

**SCHOOL DISTRICT OF THE
OCEAN TOWNSHIP
COUNTY OF MONMOUTH, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

BOARD OF EDUCATION

OCEAN TOWNSHIP

STATE OF NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

PREPARED BY

OCEAN TOWNSHIP BOARD OF EDUCATION

BOARD SECRETARY'S OFFICE

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INTRODUCTORY SECTION



TOWNSHIP OF OCEAN SCHOOLS

Business Office

163 Monmouth Road

Oakhurst, NJ 07755

ghastings@oceanschools.org

(732) 531-5600 ext. 3100

Geoffrey Hastings

Business Administrator

December 3, 2025

Citizens of the Township of Ocean
The Honorable President and
Members of the Board of Education
Township of Ocean School District
Monmouth County
Oakhurst, New Jersey

Dear Citizens of Ocean Township and Board Members:

The annual comprehensive financial report (ACFR) of the Township of Ocean School District (District) for the fiscal year ended June 30, 2025, is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards (GASB), Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes Management's Discussion and Analysis, the Basic Financial Statements and notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information, as well as the auditor's report hereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis, as the information was available to us. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 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 and compliance with applicable laws, regulation, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Township of Ocean School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Township of Ocean Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2024-2025 fiscal year with an enrollment of 3,110 students, which is 35 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

**Note: Below enrollments do not include 'out of district' tuition students.*

ACTUAL STUDENT ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2024-2025	3110	<1.11>%
2023-2024	3145	.25%
2022-2023	3137	<1.84>%
2021-2022	3196	<3.12>%
2020-2021	3329	<0.18>%

PROJECTED STUDENT ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2025-2026	3,090	<1.75>%
2026-2027	3,041	<1.56>%
2027-2028	2,994	<1.56>%
2028-2029	2,947	<1.56>%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** Ocean Township is located on the Jersey Shore in east central Monmouth County, NJ. The township is located 47 miles south of New York City and 55 miles east of Philadelphia. Ocean Township consists of three main unincorporated communities: Oakhurst, Wanamassa, and Wayside. The township, located in Monmouth County, is a desirable place to start and grow a business. Ocean Township's economic condition is stable, with a strong median household income and a low poverty rate, supported by its proximity to New York City and a thriving housing market. The local economy is focused on fostering small business growth and strategically developing areas like Route 35, while the state's economic outlook points to continued growth in sectors like healthcare and pharmaceuticals. The employment outlook for Monmouth County indicates a period of modest job growth with some softness in the overall economy, but sustained strength in specific key sectors such as **Education and Health Services**, and **Professional, Scientific, and Technical Services**. The unemployment rate in mid-2025 was slightly higher than the national average, at approximately 5.0%.
- 3) **MAJOR INITIATIVES:** The Township of Ocean Schools strives to meet the educational needs of all students through inclusive environments that provide access and opportunity for students at all levels. These educational settings have allowed us to expand our offerings and provide real world experiences for our students. In addition, the District is continuing major programmatic advances in the areas of 1) Computer Science 2) career and technical education with three Programs of Study that all include dual enrollment relationships with a number of higher education institutions as well as industry credential certification pathways, and 4) academic and behavioral multi-tiered systems of support to provide students with the interventions and enrichment they need to advance their skills both behaviorally and academically. The district continues to systematically make improvements to facilities to ensure students have the best educational environment within which to grow. Finally, the Township of Ocean School District has been successful in applying for state funds for an early childhood preschool program. For the 2026-2027 school year, we will have 25 preschool classes serving 375 general education and special education preschool students ages 3-4. The Township of Ocean School District continues to instill in every student the importance of working together as a team to make our school district better and better every day. Here in the Home of the Spartans we call that creating your Spartan Legacy. All Ocean students from ages 3-21, impress and wow us every day with their community spirit, charitable natures, and achievements. Evidence of their Spartan Legacies is abundant.

