
|                             | Management's Discussion and Analysis   | 13-19 |
|                             | <b>Basic Financial Statements</b>  |       |
| A                           | District-wide Financial Statements:  |       |
|                             | A-1 Statement of Net Position  | 20    |
|                             | A-2 Statement of Activities  | 21    |
| B                           | Fund Financial Statement   |       |
|                             | Governmental Funds:  |       |
|                             | B-1 Balance Sheet  | 22    |
|                             | B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances  | 23    |
|                             | B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 24    |
|                             | Proprietary Funds:   |       |
|                             | B-4 Statement of Net Position  | 25    |
|                             | B-5 Statement of Revenues, Expenses, and Changes in Net Position   | 26    |
|                             | B-6 Statement of Cash Flows  | 27    |
|                             | Fiduciary Funds:   |       |
|                             | B-7 Statement of Fiduciary Net Position  | N/A   |
|                             | B-8 Statement of Changes in Fiduciary Net Position   | N/A   |
|                             | <b>Notes to the Financial Statements</b>   | 28-51 |
|                             | <b>Required Supplemental Information - Part II</b>   |       |
| C                           | Budgetary Comparison Schedules   |       |
|                             | C-1 Budgetary Comparison Schedule - General Fund   | 52-61 |
|                             | C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  | NA    |
|                             | C-1b Community Development Block Grant - Budget to Actual  | NA    |
|                             | C-2 Budgetary Comparison Schedule - Special Revenue Fund   | 62    |
|                             | <b>Notes to the Required Supplementary Information</b>   |       |
|                             | C-3 Budget-to-GAAP Reconciliation  | 63    |

## TABLE OF CONTENTS (continued)

|  |   | Page  |
|--|---|-------|
| <b>Required Supplementary Information - Part III</b> |   |       |
| L  | L-1 Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)                    | 64    |
|  | L-2 Schedule of District Contributions (PERS)   | 65    |
|  | L-3 Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)                    | 66    |
| M  | M-1 Schedule of the District's Proportionate Share of the Net OPEB (PERS and TPAF)                        | 67    |
| <b>Other Supplementary Information</b>               |   |       |
| D  | School Level Schedules:   |       |
|  | D-1 Combining Balance Sheet   | N/A   |
|  | D-2 Blended Resource Fund - Schedule of Expenditures<br>Allocated by Resource Type - Actual               | N/A   |
|  | D-3 Blended Resource Fund - Schedule of Blended<br>Expenditures - Budget and Actual                       | N/A   |
| E  | Special Revenue Fund:   |       |
|  | E-1 Combining Schedule of Revenues and Expenditures<br>Special Revenue Fund - Budgetary Basis             | 68-69 |
|  | E-2 Preschool Education Aid Schedule of Expenditures -<br>Budgetary Basis                                 | N/A   |
| F  | Capital Projects Fund:  |       |
|  | F-1 Summary Schedule of Project Expenditures  | 70    |
|  | F-2 Summary Schedule of Revenues, Expenditures, and Changes<br>in Fund Balance - Budgetary Basis          | 71    |
|  | F-2a-c Schedule of Project Revenue, Expenditures, Project Balance<br>and Project Status - Budgetary Basis | 72-75 |
| G  | Proprietary Funds   |       |
|  | Enterprise Fund:  |       |
|  | G-1 Combining Statement of Net Position   | 76    |
|  | G-2 Combining Statement of Revenues, Expenses, and<br>Changes in Fund Net Position                        | 77    |
|  | G-3 Combining Statement of Cash Flows   | 78    |
|  | Internal Service Fund:  |       |
|  | G-4 Combining Statement of Net Position   | N/A   |
|  | G-5 Combining Statement of Revenues, Expenses, and<br>Changes in Fund Net Position                        | N/A   |
|  | G-6 Combining Statement of Cash Flows   | N/A   |
| H  | Fiduciary Funds:  |       |
|  | H-1 Combining Statement of Fiduciary Net Position   | N/A   |
|  | H-2 Combining Statement of Changes in Fiduciary Net Position  | N/A   |
|  | H-3 Student Activity Agency Fund Schedule of Receipts and<br>Disbursements                                | N/A   |
|  | H-4 Payroll Agency Fund Schedule of Receipts and<br>Disbursements   | N/A   |
| I  | Long-Term Debt:   |       |
|  | I-1 Schedule of Serial Bonds  | N/A   |
|  | I-2 Schedule of Obligations under Capital Leases  | 79    |
|  | I-3 Debt Service Fund Budgetary Comparison Schedule   | N/A   |

## TABLE OF CONTENTS (continued)

|   | Page    |
|---|---------|
| <b>STATISTICAL SECTION (Unaudited)</b>  |         |
| Introduction to the Statistical Section   |         |
| <b>Financial Trends</b>   |         |
| J-1 Net Assets/Net Position by Component  | 80      |
| J-2 Changes in Net Assets/Net Position  | 81-82   |
| J-3 Fund Balances - Governmental Funds  | 83      |
| J-4 Changes in Fund Balances - Governmental Funds   | 84-85   |
| J-5 General Fund Other Local Revenue by Source  | 86      |
| <b>Revenue Capacity</b>   |         |
| J-6 Assessed Value and Estimated Actual Value of Taxable Property   | 87      |
| J-7 Direct and Overlapping Property Tax Rates   | 88      |
| J-8 Principal Property Taxpayers  | 89      |
| J-9 Property Tax Levies and Collections   | 90      |
| <b>Debt Capacity</b>  |         |
| J-10 Ratios of Outstanding Debt by Type   | 91      |
| J-11 Ratios of General Bonded Debt Outstanding  | 92      |
| J-12 Direct and Overlapping Governmental Activities Debt  | 93      |
| J-13 Legal Debt Margin Information  | 94      |
| <b>Demographic and Economic Information</b>   |         |
| J-14 Demographic and Economic Statistics  | 95      |
| J-15 Principal Employers  | 96      |
| <b>Operating Information</b>  |         |
| J-16 Full-time Equivalent District Employees by Function/Program  | 97      |
| J-17 Operating Statistics   | 98      |
| J-18 School Building Information  | 99      |
| J-19 Schedule of Required Maintenance Expenditures<br>by School Facility  | 100     |
| J-20 Insurance Schedule   | 101-102 |
| <b>SINGLE AUDIT SECTION</b>   |         |
| Page  |         |
| K-1 Report on Internal Control over Financial Reporting and on Compliance and Other<br>Matter Based on an Audit of Financial Statements Performed in Accordance with<br>Government Auditing Standards       | 103-104 |
| K-2 Report on Compliance with Requirements Applicable to Each Major Program and on<br>Internal Control Over Compliance in Accordance with U.S. OMB Uniform Guidance<br>New Jersey OMB Circular Letter 15-08 | 105-106 |
| K-3 Schedule of Expenditures of Federal Awards  | 107     |
| K-4 Schedule of Expenditures of State Financial Assistance  | 108     |
| K-5 Notes to the Schedules of Awards and Financial Assistance   | 109-111 |
| K-6 Schedule of Findings and Question Costs   |         |
| Part 1 - Summary of Auditor's Results   | 112-113 |
| Part 2 - Schedule of Financial Statement Findings   | 114     |
| Part 3 - Schedule of State Award Findings and Questioned Costs  | 114     |
| K-7 Summary Schedule of Prior Audit Findings  | 114     |

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Introductory Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}





## Margate City School District

8103 WINCHESTER AVENUE  
MARGATE CITY, NEW JERSEY 08402  
PHONE: (609) 822-1686  
FAX: (609) 822-3399

February 25, 2022

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

Dear Board Members:

The comprehensive annual financial report of the City of Margate School District (District) for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical tables include selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance and NJ OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The City of Margate School District is a component unit of the City of Margate within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The City of Margate Board of Education and all its schools constitute the District's reporting entity. The School District is a Type I District and, as such, meets the criteria to be considered a component unit of the City of Margate. However, the City reports on a regulatory basis of accounting which does not recognize component units.

The District provides a full range of educational services appropriate to grade levels PreK through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of 383 students, which is 19 students higher than the previous year's ending enrollment. The following details the changes in the average daily enrollment of the District over the last five years.

| <b>Fiscal</b>      | <b>Average Daily</b>     | <b>Percent</b>       |
|--------------------|--------------------------|----------------------|
| <b><u>Year</u></b> | <b><u>Enrollment</u></b> | <b><u>Change</u></b> |
| 2020-2021          | 375                      | 3.05%                |
| 2019-2020          | 361                      | 1.12%                |
| 2018-2019          | 357                      | (2.99%)              |
| 2017-2018          | 368                      | .003%                |
| 2016-2017          | 367                      | (8.25%)              |

**2) ECONOMIC CONDITION AND OUTLOOK:** The Cities of Margate and Longport are New Jersey seashore communities whose children, in grades PreK through eight, constitute the student population of the City of Margate School District. The City of Margate is located approximately two miles south of Atlantic City, and approximately 50 miles east of Philadelphia. The City of Margate, which measures approximately a mile and three-quarters in length by three quarters of a mile in width, is located on Absecon Island and has a year-round population of about 6,400 middle to upper middle-class residents. More specifically, the City of Margate is bounded on the northeast by Ventnor City, on the southwest by the Borough of Longport, on the southeast by the Atlantic Ocean, and on the northwest by the center line of the main channel in Beach Thorofare. The major employer in this area is the casino industry.

The City of Margate is governed by a three-person Board of Commissioners, elected at large every four years. They govern a city that is almost entirely residential, whose year-round population of 6,400 swells to approximately 45,000 during the summer months. The year-round residents have established six houses of worship that rather accurately reflect the ethnic/religious composition of the community. Of the six houses of worship, three are Jewish, two are Protestant, and one is Catholic.

The Public School System of City of Margate is composed of PreK-8 grade children, who reside in the City of Margate and the Borough of Longport. As of October 15, 2021 there was a total of 359 pupils enrolled in the school district. Upon completion of eighth grade, the students attend nearby Atlantic City High School, which currently enrolls approximately 40 Margate pupils in grades 9 through 12. This is a sending-receiving relationship between the school districts in which Margate is responsible for paying student tuition and providing student transportation. As of October 15, 2021, Margate pupils were enrolled in other public schools as follows: 2 students at the CharterTech High School, 3 students at the Atlantic County Institute of Technology (ACIT), 8 students at Mainland Regional High School, and 57 students at the Ocean City High School. There are approximately 34 Margate students attending various non-public schools grades K-12.

The overall responsibility for the education of the PreK-8 children lies with the district's board of education composed of seven members, appointed by the Mayor for a term of three years. The district's budget is approved annually by a Board of School Estimates which works closely with both City and school officials. For the 2020-2021 school year, the District will operate on a budget of \$13,900,210 for current expenses.

The basic responsibility for the operation of the schools lies with the Superintendent of Schools. She is assisted by two directors/building principals, a supervisor of curriculum, a school business administrator, and a staff of 80 full time and 11 part time personnel during the 2020-2021 school year.

During the 2020-2021 school year City of Margate District pupils were housed in two separate facilities: the Eugene A. Tighe Middle School constructed in 1956, and the William H. Ross III Intermediate School constructed in 2000. The William H. Ross III site houses the district administrative offices and grades PreK-4 and the Eugene A. Tighe School houses grades 5-8. Each building is serviced by special area teachers for performing arts, health, art, physical education, computer/technology, and a media center. In addition, a Child Study Team is available for children with special needs. The team consists of a school psychologist, a social worker, and two part time speech therapists. Learning Disabilities services are also provided by the Atlantic County Special Services School District and Cape May County Special Services School District.

Longport, the only sending district for the City of Margate School, is the smallest municipality in Atlantic County, about four-tenths of a square mile. Longport is bounded on the northeast by City of Margate, on the southwest by Great Egg Inlet/Ocean City, on the southeast by the Atlantic Ocean, on the northwest by Risley's Channel and the Inlet.

1. The City of Margate Board of Education provides its student population with an extensive range of educational services that include but are not limited to the following:
2. Pre-school program for disabled 3 and 4 year old students.
3. Full day kindergarten program for all children.
4. World language instruction for all children.
5. Computer assisted instruction and assessments for all children.
6. Title 1 services for mathematics and reading in grades K-8.
7. Social services for grades K-8 that include the LEAD program, counseling, as well as an after-school care program for grades K-4.
8. Computer assisted research services in the Media Centers.
9. Differentiated instruction that is part of the curriculum for all students.
10. A full range of Child Study Team services.
11. Visual and performing arts program for all students
12. STEM education for students K-8.

The Margate Board of Education, administration, faculty, and support staff are dedicated to provide each child with a challenging and rewarding educational program that will meet each individual's needs.

**3) MAJOR INITIATIVES:** Major Initiatives for the 2021-2022 school year include the continuation of important district efforts in several areas including curriculum and assessment, staff development, and technology, as well as facility upgrades and school security.

#### **Curriculum and Assessment:**

The use of LinkIt Benchmarking Assessment Solutions will continue to be utilized in grades 2 through 8. These assessments provide valuable, actionable data useful as a predictor of student success on state assessments in literacy and mathematics. Teachers will use the data to inform instruction to address student strengths and weaknesses in particular standards. Coupled with LinkIt, the teachers will employ the online learning platform IXL to assign topics to individual students based on need in order to further develop their skills. IXL is aligned to the NJSLs as well as the core instructional programs currently used (Journeys ELA, HMH Collections ELA, Pearson Envision2.0 Math, HMH GoMath!, and Big Ideas Math).

Continued curricular initiatives include:

- In-class support and co-teaching to provide differentiated learning opportunities for all students to ensure academic rigor while meeting the needs of all students.
- The implementation of the Wilson Language System provides 1:1 multisensory intervention for struggling readers in all grades, while the Wilson Foundations program offers systematic and explicit instruction in reading, spelling, and handwriting for our youngest learners in kindergarten and 1st grade.
- The district's science program will continue to embrace the elements of STEM (Science, Technology, Engineering & Mathematics) providing students the opportunity to participate in inquiry-based, exploratory learning using the experimental design process to solve problems.
- The curricular development 5-year cycle for evaluating and revising curriculum ensures best practices for learning experiences aligned to state standards, as well as integrating 21st century skills, technology, and social-emotional learning throughout the disciplines. Curriculum development projects for 2021-2022 include:

- Implementation of revised curricula for Science, Visual and Performing Arts, Life Skills and Media Literacy aligned to the newly adopted 2020 NJSL
- Curriculum review and revision for Social Studies, Health and Physical Education, and Computer Science.

### **Staff Development**

Professional development for teachers will continue to be provided through in-district and out-of-district workshops, professional learning communities (PLCs), and graduate level coursework or trainings. Professional development opportunities provide teachers the time and resources to hone their skills to meet the challenges of education in the 21st century.

Examples of professional development or training opportunities include (but are not limited to):

- LinkIt Benchmarking Assessment Solutions
- Web-based software including IXL, Study Island, and Reading A-Z
- Curriculum development
- School Climate and Social-Emotional Learning
- Remote Learning Tools and Strategies

### **Technology**

Technology integration will remain strong across all disciplines through wireless internet access, multiple computer labs, interactive displays, and classroom sets of chromeOS devices. Any legacy equipment of services continue to be rotated out for newer and better fitting solutions.

Both the computer and media literacy curricula are under review ensuring that our students are on track to be college and career ready in the 21st century.

Training continues to be offered on a wide range of topics.

Switches continue to be rotated to ensure continued reliability and functionality. One of the Internet Service Providers (ISP) have been replaced by a more reliable ISP. Monitoring capability expanded through additional monitoring sensors and bid data analytics tools.

Our cyber security continues to be monitored and actions taken as needed to continue to protect our systems. We continue to see daily global cybersecurity threats at our firewall attempting to breach.

A channel based communications platform has been implemented that streamlines communications between stakeholders as well as providing those stakeholders real time notifications of various systems, weather, news, and other pertinent pieces of information to assist in dialog and/or response.

### **Facilities**

Facility Upgrades will include the replacement of Air Handlers from multi-zone to single-zone at William H Ross Elementary School. Eugene A. Tighe School will continue with flooring replacements. Window repairs and resealing will occur at the Tighe School as well as at the William H. Ross Elementary School. The Fire Alarm system loops will continue to be upgraded at Eugene A. Tighe Middle School and William H Ross Elementary School.

## **School Security**

School security improvements will include upgrading the system to comply with Alyssa's Law as needed. The school district will continue to work closely with Margate PD for access to our cameras and lockdown system components.

**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 the District management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

**7) DEBT ADMINISTRATION:** At June 30, 2021, the District had no outstanding debt issues. As a Type I School District, all school debt is borne by the City rather than the School District.

**8) 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 indicates the GUDPA approved depository banks, any brokers/dealers, and the approved investment instruments selected by the Board of Education. GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. School Districts are permitted to invest public funds in bonds or other obligations of the United States, bonds or other obligations of the local unit, government money market mutual funds, New Jersey State Cash Management Fund, and repurchase agreements.

**9) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**10) OTHER INFORMATION:**

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

**11) ACKNOWLEDGMENTS:**

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

Respectfully submitted,

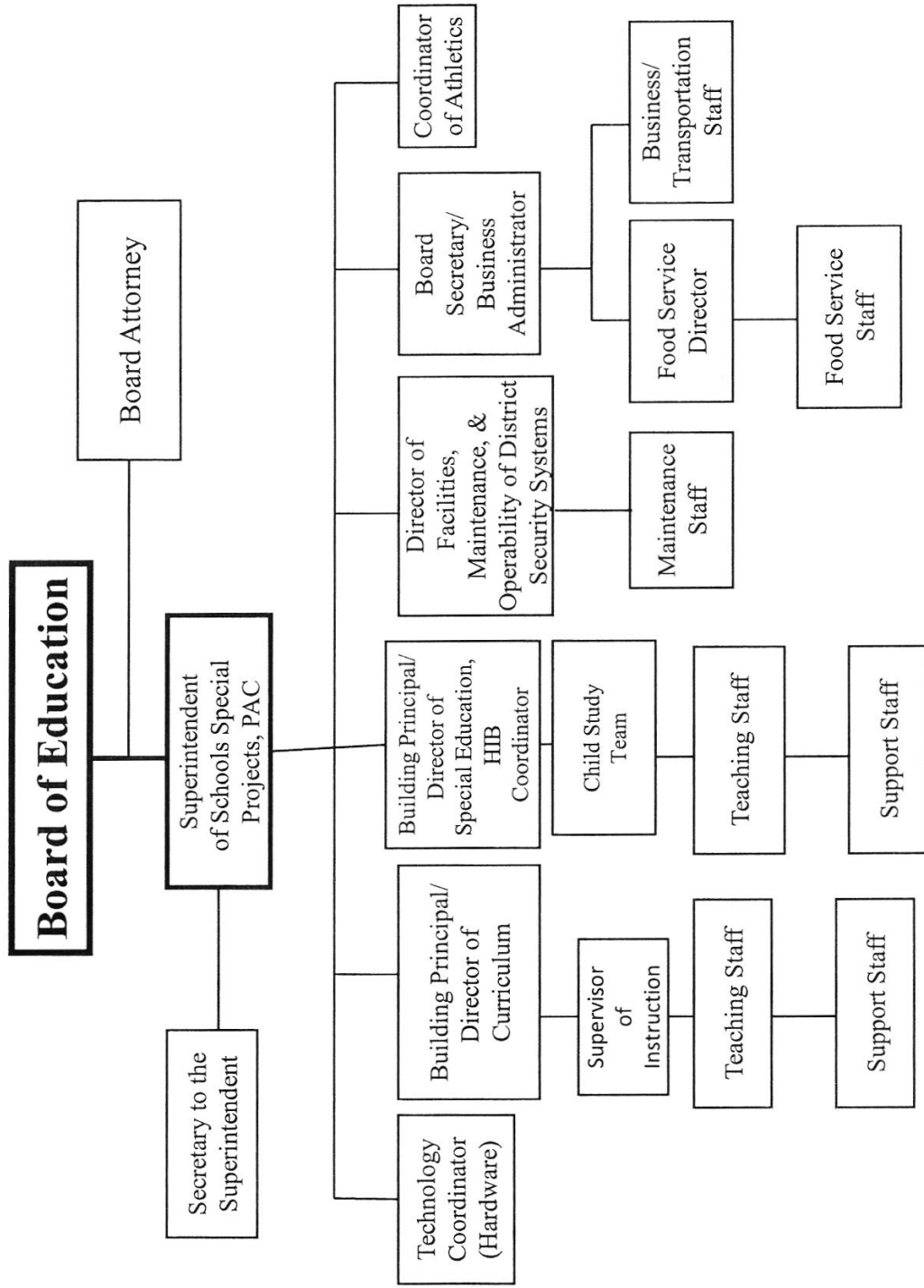
*Audrey Becker*

Mrs. Audrey Becker  
Superintendent

*Jennifer Germana*

Jennifer Germana  
Board Secretary/Business Administrator

# City of Margate Board of Education Organization Chart



**CITY OF MARGATE BOARD OF EDUCATION**

**MARGATE, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2021

| <b><u>Members of the Board of Education</u></b>                           | <b><u>Term Expires</u></b> |
|---|----------------------------|
| Catherine Horn, President   | 2023                       |
| Tracy Santoro, Vice President   | 2023                       |
| Joel Frankel  | 2022                       |
| Jim Swift, Esq.   | 2024                       |
| Jack Sorensen   | 2022                       |
| Amy Brog  | 2024                       |
| Joseph Pepe   | 2024                       |
| Carl Tripician, Esq., representing Borough of Longport Board of Education |                            |

**Other Officials**

Audrey Becker, Superintendent

Jennifer Germana, Board Secretary/School Business Administrator

Eric Goldstein, Esq., Solicitor



**CITY OF MARGATE BOARD OF EDUCATION  
Consultants and Advisors**

**Audit Firm**

Ford Scott & Associates, LLC, CPAs  
1535 Haven Avenue  
Ocean City, NJ 08226

**Attorney**

Eric Goldstein, Esq.  
Nehmad, Perillo & Davis  
4030 Ocean Heights Avenue  
Egg Harbor Township, NJ 08234

**Architect of Record**

Scott Downie  
Spiezle Architectural Group  
1395 Yardville Hamilton Square Road, Suite 2A  
Hamilton, NJ 08691

**Official Depository**

OceanFirst Bank  
1777 New Road  
Linwood, New Jersey 08221

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Financial Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



# F O R D - S C O T T

& A S S O C I A T E S , L . L . C .

C E R T I F I E D P U B L I C A C C O U N T A N T S

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

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

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate School District, Margate, New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate School District, Margate, New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Margate School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022 on our consideration of the City of Margate School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Margate School District's internal control over financial reporting and compliance.

Very truly yours,

**Ford, Scott & Associates, L.L.C.**  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Nancy Sbrolla*

**Nancy Sbrolla**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 2426**

**February 25, 2022**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**Required Supplemental Information**  
**Part I**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Margate City School District's ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District increased \$7,525.83 as a result of a increase in restricted miscellaneous revenue/.
- The State of New Jersey reimbursed the District \$362,275.65 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$1,763,299.00 on behalf of the District for TPAF Pension. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As required by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 4% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2021 the District had \$3,421,323.47 in excess surplus, of which \$1,994,378.72 has been appropriated and included as anticipated revenue in the 2022 fiscal year budget. This is compared to the prior year excess surplus of \$3,299,530.52, of which \$1,305,151.80 was budgeted in the 2021 fiscal year.
- During the fiscal year ended June 30, 2021, the District's revenues were \$553,056.03 higher than total expenditures. This can be attributed to the district seeing decreases in special education and transportation expenses. During the prior fiscal year, revenue was higher than total expenditures by \$1,405,003.42.
- In the District's business-type activities, net position decreased \$15,738.41 during the 2021 fiscal year compared to a \$22,392.73 decrease in fiscal year 2020. The decrease is attributed to a decrease in revenues during the 2020 fiscal year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The following table also summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this

overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Major Features of Margate City School District’s  
Government-wide and Fund Financial Statements**

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

**Government-wide Statements**

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

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

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

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

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

## **Fund Financial Statements**

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

The District has three kinds of funds:

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position increased between fiscal years 2021 and 2020 as a result of a decrease in expenditures. The business-type activities net position decreased due to a decrease in the food services revenue.

|                           | <u>Governmental Activities</u> |                      | <u>Business-type Activities</u> |                  | <u>Total</u>         |                      |
|---------------------------|--------------------------------|----------------------|---------------------------------|------------------|----------------------|----------------------|
|                           | <u>2021</u>                    | <u>2020</u>          | <u>2021</u>                     | <u>2020</u>      | <u>2021</u>          | <u>2020</u>          |
| Current and other assets  | \$ 4,913,127.75                | 4,409,660.31         | 59,913.12                       | 64,917.23        | 4,973,040.87         | 4,474,577.54         |
| Capital assets            | 13,821,318.40                  | 14,426,078.06        | 8,425.71                        | 12,760.01        | 13,829,744.11        | 14,438,838.07        |
| <b>Total assets</b>       | <b>18,734,446.15</b>           | <b>18,835,738.37</b> | <b>68,338.83</b>                | <b>77,677.24</b> | <b>18,802,784.98</b> | <b>18,913,415.61</b> |
| Long-term liabilities     | 3,371,836.70                   | 3,614,983.16         | 4,400.00                        | 3,100.00         | 3,376,236.70         | 3,618,083.16         |
| Other liabilities         | 1,349,431.12                   | 1,346,443.37         | 5,400.00                        | -                | 1,354,831.12         | 1,346,443.37         |
| <b>Total liabilities</b>  | <b>4,721,267.82</b>            | <b>4,961,426.53</b>  | <b>9,800.00</b>                 | <b>3,100.00</b>  | <b>4,731,067.82</b>  | <b>4,964,526.53</b>  |
| Net position              |                                |                      |                                 |                  |                      |                      |
| Invested in Capital       | 13,821,318.40                  | 14,426,078.06        | 8,425.71                        | 12,760.01        | 13,829,744.11        | 14,438,838.07        |
| Restricted                | 3,870,571.39                   | 3,509,053.56         | -                               | -                | 3,870,571.39         | 3,509,053.56         |
| Unrestricted              | (3,678,711.46)                 | (4,060,819.78)       | 50,413.12                       | 61,817.23        | (3,628,298.34)       | (3,999,002.55)       |
| <b>Total net position</b> | <b>\$ 14,013,178.33</b>        | <b>13,874,311.84</b> | <b>58,838.83</b>                | <b>74,577.24</b> | <b>14,072,017.16</b> | <b>13,948,889.08</b> |

As

required by New Jersey Statutes, the unrestricted net position of the District is not permitted to exceed 2% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security and assets acquired under capital leases. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2021, the District did have \$3,421,323.47 in excess fund balance, of which \$1,994,378.72 has been appropriated and included as anticipated revenue in the 2022 fiscal year budget.

**Changes in net position.** The total revenue of the District increased \$1,454,073.37 due to a increase in operating grants and contributions.