4) FACILITIES: The Township of Ocean School District operates 6 buildings as follows:

Building	Address	Year Built	Approximate Square Footage
Ocean Twp. High School	550 West Avenue	1964	224,295
Twp. of Ocean Intermediate School	1200 West Park Ave	1974	231,031
Wayside Elementary School	733 Bowne Road	1969	96,987
Ocean Twp. Elementary School	555 Dow Avenue	1957	77,797
Wanamassa Elementary School	901 Bendermere Ave	1930	80,529
Administration Office Bldg.	163 Monmouth Road	1900	46,850

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

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

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

- 6) 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 BOE and/or voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2025.
- 7) 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 Financial Statements", Note 1.
- 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, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 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. A schedule of insurance coverage is found in Exhibit J-20.
- 10) OTHER INFORMATION: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Wielkottz & Co., P.A. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Uniform Guidance and New Jersey OMB's Circular 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.

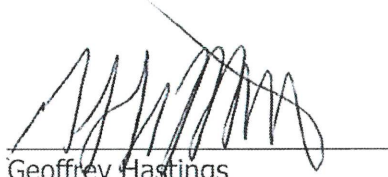
11) ACKNOWLEDGEMENTS:

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

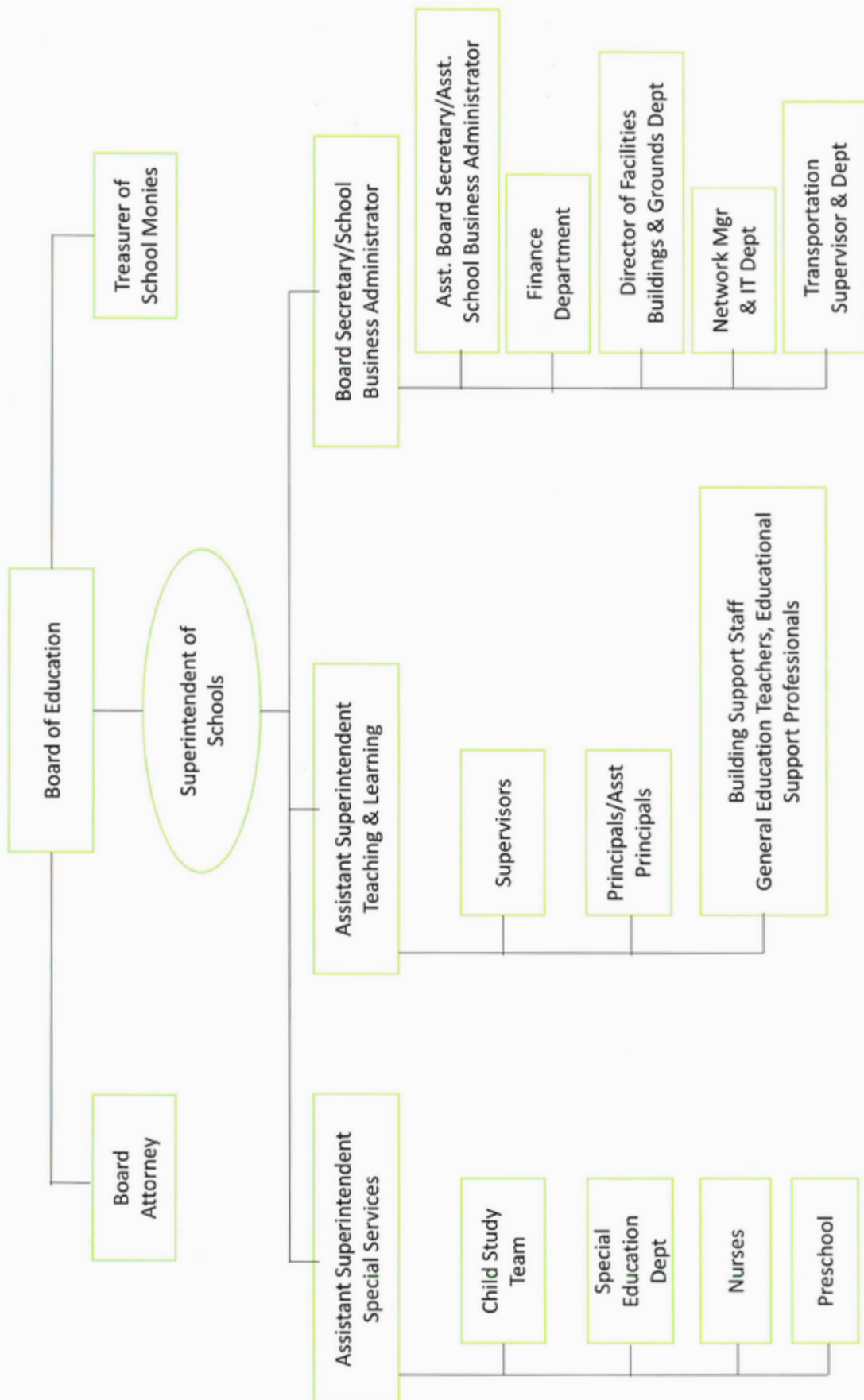
Respectfully submitted,



Kelly Weldon
Superintendent of Schools



Geoffrey Hastings
School Business Administrator/
Board Secretary



**OCEAN TOWNSHIP BOARD OF EDUCATION
OCEAN, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
John McCarthy, President	2027
Gerard Dalton, Vice President	2026
Irene Gilman	2027
Jamie A. Stevens	2027
Amy McGovern	2025
GraceAnne Talarico	2025
Scott Brady	2025
Caitlin Dam	2026
Brian Schneider	2026
Grace Fuller - Student Representative	
Molly Tantrum - Student Representative	
<u>Other Officials</u>	
Kelly Weldon, Superintendent of Schools	
Geoffrey Hastings, Board Secretary/School Business Administrator	
Elliot Kass, Assistant School Business Administrator	
Robert Williams, Treasurer	

OCEAN TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

Wielkottz & Company, LLC
Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Taylor Law Group, LLC
430 Mountain Avenue, Suite 103
New Providence, NJ 07974

Kenney, Gross, Kovats and Parton
130 Maple Avenue
Red Bank, NJ 07701

Weiner Law Group, LLP
629 Parsippany Road
Parsippany, NJ 07054

Official Depositories

Santander Bank
57 Monmouth Road
Oakhurst, NJ 07755

New Jersey Asset & Rebate Management Program
200 Princeton South Corporation Suite 270A
Ewing, NJ 08628

FINANCIAL SECTION



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Township of Ocean School District
County of Monmouth, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Township of Ocean School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Township of Ocean Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



Honorable President and
Members of the Board of Education
Page 3.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ocean Township Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ocean Township Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits 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 the 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.



Honorable President and
Members of the Board of Education
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Other Information

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

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were 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 nonmajor 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), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has 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.



Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025 on our consideration of the Ocean Township Board of Education'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 Ocean Township Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 3, 2025



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

As management of the Ocean Township Board of Education (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Ocean Township Board of Education for the fiscal year ended June 30, 2025.

The Management's Discussion and Analysis is provided at the beginning of the audit to provide in layman's terms the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, and Enterprise Fund. The NJ Department of Education has elected to require districts to treat each governmental fund as a major fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$5,112,875, net position of governmental activities decreased \$5,275,527 while net position of business-type activity decreased by \$(162,652).
- General revenues accounted for \$93,150,454 in revenue or 91 percent of all governmental activity revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$9,324,802 or 9 percent of total revenues of \$102,475,256.
- Total assets of governmental activities increased by \$2,698,475 as cash and cash equivalents increased by \$2,162,079 receivables decreased by \$527,315, and capital assets increased by \$1,063,711.
- The School District had \$97,199,729 in governmental activities expenses; only \$9,324,802 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$93,150,454 were not adequate to provide for these programs.