Approximately 17.06% of the District's revenue comes from the State of New Jersey in the form of unrestricted state aid. The City of Margate levies property taxes on properties located in the City. This tax is remitted to the District on a monthly basis. The District expenses are primarily related to instruction, administration, and plant operations.

|                                    | 2021                    |                | 2020                 |                |
|------------------------------------|-------------------------|----------------|----------------------|----------------|
|                                    | 2021 Amount             | Percentage     | 2020 Amount          | Percentage     |
| Property taxes                     | \$ 10,498,077.00        | 63.52%         | 10,498,077.00        | 69.64%         |
| Unrestricted Federal and State     | 2,819,472.65            | 17.06%         | 2,511,756.21         | 16.66%         |
| Tuition                            | 845,138.00              | 5.11%          | 933,613.00           | 6.19%          |
| Miscellaneous                      | 161,715.36              | 0.98%          | 174,893.44           | 1.16%          |
| Operating grants and contributions | 2,203,608.46            | 13.33%         | 955,598.45           | 6.34%          |
| <b>Totals</b>                      | <b>\$ 16,528,011.47</b> | <b>100.00%</b> | <b>15,073,938.10</b> | <b>100.00%</b> |

## Governmental & Business-Type Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2021 and 2020 fiscal years.

|                                  | Governmental Activities |                      | Business-type Activities |                    | Totals               |                      |
|----------------------------------|-------------------------|----------------------|--------------------------|--------------------|----------------------|----------------------|
|                                  | <u>2021</u>             | <u>2020</u>          | <u>2021</u>              | <u>2020</u>        | <u>2021</u>          | <u>2020</u>          |
| <b>Revenues</b>                  |                         |                      |                          |                    |                      |                      |
| Program revenue                  |                         |                      |                          |                    |                      |                      |
| Charges for services             | \$ 845,138.00           | 933,613.00           | 72,656.69                | 84,269.20          | 917,794.69           | 1,017,882.20         |
| Federal and state grants         | 2,203,608.46            | 955,598.45           | 39,367.67                | 9,818.64           | 2,242,976.13         | 965,417.09           |
| General revenues                 |                         |                      |                          |                    |                      |                      |
| Property taxes                   | 10,498,077.00           | 10,498,077.00        |                          | -                  | 10,498,077.00        | 10,498,077.00        |
| State aid entitlements           | 2,819,472.65            | 2,511,756.21         |                          | -                  | 2,819,472.65         | 2,511,756.21         |
| Miscellaneous                    | 161,715.36              | 174,893.44           | 113.19                   | 133.78             | 161,828.55           | 175,027.22           |
| <b>Total revenues</b>            | <b>16,528,011.47</b>    | <b>15,073,938.10</b> | <b>112,137.55</b>        | <b>94,221.62</b>   | <b>16,640,149.02</b> | <b>15,168,159.72</b> |
| <b>Expenses</b>                  |                         |                      |                          |                    |                      |                      |
| Instruction:                     |                         |                      |                          |                    |                      |                      |
| Regular                          | 6,389,818.98            | 5,531,522.29         |                          |                    | 6,389,818.98         | 5,531,522.29         |
| Special Education                | 2,110,751.47            | 1,914,746.54         |                          |                    | 2,110,751.47         | 1,914,746.54         |
| Other special instruction        | 207,764.25              | 640,878.30           |                          |                    | 207,764.25           | 640,878.30           |
| Other Instruction                | 187,920.01              | 181,000.72           |                          |                    | 187,920.01           | 181,000.72           |
| Support services:                |                         |                      |                          |                    |                      |                      |
| Tuition                          | 1,206,274.20            | 941,161.00           |                          |                    | 1,206,274.20         | 941,161.00           |
| Student & instruction            | 2,766,394.68            | 2,405,538.34         |                          |                    | 2,766,394.68         | 2,405,538.34         |
| School admin services            | 280,546.62              | 260,525.62           |                          |                    | 280,546.62           | 260,525.62           |
| General admin services           | 696,049.35              | 631,047.42           |                          |                    | 696,049.35           | 631,047.42           |
| Plant operations/maint           | 1,933,517.14            | 1,533,578.31         |                          |                    | 1,933,517.14         | 1,533,578.31         |
| Pupil transportation             | 316,316.39              | 351,818.94           |                          |                    | 316,316.39           | 351,818.94           |
| Admin info tech                  | 22,344.00               | 21,484.00            |                          |                    | 22,344.00            | 21,484.00            |
| Capital outlay                   | 379,197.42              | 89,002.12            |                          |                    | 379,197.42           | 89,002.12            |
| Business-type activities         |                         |                      | 151,467.09               | 148,614.35         | 151,467.09           | 148,614.35           |
| <b>Total expenses</b>            | <b>16,496,894.51</b>    | <b>14,502,303.60</b> | <b>151,467.09</b>        | <b>148,614.35</b>  | <b>16,648,361.60</b> | <b>14,650,917.95</b> |
| Excess (Deficiency) before items | 31,116.96               | 571,634.50           | (39,329.54)              | (54,392.73)        | (8,212.58)           | 517,241.77           |
| Special items                    | -                       | -                    |                          | -                  | -                    | -                    |
| Transfers                        | (23,591.13)             | (32,000.00)          | 23,591.13                | 32,000.00          | -                    | -                    |
| <b>Change in net position</b>    | <b>\$ 7,525.83</b>      | <b>539,634.50</b>    | <b>(15,738.41)</b>       | <b>(22,392.73)</b> | <b>(8,212.58)</b>    | <b>517,241.77</b>    |
| <b>Net position – beginning</b>  | <b>13,883,743.84</b>    | <b>13,344,109.34</b> | <b>74,577.24</b>         | <b>96,969.97</b>   | <b>13,958,321.08</b> | <b>13,441,079.31</b> |
| <b>Beg bal adjustment</b>        | <b>121,908.67</b>       |                      |                          |                    | <b>121,908.67</b>    |                      |
| <b>Net pos. beg restated</b>     | <b>14,005,652.51</b>    | <b>13,344,109.34</b> | <b>74,577.24</b>         | <b>96,969.97</b>   | <b>14,080,229.75</b> | <b>13,441,079.31</b> |
| <b>Net position – ending</b>     | <b>14,013,178.34</b>    | <b>13,883,743.84</b> | <b>58,838.83</b>         | <b>74,577.24</b>   | <b>14,072,017.17</b> | <b>13,958,321.08</b> |

### **Business-type Activities**

Revenues of the District's business-type activities decreased when compared to the prior year due to a decrease in charges for services in the food service program. This decrease was offset by an increase in operating grants.

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As of the year end, the governmental funds reported a combined fund balance of \$4,392,067.61 which is \$539,264.03 higher than the beginning of the year. In addition to the analysis discussed at Financial Highlights and Financial Analysis of the District as a Whole, this increase is due to an increase in state revenues. Also, the District continues to monitor spending on an ongoing basis to ensure actual expenditures stay within the budget.

### **General Fund Budgetary Highlights**

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimate. Transfers of appropriations may be made by Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the board and under certain circumstances require approval by the Executive County Superintendent of Schools. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, which are not budgeted, the District's actual revenue was over the budget by \$201,478.36. This is a result of receiving additional Extraordinary Aid, Nonpublic Transportation Aid, and Securing Our Children's Future Bond grant. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Contribution, actual expenditures were below the budgeted appropriations by \$1,765,432.97. This is the result of good controls over spending throughout the year. Audit exhibit C-1 does not include current year depreciation expense.

**{This space intentionally left blank}**



## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

During the 2021 fiscal year, the District invested in new capital assets or projects. The change is mainly due to the new construction projects offset by depreciation on the various property and equipment owned by the District.

|                            | Governmental Activities |                      | Business-type Activities |                  | Total                |                      |
|----------------------------|-------------------------|----------------------|--------------------------|------------------|----------------------|----------------------|
|                            | <u>2021</u>             | <u>2020</u>          | <u>2021</u>              | <u>2020</u>      | <u>2021</u>          | <u>2020</u>          |
| Land                       | \$ 1,444,429.00         | 1,444,429.00         |                          | -                | 1,444,429.00         | 1,444,429.00         |
| Construction in progress   | -                       | 576,305.16           |                          |                  | -                    | 576,305.16           |
| Buildings and Improvements | 11,897,228.38           | 12,020,236.92        |                          |                  | 11,897,228.38        | 12,020,236.92        |
| Equipment                  | 479,661.02              | 377,693.10           | 8,425.71                 | 12,760.01        | 488,086.73           | 390,453.11           |
| <b>Total</b>               | <b>\$ 13,821,318.40</b> | <b>14,418,664.18</b> | <b>8,425.71</b>          | <b>12,760.01</b> | <b>13,829,744.11</b> | <b>14,431,424.19</b> |

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

### Long-term Debt

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the City and provision for amortization of principal and interest on the outstanding debt is included in the City budget.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 8103 Winchester Avenue, Margate City, New Jersey 08402.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**BASIC FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**DISTRICT - WIDE FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of Margate School District**  
**(A Component Unit of the City of Margate)**  
**Statement of Net Position**  
**June 30, 2021**

|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
|---|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                                       |                                    |                                     |                      |
| Cash and cash equivalents                           | \$ 3,116,139.94                    | 55,276.28                           | 3,171,416.22         |
| Other accounts receivable                           | 56,608.86                          | -                                   | 56,608.86            |
| Receivables from other governments                  | 1,291,560.95                       | -                                   | 1,291,560.95         |
| Interfund receivables                               | -                                  | -                                   | -                    |
| Other current assets                                | 1,500.00                           | 3,488.78                            | 4,988.78             |
| Inventory   | -                                  | 1,148.06                            | 1,148.06             |
| Capital assets not being depreciated                |                                    |                                     |                      |
| Land  | 1,444,429.00                       | -                                   | 1,444,429.00         |
| Construction in Progress                            | -                                  | -                                   | -                    |
| Depreciable assets, net of accumulated depreciation | 12,376,889.40                      | 8,425.71                            | 12,385,315.11        |
| Total assets  | <u>18,287,128.15</u>               | <u>68,338.83</u>                    | <u>18,355,466.98</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                                    |                                     |                      |
| Deferred Outflows Related to Pensions               | 447,318.00                         | -                                   | 447,318.00           |
| Total Deferred Outflows of Resources                | <u>447,318.00</u>                  | <u>-</u>                            | <u>447,318.00</u>    |
| <b>LIABILITIES</b>                                  |                                    |                                     |                      |
| Accounts payable                                    | 54,108.46                          |                                     | 54,108.46            |
| Unearned revenue                                    | 19,633.65                          | 5,100.00                            | 24,733.65            |
| Noncurrent liabilities:                             |                                    |                                     |                      |
| Due within one year                                 | 69,703.48                          | -                                   | 69,703.48            |
| Due beyond one year                                 | 776,131.22                         | 4,400.00                            | 780,531.22           |
| Net pension liability                               | 2,526,002.00                       | -                                   | 2,526,002.00         |
| Total liabilities                                   | <u>3,445,578.81</u>                | <u>9,500.00</u>                     | <u>3,455,078.81</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                    |                                     |                      |
| Deferred Inflows Related to Pensions                | 1,275,689.00                       | -                                   | 1,275,689.00         |
| Total Deferred Inflows of Resources                 | <u>1,275,689.00</u>                | <u>-</u>                            | <u>1,275,689.00</u>  |
| <b>NET POSITION</b>                                 |                                    |                                     |                      |
| Net investment in capital assets                    | 13,821,318.40                      | 8,425.71                            | 13,829,744.11        |
| Restricted for:                                     |                                    |                                     |                      |
| Capital projects                                    | 40,354.39                          | -                                   | 40,354.39            |
| Other purposes                                      | 3,830,217.00                       | -                                   | 3,830,217.00         |
| Unrestricted net position/(deficit)                 | (3,678,711.46)                     | 50,413.12                           | (3,628,298.34)       |
| Total net position                                  | <u>\$ 14,013,178.34</u>            | <u>58,838.83</u>                    | <u>14,072,017.17</u> |

The accompanying notes are an integral part of these financial statements

**City of Margate School District  
(A Component Unit of the City of Margate)  
Statement of Activities  
For the Year Ended June 30, 2021**

| Functions/Programs                              | Expenses      | Indirect<br>Expense<br>Allocation | Program Revenues        |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                 |  |
|---|---------------|-----------------------------------|-------------------------|--|--|-----------------------------|-----------------|--|
|   |               |                                   | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total           |  |
| Governmental activities:                        |               |                                   |                         |  |  |                             |                 |  |
| Instruction:                                    | \$            |                                   |                         |  |  |                             |                 |  |
| Regular   | 4,707,369.97  | 1,682,449.01                      | 845,138.00              | 1,149,979.50                             | (4,394,701.48)                                       |                             | (4,394,701.48)  |  |
| Special education                               | 1,580,977.63  | 529,773.84                        |                         | 285,598.88                               | (1,825,152.59)                                       |                             | (1,825,152.59)  |  |
| Other special instruction                       | 155,617.84    | 52,146.41                         |                         | 28,111.91                                | (179,652.34)   |                             | (179,652.34)    |  |
| Other instruction                               | 140,754.27    | 47,165.74                         |                         | 25,426.85                                | (162,493.16)   |                             | (162,493.16)    |  |
| Support services:                               |               |                                   |                         |  |  |                             |                 |  |
| Tuition   | 1,206,274.20  |                                   |                         |  | (1,206,274.20)                                       |                             | (1,206,274.20)  |  |
| Student & instruction related services          | 2,071,971.46  | 694,423.22                        |                         | 510,800.93                               | (2,255,593.75)                                       |                             | (2,255,593.75)  |  |
| School administrative services                  | 202,519.52    | 78,027.10                         |                         | 18,602.05                                | (261,944.57)   |                             | (261,944.57)    |  |
| General and business administrative services    | 502,460.45    | 193,588.90                        |                         | 46,152.57                                | (649,896.78)   |                             | (649,896.78)    |  |
| Administrative Information Technology           | 22,344.00     |                                   |                         |  | (22,344.00)  |                             | (22,344.00)     |  |
| Plant operations and maintenance                | 1,350,745.19  | 582,771.95                        |                         | 138,935.77                               | (1,794,581.37)                                       |                             | (1,794,581.37)  |  |
| Pupil transportation                            | 213,328.81    | 102,987.58                        |                         |  | (316,316.39)   |                             | (316,316.39)    |  |
| Unallocated benefits                            | 3,963,333.75  | (3,963,333.75)                    |                         |  |  |                             |                 |  |
| Capital outlay                                  | 379,197.42    |                                   |                         |  | (379,197.42)   |                             | (379,197.42)    |  |
| Total governmental activities                   | 16,496,894.51 | -                                 | 845,138.00              | 2,203,608.46                             | (13,448,148.05)                                      | -                           | (13,448,148.05) |  |
| Business-type activities:                       |               |                                   |                         |  |  |                             |                 |  |
| Food Service                                    | 68,284.30     |                                   | 3,108.00                | 39,367.67                                | (25,808.63)  |                             | (25,808.63)     |  |
| Community Service Programs                      | 83,182.79     |                                   | 69,548.69               |  | (13,634.10)  |                             | (13,634.10)     |  |
| Total business-type activities                  | 151,467.09    | -                                 | 72,656.69               | 39,367.67                                | (39,442.73)  |                             | (39,442.73)     |  |
| Total government                                | 16,648,361.60 | -                                 | 917,794.69              | 2,242,976.13                             | (13,448,148.05)                                      | (39,442.73)                 | (13,487,590.78) |  |
| General revenues:                               |               |                                   |                         |  |  |                             |                 |  |
| Taxes:  |               |                                   |                         |  |  |                             |                 |  |
| Property taxes, levied for general purposes, ne |               |                                   |                         |  | 10,498,077.00  |                             | 10,498,077.00   |  |
| Federal and State aid not restricted            |               |                                   |                         |  | 2,819,472.65   |                             | 2,819,472.65    |  |
| Restricted Miscellaneous                        |               |                                   |                         |  | 6,778.46   | 113.19                      | 6,778.46        |  |
| Investment Earnings                             |               |                                   |                         |  | 8,657.10   |                             | 8,770.29        |  |
| Miscellaneous Income                            |               |                                   |                         |  | 146,279.80   |                             | 146,279.80      |  |
| Special item:                                   |               |                                   |                         |  |  |                             |                 |  |
| Transfers                                       |               |                                   |                         |  | (23,591.13)  | 23,591.13                   | -               |  |
| Total general revenues and transfers            |               |                                   |                         |  | 13,455,673.88  | 23,704.32                   | 13,479,378.20   |  |
| Change in Net Position                          |               |                                   |                         |  | 7,525.83   | (15,738.41)                 | (8,212.58)      |  |
| Net Position—beginning balance                  |               |                                   |                         |  | 13,883,743.84  | 74,577.24                   | 13,958,321.08   |  |
| Beginning Balance Restatement                   |               |                                   |                         |  | 121,908.67   |                             | 121,908.67      |  |
| Net Position - beginning balance - restated     |               |                                   |                         |  | 14,005,652.51  | 74,577.24                   | 14,080,229.75   |  |
| Net Position—ending balance                     |               |                                   |                         |  | 14,013,178.34  | 58,838.83                   | 14,072,017.17   |  |
|   |               |                                   |                         |  |  |                             | \$              |  |

The accompanying notes are an integral part of these financial statements



**FUND FINANCIAL STATEMENTS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of Margate School District**  
**(A Component Unit of the City of Margate)**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

|   | General<br>Fund | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|---|-----------------|----------------------------|-----------------------------|--------------------------------|
| <b>ASSETS</b>   |                 |                            |                             |                                |
| Cash and cash equivalents   | \$ 3,109,097.75 | 7,042.19                   |                             | 3,116,139.94                   |
| Tax Levy Receivable   | 874,839.65      |                            |                             | 874,839.65                     |
| Other accounts receivable   | 55,039.54       | 1,569.32                   |                             | 56,608.86                      |
| Interfund accounts receivable   | 122,276.44      |                            |                             | 122,276.44                     |
| Receivables from other governments  | 227,804.75      | 137,399.93                 | 51,516.62                   | 416,721.30                     |
| Other current assets  | 1,500.00        |                            | -                           | 1,500.00                       |
| Total assets  | 4,390,558.13    | 146,011.44                 | 51,516.62                   | 4,588,086.19                   |
| <b>LIABILITIES AND FUND BALANCES</b>  |                 |                            |                             |                                |
| Liabilities:  |                 |                            |                             |                                |
| Accounts payable  | 33,635.44       | 7,059.16                   | 11,162.23                   | 51,856.83                      |
| Interfund accounts payable  |                 | 122,276.44                 | -                           | 122,276.44                     |
| Payroll deductions and withholdings payable   | 2,251.63        |                            |                             | 2,251.63                       |
| Unearned revenue  | 10,000.00       | 9,633.65                   |                             | 19,633.65                      |
| Total liabilities   | 45,887.07       | 138,969.25                 | 11,162.23                   | 196,018.55                     |
| Fund Balances:  |                 |                            |                             |                                |
| Restricted for:   |                 |                            |                             |                                |
| Excess surplus  | 1,426,944.75    |                            |                             | 1,426,944.75                   |
| Excess surplus -- designated for<br>Subsequent year's expenditures  | 1,994,378.72    |                            |                             | 1,994,378.72                   |
| Capital projects  |                 |                            | 40,354.39                   | 40,354.39                      |
| Unemployment Compensation   | 120,177.59      |                            |                             | 120,177.59                     |
| Student Activities  |                 | 5,233.37                   |                             | 5,233.37                       |
| Scholarships  |                 | 1,808.82                   |                             | 1,808.82                       |
| Assigned to:  |                 |                            |                             |                                |
| Designated for subsequent year's expenditures:  |                 |                            |                             |                                |
| Unreserved fund balance   | 34,601.28       |                            |                             | 34,601.28                      |
| Encumbrances  | 247,072.47      |                            |                             | 247,072.47                     |
| Unreserved, reported in:  |                 |                            |                             |                                |
| General fund  | 521,496.25      |                            |                             | 521,496.25                     |
| Total Fund balances   | 4,344,671.06    | 7,042.19                   | 40,354.39                   | 4,392,067.64                   |
| Total liabilities and fund balances   | 4,390,558.13    | 146,011.44                 | 51,516.62                   |                                |
| Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:   |                 |                            |                             |                                |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.                                       |                 |                            |                             | 13,821,318.40                  |
| Pension Liabilities Net of Deferred Outflows & Inflows  |                 |                            |                             | (3,354,373.00)                 |
| Some liabilities, such as compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds. |                 |                            |                             |                                |
| Capital Leases  |                 |                            |                             | (59,687.70)                    |
| Compensated Absences  |                 |                            |                             | (786,147.00)                   |
| Total net position of governmental activities   |                 |                            |                             | \$ 14,013,178.34               |

**City of Margate School District**  
**(A Component Unit of the City of Margate)**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|---|
| <b>REVENUES</b>                                |                         |                                     |                                      |   |
| Local tax levy                                 | \$ 10,498,077.00        |                                     |                                      | 10,498,077.00                           |
| Tuition charges                                | 845,138.00              |                                     |                                      | 845,138.00                              |
| Restricted Miscellaneous:                      | 6,778.46                |                                     |                                      | 6,778.46                                |
| Miscellaneous                                  | 154,936.90              |                                     |                                      | 154,936.90                              |
| State sources                                  | 2,819,472.65            | -                                   |                                      | 2,819,472.65                            |
| Federal sources                                |                         | 366,027.35                          |                                      | 366,027.35                              |
| Local sources                                  |                         | 13,391.12                           |                                      | 13,391.12                               |
| Total revenues                                 | <u>14,324,403.01</u>    | <u>379,418.47</u>                   | <u>-</u>                             | <u>14,703,821.48</u>                    |
| <b>EXPENDITURES</b>                            |                         |                                     |                                      |   |
| Current:                                       |                         |                                     |                                      |   |
| Regular instruction                            | 3,390,200.60            | 242,978.22                          |                                      | 3,633,178.82                            |
| Special education instruction                  | 1,144,024.62            |                                     |                                      | 1,144,024.62                            |
| Other special instruction                      | 112,608.00              |                                     |                                      | 112,608.00                              |
| Other instruction                              | 101,852.45              |                                     |                                      | 101,852.45                              |
| Support services and undistributed costs       |                         |                                     |                                      | -                                       |
| Tuition  | 1,170,787.20            |                                     |                                      | 1,170,787.20                            |
| Student & instruction related services         | 1,360,508.10            | 139,070.02                          |                                      | 1,499,578.12                            |
| School administrative services                 | 168,496.28              |                                     |                                      | 168,496.28                              |
| Other administrative services                  | 418,047.19              |                                     |                                      | 418,047.19                              |
| Administration Information Technology          | 22,344.00               |                                     |                                      | 22,344.00                               |
| Plant operations and maintenance               | 1,258,471.83            |                                     |                                      | 1,258,471.83                            |
| Pupil transportation                           | 222,397.41              |                                     |                                      | 222,397.41                              |
| Unallocated Benefits                           | 3,963,333.75            |                                     |                                      | 3,963,333.75                            |
| Capital outlay                                 | 379,197.42              |                                     | 11,162.23                            | 390,359.65                              |
| Transfer to Charter School:                    | 35,487.00               |                                     |                                      | 35,487.00                               |
| Total expenditures                             | <u>13,747,755.85</u>    | <u>382,048.24</u>                   | <u>11,162.23</u>                     | <u>14,140,966.32</u>                    |
| (Deficiency) of revenues:<br>over expenditures | <u>576,647.16</u>       | <u>(2,629.77)</u>                   | <u>(11,162.23)</u>                   | <u>562,855.16</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |                                     |                                      |   |
| Transfers out                                  | (23,591.13)             |                                     |                                      | (23,591.13)                             |
| Total other financing sources and use:         | <u>(23,591.13)</u>      | <u>-</u>                            | <u>-</u>                             | <u>(23,591.13)</u>                      |
| Net change in fund balances                    | <u>553,056.03</u>       | <u>(2,629.77)</u>                   | <u>(11,162.23)</u>                   | <u>539,264.03</u>                       |
| Fund Balance, July 1 Prior                     | 3,679,378.32            | -                                   | 51,516.62                            | 3,730,894.94                            |
| Period Restatement                             | 112,236.71              | 9,671.96                            | -                                    | 121,908.67                              |
| Fund Balance, July 1, Restated                 | <u>3,791,615.03</u>     | <u>9,671.96</u>                     | <u>51,516.62</u>                     | <u>3,852,803.61</u>                     |
| Fund Balance, June 30                          | <u>\$ 4,344,671.06</u>  | <u>7,042.19</u>                     | <u>40,354.39</u>                     | <u>4,392,067.64</u>                     |

**City of Margate School District**  
**(A Component Unit of the City of Margate)**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2021**

|  |                      |                 |
|--|----------------------|-----------------|
| <b>Total net change in fund balances - governmental funds (from B-2)</b>   | \$                   | 539,264.03      |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.</p>  |                      |                 |
|  | Depreciation expense | (910,210.61)    |
|  | Capital outlays      | 306,750.95      |
|  |                      | (603,459.66)    |
| District pension contributions - PERS  |                      | 169,452.00      |
| Cost of benefits earned net of employee contributions  |                      | (85,150.00)     |
|  |                      | 84,302.00       |
| <p>Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position and is not reported in the statement of activities.</p>   |                      |                 |
|  |                      | 18,246.46       |
| <p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p> |                      |                 |
|  |                      | (30,827.00)     |
| <b>Change in net position of governmental activities</b>   |                      | <b>7,525.83</b> |

**City of Margate School District**  
**(A Component Unit of the City of Margate)**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

|                                  | <b>Business-type Activities -<br/>Enterprise Funds</b> |   |                            | <b>Totals</b>    |
|----------------------------------|--|---|----------------------------|------------------|
|                                  | <b>Food<br/>Service</b>                                | <b>Community<br/>Service<br/>Programs</b> | <b>Non-Major<br/>Funds</b> |                  |
| <b>ASSETS</b>                    |  |   |                            |                  |
| Current assets:                  |  |   |                            |                  |
| Cash and cash equivalents        | 1,543.91   | 53,732.37                                 | 55,276.28                  | 55,276.28        |
| Accounts receivable              | 3,488.78   | -   | 3,488.78                   | 3,488.78         |
| Inventories                      | 1,148.06   |   | 1,148.06                   | 1,148.06         |
| Total current assets             | <u>6,180.75</u>  | <u>53,732.37</u>                          | <u>59,913.12</u>           | <u>59,913.12</u> |
| Noncurrent assets:               |  |   |                            |                  |
| Furniture, machinery & equipment | 32,265.00  | 65,334.00                                 | 97,599.00                  | 97,599.00        |
| Less accumulated depreciation    | (25,312.20)  | (63,861.09)                               | (89,173.29)                | (89,173.29)      |
| Total noncurrent assets          | <u>6,952.80</u>  | <u>1,472.91</u>                           | <u>8,425.71</u>            | <u>8,425.71</u>  |
| Total assets                     | <u>13,133.55</u>                                       | <u>55,205.28</u>                          | <u>68,338.83</u>           | <u>68,338.83</u> |
| <b>LIABILITIES</b>               |  |   |                            |                  |
| Current liabilities:             |  |   |                            |                  |
| Unearned revenue                 |  | 5,100.00                                  | 5,100.00                   | 5,100.00         |
| Total current liabilities        | <u>-</u>   | <u>5,100.00</u>                           | <u>5,100.00</u>            | <u>5,100.00</u>  |
| Non-current liabilities:         |  |   |                            |                  |
| Compensated absences payable     | 4,400.00   |   | 4,400.00                   | 4,400.00         |
| Total noncurrent liabilities     | <u>4,400.00</u>  | <u>-</u>                                  | <u>4,400.00</u>            | <u>4,400.00</u>  |
| Total liabilities                | <u>4,400.00</u>  | <u>5,100.00</u>                           | <u>9,500.00</u>            | <u>9,500.00</u>  |
| <b>NET POSITION</b>              |  |   |                            |                  |
| Investment in capital assets     | 6,952.80   | 1,472.91                                  | 8,425.71                   | 8,425.71         |
| Unrestricted                     | 1,780.75   | 48,632.37                                 | 50,413.12                  | 50,413.12        |
| Total net position               | <u>8,733.55</u>  | <u>50,105.28</u>                          | <u>58,838.83</u>           | <u>58,838.83</u> |

The accompanying notes are an integral part of these financial statements

**City of Margate School District**  
**(A Component Unit of the City of Margate)**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|   | <b>Business-type Activities -<br/>Enterprise Fund</b> |   |                            | <b>Total</b>       |
|---|---|---|----------------------------|--------------------|
|   | <b>Food<br/>Service</b>                               | <b>Community<br/>Service<br/>Programs</b> | <b>Non-Major<br/>Funds</b> |                    |
| Operating revenues:                     |   |   |                            |                    |
| Charges for services:                   |   |   |                            |                    |
| Daily sales - reimbursable programs     | \$ -  |   | -                          | -                  |
| Daily sales - non-reimbursable programs | 3,108.00  |   | 3,108.00                   | 3,108.00           |
| Community service activities            |   | 3,381.00                                  | 3,381.00                   | 3,381.00           |
| Latchkey                                |   | 66,167.69                                 | 66,167.69                  | 66,167.69          |
| Total operating revenues                | <u>3,108.00</u>                                       | <u>69,548.69</u>                          | <u>72,656.69</u>           | <u>72,656.69</u>   |
| Operating expenses:                     |   |   |                            |                    |
| Cost of sales - Reimbursable            | 26,554.20   |   | 26,554.20                  | 26,554.20          |
| Cost of sales - Non Reimbursable        | 2,096.40  |   | 2,096.40                   | 2,096.40           |
| Salaries                                | 31,457.06   | 71,876.30                                 | 103,333.36                 | 103,333.36         |
| Employee benefits                       |   | 5,485.11                                  | 5,485.11                   | 5,485.11           |
| General supplies                        | 4,293.74  | 4,963.48                                  | 9,257.22                   | 9,257.22           |
| Other objects                           | 3,882.90  | 857.90                                    | 4,740.80                   | 4,740.80           |
| Total Operating Expenses                | <u>68,284.30</u>                                      | <u>83,182.79</u>                          | <u>151,467.09</u>          | <u>151,467.09</u>  |
| Operating (loss)                        | <u>(65,176.30)</u>                                    | <u>(13,634.10)</u>                        | <u>(78,810.40)</u>         | <u>(78,810.40)</u> |
| Nonoperating revenues (expenses):       |   |   |                            |                    |
| State sources:                          |   |   |                            |                    |
| State school lunch program              | 1,700.87  |   | 1,700.87                   | 1,700.87           |
| Federal sources:                        |   |   |                            |                    |
| National school lunch program           | 37,666.80   |   | 37,666.80                  | 37,666.80          |
| Food distribution program               | -   |   | -                          | -                  |
| Interest and investment revenue         | 113.19  |   | 113.19                     | 113.19             |
| Total nonoperating revenues             | <u>39,480.86</u>                                      | <u>-</u>                                  | <u>39,480.86</u>           | <u>39,480.86</u>   |
| (Loss) before contributions & transfers | <u>(25,695.44)</u>                                    | <u>(13,634.10)</u>                        | <u>(39,329.54)</u>         | <u>(39,329.54)</u> |
| Other Financing Sources/(Uses)          |   |   |                            |                    |
| Cancellation of Interfund               | (783.22)  | 783.22                                    |                            |                    |
| Transfer in from General Fund           | 23,591.13   | -   | 23,591.13                  | 23,591.13          |
| Change in net position                  | <u>(2,887.53)</u>                                     | <u>(12,850.88)</u>                        | <u>(15,738.41)</u>         | <u>(15,738.41)</u> |
| Total net position—beginning            | <u>11,621.08</u>                                      | <u>62,956.16</u>                          | <u>74,577.24</u>           | <u>74,577.24</u>   |
| Total net position—ending               | <u>\$ 8,733.55</u>                                    | <u>50,105.28</u>                          | <u>58,838.83</u>           | <u>58,838.83</u>   |

**City of Margate School District  
(A Component Unit of the City of Margate)  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2021**

|   | <u>Food<br/>Service</u> | <u>Community<br/>Service<br/>Programs</u> | <u>Non-Major<br/>Funds</u> | <u>Total</u>       |
|---|-------------------------|---|----------------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                         |   |                            |                    |
| Receipts from customers   | 2,324.78                | 77,440.91                                 | 79,765.69                  | 79,765.69          |
| Payments to employees   | (30,157.06)             | (77,361.41)                               | (107,518.47)               | (107,518.47)       |
| Payments to suppliers   | (33,443.00)             | (4,963.48)                                | (38,406.48)                | (38,406.48)        |
| Net cash (used for) operating activities  | <u>(61,275.28)</u>      | <u>(4,883.98)</u>                         | <u>(66,159.26)</u>         | <u>(66,159.26)</u> |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                         |   |                            |                    |
| State Sources   | 1,497.59                |   | 1,497.59                   | 1,497.59           |
| Federal Sources   | 36,158.80               |   | 36,158.80                  | 36,158.80          |
| Operating subsidies and transfers from other funds  | 23,591.13               | (752.50)                                  | 22,838.63                  | 22,838.63          |
| Net cash provided by non-capital financing activities   | <u>61,247.52</u>        | <u>(752.50)</u>                           | <u>60,495.02</u>           | <u>60,495.02</u>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</b>   |                         |   |                            |                    |
| Purchase of capital assets  | -                       | -   | -                          | -                  |
| Net cash (used for) capital & related financing activities  | <u>-</u>                | <u>-</u>                                  | <u>-</u>                   | <u>-</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                         |   |                            |                    |
| Interest and dividends  | 113.19                  |   | 113.19                     | 113.19             |
| Net cash provided by investing activities   | <u>113.19</u>           | <u>-</u>                                  | <u>113.19</u>              | <u>113.19</u>      |
| Net increase in cash and cash equivalents   | 85.43                   | (5,636.48)                                | (5,551.05)                 | (5,551.05)         |
| Balances—beginning of year  | 1,458.48                | 59,368.85                                 | 60,827.33                  | 60,827.33          |
| Balances—end of year  | <u>1,543.91</u>         | <u>53,732.37</u>                          | <u>55,276.28</u>           | <u>55,276.28</u>   |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                         |   |                            |                    |
| Operating (loss)  | <u>(65,176.30)</u>      | <u>(13,634.10)</u>                        | <u>(78,810.40)</u>         | <u>(78,810.40)</u> |
| Adjustments to reconcile operating (loss) to net cash provided by/ (used for) operating activities    |                         |   |                            |                    |
| Depreciation expense  | 3,476.40                | 857.90                                    | 4,334.30                   | 4,334.30           |
| Federal commodities   | -                       |   | -                          | -                  |
| Decrease in accounts receivable   |                         | 2,009.00                                  | 2,009.00                   | 2,009.00           |
| Decrease in inventories   | (92.16)                 |   | (92.16)                    | (92.16)            |
| Increase in deferred revenue  |                         | 5,100.00                                  | 5,100.00                   | 5,100.00           |
| (Decrease) in deposits payable  |                         | -   | -                          | -                  |
| Increase in accounts payable  | (783.22)                | 783.22                                    | -                          | -                  |
| Increase in compensated absences payable  | 1,300.00                |   | 1,300.00                   | 1,300.00           |
| Total adjustments   | <u>3,901.02</u>         | <u>8,750.12</u>                           | <u>12,651.14</u>           | <u>12,651.14</u>   |
| Net cash (used for) operating activities  | <u>(61,275.28)</u>      | <u>(4,883.98)</u>                         | <u>(66,159.26)</u>         | <u>(66,159.26)</u> |



**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

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

**A. REPORTING ENTITY:**

The City of Margate School District is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the Board of Education members are appointed by the Mayor. The Board is comprised of seven members appointed to three-year terms. The purpose of the district is to educate students in grades K-8. The City of Margate School District had an approximate enrollment at June 30, 2021 of 383 students.