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This discussion and analysis is intended to serve as an introduction to the Ocean Township Board of Education's basic financial statements. The Ocean Township Board of Education's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

These statements are designed to provide readers with a broad overview of the Ocean Township Board of Education's finances, in a manner similar to a private-sector business. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The statement of net position presents information on all of the Ocean Township Board of Education's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Ocean Township Board of Education is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The causes of change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Program revenues are revenues generated by an activity's fees and charges or are received as operating or capital grants specifically for a certain function. Most of the General Revenues are property taxes and unrestricted aid from other governments –i.e., Equalization Aid, Transportation Aid, Special Education Aid, Security Aid, Adjustment Aid, etc.

Both of the government-wide financial statements distinguish functions of the Ocean Township Board of Education that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Ocean Township Board of Education include instruction and support services, operations and maintenance of plant facilities, pupil transportation and extracurricular activities. The business-type activities of the School District are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Safety Town enterprise funds are reported as business activities.

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), (continued)

Reporting the District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ocean Township Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses many funds to account for a multitude of financial transactions. All of these governmental funds of the School District can be divided into four categories: General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The Ocean Township Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund, which are all considered to be major funds.

Enterprise Funds

The Ocean Township Board of Education maintains an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the District-wide financial statements. The Ocean Township Board of Education uses the enterprise fund to account for its food service program.

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), (continued)

Long Term Debt

A separate section is used to account for all long-term Debt including detail of serial bonds payable and obligations under capital leases.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary information for the District's major funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The School District's net position was \$35,109,205 at June 30, 2025. Of this amount \$(15,124,313) was unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis on the next page focuses on the net position (Table 1) and change in net position (Table 2) of the School District. Table 1 provides a summary of the School District's net position for 2025 and 2024.

OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

Net Position
June 30, 2025

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and Other Assets	27,208,779	25,574,015	591,622	716,302	27,800,401	26,290,317
Capital Assets	46,089,120	45,025,409	515,592	471,697	46,604,712	45,497,106
Total Assets	<u>73,297,899</u>	<u>70,599,424</u>	<u>1,107,214</u>	<u>1,187,999</u>	<u>74,405,113</u>	<u>71,787,423</u>
Deferred Outflows of Resources	1,774,693	1,950,431			1,774,693	1,950,431
Total Deferred Outflows of Resources	<u>1,774,693</u>	<u>1,950,431</u>			<u>1,774,693</u>	<u>1,950,431</u>
Current Liabilities	4,452,226	4,093,803	199,043	117,176	4,651,269	4,210,979
Non-Current Liabilities	35,254,951	38,026,428	—	—	35,254,951	38,026,428
Total Liabilities	<u>39,707,177</u>	<u>42,120,231</u>	<u>199,043</u>	<u>117,176</u>	<u>39,906,220</u>	<u>42,237,407</u>
Deferred Inflows of Resources	1,164,381	1,504,117	—	—	1,164,381	1,504,117
Total Deferred Inflows of Resources	<u>1,164,381</u>	<u>1,504,117</u>	—	—	<u>1,164,381</u>	<u>1,504,117</u>
Net Position						
Invested in Capital Assets						
Net of Debt	26,590,193	23,788,495	515,592	471,697	27,105,785	24,260,192
Restricted	23,127,733	22,062,841			23,127,733	22,062,841
Unrestricted	<u>(15,516,892)</u>	<u>(16,925,829)</u>	<u>392,579</u>	<u>599,126</u>	<u>(15,124,313)</u>	<u>(16,326,703)</u>
Total Net Position	<u>34,201,034</u>	<u>28,925,507</u>	<u>908,171</u>	<u>1,070,823</u>	<u>35,109,205</u>	<u>29,996,330</u>

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below show the changes in net position for the fiscal year 2025 and 2024.