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

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

Based on the aforementioned criteria, the District has no component units but, as a Type I School District, would be considered a component unit of the City of Margate. The City however reports on a regulatory basis of accounting which does not recognize component units. If the City followed generally accepted accounting principles (GAAP) reporting, the Board of Education would be a component unit of the City of Margate.

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

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

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

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

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

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

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

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major facilities. The financial resources are derived from temporary notes or serial bonds. As a Type I School District all debt is borne by the municipality rather than the school district.

**Fund Balances – Governmental Funds**

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

- **Nonspendable** – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

## **2. Proprietary Funds:**

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

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

Food Service Fund – provides for the operation of food services in all schools within the district.

Community Service Programs – provides latchkey and performing arts programs to the district residents on a fee basis.

## **3. Fiduciary Funds:**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments), private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

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

**2. Modified Accrual:**

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

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

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

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

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate).

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**3. Inventories:**

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2021, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

|          |                           |
|----------|---------------------------|
| Supplies | \$ <u>1,148.06</u>        |
|          | \$ <u><u>1,148.06</u></u> |

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**4. Capital Assets:**

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

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

**5. Revenues:**

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

**6. Expenditures:**

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

**7. Compensated absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

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

**8. Interfund Activity:**

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

**9. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval and are approved by the board of school estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2.2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the Executive County Superintendent of Schools.

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

|   |    |              |
|---|----|--------------|
| Salaries of Teachers:                         |    |              |
| Kindergarten                                  | \$ | 97,327.76    |
| Grades 6-8                                    |    | 200,525.44   |
| Instruction - Textbooks                       |    | (42,153.00)  |
| Resource Room - Salaries of Teachers          |    | (91,204.44)  |
| Basic Skills - Salaries of Teachers           |    | (238,491.05) |
| Tuition to CSSD & Regional Day Schools        |    | (51,475.00)  |
| Tuition to Priv School for Disabled           |    |              |
| within State                                  |    | (87,135.00)  |
| outside the State                             |    | 70,000.00    |
| Child Study Team - Salaries of Oth Prof Staff |    | 97,974.27    |
| Unallocated Benefits - Health Benefits        |    | (136,930.43) |

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

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**10. Encumbrances:**

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

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

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

**11. Tuition Receivable**

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

**12. Tuition Payable**

Tuition charges for the fiscal years 2020/21 and 2019/20 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**13. Use of Estimates**

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

**14. Allocation of Costs**

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

**15. Pensions**

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

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**F. RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 “Leases”. This statement, which is effective for fiscal periods beginning after December 31, 2022, may have an effect on the District’s financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period”. This statement, which is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District’s financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement is effective for fiscal periods beginning after December 31, 2022, will not have any effect on the District’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, “Replacement of Interbank Offered Rates”. This statement, which is effective for fiscal periods beginning after December 31, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

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

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, “Subscription Based Information Technology Arrangements”. This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32”. This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In October 2021, the Governmental Accounting Standards Board (GASB) issued Statement No 98, “The Annual Comprehensive Financial Report”. This statement, which is effective for fiscal years ending after December 15, 2021, will have an effect on the District’s financial statements.

**NOTE 2. INVESTMENTS**

As of June 30, 2021, the District had no investments.

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

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

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



**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3. CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the new Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$0 of the District's bank balance of \$3,248,987.95 was exposed to custodial credit risk.

**NOTE 4. FIXED ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

|  | Balance at<br>6/30/20   | Additions           | Disposals/<br>Adjustments | Balance at<br>6/30/21  |
|--|-------------------------|---------------------|---------------------------|------------------------|
| <b>Governmental Activities:</b>  |                         |                     |                           |                        |
| Capital assets not depreciated:  |                         |                     |                           |                        |
| Land   | \$ 1,444,429.00         |                     |                           | 1,444,429.00           |
| Construction in progress   | 576,305.16              | 11,162.23           | (587,467.39)              | -                      |
| Total capital assets not depreciated                                   | <u>2,020,734.16</u>     | <u>11,162.23</u>    | <u>(587,467.39)</u>       | <u>1,444,429.00</u>    |
| Buildings and improvements   | 27,138,356.06           | 665,836.04          |                           | 27,804,192.10          |
| Machinery and equipment  | <u>1,676,099.78</u>     | <u>223,334.88</u>   | <u>(62,329.34)</u>        | <u>1,837,105.32</u>    |
| Total at historical cost   | <u>28,814,455.84</u>    | <u>889,170.92</u>   | <u>(62,329.34)</u>        | <u>29,641,297.42</u>   |
| Less: accumulated depreciation   |                         |                     |                           |                        |
| Buildings and improvements   | (15,118,119.14)         | (788,844.58)        |                           | (15,906,963.72)        |
| Machinery and equipment  | <u>(1,298,406.68)</u>   | <u>(121,366.96)</u> | <u>62,329.34</u>          | <u>(1,357,444.30)</u>  |
| Total accumulated depreciation   | <u>(16,416,525.82)</u>  | <u>(910,211.54)</u> | <u>62,329.34</u>          | <u>(17,264,408.02)</u> |
| Total capital assets being depreciated net of accumulated depreciation | <u>12,397,930.02</u>    | <u>(21,040.62)</u>  | -                         | <u>12,376,889.40</u>   |
| <b>Governmental activities capital assets, net</b>                     | <u>\$ 14,418,664.18</u> | <u>(9,878.39)</u>   | <u>(587,467.39)</u>       | <u>13,821,318.40</u>   |
| <b>Business-type activities</b>  |                         |                     |                           |                        |
| Equipment  | \$ 97,599.00            |                     |                           | 97,599.00              |
| Less: accumulated depreciation equipment                               | <u>(84,838.99)</u>      | <u>(4,334.30)</u>   |                           | <u>(89,173.29)</u>     |
| <b>Business-type activities capital assets, net of depreciation</b>    | <u>\$ 12,760.01</u>     | <u>(4,334.30)</u>   | -                         | <u>8,425.71</u>        |

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

Depreciation expense charged to governmental functions is as follows:

|  |                      |
|--|----------------------|
| Regular instruction                    | \$ 467,230.59        |
| Special education                      | 147,122.76           |
| Other special instruction              | 14,481.51            |
| Other instruction                      | 13,098.33            |
| Student & instruction related services | 192,847.31           |
| School administrative expenses         | 53,761.31            |
| General and business administration    | 21,668.80            |
|  | <u>\$ 910,210.61</u> |

**NOTE 5. GENERAL LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2021 was as follows:

|                                  | <u>Balance June 30,</u><br><u>2020</u> | <u>Issued</u>    | <u>Retired</u>    | <u>Balance June 30,</u><br><u>2021</u> | <u>Amounts Due</u><br><u>Within One</u><br><u>Year</u> |
|----------------------------------|--|------------------|-------------------|--|--|
| Obligations under Capital Leases | \$ 77,934.16                           |                  | 18,246.46         | 59,687.70                              | 19,047.48  |
| Compensated Absences Payable     | 756,620.00                             | 78,227.00        | 48,700.00         | 786,147.00                             | 50,656.00  |
| Net Pension Liability            | 2,780,429.00                           |                  | 254,427.00        | 2,526,002.00                           |  |
| Total Governmental Activities    | <u>\$ 6,395,412.16</u>                 | <u>78,227.00</u> | <u>321,373.46</u> | <u>3,371,836.70</u>                    | <u>69,703.48</u>                                       |

**Bonds Payable** – The City of Margate School District is a Type I School District. In the State of New Jersey, all Type I school debt is borne by the municipality rather than the school district.

**Capital Leases Payable** – The District is leasing the following vehicles under capital leases:

Commencing August 27, 2019, the District is leasing a 54 Passenger Bus totaling \$99,468.50. The lease is for a term of five years and payments in the amount of \$21,668.10 are made annually. The balance remaining at June 30, 2021 was \$59,687.70.

**NOTE 6. PENSION PLANS**

**Description of Plans**

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

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Teachers' Pension and Annuity Fund**

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

**Public Employees' Retirement System**

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

**Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

**Funding Policy**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

The School District's contributions to TPAF for the years ending June 30, 2021, 2020, and 2019 were \$1,763,299, \$1,513,512, and \$1,464,402, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2021, 2020, and 2019 were \$169,453, \$151,389, and \$145,347, respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2021, 2020, and 2019 was \$6,802,935, \$6,764,110, and \$6,796,781, respectively; covered payroll was \$5,035,580, \$5,123,277, and \$5,134,615 for TPAF; and \$1,106,008, \$1,090,058, and \$1,102,123 for PERS.

**Significant Legislation**

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

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

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 7. PUBLIC EMPLOYEES' RETIREMENT FUND (PERS)**

At June 30, 2021, the District reported a liability of \$2,526,002 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was .01548992800%, which was an increase of 0.38% from its proportion measured as of June 30, 2019.

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

For the year ended June 30, 2021, the District recognized pension expense of \$85,150. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience   | \$ 45,994.00                      | 8,933.00                         |
| Changes of assumptions   | 81,946.00                         | 1,057,661.00                     |
| Net difference between projected and actual earnings<br>on pension plan investments                              | 86,341.00                         |                                  |
| Changes in proportion and differences between District<br>contributions and proportionate share of contributions | 233,037.00                        | 209,095.00                       |
| District contributions subsequent to the measurement date  | 169,452.00                        |                                  |
| <br>Total  | <br>\$ 616,770.00                 | <br>\$ 1,275,689.00              |

\$169,452 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended<br>June 30, |                 |
|------------------------|-----------------|
| 2021                   | \$ (304,220.00) |
| 2022                   | (283,375.00)    |
| 2023                   | (162,748.00)    |
| 2024                   | (65,180.00)     |
| 2025                   | (12,848.00)     |
| Total                  | \$ (828,371.00) |

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all period in the measurement:

|                            |   |
|----------------------------|---|
| Inflation rate:            |   |
| Price                      | 2.75%                                     |
| Wage                       | 3.25%                                     |
| Salary increases:          |   |
| Through 2026               | 2.00% - 6.00% (based on years of service) |
| Thereafter                 | 3.00% - 7.00% (based on years of service) |
| Investment rate of return: | 7.00%                                     |

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disable Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| US Equity                         | 27.00%                   | 7.71%   |
| Non-U.S. Developed Markets Equity | 13.50%                   | 8.57%   |
| Emerging Markets Equity           | 5.50%                    | 10.23%  |
| Private Equity                    | 13.00%                   | 11.42%  |
| Real Assets                       | 3.00%                    | 9.73%   |
| Real Estate                       | 8.00%                    | 9.56%   |
| High Yield                        | 2.00%                    | 5.95%   |
| Private Credit                    | 8.00%                    | 7.59%   |
| Investment Grade Credit           | 8.00%                    | 2.67%   |
| Cash Equivalents                  | 4.00%                    | 0.50%   |
| U.S. Treasuries                   | 5.00%                    | 1.94%   |
| Risk Mitigation Strategies        | 3.00%                    | 3.40%   |

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participated employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|   | 1%<br>Decrease<br>(6.00%) | Current Discount<br>Rate<br>(7.00%) | 1%<br>Increase<br>(8.00%) |
|---|---------------------------|-------------------------------------|---------------------------|
| District's proportionate share of the net pension liability | 3,008,461.40              | 2,526,002.00                        | 2,117,148.43              |

*Pension plan fiduciary net position.*

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

*Additional Information*

Collective balances of the local group at June 30, 2020 are as follows:

|                                |    |                   |
|--------------------------------|----|-------------------|
| Deferred outflows of resources | \$ | 2,347,583,337.00  |
| Deferred inflows of resources  |    | 7,849,949,467.00  |
| Net pension liability          |    | 16,435,616,426.00 |
| <br>District's proportion      |    | <br>2,526,002.00  |

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

**NOTE 8. TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

|  |    |               |
|--|----|---------------|
| District's proportionate share of the net pension liability                            | \$ | -             |
| State's proportionate share of the net position liability associated with the District |    | 32,546,262.00 |
| Total  | \$ | 32,546,262.00 |

The net pension liability was measured as of June 30, 2019 and the total pension liability to calculate the net

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$2,023,865 and revenue of \$2,023,865 for support provided by the State.

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation Rate            |   |
| Price                     | 2.75%                                     |
| Wage                      | 3..25%                                    |
| Salary increases          |   |
| Through 2026              | 1.55% - 4.45% (based on years of service) |
| Thereafter                | 2.75% - 5.65% (based on years of service) |
| Investment rate of return | 7.00%                                     |

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Medan Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:



**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

| Asset Class                       | Target     | Long-Term                     |
|-----------------------------------|------------|-------------------------------|
|                                   | Allocation | Expected Real Rate of Return. |
| US Equity                         | 27.00%     | 7.71%                         |
| Non-U.S. Developed Markets Equity | 13.50%     | 8.57%                         |
| Emerging Markets Equity           | 5.50%      | 10.23%                        |
| Private Equity                    | 13.00%     | 11.42%                        |
| Real Assets                       | 3.00%      | 9.73%                         |
| Real Estate                       | 8.00%      | 9.56%                         |
| High Yield                        | 2.00%      | 5.95%                         |
| Private Credit                    | 8.00%      | 7.59%                         |
| Investment Grade Credit           | 8.00%      | 2.67%                         |
| Cash Equivalents                  | 4.00%      | 0.50%                         |
| U.S. Treasuries                   | 5.00%      | 1.94%                         |
| Risk Mitigation Strategies        | 3.00%      | 3.40%                         |

*Discount rate.* The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.40% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.40%) or 1-percentage point higher (6.40%) than the current rate:

|   | 1%<br>Decrease<br>(4.40%) | Current Discount<br>Rate<br>(5.40%) | 1%<br>Increase<br>(6.40%) |
|---|---------------------------|-------------------------------------|---------------------------|
| District's proportionate share of the net pension liability | \$ -                      | -                                   | -                         |

*Pension plan fiduciary net position.*

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

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Additional Information**

Collective balances of the local group at June 30, 2020 are as follows:

|                                |    |                |
|--------------------------------|----|----------------|
| Deferred outflows of resources | \$ | 9,626,548,228  |
| Deferred inflows of resources  |    | 14,591,988,841 |
| Net pension liability          |    | 65,993,498,688 |
|                                |    |                |
|                                |    |                |

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$4,103,756,770.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.5 years, respectively.

**NOTE 9. LABOR CONTRACTS**

As of June 30, 2021, the District's employees are organized in two collective bargaining units. The contracts with the Education Association and the Administrators Association are effective from July 1, 2017 through June 30, 2020. In addition, the District has a separate contract with the Business Administrator that is renewed annually.

**NOTE 10. OTHER POST-RETIREMENT BENEFITS**

*General Information about the OPEB Plan*

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in Fiscal Year 2019.

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

*Total OPEB Liability*

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State CAFR on the Office of Management and Budget webpage: <https://www.nj.gov/treasury/omb/cafr.shtml>.

*Actuarial assumptions and other imputes:*

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

|              | <b>TPAF/ABP</b> | <b>PERS</b>   | <b>PFRS</b>    |
|--------------|-----------------|---------------|----------------|
| Through 2026 | 1.55 - 4.45%    | 2.00 - 6.00%  | 3.25 - 15.25%  |
|              | based on        | based on      | based on       |
|              | service years   | service years | service years  |
| Thereafter   | 1.55 - 4.45%    | 3.00 - 7.00%  | Applied to all |
|              | based on        | based on      | future years   |
|              | service years   | service years |                |

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-20.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the period July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS, and PFRS, respectively.

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate –

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability reported by the State of New Jersey

|   |                             |
|---|-----------------------------|
| Balance at 6/30/19                                | \$ 41,729,081,045.00        |
| Changes for the year:                             |                             |
| Service cost                                      | 1,790,973,822.00            |
| Interest  | 1,503,341,357.00            |
| Differences between Expected & Actual Experiences | 11,544,750,637.00           |
| Changes in assumptions or other inputs            | 12,386,549,981.00           |
| Contributions: Member                             | 35,781,384.00               |
| Benefit payments                                  | <u>(1,180,515,618.00)</u>   |
| Net changes                                       | <u>26,080,881,563.00</u>    |
| Balance at 6/30/20                                | <u>\$ 67,809,962,608.00</u> |

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

The following presents the total OPEB liability as of June 20, 2020, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

|   | 1% Decrease<br>(1.21%) | Discount Rate<br>(2.21%) | 1% Increase<br>(3.21%) |
|---|------------------------|--------------------------|------------------------|
| Total OPEB Liability<br>(School Retirees) | 81,748,410,002.00      | 67,809,962,608.00        | 56,911,439,160.00      |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.*

The following presents the total OPEB liability as of June 30, 2020c calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

|   | 1% Decrease       | Healthcare Cost<br>Trend Rates | 1% Increase       |
|---|-------------------|--------------------------------|-------------------|
| Total OPEB Liability<br>(School Retirees) | 54,738,488,540.00 | 67,809,962,608.00              | 83,375,182,975.00 |

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$920,326 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 10,295,318,750.00                      | (9,170,703,615.00)                       |
| Changes of assumptions                             | 11,534,251,250.00                         | (7,737,500,827.00)                       |
| Total  | <u>\$ 21,829,570,000.00</u>               | <u>\$ (16,908,204,442.00)</u>            |

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

| <u>Year ended<br/>June 30,</u> |           |                         |
|--------------------------------|-----------|-------------------------|
| 2021                           | \$        | 43,440,417.00           |
| 2022                           |           | 43,440,417.00           |
| 2023                           |           | 43,440,417.00           |
| 2024                           |           | 43,440,417.00           |
| 2025                           |           | 43,440,417.00           |
| Thereafter                     |           | 4,704,163,473.00        |
| Total                          | <u>\$</u> | <u>4,921,365,558.00</u> |

(Contributions made after June 30, 9are reported as deferred outflow of resources but are not amortized in the expense.)

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

**NOTE 11. COMPENSATED ABSENCES**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

**NOTE 12. DEFERRED COMPENSATION**

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

Lincoln Investment Planning, Inc.  
 Equitable  
 Met Life  
 Aspire Financial Services

**NOTE 13. RISK MANAGEMENT**

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

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2021 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

| <u>Fiscal Year</u> | <u>Interest<br/>Earned</u> | <u>Contributions</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|--------------------|----------------------------|----------------------|------------------------------|---------------------------|
| 2020-2021          | \$ 253                     | 9,610                | 1,922                        | 120,178                   |
| 2019-2020          | 324                        | 9,523                | 7,561                        | 112,237                   |
| 2018-2019          | 309                        | 9,773                | 831                          | 109,951                   |

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2021:

| <u>Fund</u>          | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|----------------------|---------------------------------|------------------------------|
| General Fund         | \$ 122,276.44                   |                              |
| Special Revenue Fund |                                 | 122,276.44                   |
| Total                | <u>\$ 122,276.44</u>            | <u>122,276.44</u>            |

Interfunds are created as a result of timing differences between cash requirements in various funds and the receipt of cash from funding agencies, and to subsidize operating revenue in food service. It is anticipated that all interfunds will be liquidated during the fiscal year.

**NOTE 15. ECONOMIC DEPENDENCY**

The District is heavily reliant on local property taxation through the City of Margate to fund the District's operations. Property taxes and state aid funded approximately 90% of the District 2020-2021 governmental operations.

**NOTE 16. CAPITAL RESERVE FUND**

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The District has not funded their capital reserve fund. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve fund by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**NOTE 17. FUND BALANCE APPROPRIATED**

**General Fund (Exhibit B-1)** - Of the \$4,390,472.06 General Fund fund balance at June 30, 2021, \$247,072.47 is reserved for encumbrances; \$3,421,323.47 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,994,378.72 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$34,601.28 has been appropriated and also included as anticipated revenue for the year ending June 30, 2021; \$120,177.59 has been reserve for Unemployment Compensation; and \$567,297.25 is unreserved and undesignated.

**CITY OF MARGATE BOARD OF EDUCATION**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 18. CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2021 is \$3,421,323.47, of which \$1,994,378.72 has been included in the 2021-22 budget. The excess fund balance at June 30, 2020 was \$3,299,530.52.

**NOTE 19. LITIGATION**

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

**NOTE 20. SOLAR PHOTOVOLTAIC PANEL PROJECT**

During the 2021 fiscal year, the District authorized the sale of solar renewal energy credits (SREC) that were earned through the use of the solar photovoltaic panels. As a result of the sale, the District earned \$99,666. The balance of \$42,036 has been realized as revenue, and a receivable established, as of June 30, 2021. Credits are earned during the fiscal year that operates from June 1 to May 31. During the month of June 2021, credits may have been earned that would be available for sale during the 2021 fiscal year. Due to market fluctuations and the possibility these credits will no longer be available for sale during the next fiscal year, a receivable has not been established as of June 30, 2021.

**NOTE 21. RESTATEMENT OF PRIOR YEAR BALANCES**

Fund Balance has been restated as required by the implementation of GASB 84.

|   |           |                                   |
|---|-----------|-----------------------------------|
| <b>Beginning fund balance as previously reported at June 30, 2020</b> | <b>\$</b> | <b>3,730,894.94</b>               |
| Implementation GASB 84 - Restatement of Prior Year Balances Required  |           |                                   |
| Student Activities  |           | 7,767.40                          |
| Scholarship Trust   |           | 1,904.56                          |
| Unemployment Fund   |           | 112,236.71                        |
| Total prior period restatement  |           | <u>121,908.67</u>                 |
| <b>Fund Balance as restated, July 1, 2020</b>                         | <b>\$</b> | <b><u><u>3,852,803.61</u></u></b> |

**NOTE 22. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through February 25, 2022, the date which the financial statements were available to be issued and no items were noted for disclosure or adjustment.