Table 2

Changes in Net Position
Year Ended June 30, 2025

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
<u>Program Revenues:</u>						
Charges for Services & Sales			456,169	513,668	456,169	513,668
Operating Grants & Contributions	9,324,802	8,735,618	840,629	851,035	10,165,431	9,586,653
<u>General Revenues:</u>						
<u>Taxes:</u>						
Local Property Taxes	76,028,461	72,809,580			76,028,461	72,809,580
Federal & State Aid Not Restricted	15,039,960	20,985,023			15,039,960	20,985,023
Miscellaneous Income	<u>2,082,033</u>	<u>2,106,316</u>	<u> </u>	<u> </u>	<u>2,082,033</u>	<u>2,106,316</u>
Total Revenues	<u>102,475,256</u>	<u>104,636,537</u>	<u>1,296,798</u>	<u>1,364,703</u>	<u>103,772,054</u>	<u>106,001,240</u>

OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Functions/Program Expenses						
<u>Instruction:</u>						
Regular	27,313,807	26,842,929			27,313,807	26,842,929
Special Education	7,367,664	7,457,234			7,367,664	7,457,234
Other Special Instruction	1,307,443	1,214,827			1,307,443	1,214,827
Other Instruction	1,559,699	1,492,425			1,559,699	1,492,425
Support Services:						
Tuition, Student and Instruction Related Services	15,879,365	15,047,160			15,879,365	15,047,160
School Administrative Services	2,162,271	2,118,284			2,162,271	2,118,284
General Administrative Services	772,507	906,125			772,507	906,125
Central Service and Admin Info.	1,457,364	1,449,091			1,457,364	1,449,091
Plant Operations and Maintenance	7,436,500	7,044,548			7,436,500	7,044,548
Pupil Transportation	5,126,047	4,764,084			5,126,047	4,764,084
Personal Services-benefits	23,290,298	24,906,564			23,290,298	24,906,564
Summer schools	278,360	259,129			278,360	259,129
Charter school	463,642	501,493			463,642	501,493
Unallocated Depreciation	2,089,024	1,779,504			2,089,024	1,779,504
Non-depreciable capital outlay	60,092	60,092			60,092	60,092
Interest on Long-Term Debt	584,931	624,081			584,931	624,081
Deletion of Capital Assets	50,715				50,715	-
Enterprise Fund	<u> </u>	<u> </u>	<u>1,459,450</u>	<u>1,420,185</u>	<u>1,459,450</u>	<u>1,420,185</u>
Total Expenses and Transfers	<u>97,199,729</u>	<u>96,467,570</u>	<u>1,459,450</u>	<u>1,420,185</u>	<u>98,659,179</u>	<u>97,887,755</u>
Change in Net Position	<u>5,275,527</u>	<u>8,168,966</u>	<u>(162,652)</u>	<u>(55,482)</u>	<u>(5,112,875)</u>	<u>8,113,484</u>

As reported in the Statement of Activities, the cost of all of our governmental and business-type activities this year was \$98,659,179.

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS, (continued)

Business-Type Activities

Revenues for the District's business type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Expenditures exceeded revenues by \$(162,652) (loss).
- Charges for services represent \$456,169 of revenue. This represents the amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and free milk, and donated commodities was \$840,629.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund and the special revenue fund.

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OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2025</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2025</u>	<u>Net Cost of Services 2024</u>
Instruction	37,548,612	37,007,415	32,305,414	31,750,213
Support Services:				
Pupils and Instructional Staff	15,879,366	15,047,160	12,232,329	11,568,744
General Administration, School Administration, Business Services and Central Services	4,392,142	4,473,500	4,392,142	4,473,500
Operation and Maintenance of Facilities	7,436,500	7,044,548	7,436,500	7,044,548
Pupil Transportation	5,126,047	4,764,084	5,126,047	4,764,084
Personal services-benefits	23,290,298	24,906,564	23,290,298	24,906,564
Interest and Fiscal Charges	584,931	624,081	584,931	624,081
Other	<u>2,941,833</u>	<u>2,600,218</u>	<u>2,507,266</u>	<u>2,600,218</u>
<u>Total Expenses</u>	<u>97,199,729</u>	<u>96,467,570</u>	<u>87,874,928</u>	<u>87,731,952</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, central services and admin info tech includes expenses associated with administrative and financial supervision of the District.

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition and in compliance with NJDEP and all applicable statutes.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Personnel benefits includes costs related to group insurance, social security, retirement contributions, workmen's compensation, health benefits, tuition benefits and other employee benefits.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes summer and charter schools, Non-depreciable capital outlay and unallocated depreciation.