**Required Supplemental Information**  
**Part II**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**BUDGETARY COMPARISON SCHEDULES**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|  | Original<br>Budget   | Budget<br>Transfers | Final<br>Budget      | Actual               | Variance<br>Under/(Over)<br>Final to Actual |
|--|----------------------|---------------------|----------------------|----------------------|---|
| <b>REVENUES:</b>   |                      |                     |                      |                      |   |
| Local Sources:   |                      |                     |                      |                      |   |
| Local Tax Levy   | \$ 10,498,077.00     |                     | 10,498,077.00        | 10,498,077.00        |   |
| Tuition - From Individuals   | 20,000.00            |                     | 20,000.00            | 26,861.00            | 6,861.00                                    |
| Tuition - From other LEAs within State                                     | 894,543.00           |                     | 894,543.00           | 818,277.00           | (76,266.00)                                 |
| Restricted Miscellaneous   |                      |                     | -                    | 6,778.46             | 6,778.46                                    |
| Miscellaneous  | 13,242.00            |                     | 13,242.00            | 154,936.90           | 141,694.90                                  |
| <b>Total - Local Sources</b>   | <b>11,425,862.00</b> | <b>-</b>            | <b>11,425,862.00</b> | <b>11,504,930.36</b> | <b>79,068.36</b>                            |
| State Sources:   |                      |                     |                      |                      |   |
| Categorical Special Education Aid  | 314,672.00           |                     | 314,672.00           | 314,672.00           |   |
| Categorical Security Aid   | 43,782.00            |                     | 43,782.00            | 43,782.00            |   |
| Adjustment Aid   | 26,108.00            |                     | 26,108.00            | 26,108.00            |   |
| Categorical Transportation Aid   | 136,684.00           |                     | 136,684.00           | 136,684.00           |   |
| Special Education Extraordinary Aid  | 50,000.00            |                     | 50,000.00            | 140,160.00           | 90,160.00                                   |
| Non-Public Transportation Aid  |                      |                     |                      | 12,250.00            | 12,250.00                                   |
| Securing Our Children's Future Bond Act                                    |                      |                     |                      | 20,000.00            | 20,000.00                                   |
| On-Behalf TPAF Pension Contributions (non-budgeted)                        |                      |                     |                      | 1,342,194.00         | 1,342,194.00                                |
| On-Behalf TPAF Post-Retirement Medical Contributions (non-budgeted)        |                      |                     |                      | 420,623.00           | 420,623.00                                  |
| On-Behalf TPAF Long-Term Disability Insurance Contributions (non-budgeted) |                      |                     |                      | 482.00               | 482.00                                      |
| Reimbursed TPAF Social Security Contributions (non-budgeted)               |                      |                     |                      | 362,275.65           | 362,275.65                                  |
| <b>Total - State Sources</b>   | <b>571,246.00</b>    | <b>-</b>            | <b>571,246.00</b>    | <b>2,819,230.65</b>  | <b>2,247,984.65</b>                         |
| <b>Total Revenues</b>  | <b>11,997,108.00</b> | <b>-</b>            | <b>11,997,108.00</b> | <b>14,324,161.01</b> | <b>2,327,053.01</b>                         |

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|   | Original Budget | Budget Transfers | Final Budget | Actual       | Variance Under/(Over) Final to Actual |
|---|-----------------|------------------|--------------|--------------|---------------------------------------|
| <b>EXPENDITURES:</b>                          |                 |                  |              |              |                                       |
| <b>Current Expense:</b>                       |                 |                  |              |              |                                       |
| Regular Programs - Instruction:               |                 |                  |              |              |                                       |
| Salaries of Teachers:                         |                 |                  |              |              |                                       |
| Kindergarten                                  | 202,996.00      | 97,327.76        | 300,323.76   | 290,180.76   | 10,143.00                             |
| Grades 1-5                                    | 1,398,661.00    | 6,798.78         | 1,405,459.78 | 1,357,362.04 | 48,097.74                             |
| Grades 6-8                                    | 1,412,747.00    | 200,525.44       | 1,613,272.44 | 1,482,419.43 | 130,853.01                            |
| Regular Programs - Home Instruction:          | 6,000.00        | (290.00)         | 5,710.00     | 1,277.38     | 4,432.62                              |
| Salaries of Teachers                          |                 |                  |              |              |                                       |
| Regular Programs - Undistributed Instruction: | 9,425.00        | -                | 9,425.00     | 5,721.28     | 3,703.72                              |
| Other Purchased Services                      | 317,631.90      | 39,153.00        | 356,784.90   | 226,241.13   | 130,543.77                            |
| General Supplies                              | 124,600.00      | (42,153.00)      | 82,447.00    | 26,998.58    | 55,448.42                             |
| Textbooks                                     |                 |                  |              |              |                                       |
| Total Regular Programs                        | 3,472,060.90    | 301,361.98       | 3,773,422.88 | 3,390,200.60 | 383,222.28                            |
| Multiple Disabilities                         |                 |                  |              |              |                                       |
| Salaries of Teachers                          | 46,024.00       | 222.90           | 46,246.90    | 44,682.90    | 1,564.00                              |
| Total Multiple Disabilities                   | 46,024.00       | 222.90           | 46,246.90    | 44,682.90    | 1,564.00                              |
| Resource Room/Resource Center:                |                 |                  |              |              |                                       |
| Salaries of Teachers                          | 927,513.00      | (91,204.44)      | 836,308.56   | 807,539.07   | 28,769.49                             |
| Other Salaries for Instruction                | 202,927.00      | (2,644.33)       | 200,282.67   | 192,395.55   | 7,887.12                              |
| General Supplies                              | 7,319.00        | (4,356.24)       | 2,962.76     | 1,770.55     | 1,192.21                              |
| Textbooks                                     | 1,500.00        | -                | 1,500.00     | -            | 1,500.00                              |
| Total Resource Room/Resource Center           | 1,139,259.00    | (98,205.01)      | 1,041,053.99 | 1,001,705.17 | 39,348.82                             |
| Preschool Disabilities - Part Time:           |                 |                  |              |              |                                       |
| Salaries of Teachers                          | 68,553.00       | 12,022.90        | 80,575.90    | 77,999.88    | 2,576.02                              |
| Other Salaries for Instruction                | 7,646.00        | 12,315.65        | 19,961.65    | 19,136.67    | 824.98                                |
| General Supplies                              | 1,000.00        | (500.00)         | 500.00       | 500.00       | -                                     |
| Total Preschool Disabilities - Full Time      | 77,199.00       | 23,838.55        | 101,037.55   | 97,636.55    | 3,401.00                              |
| Home Instruction:                             |                 |                  |              |              |                                       |
| Purchased Professional - Educational Services | 4,000.00        | -                | 4,000.00     | -            | 4,000.00                              |
| Total Home Instruction:                       | 4,000.00        | -                | 4,000.00     | -            | 4,000.00                              |
| Total Special Education - Instruction         | 1,266,482.00    | (74,143.56)      | 1,192,338.44 | 1,144,024.62 | 48,313.82                             |
| Basic Skills/Remedial- Instruction            |                 |                  |              |              |                                       |
| Salaries of Teachers                          | 365,756.50      | (238,491.05)     | 127,265.45   | 95,056.45    | 32,209.00                             |

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|  | Original Budget | Budget Transfers | Final Budget | Actual    | Variance Under/(Over) Final to Actual |
|--|-----------------|------------------|--------------|-----------|---------------------------------------|
| Total Basic Skills/Remedial - Instruction                    | 365,756.50      | (238,491.05)     | 127,265.45   | 95,056.45 | 32,209.00                             |
| Bilingual Education - Instruction:                           |                 |                  |              |           |                                       |
| Salaries of Teachers   | 49,750.00       | -                | 49,750.00    | 17,388.00 | 32,362.00                             |
| General Supplies   | 300.00          | -                | 300.00       | 163.55    | 136.45                                |
| Total Bilingual Education - Instruction                      | 50,050.00       | -                | 50,050.00    | 17,551.55 | 32,498.45                             |
| School Sponsored Cocurricular Activities - Instruction:      |                 |                  |              |           |                                       |
| Salaries   | 76,586.00       | (1,527.74)       | 75,058.26    | 42,392.39 | 32,665.87                             |
| Supplies and Materials                                       | 5,629.00        | 2,549.32         | 8,178.32     | 2,268.22  | 5,910.10                              |
| Other Objects  | 12,200.00       | (2,549.32)       | 9,650.68     | 4,832.00  | 4,818.68                              |
| Total School Sponsored Cocurricular Activities - Instruction | 94,415.00       | (1,527.74)       | 92,887.26    | 49,492.61 | 43,394.65                             |
| School Sponsored Athletics - Instruction                     |                 |                  |              |           |                                       |
| Salaries   | 16,500.00       | -                | 16,500.00    | 14,200.00 | 2,300.00                              |
| Purchased Services   | 5,000.00        | -                | 5,000.00     | 2,436.50  | 2,563.50                              |
| Supplies and Materials                                       | 4,317.00        | -                | 4,317.00     | 1,835.81  | 2,481.19                              |
| Other Objects  | 1,000.00        | -                | 1,000.00     | -         | 1,000.00                              |
| Total School Sponsored Athletics - Instruction               | 26,817.00       | -                | 26,817.00    | 18,472.31 | 8,344.69                              |

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|  | Original Budget     | Budget Transfers   | Final Budget        | Actual              | Variance Under/(Over) Final to Actual |
|--|---------------------|--------------------|---------------------|---------------------|---------------------------------------|
| Summer School - Instruction  |                     |                    |                     |                     |                                       |
| Salaries of Teachers   | 25,000.00           | 11,737.01          | 36,737.01           | 31,455.53           | 5,281.48                              |
| Other Salaries of Instruction  | 3,500.00            | (852.00)           | 2,648.00            | 2,432.00            | 216.00                                |
| <b>Total Summer School - Instruction</b>                             | <b>28,500.00</b>    | <b>10,885.01</b>   | <b>39,385.01</b>    | <b>33,887.53</b>    | <b>5,497.48</b>                       |
| <b>Total Instruction</b>   | <b>5,304,081.40</b> | <b>(1,915.36)</b>  | <b>5,302,166.04</b> | <b>4,748,685.67</b> | <b>553,480.37</b>                     |
| Undistributed Expenditures - Instruction:                            |                     |                    |                     |                     |                                       |
| Tuition to Other LEAs within the State - Regular                     | 763,939.00          | -                  | 763,939.00          | 763,939.00          | -                                     |
| Tuition to Other LEAs within the State - Special                     | 355,717.00          | -                  | 355,717.00          | 355,717.00          | -                                     |
| Tuition to County Voc. School District - Regular                     | 42,859.00           | -                  | 42,859.00           | 42,859.00           | -                                     |
| Tuition to CSSD & Regional Day Schools                               | 51,475.00           | (51,475.00)        | -                   | -                   | -                                     |
| Tuition to Priv. Sch. For the Disabled within the State              | 190,399.00          | (87,135.00)        | 103,264.00          | 8,272.20            | 94,991.80                             |
| Tuition to Priv. Sch. For the Disabled outside the State             | -                   | 70,000.00          | 70,000.00           | -                   | 70,000.00                             |
| <b>Total Undistributed Expenditures - Instruction</b>                | <b>1,404,389.00</b> | <b>(68,610.00)</b> | <b>1,335,779.00</b> | <b>1,170,787.20</b> | <b>164,991.80</b>                     |
| Undistributed Expenditures - Attendance and Social Work:             |                     |                    |                     |                     |                                       |
| Salaries   | 26,302.00           | 499.76             | 26,801.76           | 26,801.76           | -                                     |
| <b>Total Undistributed Expenditures - Attendance and Social Work</b> | <b>26,302.00</b>    | <b>499.76</b>      | <b>26,801.76</b>    | <b>26,801.76</b>    | <b>-</b>                              |
| Undistributed Expenditures - Health Services:                        |                     |                    |                     |                     |                                       |
| Salaries   | 198,996.00          | 966.00             | 199,962.00          | 193,200.00          | 6,762.00                              |
| Purchased Professional and Technical Services                        | 7,500.00            | (500.00)           | 7,000.00            | 7,000.00            | -                                     |
| Supplies and Materials   | 3,412.00            | 4,263.00           | 7,675.00            | 6,945.42            | 729.58                                |
| <b>Total Undistributed Expenditures - Health Services</b>            | <b>209,908.00</b>   | <b>4,729.00</b>    | <b>214,637.00</b>   | <b>207,145.42</b>   | <b>7,491.58</b>                       |



**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|   | Original Budget   | Budget Transfers   | Final Budget      | Actual            | Variance Under/(Over) Final to Actual |
|---|-------------------|--------------------|-------------------|-------------------|---------------------------------------|
| Undistributed Expenditures - Speech, OT, PT and Related Services              |                   |                    |                   |                   |                                       |
| Salaries  | 132,944.00        | 23,855.61          | 156,799.61        | 134,598.59        | 22,201.02                             |
| Purchased Professional Education Services                                     | 4,500.00          | (4,500.00)         | -                 | -                 | -                                     |
| Supplies and Materials  | 1,000.00          | (400.00)           | 600.00            | 166.51            | 433.49                                |
| <b>Total Undistributed Expenditures - Speech, OT, PT and Related Services</b> | <b>138,444.00</b> | <b>18,955.61</b>   | <b>157,399.61</b> | <b>134,765.10</b> | <b>22,634.51</b>                      |
| Undistributed Expenditures - Other Support Services - Extra. Serv.            |                   |                    |                   |                   |                                       |
| Purchased Professional - Educational Services                                 | 199,485.00        | (17,950.00)        | 181,535.00        | 66,346.85         | 115,188.15                            |
| Supplies and materials  | 3,000.00          | -                  | 3,000.00          | 1,272.92          | 1,727.08                              |
| Other Objects   | -                 | -                  | -                 | -                 | -                                     |
| <b>Total Undistributed Services - Other Support Services - Extra. Serv.</b>   | <b>202,485.00</b> | <b>(17,950.00)</b> | <b>184,535.00</b> | <b>67,619.77</b>  | <b>116,915.23</b>                     |
| Undistributed Expenditures - Child Study Teams                                |                   |                    |                   |                   |                                       |
| Salaries of Other Professional Staff  | 334,502.33        | 97,974.27          | 432,476.60        | 421,962.60        | 10,514.00                             |
| Salaries of Secretarial and Clerical Assistants                               | 46,280.00         | 1,128.00           | 47,408.00         | 43,917.70         | 3,490.30                              |
| Other Purchased Services  | 800.00            | -                  | 800.00            | 51.00             | 749.00                                |
| Supplies and Materials  | 29,080.00         | (1,000.00)         | 28,080.00         | 16,942.65         | 11,137.35                             |
| Other Objects   | 1,500.00          | -                  | 1,500.00          | 450.00            | 1,050.00                              |
| <b>Total Undistributed Expenditures - Child Study Teams</b>                   | <b>412,162.33</b> | <b>98,102.27</b>   | <b>510,264.60</b> | <b>483,323.95</b> | <b>26,940.65</b>                      |
| Undistributed Expenditures - Improvement of Instruction Services:             |                   |                    |                   |                   |                                       |
| Salaries of Supervisor of Instruction   | 109,744.00        | 215.72             | 109,959.72        | 109,959.72        | -                                     |
| Salaries of Secretaries and Clerical Staff                                    | 38,294.00         | -                  | 38,294.00         | 37,178.18         | 1,115.82                              |
| Other Purchased Services  | -                 | -                  | -                 | -                 | -                                     |
| Other Objects   | -                 | -                  | -                 | -                 | -                                     |
| <b>Total Undistributed Expenditures - Improv. of Instr. Services</b>          | <b>148,038.00</b> | <b>215.72</b>      | <b>148,253.72</b> | <b>147,137.90</b> | <b>1,115.82</b>                       |

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|   | Original Budget   | Budget Transfers | Final Budget      | Actual            | Variance Under/(Over) Final to Actual |
|---|-------------------|------------------|-------------------|-------------------|---------------------------------------|
| Undistributed Expenditures - Educational Media Services - School Library              |                   |                  |                   |                   |                                       |
| Salaries  | 99,498.00         | 484.00           | 99,982.00         | 83,626.91         | 16,355.09                             |
| Salaries of Technology Coordinators   | 75,912.00         | -                | 75,912.00         | 75,174.84         | 737.16                                |
| Supplies and Materials  | 151,506.29        | -                | 151,506.29        | 134,084.45        | 17,421.84                             |
| Other Objects   | 150.00            | -                | 150.00            | 65.00             | 85.00                                 |
| <b>Total Undistributed Expenditures - Educational Media Services - School Library</b> | <b>327,066.29</b> | <b>484.00</b>    | <b>327,550.29</b> | <b>292,951.20</b> | <b>34,599.09</b>                      |
| Undistributed Expenditures - Instr. Staff Training Services                           |                   |                  |                   |                   |                                       |
| Purchased Professional - Education Services   | 4,950.00          | -                | 4,950.00          | 763.00            | 4,187.00                              |
| <b>Total Undistributed Expenditures - Instr. Staff Training Services</b>              | <b>4,950.00</b>   | <b>-</b>         | <b>4,950.00</b>   | <b>763.00</b>     | <b>4,187.00</b>                       |
| Undistributed Expenditures - Support Services - Gen. Admin.:                          |                   |                  |                   |                   |                                       |
| Salaries  | 181,940.64        | -                | 181,940.64        | 161,237.61        | 20,703.03                             |
| Legal Services  | 35,228.00         | 18,272.00        | 53,500.00         | 41,223.22         | 12,276.78                             |
| Audit Fees  | 17,500.00         | -                | 17,500.00         | 17,200.00         | 300.00                                |
| Architectural/Engineering Services  | -                 | 10,224.00        | 10,224.00         | -                 | 10,224.00                             |
| Other Purchased Professional Services   | 6,800.00          | (1,800.00)       | 5,000.00          | 1,995.00          | 3,005.00                              |
| Communications/Telephone  | 41,000.00         | (1,337.00)       | 39,663.00         | 28,962.34         | 10,700.66                             |
| Misc Purchased Services (400-500)   | 3,000.00          | (1,000.00)       | 2,000.00          | 1,736.92          | 263.08                                |
| General Supplies  | 5,000.00          | 7,300.00         | 12,300.00         | 10,799.00         | 1,501.00                              |
| Miscellaneous Expenditures  | 9,375.00          | (1,675.00)       | 7,700.00          | 7,680.15          | 19.85                                 |
| <b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>              | <b>299,843.64</b> | <b>29,984.00</b> | <b>329,827.64</b> | <b>270,834.24</b> | <b>58,993.40</b>                      |
| Undistributed Expenditures - Support Serv. - School Admin.:                           |                   |                  |                   |                   |                                       |
| Salaries of Principals/Assistant Principals   | 129,751.00        | -                | 129,751.00        | 129,385.36        | 365.64                                |
| Salaries of Secretarial and Clerical Assistants                                       | 33,305.00         | 629.00           | 33,934.00         | 33,561.06         | 372.94                                |
| Purchased Professional and Technical Services   | -                 | -                | -                 | -                 | -                                     |
| Other Purchased Services (400-500 series)   | 1,950.00          | 2,050.00         | 4,000.00          | 254.16            | 3,745.84                              |
| Supplies and Materials  | 4,000.00          | 13,465.00        | 17,465.00         | 2,760.70          | 14,704.30                             |
| Other Objects   | 2,950.00          | 1,050.00         | 4,000.00          | 2,535.00          | 1,465.00                              |
| <b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>               | <b>171,956.00</b> | <b>17,194.00</b> | <b>189,150.00</b> | <b>168,496.28</b> | <b>20,653.72</b>                      |

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|  | Original Budget   | Budget Transfers  | Final Budget      | Actual            | Variance Under/(Over) Final to Actual |
|--|-------------------|-------------------|-------------------|-------------------|---------------------------------------|
| Undistributed Expenditures - Central Services  |                   |                   |                   |                   |                                       |
| Salaries   | 136,985.00        | 781.00            | 137,766.00        | 136,269.64        | 1,496.36                              |
| Purchased Technical Services   | 4,000.00          | 2,450.00          | 6,450.00          | 1,000.00          | 5,450.00                              |
| Misc. Purchased Services   | 1,700.00          | 2,300.00          | 4,000.00          | 250.00            | 3,750.00                              |
| Supplies and Materials   | 5,000.00          | 6,922.00          | 11,922.00         | 8,624.09          | 3,297.91                              |
| Miscellaneous Expenditures   | 1,168.00          | 1,832.00          | 3,000.00          | 1,069.22          | 1,930.78                              |
| <b>Total Undistributed Expenditures - Central Services</b>                                     | <b>148,853.00</b> | <b>14,285.00</b>  | <b>163,138.00</b> | <b>147,212.95</b> | <b>15,925.05</b>                      |
| Undistributed Expenditures - Administration Information Technology<br>Other Purchased Services | 24,000.00         | 3,000.00          | 27,000.00         | 22,344.00         | 4,656.00                              |
| <b>Total Undistributed Expenditures - Administration Info Technology</b>                       | <b>24,000.00</b>  | <b>3,000.00</b>   | <b>27,000.00</b>  | <b>22,344.00</b>  | <b>4,656.00</b>                       |
| Undistributed Expenditures - Required Maintenance for School Facilities<br>Salaries            | 277,648.00        | -                 | 277,648.00        | 276,066.33        | 1,581.67                              |
| Cleaning Repairs and Maintenance Services  | 215,228.60        | -                 | 215,228.60        | 178,427.65        | 36,800.95                             |
| General Supplies   | 177,000.00        | 4,776.00          | 181,776.00        | 74,427.58         | 107,348.42                            |
| <b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>           | <b>669,876.60</b> | <b>4,776.00</b>   | <b>674,652.60</b> | <b>528,921.56</b> | <b>145,731.04</b>                     |
| Undistributed Expenditures - Custodial Services<br>Salaries                                    | 285,424.30        | 957.00            | 286,381.30        | 257,757.46        | 28,623.84                             |
| Unused Vacation Payment to Terminated/Retired Staff  |                   | 1,080.00          | 1,080.00          | 1,079.84          | 0.16                                  |
| Cleaning, Repair and Maintenance Services  | 28,000.00         | -                 | 28,000.00         | 22,172.92         | 5,827.08                              |
| Insurance  | 106,118.00        | (4,000.00)        | 102,118.00        | 74,268.00         | 27,850.00                             |
| General Supplies   | 42,122.87         | 10,000.00         | 52,122.87         | 46,707.02         | 5,415.85                              |
| Energy (Natural Gas)   | 86,000.00         | 15,650.69         | 101,650.69        | 97,299.23         | 4,351.46                              |
| Energy (Electricity)   | 292,065.22        | (25,513.69)       | 266,551.53        | 226,641.80        | 39,909.73                             |
| Other Objects  | 1,000.00          | -                 | 1,000.00          | 800.00            | 200.00                                |
| <b>Total Undistributed Expenditures - Custodial Services</b>                                   | <b>840,730.39</b> | <b>(1,826.00)</b> | <b>838,904.39</b> | <b>726,726.27</b> | <b>112,178.12</b>                     |

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|  | Original Budget     | Budget Transfers | Final Budget        | Actual              | Variance Under/(Over) Final to Actual |
|--|---------------------|------------------|---------------------|---------------------|---------------------------------------|
| Undistributed Expenditures - Care and Upkeep of Grounds                    |                     |                  |                     |                     |                                       |
| Cleaning, Repair, and Maintenance Services                                 | 5,000.00            | -                | 5,000.00            | -                   | 5,000.00                              |
| General Supplies   | 1,500.00            | -                | 1,500.00            | -                   | 1,500.00                              |
| <b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>       | <b>6,500.00</b>     | <b>-</b>         | <b>6,500.00</b>     | <b>-</b>            | <b>6,500.00</b>                       |
| Undistributed Expenditures - Security                                      |                     |                  |                     |                     |                                       |
| Cleaning, Repair, and Maintenance Services                                 | 15,000.00           | -                | 15,000.00           | 2,824.00            | 12,176.00                             |
| General Supplies   | 5,000.00            | -                | 5,000.00            | -                   | 5,000.00                              |
| <b>Total Undistributed Expenditures - Security</b>                         | <b>20,000.00</b>    | <b>-</b>         | <b>20,000.00</b>    | <b>2,824.00</b>     | <b>17,176.00</b>                      |
| <b>Total Undistributed Expen - Oper &amp; Main of Plant Serv</b>           | <b>1,537,106.99</b> | <b>2,950.00</b>  | <b>1,540,056.99</b> | <b>1,258,471.83</b> | <b>281,585.16</b>                     |
| Undistributed Expenditures - Student Transportation Services:              |                     |                  |                     |                     |                                       |
| Salaries for Pupil Transp. (Between Home and School)-Spec Ed               | 73,712.00           | -                | 73,712.00           | 58,082.02           | 15,629.98                             |
| Salaries for Pupil Transp. (Other than Between Home and School)            | 4,560.00            | -                | 4,560.00            | -                   | 4,560.00                              |
| Cleaning, Repair and Maintenance Service                                   | 12,000.00           | -                | 12,000.00           | 3,670.19            | 8,329.81                              |
| Contracted Services - Aid in Lieu of Payments Non Public School) - Vendors | 11,501.00           | -                | 11,501.00           | 9,370.67            | 2,130.33                              |
| Contracted Services - (Other than Between Home and School) - Vendors       | 14,500.00           | -                | 14,500.00           | 3,032.50            | 11,467.50                             |
| Contracted Services - (Between Home and School) - Joint Agmnts             | 162,220.00          | -                | 162,220.00          | 130,592.99          | 31,627.01                             |
| Contracted Services (Special Ed Students) - Joint Agreements               | 73,102.00           | -                | 73,102.00           | 15,945.60           | 57,156.40                             |
| General Supplies   |                     | 265.00           | 265.00              | 264.90              | 0.10                                  |
| Transportation Supplies  | 15,266.14           | (265.00)         | 15,001.14           | 1,238.54            | 13,762.60                             |
| Other Objects  | 1,200.00            | -                | 1,200.00            | 200.00              | 1,000.00                              |
| <b>Total Undistributed Expenditures - Student Transportation Serv.</b>     | <b>368,061.14</b>   | <b>-</b>         | <b>368,061.14</b>   | <b>222,397.41</b>   | <b>145,663.73</b>                     |
| Unallocated Benefits:  |                     |                  |                     |                     |                                       |
| Social Security Contributions  | 127,000.00          | -                | 127,000.00          | 122,724.83          | 4,275.17                              |
| TPAF Contributions - ERIP  |                     | -                |                     | -                   | -                                     |
| Other Retirement Contributions - PERS                                      | 151,389.00          | 18,064.18        | 169,453.18          | 169,453.18          | -                                     |
| Other Retirement Contributions - Regular                                   | 2,591.00            | 2,520.58         | 5,111.58            | 5,084.08            | 27.50                                 |
| Unemployment Compensation  | 10,000.00           | (1,957.83)       | 8,042.17            | -                   | 8,042.17                              |
| Workmen's Compensation   | 94,294.00           | (7,719.00)       | 86,575.00           | 86,575.00           | -                                     |
| Health Benefits  | 1,678,673.00        | (136,930.43)     | 1,541,742.57        | 1,428,814.78        | 112,927.79                            |

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|  | Original Budget      | Budget Transfers    | Final Budget         | Actual               | Variance Under/(Over) Final to Actual |
|--|----------------------|---------------------|----------------------|----------------------|---------------------------------------|
| Tuition Reimbursements   | 45,000.00            | (5,531.25)          | 39,468.75            | 6,388.48             | 33,080.27                             |
| Other Employee Benefits  | 2,300.00             | -                   | 2,300.00             | -                    | 2,300.00                              |
| Unused Sick Payment to Term/Ret Staff                                      |                      | 18,718.75           | 18,718.75            | 18,718.75            | -                                     |
| <b>Total Unallocated Benefits</b>  | <b>2,111,247.00</b>  | <b>(112,835.00)</b> | <b>1,998,412.00</b>  | <b>1,837,759.10</b>  | <b>160,652.90</b>                     |
| On-Behalf TPAF Pension Contributions (non-budgeted)                        | -                    | -                   | -                    | 1,342,194.00         | (1,342,194.00)                        |
| On-Behalf TPAF Post-Retirement Medical Contributions (non-budgeted)        | -                    | -                   | -                    | 420,623.00           | (420,623.00)                          |
| On-Behalf TPAF Long-Term Disability Insurance Contributions (non-budgeted) | -                    | -                   | -                    | 482.00               | (482.00)                              |
| Reimbursed TPAF Social Security Contributions (non-budgeted)               | -                    | -                   | -                    | 362,275.65           | (362,275.65)                          |
| <b>Total On-behalf Contributions</b>                                       | <b>-</b>             | <b>-</b>            | <b>-</b>             | <b>2,125,574.65</b>  | <b>(2,125,574.65)</b>                 |
| <b>Total Undistributed Expenditures</b>                                    | <b>7,534,812.39</b>  | <b>(8,995.64)</b>   | <b>7,525,816.75</b>  | <b>8,584,385.76</b>  | <b>(1,058,569.01)</b>                 |
| <b>Total Current Expense</b>   | <b>12,838,893.79</b> | <b>(10,911.00)</b>  | <b>12,827,982.79</b> | <b>13,333,071.43</b> | <b>(505,088.64)</b>                   |
| <b>Capital Outlay:</b>   |                      |                     |                      |                      |                                       |
| Equipment:   |                      |                     |                      |                      |                                       |
| Undistributed Expenditures:  |                      |                     |                      |                      |                                       |
| Grades 1-5   | 23,175.88            | 120.00              | 23,295.88            | 23,295.88            | -                                     |
| Grades 6-8   | 27,979.00            | 417.76              | 28,396.76            | 26,273.76            | 2,123.00                              |
| Support Services - Instructional Staff                                     | 9,134.50             | (537.76)            | 8,596.74             | -                    | 8,596.74                              |
| Central Services   |                      |                     |                      |                      |                                       |
| Required Maint School Facilities   | 133,160.00           | (3,674.85)          | 129,485.15           | 107,676.51           | 21,808.64                             |
| Security   | 55,000.00            | 3,674.85            | 58,674.85            | 58,674.85            | -                                     |
| School Buses - Regular   | 21,669.00            | -                   | 21,669.00            | 21,667.77            | 1.23                                  |
| <b>Total Equipment</b>   | <b>270,118.38</b>    | <b>(0.00)</b>       | <b>270,118.38</b>    | <b>237,588.77</b>    | <b>32,529.61</b>                      |
| Facilities Acquisition and Construction Services                           |                      |                     |                      |                      |                                       |
| Construction Services  | 189,399.00           | -                   | 189,399.00           | 78,368.65            | 111,030.35                            |
| Assessment for Debt Service on SDA Funding                                 | 63,240.00            | -                   | 63,240.00            | 63,240.00            | -                                     |
| <b>Total Facilities Acquisition and Construction Services</b>              | <b>252,639.00</b>    | <b>-</b>            | <b>252,639.00</b>    | <b>141,608.65</b>    | <b>111,030.35</b>                     |
| <b>Total Capital Outlay</b>  | <b>522,757.38</b>    | <b>(0.00)</b>       | <b>522,757.38</b>    | <b>379,197.42</b>    | <b>143,559.96</b>                     |
| Transfers to Charter Schools   | 25,963.00            | 10,911.00           | 36,874.00            | 35,487.00            | 1,387.00                              |
| <b>Total Expenditures</b>  | <b>13,387,614.17</b> | <b>0.00</b>         | <b>13,387,614.17</b> | <b>13,747,755.85</b> | <b>(360,141.68)</b>                   |

**City of Margate Board of Education  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2021**

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual       | Variance<br>Under/(Over)<br>Final to Actual |
|---|--------------------|---------------------|-----------------|--------------|---|
| Excess (Deficiency) of Revenues Over (Under) Expenditures   | (1,390,506.17)     | (0.00)              | (1,390,506.17)  | 576,405.16   | 1,966,911.33                                |
| Other Financing Sources (Uses):   |                    |                     |                 |              |   |
| Operating Transfers Out:  |                    |                     |                 |              |   |
| Transfer to Community Service Programs  | (40,000.00)        | -                   | (40,000.00)     | -            | -   |
| Transfer to Food Service Fund - Board Contribution  |                    |                     |                 | (23,591.13)  | 16,408.87                                   |
| Excess (Deficiency) of Revenues and Other Financing Sources<br>Over (Under) Expenditures and Other Financing Uses | (1,430,506.17)     | (0.00)              | (1,430,506.17)  | 552,814.03   | 1,983,320.20                                |
| Fund Balances, July 1   | 3,725,421.32       | -                   | 3,725,421.32    | 3,725,421.32 | -   |
| Prior Period Restatement  | -                  | -                   | -               | 112,236.71   | -   |
| Fund Balances, July 1, Restated   |                    |                     |                 | 3,837,658.03 |   |
| Fund Balances, June 30  | \$ 2,294,915.15    | (0.00)              | 2,294,915.15    | 4,390,472.06 | 1,983,320.20                                |

**Recapitulation of Fund Balance:**

**Restricted Fund Balance:**

|  |              |
|--|--------------|
| Reserve for Excess Surplus                                   | 1,426,944.75 |
| Excess Surplus-Designated for Subsequent Year's Expenditures | 1,994,378.72 |
| Unemployment Compensation                                    | 120,177.59   |

**Assigned Fund Balance:**

|   |            |
|---|------------|
| Designated for Subsequent Year's Expenditures | 34,601.28  |
| Reserve for Encumbrances                      | 247,072.47 |

**Unassigned Fund Balance**

|  |              |
|--|--------------|
|  | 567,297.25   |
|  | 4,390,472.06 |

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

|  |             |
|--|-------------|
|  | (45,801.00) |
|--|-------------|

Fund Balance per Governmental Funds (GAAP)

|  |              |
|--|--------------|
|  | 4,344,671.06 |
|--|--------------|

**City of Margate School District  
(A Component Unit of the City of Margate)  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2021**

|   | Original Budget   | Budget Transfers/Adjustments | Final Budget      | Actual            | Variance Under/(Over) Final to Actual |
|---|-------------------|------------------------------|-------------------|-------------------|---------------------------------------|
| <b>REVENUES:</b>  |                   |                              |                   |                   |                                       |
| Local Sources:  |                   |                              |                   |                   |                                       |
| Revenue from Local Sources                                | \$ -              | 8,605.56                     | 8,605.56          | 13,391.12         | 4,785.56                              |
| <b>Total - Local Sources</b>                              |                   | <b>8,605.56</b>              | <b>8,605.56</b>   | <b>13,391.12</b>  | <b>4,785.56</b>                       |
| Federal Sources:  |                   |                              |                   |                   |                                       |
| Title I   | 19,560.00         | 59,839.00                    | 79,399.00         | 48,203.27         | (31,195.73)                           |
| Title II  | -                 | 11,540.00                    | 11,540.00         | 11,540.00         | -                                     |
| Title IV  | -                 | 17,370.00                    | 17,370.00         | 11,630.63         | (5,739.37)                            |
| I.D.E.A., Part B  | 140,208.00        | 8,616.00                     | 148,824.00        | 137,074.76        | (11,749.24)                           |
| CARES Act   | 37,510.74         | 263,313.26                   | 300,824.00        | 142,778.27        | (158,045.73)                          |
| Coronavirus Relief Fund                                   | -                 | 14,189.00                    | 14,189.00         | 14,189.00         | -                                     |
| <b>Total - Federal Sources</b>                            | <b>197,278.74</b> | <b>374,867.26</b>            | <b>572,146.00</b> | <b>365,415.93</b> | <b>(206,730.07)</b>                   |
| <b>Total Revenues</b>                                     | <b>197,278.74</b> | <b>383,472.82</b>            | <b>580,751.56</b> | <b>378,807.05</b> | <b>(201,944.51)</b>                   |
| <b>EXPENDITURES:</b>                                      |                   |                              |                   |                   |                                       |
| <b>Instruction</b>  |                   |                              |                   |                   |                                       |
| Salaries of Teachers                                      | 29,533.34         | 119,824.00                   | 149,357.34        | 51,284.08         | 98,073.26                             |
| Purchased Professional and Technical Services             | -                 | 2,500.00                     | 2,500.00          | -                 | 2,500.00                              |
| Other Purchased Services (400-500 series)                 | 95,256.00         | 2,436.00                     | 97,692.00         | 97,692.00         | -                                     |
| General Supplies  | 12,735.40         | 93,289.98                    | 106,025.38        | 98,836.36         | 7,189.02                              |
| <b>Total instruction</b>                                  | <b>137,524.74</b> | <b>218,049.98</b>            | <b>355,574.72</b> | <b>247,812.44</b> | <b>107,762.28</b>                     |
| <b>Support Services</b>                                   |                   |                              |                   |                   |                                       |
| Personal Services - Employee Benefits                     | 782.00            | 5,071.00                     | 5,853.00          | 3,317.28          | 2,535.72                              |
| Purchased Professional and Technical Services             | 1,972.00          | -                            | 1,972.00          | 1,450.00          | 522.00                                |
| Purchased Professional - Educational Services             | 36,659.00         | 11,540.00                    | 48,199.00         | 37,061.75         | 11,137.25                             |
| Purchased Property Services                               | 5,000.00          | (1,306.54)                   | 3,693.46          | 3,693.46          | -                                     |
| Supplies and Materials                                    | 15,341.00         | 150,118.38                   | 165,459.38        | 76,966.79         | 88,492.59                             |
| Student Activities  | -                 | -                            | -                 | 11,035.10         | (11,035.10)                           |
| Scholarships  | 59,754.00         | 165,422.84                   | 225,176.84        | 100.00            | (100.00)                              |
| <b>Total support services</b>                             | <b>117,468.00</b> | <b>319,347.68</b>            | <b>430,502.22</b> | <b>133,624.38</b> | <b>296,877.84</b>                     |
| <b>Total expenditures</b>                                 | <b>197,278.74</b> | <b>383,472.82</b>            | <b>580,751.56</b> | <b>381,436.82</b> | <b>210,449.84</b>                     |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ -              | -                            | -                 | (2,629.77)        | 8,505.33                              |
| Fund Balance, July 1 Prior                                |                   |                              |                   | 9,671.96          |                                       |
| Period Restatement  |                   |                              |                   | 9,671.96          |                                       |
| Fund Balance, July 1 (Restated)                           |                   |                              | \$ 7,042.19       |                   |                                       |
| Fund Balance, June 30                                     |                   |                              | \$ 5,233.37       |                   |                                       |
| Student Activities  |                   |                              | \$ 1,808.82       |                   |                                       |
| Scholarships  |                   |                              | \$ 7,042.19       |                   |                                       |
| Total Fund Balance  |                   |                              | \$ 12,084.38      |                   |                                       |

City of Margate School District  
(A Component Unit of the City of Margate)  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2021

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

|  |          | General<br>Fund  | Special<br>Revenue |
|--|----------|------------------|--------------------|
| <b>Sources/inflows of resources</b>  |          |                  |                    |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule  | C-1; C-2 | \$ 14,324,161.01 | 378,807.05         |
| Difference - budget to GAAP:   |          |                  |                    |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized  |          |                  |                    |
| Prior Year   |          |                  | 6,725.30           |
| Current Year   |          |                  | (6,113.88)         |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.  |          |                  |                    |
|  |          | 46,043.00        |                    |
| State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.  |          |                  |                    |
|  |          | (45,801.00)      |                    |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds  | B-2      | 14,324,403.01    | 379,418.47         |
| <b>Uses/outflows of resources</b>  |          |                  |                    |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule   | C-1; C-2 | 13,747,755.85    | 381,436.82         |
| Differences - budget to GAAP   |          |                  |                    |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes |          |                  |                    |
| Prior Year   |          |                  | 6,725.30           |
| Current Year   |          |                  | (6,113.88)         |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds   | B-2      | \$ 13,747,755.85 | 382,048.24         |



**Required Supplemental Information**  
**Part III**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF MARGATE SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Eight Fiscal Years**

|   | 2020           | 2019           | 2018           | 2017          | 2016          | 2015          | 2014          | 2013          |
|---|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset)  | 0.01548992800% | 0.01543098190% | 0.01447294060% | 0.0164527330% | 0.0149474488% | 0.0149719947% | 0.0148744718% | 0.0149888602% |
| District's proportionate of the net pension liability (asset)   | \$ 2,526,002   | 2,780,429      | 2,849,650      | 3,829,933     | 4,427,006     | 3,360,913     | 2,784,908     | 2,864,669     |
| District's covered payroll  | 1,106,008      | 1,090,058      | 1,102,123      | 1,051,913     | 1,111,826     | 1,059,996     | 1,031,944     | 1,014,063     |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 228.39%        | 255.07%        | 258.56%        | 364.09%       | 398.17%       | 317.07%       | 269.87%       | 282.49%       |
| Plan fiduciary net position as a percentage of the total pension liability  | 58.32%         | 56.27%         | 53.60%         | 48.10%        | 40.14%        | 47.93%        | 52.08%        | 48.72%        |

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

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

**CITY OF MARGATE SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Eight Fiscal Years**

|  | 2020       | 2019      | 2018      | 2017      | 2016      | 2015      | 2014      | 2013      |
|--|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Contractually required contribution                                  | \$ 169,452 | 150,098   | 143,959   | 152,417   | 132,791   | 128,719   | 122,623   | 112,938   |
| Contributions in relation to the contractually required contribution | 169,452    | 150,098   | 143,959   | 152,417   | 132,791   | 128,719   | 122,623   | 112,938   |
| Contribution deficiency (excess)                                     | -          | -         | -         | -         | -         | -         | -         | -         |
| District's covered-employee payroll                                  | 1,106,008  | 1,090,058 | 1,102,123 | 1,051,913 | 1,111,826 | 1,059,996 | 1,031,944 | 1,014,063 |
| Contributions as a percentage of covered-employee payroll            | 15.32%     | 13.77%    | 13.06%    | 14.49%    | 11.94%    | 12.14%    | 11.88%    | 11.14%    |

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

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

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

|   | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              | 2014              | 2013              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| District's proportion of the net pension liability (asset)  | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |
| District's proportionate of the net pension liability (asset)   | \$ -              | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| State's proportionate share of the net pension liability (asset) associated with the District                       | 32,546,262        | 30,778,947        | 30,218,370        | 31,717,228        | 36,048,332        | 29,883,799        | 25,654,159        | 24,764,165        |
| Total   | <u>32,546,262</u> | <u>30,778,947</u> | <u>30,218,370</u> | <u>31,717,228</u> | <u>36,048,332</u> | <u>29,883,799</u> | <u>25,654,159</u> | <u>24,764,165</u> |
| District's covered payroll  | 5,035,580         | 5,123,277         | 5,134,615         | 5,387,586         | 4,978,496         | 4,789,257         | 4,628,422         | 4,628,422         |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |
| Plan fiduciary net position as a percentage of the total pension liability  | 24.60%            | 26.95%            | 26.49%            | 25.41%            | 22.33%            | 28.71%            | 33.64%            | 33.64%            |

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

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

**CITY OF MARGATE SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Five Fiscal Years**

|  | 2020                    | 2019                 | 2018                 | 2017                    | 2016                 |
|--|-------------------------|----------------------|----------------------|-------------------------|----------------------|
| District's proportion of the net OPEB liability (asset)  | 0.00%                   | 0.00%                | 0.00%                | 0.00%                   | 0.00%                |
| District's proportionate of the net OPEB liability (asset)   | \$ -                    | -                    | -                    | -                       | -                    |
| State's proportionate share of the net OPEB liability (asset) associated with the District   | 33,723,153.00           | 21,425,968.00        | 24,655,721.00        | 27,726,073.00           | 30,025,335.00        |
| <b>Total</b>   | <b>\$ 33,723,153.00</b> | <b>21,425,968.00</b> | <b>24,655,721.00</b> | <b>\$ 27,726,073.00</b> | <b>30,025,335.00</b> |
| District's covered payroll   | 6,141,588.00            | 6,213,335.00         | 6,236,738.00         | 6,439,499.00            | 6,090,322.00         |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll                     | 0.00%                   | 0.00%                | 0.00%                | 0.00%                   | 0.00%                |
| Plan fiduciary net position as a percentage of the total OPEB liability  | 0.00%                   | 0.00%                | 0.00%                | 0.00%                   | 0.00%                |
| State's proportionate share of OPEB associated with the District:  |                         |                      |                      |                         |                      |
| Service Cost   | 716,399.00              | 749,438.00           | 844,987.00           | 1,016,166.00            |                      |
| Interest Cost  | 765,106.00              | 970,947.00           | 1,011,551.00         | 875,930.00              |                      |
| Expected v. Actual   | 5,224,916.00            | (4,631,384.00)       | (1,461,024.00)       | -                       |                      |
| Changes in Assumptopns   | 6,160,061.00            | 319,463.00           | (2,829,367.00)       | (3,572,810.00)          |                      |
| Member Contributions   | 17,795.00               | 19,496.00            | 22,786.00            | 23,647.00               |                      |
| Benefit Payments   | (587,092.00)            | (657,713.00)         | (659,285.00)         | (642,195.00)            |                      |
| Change in Total Opeb Liability   | 12,297,185.00           | (3,229,753.00)       | (3,070,352.00)       | (2,299,262.00)          |                      |
| State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance                       | 21,425,968.00           | 24,655,721.00        | 27,726,073.00        | 30,025,335.00           |                      |
| Ending Balance   | <b>\$ 33,723,153.00</b> | <b>21,425,968.00</b> | <b>24,655,721.00</b> | <b>27,726,073.00</b>    |                      |
| State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll | 549.10%                 | 344.84%              | 395.33%              | 430.56%                 |                      |

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

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

**SPECIAL REVENUE FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Special Revenue Fund**  
**Combining Schedule of Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | Title I<br>Part A | Teacher &<br>Principals<br>Training<br>Title II - Part A | Title IV         | I.D.E.A.<br>Part - B<br>Basic | I.D.E.A.<br>Part - B<br>Preschool | CARES Act<br>Emergency Relief<br>Grant | CARES Act<br>ESSER II Grant |
|--|-------------------|--|------------------|-------------------------------|-----------------------------------|--|-----------------------------|
| <b>REVENUES:</b>   |                   |  |                  |                               |                                   |  |                             |
| Federal Sources  | \$ 48,203.27      | 11,540.00  | 11,630.63        | 123,213.75                    | 13,861.01                         | 41,273.65                              | 101,504.62                  |
| Slate Sources  |                   |  |                  |                               |                                   |  |                             |
| Local Sources  |                   |  |                  |                               |                                   |  |                             |
| <b>Total revenues</b>  | <u>48,203.27</u>  | <u>11,540.00</u>   | <u>11,630.63</u> | <u>123,213.75</u>             | <u>13,861.01</u>                  | <u>41,273.65</u>                       | <u>101,504.62</u>           |
| <b>EXPENDITURES</b>  |                   |  |                  |                               |                                   |  |                             |
| Instruction:   |                   |  |                  |                               |                                   |  |                             |
| Salaries of teachers   | 35,164.74         |  | 9,500.00         |                               |                                   | 3,783.02                               |                             |
| Other salaries for instruction                                   |                   |  |                  |                               |                                   |  |                             |
| Purchased prof. and technical services                           |                   |  |                  | 97,692.00                     |                                   | 14,599.00                              | 57,636.00                   |
| Other purchased services   | 10,737.00         |  | 1,403.88         |                               | 12,411.01                         |  |                             |
| General supplies   |                   |  |                  |                               |                                   |  |                             |
| <b>Total instruction</b>   | <u>45,901.74</u>  | <u>-</u>   | <u>10,903.88</u> | <u>97,692.00</u>              | <u>12,411.01</u>                  | <u>18,382.02</u>                       | <u>57,636.00</u>            |
| Support services:  |                   |  |                  |                               |                                   |  |                             |
| Salaries of teachers   | 2,301.53          |  | 726.75           |                               | 1,450.00                          | 289.00                                 |                             |
| Personal services- employee benefits                             |                   |  |                  |                               |                                   |  |                             |
| Purchased professional & technical services                      |                   | 11,540.00  |                  | 25,521.75                     |                                   | 3,693.46                               | 43,868.62                   |
| Purchased professional - Educational services                    |                   |  |                  |                               |                                   | 18,909.17                              |                             |
| Purchased property services                                      |                   |  |                  |                               |                                   |  |                             |
| Supplies and materials   |                   |  |                  |                               |                                   |  |                             |
| Student Activities   |                   |  |                  |                               |                                   |  |                             |
| Scholarships Awarded   |                   |  |                  |                               |                                   |  |                             |
| <b>Total support services</b>                                    | <u>2,301.53</u>   | <u>11,540.00</u>   | <u>726.75</u>    | <u>25,521.75</u>              | <u>1,450.00</u>                   | <u>22,891.63</u>                       | <u>43,868.62</u>            |
| Facilities acquisition and const. serv.:                         |                   |  |                  |                               |                                   |  |                             |
| Instructional equipment  |                   |  |                  |                               |                                   |  |                             |
| <b>Total facilities acquisition and construction services</b>    | <u>-</u>          | <u>-</u>   | <u>-</u>         | <u>-</u>                      | <u>-</u>                          | <u>-</u>                               | <u>-</u>                    |
| Transfer to Charter Schools                                      |                   |  |                  |                               |                                   |  |                             |
| <b>Total expenditures</b>  | <u>48,203.27</u>  | <u>11,540.00</u>   | <u>11,630.63</u> | <u>123,213.75</u>             | <u>13,861.01</u>                  | <u>41,273.65</u>                       | <u>101,504.62</u>           |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <u>-</u>          | <u>-</u>   | <u>-</u>         | <u>-</u>                      | <u>-</u>                          | <u>-</u>                               | <u>-</u>                    |
| Fund Balance, July 1   |                   |  |                  |                               |                                   |  |                             |
| Prior Period Restatement   |                   |  |                  |                               |                                   |  |                             |
| <b>Fund Balance, July 1 (Restated)</b>                           | <u>-</u>          | <u>-</u>   | <u>-</u>         | <u>-</u>                      | <u>-</u>                          | <u>-</u>                               | <u>-</u>                    |
| <b>Fund Balance, June 30</b>                                     | <u>\$ -</u>       | <u>-</u>   | <u>-</u>         | <u>-</u>                      | <u>-</u>                          | <u>-</u>                               | <u>-</u>                    |

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Special Revenue Fund**  
**Combining Schedule of Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | Coronavirus Relief Fund | Total Federal Projects | Municipal Alliance | Agricultural Supply Grant | Student Activities | Scholarship Trust | Local Projects    | Total             |
|--|-------------------------|------------------------|--------------------|---------------------------|--------------------|-------------------|-------------------|-------------------|
| <b>REVENUES:</b>   |                         |                        |                    |                           |                    |                   |                   |                   |
| Federal Sources  | \$ 14,189.00            | 365,415.93             | -                  | -                         | -                  | -                 | -                 | 365,415.93        |
| Slate Sources  | -                       | -                      | -                  | -                         | -                  | -                 | -                 | -                 |
| Local Sources  | -                       | -                      | 4,104.14           | 781.65                    | 8,501.07           | 4.26              | 13,391.12         | 13,391.12         |
| <b>Total revenues</b>  | <u>14,189.00</u>        | <u>365,415.93</u>      | <u>4,104.14</u>    | <u>781.65</u>             | <u>8,501.07</u>    | <u>4.26</u>       | <u>13,391.12</u>  | <u>378,807.05</u> |
| <b>EXPENDITURES</b>  |                         |                        |                    |                           |                    |                   |                   |                   |
| Instruction:   |                         |                        |                    |                           |                    |                   |                   |                   |
| Salaries of teachers   | -                       | 48,447.76              | 2,836.32           | -                         | -                  | -                 | 2,836.32          | 51,284.08         |
| Other salaries for instruction                                   | -                       | -                      | -                  | -                         | -                  | -                 | -                 | -                 |
| Purchased prof. and technical services                           | -                       | 97,692.00              | -                  | -                         | -                  | -                 | -                 | 97,692.00         |
| Other purchased services   | -                       | 96,786.89              | 1,267.82           | 781.65                    | -                  | -                 | 2,049.47          | 98,836.36         |
| General supplies   | -                       | -                      | -                  | -                         | -                  | -                 | -                 | -                 |
| <b>Total instruction</b>   | <u>-</u>                | <u>242,926.65</u>      | <u>4,104.14</u>    | <u>781.65</u>             | <u>-</u>           | <u>-</u>          | <u>4,885.79</u>   | <u>247,812.44</u> |
| Support services:  |                         |                        |                    |                           |                    |                   |                   |                   |
| Salaries of teachers   | -                       | 3,317.28               | -                  | -                         | -                  | -                 | -                 | 3,317.28          |
| Personal services- employee benefits                             | -                       | 1,450.00               | -                  | -                         | -                  | -                 | -                 | 1,450.00          |
| Purchased professional & technical services                      | -                       | 37,061.75              | -                  | -                         | -                  | -                 | -                 | 37,061.75         |
| Purchased professional - Educational services                    | -                       | 3,693.46               | -                  | -                         | -                  | -                 | -                 | 3,693.46          |
| Purchased property services                                      | -                       | 76,966.79              | -                  | -                         | -                  | -                 | -                 | 76,966.79         |
| Supplies and materials   | 14,189.00               | -                      | -                  | -                         | 11,035.10          | 100.00            | 11,035.10         | 11,035.10         |
| Student Activities   | -                       | -                      | -                  | -                         | -                  | -                 | 100.00            | 100.00            |
| Scholarships Awarded   | -                       | -                      | -                  | -                         | -                  | -                 | -                 | -                 |
| <b>Total support services</b>                                    | <u>14,189.00</u>        | <u>122,489.28</u>      | <u>-</u>           | <u>-</u>                  | <u>11,035.10</u>   | <u>100.00</u>     | <u>11,135.10</u>  | <u>133,624.38</u> |
| Facilities acquisition and const. serv.:                         |                         |                        |                    |                           |                    |                   |                   |                   |
| Instructional equipment  | -                       | -                      | -                  | -                         | -                  | -                 | -                 | -                 |
| <b>Total facilities acquisition and construction services</b>    | <u>-</u>                | <u>-</u>               | <u>-</u>           | <u>-</u>                  | <u>-</u>           | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| Transfer to Charter Schools                                      | -                       | -                      | -                  | -                         | -                  | -                 | -                 | -                 |
| <b>Total expenditures</b>  | <u>14,189.00</u>        | <u>365,415.93</u>      | <u>4,104.14</u>    | <u>781.65</u>             | <u>11,035.10</u>   | <u>100.00</u>     | <u>16,020.89</u>  | <u>381,436.82</u> |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <u>-</u>                | <u>-</u>               | <u>-</u>           | <u>-</u>                  | <u>(2,534.03)</u>  | <u>(95.74)</u>    | <u>(2,629.77)</u> | <u>(2,629.77)</u> |
| Fund Balance, July 1   | -                       | -                      | -                  | -                         | 7,767.40           | 1,904.56          | 9,671.96          | 9,671.96          |
| Prior Period Restatement   | -                       | -                      | -                  | -                         | -                  | -                 | -                 | -                 |
| <b>Fund Balance, July 1 (Restated)</b>                           | <u>-</u>                | <u>-</u>               | <u>-</u>           | <u>-</u>                  | <u>7,767.40</u>    | <u>1,904.56</u>   | <u>9,671.96</u>   | <u>9,671.96</u>   |
| <b>Fund Balance, June 30</b>                                     | <u>-</u>                | <u>-</u>               | <u>-</u>           | <u>-</u>                  | <u>5,233.37</u>    | <u>1,808.82</u>   | <u>7,042.19</u>   | <u>7,042.19</u>   |

**CAPITAL PROJECTS FUND**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**City of Margate School District  
Capital Projects Fund  
Summary Statement of Project Expenditures  
For the Fiscal Year Ended June 30, 2021**

| Project Title/Issue                                       | Original Date | Appropriations  | Expenditures to Date |              | Unexpended Balance June 30, 2021 |
|---|---------------|-----------------|----------------------|--------------|----------------------------------|
|   |               |                 | Prior Years          | Current Year |                                  |
| Tighe Middle School Rooftop Units                         | 2017          | 587,467.39      | 576,305.16           | 11,162.23    | (0.00)                           |
| Tighe Middle Asbestos Flooring Remova                     | 2017          | 194,491.06      | 194,491.06           | -            | 0.00                             |
| Tighe Middle Asphalt repair at Monmouth Ave Playground/Lo | 2017          | 197,687.16      | 197,687.16           | -            | -                                |
| Tighe Middle Replacement of Windows                       | 2017          | 40,354.39       | -                    | -            | 40,354.39                        |
|   |               |                 |                      |              |                                  |
|   |               | \$ 1,020,000.00 | 968,483.38           | 11,162.23    | 40,354.39                        |

Note: On May 4, 2017, the City of Margate authorized the issuance of debt in the amount of \$1,200,000 for the above projects. As a Type 1 school district these funds are not revenue to the District.

**City of Margate School District  
 (A Component Unit of the City of Margate)  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budgetary Basis  
 For the Year Ended June 30, 2021**

|   |                          |
|---|--------------------------|
| Revenues and Other Financing Sources                      |                          |
| State Sources   |                          |
| SCC Grant   | \$ -                     |
| Bond proceeds and transfers                               | -                        |
|   | <hr/>                    |
| Total revenue   | -                        |
|   | <hr/>                    |
| Expenditures and Other Financing Uses                     |                          |
| Purchased professional and technical services             | -                        |
| Land and improvements                                     | -                        |
| Construction Services                                     | 11,162.23                |
| Equipment Purchases                                       | -                        |
|   | <hr/>                    |
| Total expenditures  | 11,162.23                |
|   | <hr/>                    |
| Excess (deficiency) of revenues over (under) expenditures | (11,162.23)              |
| Fund balance - beginning                                  | <hr/> 51,516.62          |
| Fund balance - ending                                     | \$ <hr/> <hr/> 40,354.39 |

**City of Margate School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance,  
and Project Status - Budgetary Basis  
Tighe Middle School Rooftop Units  
From Inception and for the Year Ended June 30, 2021**

|  | Prior<br>Periods | Current<br>Year | Totals     | Revised<br>Authorized<br>Cost |
|--|------------------|-----------------|------------|-------------------------------|
| Revenues and Other Financing Sources:                        |                  |                 |            |                               |
| State sources  |                  |                 |            |                               |
| Schools Construction Corp (SCC) Grant                        | \$ -             |                 | -          |                               |
| Bond proceeds and transfers                                  |                  |                 |            |                               |
| City of Margate  | 597,658.36       | (10,190.97)     | 587,467.39 | 587,467.39                    |
| Total revenue  | 597,658.36       | (10,190.97)     | 587,467.39 | 587,467.39                    |
| Expenditures and Other Financing Use:                        |                  |                 |            |                               |
| Purchased professional and technical services                | 8,730.00         |                 | 8,730.00   | 8,730.00                      |
| Land and improvements  | -                |                 | -          |                               |
| Construction services  | 567,575.16       | 11,162.23       | 578,737.39 | 578,737.39                    |
| Equipment purchases  | -                |                 | -          |                               |
| Total expenditures   | 576,305.16       | 11,162.23       | 587,467.39 | 587,467.39                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ 21,353.20     | (21,353.20)     | -          | -                             |

**Additional project information:**

|  |            |
|--|------------|
| Project number                         | N/A        |
| Grant date                             | N/A        |
| Bond authorization date                | 3/8/2017   |
| Bond authorized                        | 400,000.00 |
| Bonds issued                           | 400,000.00 |
| Original authorized cost               | 400,000.00 |
| Additional authorized cost             | -          |
| Revised authorized cost                | 400,000.00 |
| Percentage increase over original cost | -          |
| Percentage completion                  | 1.00       |
| Original target completion date        | 6/30/2018  |
| Revised target completion date         | N/A        |

**City of Margate School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance,  
and Project Status - Budgetary Basis  
Tighe Middle School Asbestos Flooring Removal  
From Inception and for the Year Ended June 30, 2021**

|  | Prior<br>Periods   | Current<br>Year   | Totals            | Revised<br>Authorized<br>Cost |
|--|--------------------|-------------------|-------------------|-------------------------------|
| <b>Revenues and Other Financing Sources</b>                  |                    |                   |                   |                               |
| State sources  |                    |                   |                   |                               |
| Schools Construction Corp (SCC) Grant                        | \$ -               |                   | -                 |                               |
| Bond proceeds and transfers                                  |                    |                   |                   |                               |
| City of Margate  | 196,671.48         | (2,180.42)        | 194,491.06        | 194,491.06                    |
| <b>Total revenue</b>   | <u>196,671.48</u>  | <u>(2,180.42)</u> | <u>194,491.06</u> | <u>194,491.06</u>             |
| <b>Expenditures and Other Financing Uses</b>                 |                    |                   |                   |                               |
| Purchased professional and technical services                | 11,280.00          |                   | 11,280.00         | 11,280.00                     |
| Land and improvements  | -                  |                   | -                 |                               |
| Construction services  | 183,211.06         |                   | 183,211.06        | 183,211.06                    |
| Equipment purchases  | -                  |                   | -                 |                               |
| <b>Total expenditures</b>                                    | <u>194,491.06</u>  | <u>-</u>          | <u>194,491.06</u> | <u>194,491.06</u>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ <u>2,180.42</u> | <u>(2,180.42)</u> | <u>-</u>          | <u>-</u>                      |

**Additional project information:**

|  |            |
|--|------------|
| Project number                         | N/A        |
| Grant date                             | N/A        |
| Bond authorization date                | 3/8/2017   |
| Bond authorized                        | 332,244.08 |
| Bonds issued                           | 332,244.08 |
| Original authorized cost               | 332,244.08 |
| Additional authorized cost             | -          |
| Revised authorized cost                | 332,244.08 |
| Percentage increase over original cost | -          |
| Percentage completion                  | 1.00       |
| Original target completion date        | 6/30/2018  |
| Revised target completion date         | N/A        |