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OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025 the School District had \$96,984,505 invested in sites, buildings, and equipment. Of this amount \$50,379,793 in depreciation has been taken over the years. We currently have a net book value of \$46,604,712. Total additions for the year were \$4,097,243. Table 3 shows fiscal year 2025 balances compared to 2024.

Table 4

Capital Assets at June 30, 2025
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	984,968	984,968			984,968	984,968
Site Improvements	1,569,130	1,491,211			1,569,130	1,491,211
Buildings and Improvements	39,257,889	34,952,927			39,257,889	34,952,927
Machinery and Equipment	3,867,240	3,961,423	515,592	471,697	4,382,832	4,433,120
Construction in Progress	<u>409,893</u>	<u>3,634,880</u>	<u>—</u>	<u>—</u>	<u>409,893</u>	<u>3,634,880</u>
Total Net Assets	<u>46,089,120</u>	<u>45,025,409</u>	<u>515,592</u>	<u>471,697</u>	<u>46,604,712</u>	<u>45,497,106</u>

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2025, the District had \$18,140,000 in outstanding bonds. In addition to this amount the District had, \$2,036,628 in compensated absences, \$1,358,927 is for capital lease obligations and \$13,719,396 in net pension liability.

Table 5

Outstanding Serial Bonds at June 30, 2025

	<u>2025</u>	<u>2024</u>
School Bonds - Series 2015	<u>\$18,140,000</u>	<u>\$19,475,000</u>

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED
(CONTINUED)

ECONOMIC FACTORS AND NEXT YEARS' BUDGETS

The Board of Education continues to take necessary steps to institute cost savings measures on budgets, enabling the District to absorb the reductions in state aid. The goal of the 2025-2026 budget will be to address aging infrastructure concerns, maintain staffing levels and continue to build on curricular and technology advances that have already been made.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mr Geoffrey Hastings
School Business Administrator/Board Secretary
Ocean Township Board of Education
163 Monmouth Road
Ocean, NJ 07755

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 13,930,684	\$ 538,315	\$ 14,468,999
Receivables from other governments	3,308,069	53,307	3,361,376
Receivables - Other	79,809		79,809
Restricted assets:			
Cash and cash equivalents	9,890,217		9,890,217
Capital assets; net			
Land/Construction in Process	1,394,861		1,394,861
Other Capital Assets, Net	44,694,259	515,592	45,209,851
Total Assets	<u>73,297,899</u>	<u>1,107,214</u>	<u>74,405,113</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to PERS	1,774,693		1,774,693
Total Deferred Outflows of Resources	<u>1,774,693</u>	<u>-</u>	<u>1,774,693</u>
LIABILITIES			
Cash Overdraft	1,210,528		1,210,528
Accounts payable and accrued liabilities	926,672	199,043	1,125,715
Accounts payable related to Pensions	1,276,908		1,276,908
Payroll deductions and withholdings	72,556		72,556
Other liability - Unemployment compensation	57,157		57,157
Payable to state government	103,039		103,039
Payable to federal government	11,280		11,280
Unearned revenue	794,086		794,086
Noncurrent liabilities:			
Due within one year	1,779,288		1,779,288
Due beyond one year	33,475,663		33,475,663
Total liabilities	<u>39,707,177</u>	<u>199,043</u>	<u>39,906,220</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to PERS	1,164,381		1,164,381
NET POSITION			
Invested in capital assets, net of related debt	26,590,193	515,592	27,105,785
Restricted for:			
Capital Reserve	8,673,161		8,673,161
Maintenance Reserve	3,030,257		3,030,257
Unemployment compensation	608,892		608,892
Student Activities	426,776		426,776
Scholarship Funds	46,852		46,852
Debt Service Fund	135		135
Capital Project Fund	25,074		25,074
Other purposes	10,316,586		10,316,586
Unrestricted	(15,516,892)	392,579	(15,124,313)
Total net position	<u>\$ 34,201,034</u>	<u>\$ 908,171</u>	<u>\$ 35,109,205</u>