**City of Margate School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance,  
and Project Status - Budgetary Basis  
Tighe Middle School Asphalt Repair and Sidewalk Repair at Monmouth Ave  
From Inception and for the Year Ended June 30, 2021**

|  | Prior<br>Periods | Current<br>Year | Totals     | Revised<br>Authorized<br>Cost |
|--|------------------|-----------------|------------|-------------------------------|
| Revenues and Other Financing Sources:                        |                  |                 |            |                               |
| State sources  |                  |                 |            |                               |
| Schools Construction Corp (SCC) Grant                        | \$ -             |                 | -          |                               |
| Bond proceeds and transfers                                  |                  |                 |            |                               |
| City of Margate  | 197,687.16       |                 | 197,687.16 | 197,687.16                    |
| Total revenue  | 197,687.16       | -               | 197,687.16 | 197,687.16                    |
| Expenditures and Other Financing Use:                        |                  |                 |            |                               |
| Purchased professional and technical services                | 13,556.72        |                 | 13,556.72  | 13,620.92                     |
| Land and improvements  | -                |                 | -          |                               |
| Construction services  | 184,130.44       |                 | 184,130.44 | 184,066.24                    |
| Equipment purchases  | -                |                 | -          |                               |
| Total expenditures   | 197,687.16       | -               | 197,687.16 | 197,687.16                    |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ -             | -               | -          | -                             |

**Additional project information:**

|  |            |
|--|------------|
| Project number                         | N/A        |
| Grant date                             | N/A        |
| Bond authorization date                | 3/8/2017   |
| Bond authorized                        | 130,000.00 |
| Bonds issued                           | 130,000.00 |
| Original authorized cost               | 130,000.00 |
| Additional authorized cost             | -          |
| Revised authorized cost                | 130,000.00 |
| Percentage increase over original cost | -          |
| Percentage completion                  | 1.00       |
| Original target completion date        | 6/30/2018  |
| Revised target completion date         | N/A        |

**City of Margate School District  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Project Balance,  
and Project Status - Budgetary Basis  
Tighe Middle School Replacement of Windows  
From Inception and for the Year Ended June 30, 2021**

|  | Prior<br>Periods    | Current<br>Year  | Totals           | Revised<br>Authorized<br>Cost |
|--|---------------------|------------------|------------------|-------------------------------|
| <b>Revenues and Other Financing Source:</b>                  |                     |                  |                  |                               |
| State sources  |                     |                  |                  |                               |
| Schools Construction Corp (SCC) Grant                        | \$ -                |                  | -                |                               |
| Bond proceeds and transfer:                                  |                     |                  |                  |                               |
| City of Margate  | 27,983.00           | 12,371.39        | 40,354.39        | 40,354.39                     |
| <b>Total revenue</b>   | <u>27,983.00</u>    | <u>12,371.39</u> | <u>40,354.39</u> | <u>40,354.39</u>              |
| <b>Expenditures and Other Financing Use:</b>                 |                     |                  |                  |                               |
| Purchased professional and technical service                 | -                   |                  | -                | 10,000.00                     |
| Land and improvements  | -                   |                  | -                |                               |
| Construction services  | -                   |                  | -                | 30,354.39                     |
| Equipment purchases  | -                   |                  | -                |                               |
| <b>Total expenditures</b>                                    | <u>-</u>            | <u>-</u>         | <u>-</u>         | <u>40,354.39</u>              |
| Excess (deficiency) of revenue:<br>over (under) expenditure: | <u>\$ 27,983.00</u> | <u>12,371.39</u> | <u>40,354.39</u> | <u>-</u>                      |

**Additional project information**

|  |           |
|--|-----------|
| Project number                         | N/A       |
| Grant date                             | N/A       |
| Bond authorization date                | 3/8/2017  |
| Bond authorized                        | 90,000.00 |
| Bonds issued                           | 90,000.00 |
| Original authorized cost               | 90,000.00 |
| Additional authorized cost             | -         |
| Revised authorized cost                | 90,000.00 |
| Percentage increase over original cost | -         |
| Percentage completion                  | -         |
| Original target completion date        | 6/30/2018 |
| Revised target completion date         | N/A       |

**PROPRIETARY FUNDS**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Enterprise Funds**  
**Combining Schedule of Net Position**  
**June 30, 2021**

G-1

|  | Food<br>Service     | Community<br>Service<br>Programs | 2021             |
|--|---------------------|----------------------------------|------------------|
| <b>ASSETS:</b>                                     |                     |                                  |                  |
| Current assets:                                    |                     |                                  |                  |
| Cash and cash equivalents                          | \$ 1,543.91         | 53,732.37                        | 55,276.28        |
| Interfund Accounts Receivable                      |                     |                                  | -                |
| Accounts Receivable                                |                     |                                  |                  |
| State  | 230.78              |                                  | 230.78           |
| Federal  | 3,258.00            |                                  | 3,258.00         |
| Other  |                     |                                  | -                |
| Inventories  | 1,148.06            |                                  | 1,148.06         |
| <b>Total Current Assets</b>                        | <u>6,180.75</u>     | <u>53,732.37</u>                 | <u>59,913.12</u> |
| Fixed Assets:                                      |                     |                                  |                  |
| Equipment  | 32,265.00           | 65,334.00                        | 97,599.00        |
| Accumulated depreciator                            | (25,312.20)         | (63,861.09)                      | (89,173.29)      |
| <b>Total Fixed Assets</b>                          | <u>6,952.80</u>     | <u>1,472.91</u>                  | <u>8,425.71</u>  |
| <b>Total assets</b>                                | <u>13,133.55</u>    | <u>55,205.28</u>                 | <u>68,338.83</u> |
| <b>LIABILITIES AND NET POSITION</b>                |                     |                                  |                  |
| Current liabilities                                |                     |                                  |                  |
| Accounts payable                                   | -                   | -                                | -                |
| Interfund payable                                  | -                   | -                                | -                |
| Deferred revenue                                   | -                   | 5,100.00                         | 5,100.00         |
| <b>Total current liabilities:</b>                  | <u>-</u>            | <u>5,100.00</u>                  | <u>5,100.00</u>  |
| Non-current liabilities                            |                     |                                  |                  |
| Compensated absences                               | 4,400.00            |                                  | 4,400.00         |
| <b>Total non-current liabilities:</b>              | <u>4,400.00</u>     | <u>-</u>                         | <u>4,400.00</u>  |
| <b>Total liabilities:</b>                          | <u>4,400.00</u>     | <u>5,100.00</u>                  | <u>9,500.00</u>  |
| Net Position                                       |                     |                                  |                  |
| Invested in capital assets, net<br>of related debt | 6,952.80            | 1,472.91                         | 8,425.71         |
| Unrestricted net position                          | 1,780.75            | 48,632.37                        | 50,413.12        |
| <b>Total net position</b>                          | <u>8,733.55</u>     | <u>50,105.28</u>                 | <u>58,838.83</u> |
| <b>Total liabilities and net position</b>          | <u>\$ 13,133.55</u> | <u>55,205.28</u>                 | <u>68,338.83</u> |

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Enterprise Funds**  
**Combining Schedule of Revenues, Expense**  
**and Changes in Fund Net Position**  
**For the Fiscal Year ended June 30, 2021**

G-2

|   | Community<br>Service Programs |                  |                    |                    | 2021               |
|---|-------------------------------|------------------|--------------------|--------------------|--------------------|
|   | Food<br>Service               | School<br>Plays  | Performing<br>Arts | Latchkey           |                    |
| <b>OPERATING REVENUES:</b>                          |                               |                  |                    |                    |                    |
| Local Sources:                                      |                               |                  |                    |                    |                    |
| Daily Sales - Reimbursable Programs                 | \$                            |                  |                    |                    | -                  |
| Daily Sales - Non-Reimbursable Programs             | 3,108.00                      |                  |                    |                    | 3,108.00           |
| Latchkey  |                               |                  |                    | 66,167.69          | 66,167.69          |
| School Store  |                               |                  |                    |                    | -                  |
| Community Recreation                                |                               | 3,381.00         |                    |                    | 3,381.00           |
| <b>Total Operating Revenues</b>                     | <b>3,108.00</b>               | <b>3,381.00</b>  | <b>-</b>           | <b>66,167.69</b>   | <b>72,656.69</b>   |
| <b>OPERATING EXPENSES:</b>                          |                               |                  |                    |                    |                    |
| Salaries  | 31,457.06                     |                  | 1,680.00           | 70,196.30          | 103,333.36         |
| Employee benefits                                   |                               |                  | 18.08              | 5,467.03           | 5,485.11           |
| Supplies and materials                              | 4,293.74                      | 1,084.30         | 1,827.83           | 2,051.35           | 9,257.22           |
| Cost of sales - Reimbursable                        | 26,554.20                     |                  |                    |                    | 26,554.20          |
| Cost of sales - Non Reimbursable                    | 2,096.40                      |                  |                    |                    | 2,096.40           |
| Vehicle expense                                     |                               |                  |                    |                    | -                  |
| Other Objects                                       | 406.50                        |                  |                    |                    | 406.50             |
| Depreciation  | 3,476.40                      |                  | 857.90             |                    | 4,334.30           |
| <b>Total operating expenses</b>                     | <b>68,284.30</b>              | <b>1,084.30</b>  | <b>4,383.81</b>    | <b>77,714.68</b>   | <b>151,467.09</b>  |
| <b>Operating income (loss)</b>                      | <b>(65,176.30)</b>            | <b>2,296.70</b>  | <b>(4,383.81)</b>  | <b>(11,546.99)</b> | <b>(78,810.40)</b> |
| <b>Nonoperating revenues:</b>                       |                               |                  |                    |                    |                    |
| State sources                                       |                               |                  |                    |                    |                    |
| State school lunch program                          | 1,700.87                      |                  |                    |                    | 1,700.87           |
| Federal sources                                     |                               |                  |                    |                    |                    |
| Nutrition reimbursements                            | 37,666.80                     |                  |                    |                    | 37,666.80          |
| USDA commodities                                    |                               |                  |                    |                    | -                  |
| Interest Revenues                                   | 113.19                        |                  |                    |                    | 113.19             |
| <b>Total nonoperating revenues</b>                  | <b>39,480.86</b>              | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>39,480.86</b>   |
| <b>Net income (loss) before operating transfers</b> | <b>(25,695.44)</b>            | <b>2,296.70</b>  | <b>(4,383.81)</b>  | <b>(11,546.99)</b> | <b>(39,329.54)</b> |
| <b>Other Financing Sources/(Uses)</b>               |                               |                  |                    |                    |                    |
| Cancellation of Interfund                           | (783.22)                      | 783.22           |                    |                    | -                  |
| Contribution of Fixed Asset                         |                               |                  |                    |                    | -                  |
| Transfer from General Fund                          | 23,591.13                     |                  |                    |                    | 23,591.13          |
| <b>Net Income (Loss)</b>                            | <b>(2,887.53)</b>             | <b>3,079.92</b>  | <b>(4,383.81)</b>  | <b>(11,546.99)</b> | <b>(15,738.41)</b> |
| <b>Unrestricted net position, July 1</b>            | <b>11,621.08</b>              | <b>38,888.02</b> | <b>1,768.12</b>    | <b>22,300.02</b>   | <b>74,577.24</b>   |
| <b>Unrestricted net position/(deficit) June 30</b>  | <b>\$ 8,733.55</b>            | <b>41,967.94</b> | <b>(2,615.69)</b>  | <b>10,753.03</b>   | <b>58,838.83</b>   |

**City of Margate School District**  
**(A Component Unit of the City of Margate)**  
**Combining Schedule of Cash Flows**  
**Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2021**

|  | <u>Food<br/>Service</u> | <u>Community<br/>Service<br/>Programs</u> | <u>Total<br/>Enterprise</u> |
|--|-------------------------|---|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                         |   |                             |
| Receipts from customers  | \$ 2,324.78             | 77,440.91                                 | 79,765.69                   |
| Payments to employees  | (30,157.06)             | (77,361.41)                               | (107,518.47)                |
| Payments to suppliers  | (33,443.00)             | (4,963.48)                                | (38,406.48)                 |
| Net cash provided by/(used for) operating activities   | <u>(61,275.28)</u>      | <u>(4,883.98)</u>                         | <u>(66,159.26)</u>          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |                         |   |                             |
| State Sources  | 1,497.59                |   | 1,497.59                    |
| Federal Sources  | 36,158.80               |   | 36,158.80                   |
| Operating subsidies and transfers from other fund:   | 23,591.13               | (752.50)                                  | 22,838.63                   |
| Net cash provided by non-capital financing activities  | <u>61,247.52</u>        | <u>(752.50)</u>                           | <u>60,495.02</u>            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                      |                         |   |                             |
| Purchase of capital assets   | -                       | -   | -                           |
| Net cash (used) by capital & related financing activities  | <u>-</u>                | <u>-</u>                                  | <u>-</u>                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                         |   |                             |
| Interest and dividends   | 113.19                  | -   | 113.19                      |
| Net cash provided by investing activities:   | <u>113.19</u>           | <u>-</u>                                  | <u>113.19</u>               |
| Net increase in cash and cash equivalent:  | 85.43                   | (5,636.48)                                | (5,551.05)                  |
| Balances—beginning of year   | 1,458.48                | 59,368.85                                 | 60,827.33                   |
| Balances—end of year   | <u>1,543.91</u>         | <u>53,732.37</u>                          | <u>55,276.28</u>            |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b> |                         |   |                             |
| Operating income/(loss)  | (65,176.30)             | (13,634.10)                               | (78,810.40)                 |
| Adjustments to reconcile operating (loss) to net cash provided by/(used for) operating activities:   |                         |   |                             |
| Depreciation expense   | 3,476.40                | 857.90                                    | 4,334.30                    |
| Federal commodities  | -                       | -   | -                           |
| Decrease in accounts receivable  | -                       | 2,009.00                                  | 2,009.00                    |
| Decrease in inventories  | (92.16)                 |   | (92.16)                     |
| Increase in deferred revenue   |                         | 5,100.00                                  | 5,100.00                    |
| (Decrease) in deposits payable   |                         | -   | -                           |
| Increase in accounts payable   | (783.22)                | 783.22                                    | -                           |
| Increase in compensated absences payable   | 1,300.00                | -   | 1,300.00                    |
| Total adjustments  | <u>3,901.02</u>         | <u>8,750.12</u>                           | <u>12,651.14</u>            |
| Net cash provided by/(used for) operating activities   | <u>\$ (61,275.28)</u>   | <u>(4,883.98)</u>                         | <u>(66,159.26)</u>          |

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



**LONG-TERM DEBT**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Long-Term Debt**  
**Statement of Obligations Under Capital Leases**  
**June 30, 2021**

| Series                   | Date of Inception | Interest Rate Payable | Amount of Original Issue | Amount Outstanding 6/30/2020 | Issued Current Year | Retired Current Year | Amount Outstanding 6/30/2021 |
|--------------------------|-------------------|-----------------------|--------------------------|------------------------------|---------------------|----------------------|------------------------------|
| 2020 IC 54 Passenger Bus | 8/27/2019         | 4.39%                 | 99,469                   | \$ 77,934.16                 |                     | 18,246.46            | 59,687.70                    |
|                          |                   |                       |                          | \$ 77,934.16                 | -                   | 18,246.46            | 59,687.70                    |

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Statistical Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*Unaudited*

|  | 2012                    | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
|--|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental activities</b>                     |                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets                         | \$ 19,738,614.00        | 16,325,554.00        | 15,788,030.00        | 15,575,378.00        | 16,690,075.74        | 15,832,024.45        | 15,161,519.00        | 14,934,715.79        | 14,426,078.06        | 13,821,318.40        |
| Restricted   | 2,022,375.00            | 1,654,071.00         | 1,536,306.00         | 1,574,907.00         | 1,558,415.77         | 3,578,371.17         | 3,129,489.11         | 2,496,801.20         | 3,350,085.68         | 3,870,571.39         |
| Unrestricted                                       | (303,746.00)            | (325,149.00)         | (3,040,979.00)       | (3,018,642.00)       | (3,195,729.76)       | (4,552,599.06)       | (4,799,907.60)       | (4,067,407.65)       | (3,892,419.90)       | (3,678,711.46)       |
| <b>Total governmental activities net position</b>  | <b>21,457,243.00</b>    | <b>17,654,476.00</b> | <b>14,283,357.00</b> | <b>14,131,643.00</b> | <b>15,052,761.75</b> | <b>14,857,796.56</b> | <b>13,491,100.51</b> | <b>13,344,109.34</b> | <b>13,883,743.84</b> | <b>14,013,178.34</b> |
| <b>Business-type activities</b>                    |                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets                         | \$ -                    | -                    | 11,392.00            | 11,392.00            | 42,811.85            | 30,250.05            | 17,688.25            | 19,236.72            | 12,760.01            | 8,425.71             |
| Unrestricted                                       | 28,147.00               | 72,700.00            | 74,247.00            | 74,247.00            | 64,186.59            | 57,192.26            | 58,004.84            | 77,733.25            | 61,817.23            | 50,413.12            |
| <b>Total business-type activities net position</b> | <b>28,147.00</b>        | <b>72,700.00</b>     | <b>85,639.00</b>     | <b>85,639.00</b>     | <b>106,998.44</b>    | <b>87,442.31</b>     | <b>75,693.09</b>     | <b>96,969.97</b>     | <b>74,577.24</b>     | <b>58,838.83</b>     |
| <b>District-wide</b>                               |                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets                         | \$ 19,738,614.00        | 16,325,554.00        | 15,799,422.00        | 15,586,770.00        | 16,732,887.59        | 15,862,274.50        | 15,179,207.25        | 14,953,952.51        | 14,438,838.07        | 13,829,744.11        |
| Restricted   | 2,022,375.00            | 1,654,071.00         | 1,536,306.00         | 1,574,907.00         | 1,558,415.77         | 3,578,371.17         | 3,129,489.11         | 2,496,801.20         | 3,350,085.68         | 3,870,571.39         |
| Unrestricted                                       | (275,599.00)            | (252,449.00)         | (2,966,732.00)       | (2,944,395.00)       | (3,131,543.17)       | (4,495,406.80)       | (4,741,902.76)       | (4,009,674.40)       | (3,830,602.67)       | (3,628,298.34)       |
| <b>Total district net position</b>                 | <b>\$ 21,485,390.00</b> | <b>17,727,176.00</b> | <b>14,368,996.00</b> | <b>14,217,282.00</b> | <b>15,159,760.19</b> | <b>14,945,238.87</b> | <b>13,566,793.60</b> | <b>13,441,079.31</b> | <b>13,958,321.08</b> | <b>14,072,017.17</b> |

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

Source: CAFR Schedule A-1

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

|   | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Expenses</b>                                 |               |               |               |               |               |               |               |               |               |               |
| Governmental activities                         |               |               |               |               |               |               |               |               |               |               |
| Instruction                                     |               |               |               |               |               |               |               |               |               |               |
| Regular   | 4,239,640.00  | 4,849,421.00  | 4,799,609.00  | 5,287,128.11  | 5,771,312.82  | 6,838,306.49  | 6,899,834.76  | 6,022,005.10  | 5,531,522.29  | 6,389,818.98  |
| Special education                               | 863,584.00    | 928,788.00    | 861,803.00    | 1,045,563.92  | 1,382,030.41  | 1,923,827.90  | 2,142,835.19  | 1,938,192.55  | 1,914,746.54  | 2,110,751.47  |
| Other special education                         | 263,833.00    | 165,974.00    | 170,246.00    | 331,248.03    | 512,939.21    | 715,807.53    | 778,004.36    | 720,720.92    | 640,878.30    | 207,764.25    |
| Other instruction                               | 85,122.00     | 83,884.00     | 90,441.00     | 90,715.91     | 94,965.54     | 87,690.36     | 210,973.77    | 218,732.75    | 181,000.72    | 187,920.01    |
| Nonpublic school programs                       |               |               |               |               |               |               |               |               |               |               |
| Support Services:                               |               |               |               |               |               |               |               |               |               |               |
| Tuition   | 3,090,584.00  | 3,355,148.00  | 3,165,870.00  | 3,266,628.62  | 1,942,699.98  | 1,664,950.62  | 1,455,783.91  | 1,388,149.66  | 941,161.00    | 1,206,274.20  |
| Student & instruction related services          | 1,725,851.00  | 1,867,446.00  | 1,688,039.00  | 1,952,984.59  | 3,243,251.92  | 2,709,939.12  | 2,669,414.17  | 2,388,929.44  | 2,405,538.34  | 2,766,394.68  |
| General administrative services                 | 206,861.00    | 232,750.00    | 232,389.00    | 230,833.58    | 266,780.42    | 251,410.44    | 264,087.56    | 263,235.32    | 260,525.62    | 280,546.62    |
| School administrative services                  | 762,134.00    | 728,892.50    | 775,791.00    | 753,755.53    | 637,939.18    | 704,431.94    | 747,665.78    | 630,998.92    | 631,047.42    | 696,049.35    |
| Administrative information technology           | 20,662.00     | 21,973.50     | 22,213.00     | 25,344.04     | 18,366.00     | 19,100.00     | 19,864.00     | 20,658.00     | 21,484.00     | 22,344.00     |
| Plant operations and maintenance                | 1,718,676.00  | 1,519,420.50  | 1,596,355.00  | 1,683,556.56  | 1,543,791.64  | 1,740,391.84  | 1,964,287.98  | 1,827,852.27  | 1,533,578.31  | 1,933,517.14  |
| Pupil transportation                            | 553,188.00    | 567,160.50    | 503,149.00    | 527,558.12    | 416,894.92    | 410,980.71    | 556,452.03    | 484,351.30    | 351,818.94    | 316,316.39    |
| Capital outlay                                  | 13,550,135.00 | 14,310,858.00 | 13,939,145.00 | 15,246,274.00 | 63,240.00     | 121,916.72    | 90,193.65     | 26,287.96     | 89,002.12     | 379,197.42    |
| Total governmental activities expenses          | 116,099.00    | 106,443.00    | 131,629.00    | 131,629.00    | 96,310.11     | 93,658.55     | 84,400.07     | 82,962.14     | 65,860.83     | 68,284.30     |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |               |
| Food Service                                    | 52,470.00     | 69,436.00     | 76,603.00     | 76,603.00     | 118,496.23    | 115,381.09    | 118,035.41    | 89,945.62     | 82,753.52     | 83,162.79     |
| Community Service Programs                      | 168,569.00    | 175,879.00    | 208,232.00    | 208,232.00    | 214,806.34    | 209,039.64    | 202,435.48    | 172,907.76    | 148,614.35    | 151,467.09    |
| Total business-type activities expense          | 13,718,704.00 | 14,486,737.00 | 14,147,377.00 | 15,454,506.00 | 16,109,018.39 | 17,397,793.31 | 18,001,852.64 | 16,073,021.95 | 14,650,917.35 | 16,648,361.60 |
| <b>Program Revenues</b>                         |               |               |               |               |               |               |               |               |               |               |
| Governmental activities:                        |               |               |               |               |               |               |               |               |               |               |
| Charges for service                             | 713,642.00    | 790,963.00    | 817,996.00    | 817,996.00    | 841,256.00    | 555,536.76    | 613,500.00    | 789,397.00    | 933,613.00    | 845,138.00    |
| Operating grants and contributions              | 1,143,405.00  | 1,451,961.00  | 1,139,627.00  | 1,139,627.00  | 3,539,580.13  | 3,723,892.52  | 2,966,914.02  | 1,844,575.93  | 955,598.45    | 2,203,608.46  |
| Total governmental activities program revenues  | 1,857,047.00  | 2,242,924.00  | 1,957,623.00  | 1,957,623.00  | 4,380,836.13  | 4,279,429.28  | 3,580,414.02  | 2,633,972.93  | 1,889,211.45  | 3,048,746.46  |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |               |
| Charges for services                            |               |               |               |               |               |               |               |               |               |               |
| Food Service                                    | 35,382.00     | 42,088.00     | 44,596.00     | 44,596.00     | 32,116.17     | 35,143.47     | 32,783.45     | 31,982.00     | 18,906.20     | 3,108.00      |
| Community Service Programs                      | 61,445.00     | 105,694.00    | 101,562.00    | 101,562.00    | 106,152.72    | 110,996.36    | 101,479.04    | 94,551.70     | 65,363.00     | 69,548.69     |
| Operating grants and contributions              | 24,796.00     | 18,741.00     | 17,845.00     | 17,845.00     | 17,331.11     | 15,310.04     | 14,826.14     | 10,152.65     | 9,818.64      | 39,367.67     |
| Total business type activities program revenues | 121,623.00    | 166,523.00    | 164,003.00    | 164,003.00    | 155,600.00    | 161,449.87    | 149,088.63    | 136,686.35    | 94,087.84     | 112,024.36    |
| Total district program revenues                 | 1,978,670.00  | 2,409,447.00  | 2,121,626.00  | 2,121,626.00  | 4,536,436.13  | 4,440,879.15  | 3,729,502.65  | 2,770,659.28  | 1,983,299.29  | 3,160,770.82  |



**CITY OF MARGATE SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

|   | 2012                   | 2013                   | 2014                   | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   | 2020                   | 2021                   |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Net (Expense)/Revenue</b>                              |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | (11,693,088.00)        | (12,067,934.00)        | (11,981,522.00)        | (13,288,651.00)        | (11,513,375.92)        | (12,909,324.39)        | (14,218,983.14)        | (13,266,141.26)        | (12,613,092.15)        | (13,448,148.05)        |
| Business-type activities                                  | (46,946.00)            | (9,356.00)             | (44,229.00)            | (44,229.00)            | (59,206.34)            | (47,589.77)            | (533,446.85)           | (36,221.41)            | (54,526.51)            | (39,442.73)            |
| Total district-wide net expense                           | <u>(11,740,034.00)</u> | <u>(12,077,290.00)</u> | <u>(12,025,751.00)</u> | <u>(13,332,880.00)</u> | <u>(11,572,582.26)</u> | <u>(12,956,914.16)</u> | <u>(14,752,429.99)</u> | <u>(13,302,362.67)</u> | <u>(12,667,618.66)</u> | <u>(13,487,590.78)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities:                                  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property taxes levied for general purposes, net           | 10,536,409.00          | 10,536,409.00          | 10,511,408.00          | 10,511,408.00          | 10,511,408.00          | 10,511,408.00          | 10,511,408.00          | 10,511,408.00          | 10,498,077.00          | 10,498,077.00          |
| Unrestricted grants and contributions                     | 616,682.00             | 585,090.00             | 642,013.00             | 666,748.00             | 1,861,335.30           | 2,063,914.50           | 2,192,761.47           | 2,463,139.54           | 2,511,756.21           | 2,819,472.65           |
| Transportation Fees                                       |                        | 20,373.00              |                        |                        |                        |                        |                        |                        |                        |                        |
| Investment earnings                                       | 13,833.00              | 4,021.00               | 3,512.00               | -                      | 2,467.00               | 2,948.33               | -                      | -                      | 8,811.52               | 8,657.10               |
| Miscellaneous income                                      | 101,473.00             | 113,445.00             | 85,923.00              | 365,767.00             | 163,722.80             | 174,080.79             | 189,666.12             | 164,602.55             | 166,081.92             | 146,279.80             |
| Funds received from the City of Margate                   |                        |                        | 683.00                 |                        |                        |                        |                        |                        |                        |                        |
| Schools Construction Corporation                          |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Slate of New Jersey, Board of Public Utilities            |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Debt service assessment                                   | (43,645.00)            | (59,899.00)            |                        |                        |                        |                        |                        |                        |                        |                        |
| Special items   | 52.00                  | (2,880,604.00)         | 175,726.00             | 32,965.00              | (53,686.00)            | -                      | (41,548.50)            | (40,000.00)            | (32,000.00)            | (23,591.13)            |
| Transfers   | (55,589.00)            | (53,870.00)            | (57,131.00)            | (76,140.00)            | (50,752.43)            | (27,992.42)            | (41,548.50)            | (40,000.00)            | (32,000.00)            | (23,591.13)            |
| Total governmental activities                             | <u>11,169,215.00</u>   | <u>8,265,167.00</u>    | <u>11,362,134.00</u>   | <u>11,500,748.00</u>   | <u>12,434,494.67</u>   | <u>12,714,359.20</u>   | <u>12,852,287.09</u>   | <u>13,119,150.09</u>   | <u>13,152,726.65</u>   | <u>13,448,895.42</u>   |
| Business-type activities:                                 |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Investment earnings                                       | 131.00                 | 39.00                  | 37.00                  | 37.00                  | 31.58                  | 41.22                  | 49.13                  | 116.29                 | 133.78                 | 113.19                 |
| Other adjustments   |                        |                        |                        |                        | (29,989.24)            |                        |                        |                        |                        |                        |
| Transfers   | 55,589.00              | 53,870.00              | 57,131.00              | 76,140.00              | 104,438.43             | 27,992.42              | 41,548.50              | 40,000.00              | 32,000.00              | 23,591.13              |
| Total business-type activities                            | <u>55,720.00</u>       | <u>53,909.00</u>       | <u>57,168.00</u>       | <u>76,177.00</u>       | <u>74,480.77</u>       | <u>28,033.64</u>       | <u>41,597.63</u>       | <u>40,116.29</u>       | <u>32,133.78</u>       | <u>23,704.32</u>       |
| Total district-wide                                       | <u>11,224,935.00</u>   | <u>8,319,076.00</u>    | <u>11,419,302.00</u>   | <u>11,576,925.00</u>   | <u>12,508,975.44</u>   | <u>12,742,392.84</u>   | <u>12,893,884.72</u>   | <u>13,159,266.38</u>   | <u>13,184,860.43</u>   | <u>13,472,599.74</u>   |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | (523,873.00)           | (3,802,767.00)         | (619,388.00)           | (1,787,903.00)         | 921,118.75             | (194,965.19)           | (1,366,696.05)         | (146,991.17)           | 539,634.50             | 747.37                 |
| Business-type activities                                  | 8,774.00               | 44,553.00              | 12,939.00              | 31,948.00              | 15,274.43              | (19,556.13)            | (11,749.22)            | 3,894.89               | (22,392.73)            | (15,738.41)            |
| Total district  | <u>(515,099.00)</u>    | <u>(3,758,214.00)</u>  | <u>(606,449.00)</u>    | <u>(1,755,955.00)</u>  | <u>936,393.18</u>      | <u>(214,521.32)</u>    | <u>(1,378,445.27)</u>  | <u>(143,096.29)</u>    | <u>517,241.77</u>      | <u>(14,991.00)</u>     |

Source: CAFR Schedule A-2

**CITY OF MARGATE SCHOOL DISTRICT**  
 (A Component Unit of the City of Margate)  
 Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years  
 Unaudited

|                                    | 2012            | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|------------------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Fund                       |                 |              |              |              |              |              |              |              |              |              |
| Restricted                         | \$ 1,792,708.00 | 1,391,486.00 | 1,333,520.00 | 1,246,052.00 | 1,219,199.07 | 1,314,120.43 | 1,329,019.37 | 1,939,585.81 | 3,299,530.52 | 3,541,501.06 |
| Assigned                           | 229,667.00      | 262,585.00   | 202,786.00   | 328,855.00   | 339,216.70   | 234,652.18   | 245,794.14   | 123,968.09   | 125,353.80   | 281,673.75   |
| Unassigned                         | 231,249.00      | 221,382.00   | 221,490.00   | 291,408.00   | 301,957.00   | 268,316.00   | 216,908.00   | 242,821.00   | 254,484.00   | 521,496.25   |
| Reserved                           |                 |              |              |              |              |              |              |              |              |              |
| Unreserved                         |                 |              |              |              |              |              |              |              |              |              |
| Total general fund                 | 2,253,624.00    | 1,875,453.00 | 1,757,796.00 | 1,866,315.00 | 1,860,372.77 | 1,817,090.61 | 1,791,721.51 | 2,306,374.90 | 3,679,378.32 | 4,344,671.06 |
| All Other Governmental Funds       |                 |              |              |              |              |              |              |              |              |              |
| Restricted                         |                 |              |              |              |              |              |              |              |              |              |
| Assigned                           |                 |              |              |              |              | 1,006,443.28 | 777,337.80   | 211,788.65   | 51,516.62    | 47,396.58    |
| Unreserved, reported in:           |                 |              |              |              |              |              |              |              |              |              |
| Special revenue fund               |                 |              |              |              |              |              |              |              |              |              |
| Total all other governmental funds | -               | -            | -            | -            | -            | 1,006,443.28 | 777,337.80   | 211,788.65   | 51,516.62    | 47,396.58    |

Source: CAFR Schedule B-1

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

|   | 2012          | 2013            | 2014           | 2015          | 2016          | 2017          | 2018            | 2019           | 2020            | 2021          |
|---|---------------|-----------------|----------------|---------------|---------------|---------------|-----------------|----------------|-----------------|---------------|
| <b>Revenues</b>   |               |                 |                |               |               |               |                 |                |                 |               |
| Tax levy  | 10,536,409.00 | 10,536,409.00   | 10,511,408.00  | 10,511,408.00 | 10,511,408.00 | 10,511,408.00 | 10,511,408.00   | 10,511,408.00  | 10,498,077.00   | 10,498,077.00 |
| Tuition charges   | 713,642.00    | 790,963.00      | 817,996.00     | 894,536.00    | 841,256.00    | 555,536.76    | 613,500.00      | 789,397.00     | 933,613.00      | 845,138.00    |
| Transportation Fees                                       |               | 20,575.00       |                |               |               |               |                 |                |                 |               |
| Interest earnings   | 13,833.00     | 4,021.00        | 3,512.00       | 3,157.00      | 3,157.00      | 3,157.00      | -               |                |                 | 6,778.46      |
| Other Restricted Miscellaneous Revenues                   |               |                 |                |               |               |               |                 |                |                 |               |
| Miscellaneous   | 101,473.00    | 113,445.00      | 85,923.00      | 362,610.00    | 163,032.80    | 173,872.12    | 189,666.12      | 164,602.55     | 174,893.44      | 154,936.90    |
| Local sources   | 30,707.00     | 22,750.00       | 22,272.00      | 22,576.00     | 19,657.92     | 1,036,665.58  | 12,824.39       | 18,211.94      | 15,182.27       | 13,391.12     |
| State sources   | 1,473,639.00  | 1,621,280.00    | 1,502,202.00   | 1,671,934.00  | 3,565,754.62  | 2,053,914.50  | 2,192,761.47    | 2,483,139.54   | 2,511,786.21    | 2,819,472.65  |
| Federal sources   | 255,742.00    | 193,021.00      | 257,168.00     | 592,983.00    | 244,929.89    | 232,797.93    | 249,502.63      | 222,910.01     | 201,629.18      | 366,027.35    |
| Total revenue   | 13,125,445.00 | 13,502,464.00   | 13,200,481.00  | 14,049,204.00 | 15,349,196.23 | 14,567,351.89 | 13,769,662.61   | 14,189,669.04  | 14,335,161.10   | 14,703,821.48 |
| <b>Expenditures</b>                                       |               |                 |                |               |               |               |                 |                |                 |               |
| Instruction   |               |                 |                |               |               |               |                 |                |                 |               |
| Regular instructor  | 3,257,969.00  | 3,650,045.00    | 3,736,712.00   | 3,716,924.00  | 3,728,275.71  | 3,635,267.26  | 3,477,260.47    | 3,356,867.25   | 3,219,224.12    | 3,633,178.82  |
| Special education instructor                              | 652,140.00    | 689,544.00      | 654,142.00     | 727,694.00    | 884,343.45    | 1,011,364.51  | 1,074,154.88    | 1,078,583.11   | 1,110,018.98    | 1,144,024.62  |
| Other special instruction                                 | 214,348.00    | 122,947.00      | 129,238.00     | 237,749.00    | 316,025.22    | 376,303.06    | 403,619.18      | 401,073.37     | 371,530.67      | 112,608.00    |
| Other instruction   | 63,980.00     | 59,721.00       | 68,823.00      | 60,472.00     | 94,965.54     | 87,690.36     | 111,589.69      | 121,722.40     | 104,929.94      | 101,852.45    |
| Nonpublic school programs                                 |               |                 |                |               |               |               |                 |                |                 |               |
| Support Services:   |               |                 |                |               |               |               |                 |                |                 |               |
| Tuition   | 2,175,007.00  | 2,398,474.00    | 2,343,182.00   | 2,221,230.00  | 1,892,798.47  | 1,579,009.13  | 1,363,059.91    | 1,306,378.66   | 881,347.00      | 1,170,787.20  |
| Student & instruction related services:                   | 1,309,101.00  | 1,366,897.00    | 1,261,814.00   | 1,356,667.00  | 1,356,716.44  | 1,424,626.52  | 1,338,117.02    | 1,312,718.62   | 1,394,541.34    | 1,499,578.12  |
| General administrative services                           | 151,645.00    | 172,345.00      | 177,121.00     | 159,133.00    | 142,442.13    | 150,767.28    | 145,067.81      | 161,755.32     | 163,366.35      | 168,496.28    |
| School Administrative services                            | 544,363.00    | 498,877.00      | 578,278.00     | 525,195.00    | 457,999.59    | 422,437.86    | 410,706.86      | 387,742.14     | 385,683.18      | 418,047.19    |
| Administrative Information Technology:                    | 15,698.00     | 16,326.00       | 16,980.00      | 17,660.00     | 18,366.00     | 19,100.00     | 19,864.00       | 20,658.00      | 21,484.00       | 22,344.00     |
| Plant operations and maintenance                          | 1,260,992.00  | 1,081,835.00    | 1,200,092.00   | 1,132,723.00  | 1,187,824.19  | 1,133,271.68  | 1,162,547.70    | 1,217,880.37   | 1,045,150.80    | 1,258,471.83  |
| Pupil transportation                                      | 414,075.00    | 415,571.00      | 361,710.00     | 355,567.00    | 285,765.76    | 267,966.08    | 335,858.70      | 334,978.81     | 240,150.53      | 222,397.41    |
| Unallocated employee benefits:                            | 2,532,386.00  | 2,856,547.00    | 2,538,930.00   | 2,750,651.00  | 3,013,085.87  | 3,260,536.40  | 3,728,719.34    | 3,756,744.92   | 3,740,474.22    | 3,963,333.75  |
| Capital outlay  | 385,470.00    | 435,322.00      | 156,753.00     | 600,716.00    | 1,822,200.15  | 121,916.72    | 319,299.13      | 661,690.83     | 342,724.60      | 390,359.65    |
| Charter Schools   | 128,719.00    | 62,314.00       | 37,915.00      | 34,923.00     | 49,901.51     | 85,941.49     | 92,724.00       | 81,771.00      | 59,814.00       | 35,487.00     |
| Total expenditures  | 13,105,893.00 | 13,826,765.00   | 13,261,690.00  | 13,897,510.00 | 15,250,700.03 | 13,576,198.35 | 13,982,588.69   | 14,200,564.80  | 13,090,429.71   | 14,140,966.32 |
| Excess (Deficiency) of revenues over (under) expenditures | \$ 19,552.00  | \$ (324,301.00) | \$ (61,209.00) | \$ 151,694.00 | \$ 98,496.20  | \$ 991,153.54 | \$ (212,926.08) | \$ (10,895.76) | \$ 1,244,731.39 | \$ 562,855.16 |

**CITY OF MARGATE SCHOOL DISTRICT**  
(A Component Unit of the City of Margate)  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
*Unaudited*

|   | 2012        | 2013         | 2014         | 2015        | 2016         | 2017        | 2018         | 2019        | 2020         | 2020        |
|---|-------------|--------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| <b>Other Financing sources (uses)</b>                   |             |              |              |             |              |             |              |             |              |             |
| City of Margate Bond Proceeds                           |             |              | 683.00       | 32,965.00   | (53,686.00)  |             |              |             |              |             |
| Cancellation of prior year interfund                    |             |              |              |             |              |             |              |             |              |             |
| Schools Construction Corporation                        |             |              |              |             |              |             |              |             |              |             |
| State of NJ Board of Public Utilities                   |             |              |              |             |              |             |              |             |              |             |
| Cancellation of prior year purchase orders              | 52.00       |              |              |             |              |             |              |             |              |             |
| Insurance & FEMA recoveries for                         |             |              |              |             |              |             |              |             |              |             |
| Storm Damage  |             | 173,511.00   |              |             |              |             |              |             |              |             |
| Expenses related to Storm Damage                        |             | (173,511.00) |              |             |              |             |              |             |              |             |
| Debt service assessment                                 |             |              |              |             |              |             |              |             |              |             |
| Capital leases (non-budgeted)                           |             |              |              |             |              |             |              |             |              |             |
| Transfers out   | (55,589.00) | (53,870.00)  | (57,131.00)  | (76,140.00) | (50,752.43)  | (27,992.42) | (41,548.50)  | (40,000.00) | (32,000.00)  | (23,591.13) |
| Total other financing sources (uses)                    | (55,537.00) | (53,870.00)  | (56,448.00)  | (43,175.00) | (104,438.43) | (27,992.42) | (41,548.50)  | (40,000.00) | (32,000.00)  | (23,591.13) |
| Net change in fund balances                             | (35,985.00) | (378,171.00) | (117,657.00) | 108,519.00  | (5,942.23)   | 963,161.12  | (254,474.58) | (50,895.76) | 1,212,731.39 | 539,264.03  |
| 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: CAFR Schedule B-2

**CITY OF MARGATE SCHOOL DISTRICT  
(A Component Unit of the City of Margate)  
General Fund Other Local Revenue by Source  
Last Ten Fiscal Years  
Unaudited**

| Fiscal Year<br>Ended June 30, | Interest on<br>Investments | Transportation<br>Fees | Rentals  | Energy<br>Credits (A) | Reimbursement<br>from City for |                     |            |           | Prior Year<br>Refunds | Misc.      | Total |
|-------------------------------|----------------------------|------------------------|----------|-----------------------|--------------------------------|---------------------|------------|-----------|-----------------------|------------|-------|
|                               |                            |                        |          |                       | Services<br>Provided           | Insurance<br>Refund |            |           |                       |            |       |
| 2012                          | 13,833.00                  |                        |          | 93,000.00             |                                |                     |            | 3,371.00  | 5,102.00              | 115,306.00 |       |
| 2013                          | 4,021.00                   |                        |          | 63,562.00             | 34,852.00                      |                     |            | 13,652.00 | 36,901.00             | 152,988.00 |       |
| 2014                          | 3,512.00                   |                        |          | 78,720.00             |                                |                     |            | 320.00    | 6,883.00              | 89,435.00  |       |
| 2015                          | 3,157.00                   |                        | 550.00   | 55,377.00             |                                |                     | 241,923.00 |           | 64,760.00             | 365,767.00 |       |
| 2016                          | 2,467.00                   |                        | 1,900.00 | 127,980.00            |                                |                     |            |           | 33,842.80             | 166,189.80 |       |
| 2017                          | 2,948.33                   |                        |          | 109,174.00            |                                |                     |            |           | 64,906.79             | 177,029.12 |       |
| 2018                          | 3,097.33                   | 4,424.70               | 5,257.79 | 102,340.00            |                                |                     |            | 42,449.50 | 32,096.80             | 189,666.12 |       |
| 2019                          | 6,868.07                   | 23,480.90              | 3,051.43 | 104,151.00            |                                |                     |            | 3,401.00  | 23,650.15             | 164,602.55 |       |
| 2020                          | 8,811.52                   | 44,248.37              |          | 102,375.00            |                                |                     |            |           | 19,458.55             | 174,893.44 |       |
| 2021                          | 8,657.10                   | 27,662.49              |          | 99,666.00             |                                |                     |            | 1,693.86  | 17,257.45             | 154,936.90 |       |

(A) - effective with the June 2012 sale, the District changed their method of treating the sale of the solar renewable energy credit. During the 2011 and prior fiscal years, it was the policy of the District to refund the budget appropriation line item for all or a port of the amount of revenue received. It will now be the policy of the District to treat the full amount of funds received as revenue.

Source: District Records

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
*Unaudited*

| Fiscal Year Ended June 30, | Total Assessed Value |               |           |       |            |            |           | Less: Tax-Exempt Property | Net Valuation Taxable | Total Direct School Tax Rate <sup>b</sup> | Estimated Actual (County Equalized Value) |
|----------------------------|----------------------|---------------|-----------|-------|------------|------------|-----------|---------------------------|-----------------------|---|---|
|                            | Vacant Land          | Residential   | Farm Reg. | Qfarm | Commercial | Industrial | Apartment |                           |                       |   |   |
| 2012                       | 46,406,100           | 3,342,473,600 |           |       | 89,389,500 |            | 6,712,000 | 3,484,981,200             | 0.302                 | 3,933,120,674                             |   |
| 2013                       | 55,045,200           | 3,350,186,600 |           |       | 87,702,200 |            | 6,712,000 | 3,499,646,000             | 0.301                 | 3,865,453,898                             |   |
| 2014                       | 61,478,900           | 3,369,631,300 |           |       | 88,235,000 |            | 6,593,300 | 3,526,571,442             | 0.298                 | 3,875,779,143                             |   |
| 2015                       | 60,171,500           | 3,405,132,100 |           |       | 88,072,800 |            | 6,595,200 | 3,560,607,337             | 0.295                 | 3,931,766,052                             |   |
| 2016                       | 60,276,300           | 3,444,609,200 |           |       | 87,287,100 |            | 6,595,200 | 3,599,386,298             | 0.292                 | 3,974,587,343                             |   |
| 2017                       | 62,911,600           | 3,479,016,100 |           |       | 86,002,200 |            | 5,994,100 | 3,633,924,000             | 0.289                 | 4,005,262,343                             |   |
| 2018                       | 56,505,000           | 3,526,843,200 |           |       | 85,715,600 |            | 5,894,100 | 3,675,057,900             | 0.286                 | 4,072,388,998                             |   |
| 2019                       | 56,542,300           | 3,562,826,400 |           |       | 84,611,600 |            | 5,822,400 | 3,709,502,700             | 0.283                 | 4,144,328,515                             |   |
| 2020                       | 55,848,000           | 3,601,424,000 |           |       | 84,403,300 |            | 5,822,400 | 3,747,197,700             | 0.280                 | 4,296,344,995                             |   |
| 2021                       | 65,661,600           | 3,641,184,400 |           |       | 84,645,800 |            | 5,822,400 | 3,797,014,200             | 0.276                 | 4,410,533,789                             |   |

Source: District records Tax list summary & Municipal Tax Assesso

property

**Note:**

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

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

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Direct and Overlapping Property Tax Rates**  
**Rate per \$100 of Assessed Value**  
**Last Ten Fiscal Years**  
*Unaudited*

| Fiscal Year Ended June 30, | City of Margate Board of Education |                                      |              | City of Margate |                           |                 | Total Direct and Overlapping Tax Rate |
|----------------------------|------------------------------------|--------------------------------------|--------------|-----------------|---------------------------|-----------------|---------------------------------------|
|                            | Basic Rate <sup>a</sup>            | Obligation Debt Service <sup>b</sup> | Total Direct | City of Margate | Local Municipal Library c | Atlantic County |                                       |
| 2012                       | 0.303                              | 0.043                                | 0.346        | 0.602           | 0.037                     | 0.388           | 1.373                                 |
| 2013                       | 0.301                              | 0.043                                | 0.344        | 0.601           | 0.037                     | 0.482           | 1.464                                 |
| 2014                       | 0.298                              | 0.042                                | 0.340        | 0.602           | 0.037                     | 0.481           | 1.460                                 |
| 2015                       | 0.295                              | 0.043                                | 0.338        | 0.600           | 0.037                     | 0.513           | 1.488                                 |
| 2016                       | 0.293                              | 0.042                                | 0.335        | 0.613           | 0.036                     | 0.528           | 1.512                                 |
| 2017                       | 0.290                              | 0.043                                | 0.333        | 0.618           | 0.036                     | 0.578           | 1.565                                 |
| 2018                       | 0.287                              | 0.042                                | 0.329        | 0.619           | 0.036                     | 0.579           | 1.563                                 |
| 2019                       | 0.284                              | 0.040                                | 0.324        | 0.618           | 0.036                     | 0.564           | 1.542                                 |
| 2020                       | 0.281                              | 0.040                                | 0.321        | 0.617           | 0.037                     | 0.573           | 1.548                                 |
| 2021                       | 0.277                              | 0.038                                | 0.315        | 0.616           | 0.038                     | 0.587           | 1.556                                 |

Source: District Records and Municipal Tax Collector

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

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

- a** Rates for debt service are based on each year's requirements
- b** Effective with the 2011 tax year the amount to be raised by taxation to fund municipal free libraries is displayed separately on the tax bill and the municipal tax levy and rate is reduced by this amount. Previously, the library tax was combined with the local tax levy on the tax bill
- c**

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Principal Property Tax Payers,**  
**Current Year and Nine Years Ago**  
*Unaudited*

| Taxpayer                      | 2021                   |      |  | 2012                   |      |  |
|-------------------------------|------------------------|------|--|------------------------|------|--|
|                               | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Taxpayer #1                   | 5,933,700              | 1    | 0.16%                                  | 6,449,000              | 1    | 0.19%                                  |
| Taxpayer #2                   | 5,310,900              | 2    | 0.14%                                  | 4,609,000              | 2    | 0.13%                                  |
| Taxpayer #3                   | 4,943,000              | 3    | 0.13%                                  | 4,532,500              | 3    | 0.13%                                  |
| Atlantic Downbeach Assoc, LLC | 4,877,800              | 4    | 0.13%                                  |                        |      |  |
| Taxpayer #4                   | 4,367,100              | 5    | 0.12%                                  | 4,445,700              | 4    | 0.13%                                  |
| Margate Partners, L.P.        | 4,081,200              | 6    | 0.11%                                  | 4,111,200              | 6    | 0.12%                                  |
| Taxpayer #5                   | 4,051,700              | 7    | 0.11%                                  | 4,348,600              | 5    | 0.12%                                  |
| Taxpayer #6                   | 3,954,000              | 8    | 0.10%                                  | 3,548,000              | 8    | 0.10%                                  |
| Star Bright Star Light        | 3,740,900              | 9    | 0.10%                                  | 3,740,900              | 7    | 0.11%                                  |
| Taxpayer #7                   | 3,511,400              | 10   | 0.09%                                  | 3,511,400              | 9    | 0.10%                                  |
| Center Point Plaza @ Turchi   |                        |      |  | 3,432,400              | 10   | 0.10%                                  |
| <b>Total</b>                  | <b>44,771,700</b>      |      | <b>1.18%</b>                           | <b>42,728,700</b>      |      | <b>1.23%</b>                           |

Total Assessed Value 3,797,014,200  
3,485,924,853

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



**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**  
*Unaudited*

| Fiscal Year<br>Ended June<br>30, | Taxes Levied for | Collected within the Fiscal Year of |                       | Collections in<br>Subsequent<br>Years |
|----------------------------------|------------------|-------------------------------------|-----------------------|---------------------------------------|
|                                  | the Fiscal Year  | Amount                              | Percentage<br>of Levy |                                       |
| 2012                             | 10,536,409.00    | 10,536,409.00                       | 100%                  | -                                     |
| 2013                             | 10,536,409.00    | 10,536,409.00                       | 100%                  | -                                     |
| 2014                             | 10,511,408.00    | 10,511,408.00                       | 100%                  | -                                     |
| 2015                             | 10,511,408.00    | 10,511,408.00                       | 100%                  | -                                     |
| 2016                             | 10,511,408.00    | 10,511,408.00                       | 100%                  | -                                     |
| 2017                             | 10,511,408.00    | 10,511,408.00                       | 100%                  | -                                     |
| 2018                             | 10,511,408.00    | 10,511,408.00                       | 100%                  | -                                     |
| 2019                             | 10,511,408.00    | 10,511,408.00                       | 100%                  | -                                     |
| 2020                             | 10,498,077.00    | 10,498,077.00                       | 100%                  | -                                     |
| 2021                             | 10,498,077.00    | 10,498,077.00                       | 100%                  | -                                     |

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

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

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Unaudited**

| Fiscal Year Ended June 30, | Governmental Activities  |                               |                |                                | Business-Type Activities |                     | Total District | Percentage of Personal Income <sup>a</sup> | Per Capita <sup>a</sup> |
|----------------------------|--------------------------|-------------------------------|----------------|--------------------------------|--------------------------|---------------------|----------------|--|-------------------------|
|                            | General Obligation Bonds | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases           | Income <sup>a</sup> |                |  |                         |
| 2012                       | 11,605,000.00            | -                             | 75,668.00      | -                              | -                        | 11,680,668.00       | 0.02%          | 1,837                                      |                         |
| 2013                       | 10,580,000.00            | -                             | 55,255.00      | -                              | -                        | 10,635,255.00       | 0.02%          | 1,677                                      |                         |
| 2014                       | 9,535,000.00             | -                             | 33,442.00      | -                              | -                        | 9,568,442.00        | 0.02%          | 1,518                                      |                         |
| 2015                       | 11,792,834.00            | -                             | 32,721.00      | -                              | -                        | 11,825,555.00       | 0.02%          | 1,892                                      |                         |
| 2016                       | 10,594,050.60            | -                             | -              | -                              | -                        | 10,594,050.60       | 0.02%          | 1,706                                      |                         |
| 2017                       | 8,673,874.71             | -                             | 11,162.78      | -                              | -                        | 8,685,037.49        | 0.02%          | 1,414                                      |                         |
| 2018                       | 8,602,226.72             | -                             | 5,686.80       | -                              | -                        | 8,607,913.52        | 0.02%          | 1,415                                      |                         |
| 2019                       | 7,332,226.72             | -                             | 59,687.70      | -                              | -                        | 7,391,914.42        | 0.02%          | 1,240                                      |                         |
| 2020                       | 6,157,226.72             | -                             | -              | -                              | -                        | 6,157,226.72        | 0.02%          | 1,050                                      |                         |
| 2021                       | 4,817,226.72             | -                             | -              | -                              | -                        | 4,817,226.72        | 0.02%          | 830  |                         |

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

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

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**Unaudited**

| Fiscal<br>Year<br>Ended<br>June 30, | General Bonded Debt Outstanding |            |   | Percentage of<br>Actual Taxable<br>Value <sup>a</sup> of<br>Property | Per Capita <sup>b</sup> |
|-------------------------------------|---------------------------------|------------|---|--|-------------------------|
|                                     | General<br>Obligation Bonds     | Deductions | Net General<br>Bonded Debt<br>Outstanding |  |                         |
| 2012                                | 11,605,000.00                   | -          | 11,605,000.00                             | 0.33%  | 1,826                   |
| 2013                                | 10,580,000.00                   | -          | 10,580,000.00                             | 0.30%  | 1,669                   |
| 2014                                | 9,535,000.00                    | -          | 9,535,000.00                              | 0.27%  | 1,512                   |
| 2015                                | 11,792,834.00                   | -          | 11,792,834.00                             | 0.33%  | 1,887                   |
| 2016                                | 10,594,050.60                   | -          | 10,594,050.60                             | 0.29%  | 1,706                   |
| 2017                                | 8,673,874.71                    | -          | 8,673,874.71                              | 0.24%  | 1,412                   |
| 2018                                | 8,602,226.72                    | -          | 8,602,226.72                              | 0.23%  | 1,414                   |
| 2019                                | 7,332,226.72                    | -          | 7,332,226.72                              | 0.20%  | 1,230                   |
| 2020                                | 6,157,226.72                    | -          | 6,157,226.72                              | 0.16%  | 1,050                   |
| 2020                                | 4,817,226.72                    | -          | 4,817,226.72                              | 0.13%  | 830                     |

**Note:** The City of Margate School District is a Type I District. As a result, debt related to the District is an obligation of the City of Margate

- a** See Exhibit NJ J-6 for property tax data.
- b** Population data can be found in Exhibit NJ J-14

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2021**  
*Unaudited*

| <u>Governmental Unit</u>                    | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable <sup>a</sup></u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-------------------------|---|--|
| <b>Debt repaid with property taxes</b>      |                         |   |  |
| City of Margate                             | \$ 40,053,123.00        | 100.00%   | 40,053,123.00                              |
| Atlantic County                             | 168,081,327.05          | 13.30%  | 22,358,192.01                              |
| <b>Other debt</b>                           |                         |   |  |
| None  |                         |   |  |
| Subtotal, overlapping debt                  |                         |   | <u>62,411,315.01</u>                       |
| <b>City of Margate School District debt</b> | 4,817,226.72            | 100.00%   | <u>4,817,226.72</u>                        |
| <b>Total direct and overlapping debt</b>    |                         |   | <u><u>\$ 67,228,541.73</u></u>             |

**Sources:** City of Margate Finance Officer and Atlantic County Finance Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Margate. 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 government.

The City of Margate School District is a Type I District. As a result, debt related to the District is an obligation of the City of Margate.