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

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 27,199,586	\$ 114,221		\$ 5,243,198	\$ (22,070,609)		\$ (22,070,609)
Special education	7,367,664				(7,367,664)		(7,367,664)
Other special instruction	1,307,443				(1,307,443)		(1,307,443)
School-sponsored activities	1,559,699				(1,559,699)		(1,559,699)
Support services:							
Tuition	3,867,170				(3,867,170)		(3,867,170)
Student & instruction related services	11,823,955	188,241		3,647,037	(8,365,159)		(8,365,159)
School administrative services	2,148,210	14,061			(2,162,271)		(2,162,271)
General and business administrative services	766,783	5,724			(772,507)		(772,507)
Central Services and Admin. Info Tech.	1,457,364				(1,457,364)		(1,457,364)
Plant operations and maintenance	7,398,151	38,349			(7,436,500)		(7,436,500)
Pupil transportation	4,725,461	400,586			(5,126,047)		(5,126,047)
Personal Services-employee benefits	23,290,298				(23,290,298)		(23,290,298)
Summer Schools	278,360				(278,360)		(278,360)
Charter Schools	463,642				(463,642)		(463,642)
Interest on long-term debt	584,931				(584,931)		(584,931)
Unallocated depreciation	2,089,024				(2,089,024)		(2,089,024)
Deletion of Capital Assets	50,715				(50,715)		(50,715)
Non-depreciable capital out lay	60,092			434,567	374,475		374,475
Total governmental activities	96,438,547	761,182	-	9,324,802	(87,874,927)	-	(87,874,927)
Business-type activities:							
Food Service	1,459,450		456,169	840,629		(162,652)	(162,652)
Total business-type activities	1,459,450	-	456,169	840,629		(162,652)	(162,652)
Total primary government	\$97,897,997	\$761,182	\$ 456,169	\$ 10,165,431	\$ (87,874,927)	\$ (162,652)	\$ (88,037,579)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					74,531,210		74,531,210
Property taxes, levied for debt service					1,497,251		1,497,251
Federal and State aid not restricted					15,039,960		15,039,960
Miscellaneous Income					2,082,033		2,082,033
Total general revenues, special items, extraordinary items and transfers					93,150,454		93,150,454
Change in Net Position					5,275,527	(162,652)	5,112,875
Net Position—beginning					28,925,507	1,070,823	29,996,330
Net Position—ending					\$ 34,201,034	\$ 908,171	\$ 35,109,205

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

FUND FINANCIAL STATEMENTS

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 13,440,269	\$ 490,280		\$ 135	\$ 13,930,684
Receivables from other governments	1,479,716	592,751	1,235,602		3,308,069
Receivables - Other	74,871	4,938			79,809
Restricted cash and cash equivalents	9,890,217				9,890,217
Total assets	<u>\$ 24,885,073</u>	<u>\$ 1,087,969</u>	<u>\$ 1,235,602</u>	<u>\$ 135</u>	<u>\$ 27,208,779</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash Overdraft			1,210,528		1,210,528
Accounts Payable	505,580	235,015			740,595
Unearned revenue	105,530	688,556			794,086
Payable to state government		103,039			103,039
Payable to federal government		11,280			11,280
Payroll deductions and withholdings payable	72,556				72,556
Unemployment Compensation claims payable	57,157				57,157
Total liabilities	<u>740,823</u>	<u>1,037,890</u>	<u>1,210,528</u>	<u>-</u>	<u>2,989,241</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	4,334,300				4,334,300
Excess surplus - prior year - designated for subsequent year's expenditures	4,334,300				4,334,300
Capital reserve	8,673,161				8,673,161
Maintenance reserve	3,030,257				3,030,257
Capital Projects			25,074		25,074
Debt service				135	135
Unemployment compensation	608,892				608,892
Scholarship Fund		46,852			46,852
Student Activities		426,776			426,776
Assigned to:					
Other purposes					-
Designated for subsequent year's expenditures	1,647,986				1,647,986
Unassigned:					
General fund	1,515,354				1,515,354
Special Revenue Fund (Deficit)		(423,549)			(423,549)
Total Fund balances	<u>24,144,250</u>	<u>50,079</u>	<u>25,074</u>	<u>135</u>	<u>24,219,538</u>
Total liabilities and fund balances	<u>\$ 24,885,073</u>	<u>\$ 1,087,969</u>	<u>\$ 1,235,602</u>	<u>\$ 135</u>	
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$95,855,097 and the accumulated depreciation is \$49,765,977.					46,089,120
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.					(186,077)
Accounts payable for subsequent pension payment is not a payable in the funds.					(1,276,908)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.					
Deferred Outflows of Resources related to PERS pension liability					1,774,693
Deferred Inflows of Resources related to PERS pension liability					(1,164,381)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(35,254,951)
Net position of governmental activities					<u>\$ 34,201,034</u>