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



**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
***Unaudited***

| Year | Population <sup>a</sup> | Personal<br>Income<br>(thousands of<br>dollars) <sup>b</sup> | Per Capita<br>Personal<br>Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|------|-------------------------|--|---|-----------------------------------|
| 2012 | 6,357                   | 252,347  | 42,288  | 11.80%                            |
| 2013 | 6,340                   | 268,975  | 42,425  | 12.30%                            |
| 2014 | 6,305                   | 267,490  | 42,425  | 10.00%                            |
| 2015 | 6,251                   | 265,199  | 42,425  | 6.90%                             |
| 2016 | 6,211                   | 269,160  | 43,336  | 6.50%                             |
| 2017 | 6,141                   | 268,331  | 43,695  | 5.30%                             |
| 2018 | 6,083                   | 269,197  | 44,254  | 4.70%                             |
| 2019 | 5,959                   | 277,433  | 46,557  | 4.40%                             |
| 2020 | 5,865                   | 285,438  | 48,668  | 3.10%                             |
| 2021 | 5,801                   | 293,710  | 50,631  | 11.10%                            |

**Source:**

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

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

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis,  
November 2014

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

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Principal Employers,**  
**Current Year and Nine Years Ago**  
*Unaudited*

| Employer | 2021      |                 |                                | 2012      |                 |                                |
|----------|-----------|-----------------|--------------------------------|-----------|-----------------|--------------------------------|
|          | Employees | Rank (Optional) | Percentage of Total Employment | Employees | Rank (Optional) | Percentage of Total Employment |
|          |           | 1               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 2               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 3               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 4               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 5               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 6               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 7               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 8               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 9               | 0.00%                          |           |                 | 0.00%                          |
|          |           | 10              | 0.00%                          |           |                 | 0.00%                          |
|          |           |                 |                                |           |                 |                                |
|          | -         |                 | 0.00%                          |           |                 | -                              |

**Source: City of Margate Chief Financial Officer**

The City does not maintain the above statistical data

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

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**  
*Unaudited*

| <u>Function/Program</u>                 | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  | <u>2016</u>  | <u>2017</u>  | <u>2018</u>  | <u>2019</u>  | <u>2020</u>  | <u>2021</u>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction                             | 36.00        | 36.00        | 36.60        | 37.05        | 36.82        | 34.90        | 33.90        | 32.29        | 31.27        | 33.02        |
| Regular                                 | 12.00        | 12.00        | 11.00        | 11.74        | 16.56        | 17.04        | 18.40        | 20.17        | 20.04        | 16.28        |
| Special educator                        | 4.50         | 4.50         | 2.00         | 3.48         | 4.50         | 4.50         | 4.50         | 4.50         | 4.18         | 1.43         |
| Other instruction                       | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Support Services:                       |              |              |              |              |              |              |              |              |              |              |
| Student & instruction related services: | 19.50        | 19.50        | 20.10        | 19.52        | 17.02        | 16.17        | 15.92        | 11.88        | 15.07        | 14.20        |
| General administrative services:        | 5.00         | 5.00         | 5.00         | 5.00         | 5.00         | 5.00         | 3.53         | 3.53         | 3.55         | 3.55         |
| School administrative services:         | 2.50         | 2.50         | 2.50         | 2.00         | 2.00         | 1.75         | 1.75         | 1.75         | 1.75         | 1.75         |
| Plant operations and maintenance:       | 13.50        | 13.00        | 13.00        | 13.00        | 13.00        | 13.00        | 14.25        | 14.25        | 11.00        | 11.00        |
| Food Service                            | 3.00         | 3.00         | 3.00         | 3.00         | 3.00         | 3.00         | 3.50         | 2.40         | 1.80         | 1.30         |
| <b>Total</b>                            | <b>96.00</b> | <b>95.50</b> | <b>93.20</b> | <b>94.79</b> | <b>97.90</b> | <b>95.36</b> | <b>95.75</b> | <b>90.77</b> | <b>88.66</b> | <b>82.53</b> |

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

Source: District Personnel Records



**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**Unaudited**

| Fiscal Year | Pupil/Teacher Ratio |                                     |                |                   |                             |                   |                     |               |     |     | Average Daily Enrollment (ADE) <sup>c</sup> | Average Daily Attendance (ADA) <sup>c</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|---------------------|-------------------------------------|----------------|-------------------|-----------------------------|-------------------|---------------------|---------------|-----|-----|---|---|--------------------------------------|-------------------------------|
|             | Enrollment          | Operating Expenditures <sup>a</sup> | Cost Per Pupil | Percentage Change | Teaching Staff <sup>b</sup> | Elementary School | Intermediate School | Middle School |     |     |   |   |                                      |                               |
| 2012        | 490                 | 13,117,837.00                       | 26,544.00      | 9.25%             | 56                          | 8.9:1             | -                   | 8.5:1         | 490 | 466 | -4.30%                                      | 95.10%                                      |                                      |                               |
| 2013        | 475                 | 13,820,736.00                       | 29,096.29      | 9.62%             | 58                          | 8.9:1             | -                   | 10.0:1        | 473 | 434 | -3.47%                                      | 91.75%                                      |                                      |                               |
| 2014        | 456                 | 13,318,821.00                       | 29,207.94      | 0.38%             | 61                          | 9.0:1             | -                   | 10.0:1        | 456 | 423 | -3.57%                                      | 92.74%                                      |                                      |                               |
| 2015        | 430                 | 13,973,650.00                       | 32,496.86      | 11.26%            | 60                          | 10.0:1            | -                   | 10.0:1        | 425 | 406 | -6.82%                                      | 95.53%                                      |                                      |                               |
| 2016        | 400                 | 15,301,452.46                       | 38,253.63      | 17.71%            | 63                          | 9.0:1             | -                   | 9.0:1         | 399 | 382 | -6.12%                                      | 95.74%                                      |                                      |                               |
| 2017        | 365                 | 13,604,190.77                       | 37,271.76      | -2.57%            | 60                          | 7.1:1             | -                   | 7.1:1         | 366 | 349 | -8.27%                                      | 95.36%                                      |                                      |                               |
| 2018        | 366                 | 14,688,904.56                       | 40,160.94      | 7.75%             | 62                          | 8:1               | -                   | 7:1           | 367 | 351 | 0.27%                                       | 95.64%                                      |                                      |                               |
| 2019        | 351                 | 13,538,873.97                       | 38,572.29      | -3.96%            | 61                          | 7:1               | -                   | 7:1           | 354 | 337 | -3.59%                                      | 95.25%                                      |                                      |                               |
| 2020        | 361                 | 12,747,705.11                       | 35,312.20      | -8.45%            | 58                          | 8:1               | -                   | 7:1           | 362 | 349 | 2.31%                                       | 96.41%                                      |                                      |                               |
| 2021        | 383                 | 13,750,606.67                       | 35,902.37      | 1.67%             | 60                          | 8:1               | -                   | 8:1           | 384 | 369 | 6.19%                                       | 95.97%                                      |                                      |                               |

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

Note: Enrollment based on annual October district count.

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

**CITY OF MARGATE SCHOOL DISTRICT**  
 (A Component Unit of the City of Margate)  
**School Building Information**  
 Last Ten Fiscal Years  
*Unaudited*

| <u>District/Building</u>      | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>William H. Ross School</b> |        |        |        |        |        |        |        |        |        |        |
| Square Fee:                   | 79,487 | 79,487 | 79,487 | 79,487 | 79,487 | 79,487 | 79,487 | 79,487 | 79,487 | 79,487 |
| Capacity (students) (A)       | 273    | 273    | 273    | 273    | 273    | 273    | 273    | 273    | 273    | 273    |
| Enrollment                    | 249    | 242    | 239    | 232    | 214    | 195    | 194    | 170    | 177    | 199    |
| <b>Eugene A. Tighe School</b> |        |        |        |        |        |        |        |        |        |        |
| Square Fee:                   | 87,818 | 87,818 | 87,818 | 87,818 | 87,818 | 87,818 | 87,818 | 87,818 | 87,818 | 87,818 |
| Capacity (students) (A)       | 257    | 257    | 257    | 257    | 257    | 257    | 257    | 257    | 257    | 257    |
| Enrollment                    | 242    | 233    | 217    | 198    | 186    | 170    | 172    | 181    | 184    | 184    |

Number of Schools at June 30, 2021:  
 Elementary Schools - 1  
 Middle School - 1

**Source: District records, ASSA**  
 (A) - obtained from the District's Final Determination of Long Range Facilities Plan dated November 30, 2005

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Years**  
**Unaudited**

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

| School Facilities                | Project # | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              | 2018              | 2019              | 2020              | 2021              |
|----------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>School Facilities</b>         |           |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Union Avenue Elementary          | 00251.00  | 26,129.00         | 974.00            | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Eugene A. Tighe Middle           | 00251.00  | 112,882.00        | 130,264.00        | 137,531.00        | 136,824.00        | 163,974.80        | 118,050.29        | 126,012.17        | 144,676.25        | 132,437.61        | 185,122.55        |
| William H. Ross III Intermediate | 00251.00  | 190,663.00        | 194,465.00        | 231,489.00        | 205,236.00        | 245,962.65        | 216,267.27        | 234,022.60        | 268,684.46        | 245,955.57        | 343,799.01        |
| <b>Grand Total</b>               |           | <b>329,674.00</b> | <b>325,703.00</b> | <b>369,020.00</b> | <b>342,060.00</b> | <b>409,937.45</b> | <b>334,317.56</b> | <b>360,034.77</b> | <b>413,360.70</b> | <b>378,393.18</b> | <b>528,921.56</b> |

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Insurance Schedule**  
**June 30, 2021**  
**Unaudited**

|   | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Package Policy                                 |                 |                   |
| Property - Blanket Building & Contents                | 250,000,000     | 5,000.00          |
| Extra Expense - Blanket                               | 5,000,000       | 5,000.00          |
| Property Extensions of Coverage                       |                 |                   |
| Debris Removal  | 250,000         |                   |
| Food Spoilage   | 50,000          |                   |
| Miscellaneous Property                                | 100,000         | 1,000.00          |
| Outside Signs (\$2,500 maximum per item)              | 10,000          | 1,000.00          |
| Newly Acquired Property (Buildings and Contents, each |                 |                   |
| Real Property   | 250,000         |                   |
| Personal Property                                     | 100,000         |                   |
| Outdoor Property                                      |                 |                   |
| Trees, Shrubs and Plants                              | 10,000          |                   |
| Max per item  | 500             |                   |
| Accounts Receivable                                   | 100,000         |                   |
| Pollution Clean-up                                    | 100,000         | 5,000.00          |
| Valuable Papers and Records                           | 5,000,000       | 500.00            |
| School Music Extension                                |                 |                   |
| Instruments   | 100,000         |                   |
| Uniforms  | 25,000          |                   |
| EDP Including Software                                | 2,500,000       | 5,000.00          |
| Miscellaneous School Property                         | 250,000         |                   |
| Camera & Audio Visual Equipment                       | 10,000          | 1,000.00          |
| Contractor's Equipment                                | 250,000         | 10,000.00         |
| Utility Services Direct Damage                        | 250,000         | 5,000.00          |
| Earthquake  | 5,000,000       | 250,000.00        |
| Additional Flood Coverage                             | 5,000,000       | 50,000.00         |
| Flood Insurance Zone A or V                           |                 |                   |
| Per Building  | 1,000,000       | 500,000.00        |
| Per Contents  | 1,000,000       | 500,000.00        |
| Flood Insurance Zone B                                |                 |                   |
| Per Building  | 2,000,000       | 100,000.00        |
| Per Contents  | 2,000,000       | 100,000.00        |
| Boiler and Machinery                                  |                 |                   |
| Property Damage                                       | 100,000,000     | 1,000.00          |
| Blanket Business Income/Extra Expense                 | 1,000,000       | 5,000.00          |
| Ammonia Contamination                                 | 100,000,000     |                   |
| Consequential Damage                                  | 100,000,000     |                   |
| Hazardous Substance                                   | 250,000         |                   |
| Service Interruption (Direct Damage                   | 100,000         |                   |
| Ordinance or Law                                      | 250,000         |                   |
| School Board Legal Liability                          | 5,000,000       | 10,000.00         |

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Insurance Schedule**  
**June 30, 2021**  
**Unaudited**

|  | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| Crime Insurance                                      |                 |                   |
| Money and Securities                                 | 50,000          | 1,000.00          |
| Computer Fraud                                       | 50,000          | 1,000.00          |
| Forgery or Alteration                                | 50,000          | 1,000.00          |
| Commercial General Liability Coverage                |                 |                   |
| Each Occurrence                                      | 1,000,000       |                   |
| General Aggregate                                    | 2,000,000       |                   |
| Personal and Advertising Injury                      | 1,000,000       |                   |
| Damage to Premises                                   | 1,000,000       |                   |
| Products and Completed Operations                    | 2,000,000       |                   |
| Medical Expense (any one person)                     | 10,000          |                   |
| Employee Benefits Liability                          | 1,000,000       | 1,000.00          |
| Title 18A  | 100,000         |                   |
| Electronic Data                                      | 1,000,000       |                   |
| Commercial Automotive Liability                      |                 |                   |
| Combined Single Limit                                | 1,000,000       |                   |
| Medical Payments - each person                       | 5,000           |                   |
| Comprehensive and Collision                          | Statutory       | 1,000.00          |
| Umbrella Policy                                      |                 |                   |
| Umbrella Policy, each occurrence/annual aggregate    | 5,000,000       | 10,000.00         |
| Federal Flood  |                 |                   |
| Union Avenue School                                  | 500,000         | 5,000.00          |
| Eugene A. Tighe School                               | 500,000         | 5,000.00          |
| William H. Ross School                               | 500,000         | 5,000.00          |
| Statutory Bonds                                      |                 |                   |
| Position Bond Board Secretary                        | 100,000         |                   |
| Position Chief School Administrator                  | 200,000         |                   |
| Student Accident Policy                              |                 |                   |
| School Time Compulsory Student Accident - per injury | 1,000,000       |                   |

Source: District Records.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## **Single Audit Section**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

K-1

Report on Internal Control over Financial Reporting and on Compliance and Other  
Matter Based on and Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Margate School District, as of and for the year ended June 30, 2021 related notes to the financial statements, which collectively comprise the City of Margate School District's basic financial statements, and have issued our report thereon dated February 25, 2022.

### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Margate School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

## **Purpose of this Report**

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

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Nancy Sbrolla*  
**Nancy Sbrolla**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 2426**

**February 25, 2022**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Report on Compliance with Requirements Applicable to Each Major Program  
and Over Compliance in Accordance with U.S. OMB Uniform Guidance and  
New Jersey OMB Circular Letter 15-08

K-2

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

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

We have audited the City of Margate School District's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the New Jersey *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the City of Margate School District's major federal and state programs for the year ended June 30, 2021. The City of Margate School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Margate School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in New Jersey 15-08 *State Aid/Grant Compliance Supplement*. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Margate School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Margate School District's compliance.

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

In our opinion, the City of Margate School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its federal and major state programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of the City of Margate School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Margate School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Margate School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Very truly yours,

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Nancy Sbrolla*  
Nancy Sbrolla  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2426

February 25, 2022

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A Component Unit of the City of Margate)**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2021**

| Federal Grantor/Pass-Through Grantor<br>Program Title | Federal<br>CFDA<br>Number | Federal<br>FAIN<br>Number | Grant or State<br>Project Number | Grant or State<br>Period | Program<br>of Award<br>Amount | Balance<br>at<br>June 30, 2020 | Carryover<br>Amount | Cash<br>Received | Budgetary Expenditures |        |        | Balance at June 30, 2021 |   |                        |
|---|---------------------------|---------------------------|----------------------------------|--------------------------|-------------------------------|--------------------------------|---------------------|------------------|------------------------|--------|--------|--------------------------|---|------------------------|
|   |                           |                           |                                  |                          |                               |                                |                     |                  | Pass Through           | Source | Direct | Total                    | (MEMO)<br>Passed Through<br>to Sub-Recipients | Accounts<br>Receivable |
| <b>U.S. Department of Agriculture</b>                 |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| <b>Passed-through State Department of Education</b>   |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| Enterprise Fund                                       | 10.555                    | 201NJ304N1099             | N/A                              | 7/1/19 - 6/30/20         | 9,619.18 \$                   | (1,750.00)                     | -                   | 1,750.00         | -                      | -      | -      | -                        | -   | -                      |
| National School Lunch Program                         | 10.555                    | 211NJ304N1099             | N/A                              | 7/1/20 - 6/30/21         | 37,666.80                     | -                              | -                   | 34,408.80        | (37,666.80)            | -      | -      | (3,258.00)               | -   | -                      |
| National School Lunch Program                         |                           |                           |                                  |                          |                               |                                |                     | 36,158.80        | (37,666.80)            | -      | -      | (3,258.00)               | -   | -                      |
| Total U.S. Department of Agriculture                  |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| <b>U.S. Department of Education</b>                   |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| <b>Passed-through State Department of Education</b>   |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| Special Revenue Fund                                  |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| Every Student Succeeds Act (E.S.S.A.)                 |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| Title I, Part A                                       | 84.010                    | S010A190030               | F705                             | 7/1/19 - 9/30/20         | 57,139.00                     | (1,871.69)                     | -                   | 4,871.69         | (48,203.27)            | -      | -      | (6,139.27)               | -   | -                      |
| Title I, Part B - Basic                               | 84.177                    | S010A190030               | F705                             | 7/1/19 - 9/30/20         | 12,770.00                     | (857.00)                       | -                   | 857.00           | -                      | -      | -      | -                        | -   | -                      |
| Title II, Part A - Teachers & Principals Training     | 84.367A                   | S397A200029               | F705                             | 7/1/20 - 9/30/21         | 11,540.00                     | -                              | -                   | 9,556.00         | (11,540.00)            | -      | -      | (1,984.00)               | -   | -                      |
| Title II, Part A - Teachers & Principals Training     | 84.367A                   | S424A200031               | F705                             | 7/1/20 - 9/30/21         | 17,370.00                     | (3,431.79)                     | -                   | 1,403.00         | (11,630.63)            | -      | -      | (10,227.63)              | -   | -                      |
| Title IV  | 84.424                    | S424A190031               | F705                             | 7/1/19 - 9/30/20         | 10,000.00                     | (6,160.48)                     | -                   | 3,431.79         | -                      | -      | -      | -                        | -   | -                      |
| Subtotal Every Student Succeeds Act                   |                           |                           |                                  |                          |                               |                                |                     | 59,183.48        | (71,373.90)            | -      | -      | (18,350.90)              | -   | -                      |
| I.D.E.A. Part B - Basic                               | 84.027                    | H027A190100               | F705                             | 7/1/19 - 9/30/20         | 137,698.00                    | (0.70)                         | -                   | 0.70             | -                      | -      | -      | -                        | -   | -                      |
| I.D.E.A. Part B - Basic                               | 84.177                    | H173A190100               | F705                             | 7/1/19 - 9/30/20         | 14,835.00                     | (131.04)                       | -                   | 113,865.04       | (123,213.75)           | -      | -      | (9,408.75)               | -   | -                      |
| I.D.E.A. Part B - Preschool                           | 84.173                    | H173A190114               | F705                             | 7/1/20 - 9/30/21         | 6,483.00                      | (31.74)                        | -                   | 5,728.00         | (13,861.01)            | -      | -      | (8,135.01)               | -   | -                      |
| I.D.E.A. Part B - Preschool                           | 84.173                    | H173A200114               | F705                             | 7/1/20 - 9/30/21         | 14,473.00                     | -                              | -                   | 119,662.74       | (137,074.76)           | -      | -      | (17,543.76)              | -   | -                      |
| CARES Act Education Stabilization Fund                | 84.425D                   | S425D000027               |                                  | 3/1/20-9/30/22           | 48,451.00                     | (8,430.26)                     | -                   | 49,703.26        | (41,273.65)            | -      | -      | (0.65)                   | -   | -                      |
| CARES Act ESSER II                                    | 84.425D                   | S425D000027               |                                  | 3/1/20-9/30/23           | 258,106.00                    | (8,430.26)                     | -                   | 49,703.26        | (101,504.62)           | -      | -      | (101,504.62)             | -   | -                      |
| Total U.S. Department of Education                    |                           |                           |                                  |                          |                               |                                |                     | 49,703.26        | (142,778.27)           | -      | -      | (101,505.27)             | -   | -                      |
| <b>U.S. Department of the Treasury</b>                |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| <b>Passed-through State Department of Education</b>   |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| Special Revenue Fund                                  |                           |                           |                                  |                          |                               |                                |                     |                  |                        |        |        |                          |   |                        |
| Coronavirus Relief Fund                               | 21.019                    |                           |                                  | 3/1/20 - 12/30/20        | 14,189.00                     | -                              | -                   | 14,189.00        | (14,189.00)            | -      | -      | -                        | -   | -                      |
| Total Special Revenue Fund                            |                           |                           |                                  |                          |                               |                                |                     | 14,189.00        | (14,189.00)            | -      | -      | -                        | -   | -                      |
| Total Federal Financial Award                         |                           |                           |                                  |                          |                               |                                |                     | 278,897.26       | (403,062.73)           | -      | -      | (140,657.63)             | -   | -                      |

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

**CITY OF MARGATE SCHOOL DISTRICT  
(A Component Unit of the City of Margate)  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2021**

| Federal Grantor/Pass-Through Grantor/<br>Program Title     | Grant or State<br>Project Number | Grant<br>Period | Award<br>Amount | Balance at June 30, 2020                   |                   | Carryover<br>Amount | Cash<br>Received | Budgetary<br>Expenditures | Adjustments/<br>of Prior Year's<br>Balances | Balance at June 30, 2021 |                   | MEMO         |
|--|----------------------------------|-----------------|-----------------|--|-------------------|---------------------|------------------|---------------------------|---|--------------------------|-------------------|--------------|
|  |                                  |                 |                 | Deferred Revenue/<br>(Accounts Receivable) | Due to<br>Grantor |                     |                  |                           |   | Unearned<br>Revenue      | Due to<br>Grantor |              |
| <b>State Department of Education<br/>General Fund:</b>     |                                  |                 |                 |  |                   |                     |                  |                           |   |                          |                   |              |
| Categorical Special Education Aid                          | 21-485-034-5120-089              | 7/1/20-6/30/21  | 314,672.00      |  |                   |                     | 314,672.00       | (314,672.00)              |   |                          |                   | 314,672.00   |
| Categorical Security Aid                                   | 21-485-034-5120-084              | 7/1/20-6/30/21  | 43,782.00       |  |                   |                     | 43,782.00        | (43,782.00)               |   |                          |                   | 43,782.00    |
| Categorical Transportation Aid                             | 21-485-034-5120-014              | 7/1/20-6/30/21  | 136,684.00      |  |                   |                     | 136,684.00       | (136,684.00)              |   |                          |                   | 136,684.00   |
| Extraordinary Aid  | 21-485-034-5120-044              | 7/1/20-6/30/21  | 130,641.00      |  |                   |                     | 130,641.00       | (130,641.00)              |   |                          |                   | 130,641.00   |
| Reimbursed Non-Public Transportation Aid                   | 20-485-034-5120-044              | 7/1/19-6/30/20  | 104,546.00      | (95,027.00)                                |                   |                     |                  | (8,519.00)                |   |                          |                   | 104,546.00   |
| Reimbursed Non-Public Transportation Aid                   | 20-485-034-5120-014              | 7/1/19-6/30/20  | 5,510.00        | (5,510.00)                                 |                   |                     |                  |                           |   |                          |                   | 5,510.00     |
| Reimbursed TPAF Social Security Contributions              | 21-485-034-5094-014              | 7/1/20-6/30/21  | 362,275.65      |  |                   | 362,275.65          | (362,275.65)     |                           |   |                          |                   | 362,275.65   |
| On-Behalf TPAF Pension Contributions                       | 21-485-034-5094-002              | 7/1/20-6/30/21  | 1,342,194.00    |  |                   | 1,342,194.00        | (1,342,194.00)   |                           |   |                          |                   | 1,342,194.00 |
| On-Behalf TPAF Post-Retirement Medical Contribution        | 21-485-034-5094-011              | 7/1/20-6/30/21  | 420,622.00      |  |                   | 420,622.00          | (420,622.00)     |                           |   |                          |                   | 420,622.00   |
| On-Behalf TPAF Long-Term Disability Insurance Contribution | 21-485-034-5094-004              | 7/1/20-6/30/21  | 20,000.00       |  |                   | 20,000.00           | (20,000.00)      |                           |   |                          |                   | 20,000.00    |
| Securing our Children's Future Bond Act                    | 21-485-034-5094-004              | 7/1/20-6/30/21  | 20,000.00       | (100,537.00)                               |                   | 2,756,876.85        | (2,819,230.65)   |                           |   | (142,897.00)             | 45,801.00         | 1,136,468.65 |
| <b>Total General Fund</b>                                  |                                  |                 | 199.46          | (27.50)                                    |                   | 1,470.09            | (1,700.87)       |                           |   | (230.78)                 |                   | 1,700.87     |
| <b>Enterprise Fund:</b>                                    |                                  |                 |                 |  |                   |                     |                  |                           |   |                          |                   |              |
| National School Lunch Program (State Share)                | 20-100-010-3350-023              | 7/1/19-6/30/20  | 1,700.87        |  |                   |                     |                  |                           |   |                          |                   | 1,700.87     |
| National School Lunch Program (State Share)                | 21-100-010-3350-023              | 7/1/20-6/30/21  |                 |  |                   | 1,497.59            | (1,700.87)       |                           |   | (230.78)                 |                   | 1,900.33     |
| <b>Total Enterprise Fund</b>                               |                                  |                 |                 |  |                   | 2,756,374.24        | (2,820,831.52)   |                           |   | (143,121.78)             | 45,801.00         | 1,136,368.98 |
| <b>Total State Financial Assistance</b>                    |                                  |                 |                 |  |                   |                     |                  |                           |   |                          |                   |              |
| Less: On-Behalf Payments                                   |                                  |                 |                 |  |                   |                     |                  |                           |   |                          |                   |              |
| On-Behalf TPAF Pension Contributions                       | 21-485-034-5094-002              |                 |                 |  |                   | (1,342,194.00)      | 1,342,194.00     |                           |   |                          |                   |              |
| On-Behalf TPAF Post-Retirement Medical Contribution        | 21-485-034-5094-011              |                 |                 |  |                   | (420,622.00)        | 420,622.00       |                           |   |                          |                   |              |
| On-Behalf TPAF Long-Term Disability Insurance Contribution | 21-485-034-5094-004              |                 |                 |  |                   | (1462.00)           | 1,462.00         |                           |   |                          |                   |              |
| <b>Total On-Behalf Payments</b>                            |                                  |                 |                 |  |                   | (1,765,299.00)      | 1,765,299.00     |                           |   |                          |                   |              |
| <b>Total State Financial Assistance</b>                    |                                  |                 |                 |  |                   | 895,075.24          | (1,057,632.52)   |                           |   | (143,121.78)             | 45,801.00         | 1,136,368.98 |

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations* and NJ OMB Circular 15-08, *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 District has elected not to use the 10% de minimis indirect cost rate.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

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

See the following schedule and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**CITY OF MARGATE SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

|   | General fund    | Food service<br>fund | Total        |
|---|-----------------|----------------------|--------------|
| <b>State Assistance:</b>  |                 |                      |              |
| Actual amounts<br>(budgetary) "revenues"<br>from the Schedule of<br>Expenditures of State<br>Financial Assistance   | \$ 2,819,230.65 | 1,700.87             | 2,820,931.52 |
| Difference – budget to<br>"GAAP"  |                 |                      |              |
| Grant accounting<br>budgetary basis differs<br>from GAAP in that<br>encumbrances are<br>recognized as<br>expenditures, and the<br>related revenue is<br>recognized. |                 |                      |              |
| State aid payment<br>recognized for GAAP<br>statements in the current<br>year, previously recognized<br>for budgetary purposes                                      | 46,043.00       |                      | 46,043.00    |
| State aid payment<br>recognized for budgetary<br>purposes, not recognized<br>for GAAP statements until<br>the subsequent year.                                      | (45,801.00)     |                      | (45,801.00)  |
| Total State revenue as<br>reported on the statement<br>of revenues, expenditures<br>and changes in fund<br>balances   | \$ 2,819,472.65 | 1,700.87             | 2,821,173.52 |



**CITY OF MARGATE SCHOOL DISTRICT**  
**(A COMPONENT UNIT OF THE CITY OF MARGATE)**  
**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

|  | Special<br>Revenue Fund | Food Service<br>Fund | Total      |
|--|-------------------------|----------------------|------------|
| <b>Federal Assistance:</b>   |                         |                      |            |
| Actual amounts (budgetary)<br>"revenues" from the Schedule of<br>Expenditures of Federal Awards  | 365,415.93              | 37,666.80            | 403,082.73 |
| Difference - budget to "GAAP" Grant<br>accounting budgetary basis differs<br>from "GAAP" in that encumbrances<br>are recognized as expenditures, and<br>the related revenue is recognized. | 611.42                  |                      | 611.42     |
| Total Federal revenue as reported on<br>the statement of revenue,<br>expenditures, and changes in fund<br>balance  | 366,027.35              | 37,666.80            | 403,694.15 |

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

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

**NOTE 5. OTHER**

The amounts reported as OPEB and TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

**CITY OF MARGATE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Part I -- Summary of Auditor's Results**

**Financial Statement Section**

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

**Federal Awards Section**

Not Applicable

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| _____                 | _____                                     |
| _____                 | _____                                     |
| _____                 | _____                                     |
| _____                 | _____                                     |
| _____                 | _____                                     |

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

\_\_\_\_\_

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

**CITY OF MARGATE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Part I -- Summary of Auditor's Results**

**State Awards Section**

Internal Control over major programs:

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

2) Significant deficiency(ies) identified \_\_\_\_\_ yes       X       no

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

\_\_\_\_\_ Unmodified \_\_\_\_\_

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

\_\_\_\_\_ yes       X       no

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u>      |
|-----------------------|-----------------------------------|
| _____                 | State Aid Cluster: _____          |
| 21-495-034-5120-089   | Categorical Special Education Aid |
| 21-495-034-5120-084   | Categorical Security Aid          |
| 21-495-034-5120-085   | Adjustment Aid                    |
| _____                 | _____                             |
| _____                 | _____                             |
| _____                 | _____                             |
| _____                 | _____                             |

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

\_\_\_\_\_ \$750,000 \_\_\_\_\_

Auditee qualified as low-risk auditee?

      X       yes \_\_\_\_\_ no \_\_\_\_\_

**CITY OF MARGATE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

***Part 2 -- Schedule of Financial Statement Findings***

None

***Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs***

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**STATUS OF PRIOR YEAR FINDINGS**

None