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 74,531,210			\$ 1,497,251	\$76,028,461
Tuition	267,361				267,361
Transportation Fees	63,179				63,179
Interest Earned on Investments	817,805				817,805
Unrestricted miscellaneous revenue	315,767	1,783,592			2,099,359
Interest Earned on Investments-Maintenance Reserve Funds	10,000				10,000
Interest Earned on Investments-Capital Project Funds	339,900				339,900
Rental fees	268,021				268,021
Total - Local Sources	76,613,243	1,783,592	-	1,497,251	79,894,086
State sources	25,230,162	5,610,475	18,962	436,031	31,295,630
Federal sources	41,952	1,930,735			1,972,687
Total revenues	101,885,357	9,324,802	18,962	1,933,282	113,162,403
EXPENDITURES					
Current:					
Regular instruction	\$ 21,996,393	\$ 5,325,263			\$ 27,321,656
Special education instruction	7,367,664				7,367,664
Other special instruction	1,307,443				1,307,443
School-sponsored activities	1,559,699				1,559,699
Support services and undistributed costs:					
Tuition	3,867,170				3,867,170
Student & instruction related services	8,176,918	3,647,037			11,823,955
General administrative services	1,169,770				1,169,770
School administrative services	2,148,210				2,148,210
Central Services and Admin Info. Tech.	1,457,364				1,457,364
Plant operations and maintenance	7,398,151				7,398,151
Pupil transportation	4,725,461				4,725,461
Personal Services - employee benefits	35,125,956				35,125,956
Summer Schools	278,360				278,360
Charter Schools	463,642				463,642
Debt Service:					
Principal				1,335,000	1,335,000
Interest and other charges				598,281	598,281
Non-depreciable capital outlay	60,092				60,092
Capital outlay	1,681,178	434,567	1,848,887		3,964,632
Total expenditures	98,783,470	9,406,867	1,848,887	1,933,281	111,972,505
Excess (Deficiency) of revenues over expenditures	3,101,887	(82,065)	(1,829,925)	1	1,189,898
OTHER FINANCING SOURCES (USES)					
Unemployment Reserve-Net					-
Transfers in					-
Transfers out	(53,520)		53,520		-
Total other financing sources and uses	(53,520)	-	53,520	-	-
Net change in fund balances	3,048,367	(82,065)	(1,776,405)	1	1,189,898
Fund balance—July 1	21,095,883	132,144	1,801,479	134	23,029,640
Fund balance—June 30	\$ 24,144,250	\$ 50,079	\$ 25,074	\$ 135	\$ 24,219,538

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025

Total net change in fund balances - governmental funds (from B-2) **\$ 1,189,898**

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

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

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (2,850,206)	
Deletion Adjustment	\$ (50,715)	
Depreciable capital outlays	<u>3,964,632</u>	1,063,711

Repayment of long-term debt is reported as 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. In the current year, these amounts consist of:

Principal payments on bonds payable	1,335,000
Capital leases-Net	402,987

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest change is an adjustment to the reconciliation.

Prior Year	199,427
Current Year	(186,077)

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 (+).

(Increase) Decrease in compensated absences payable	122,070
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District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	1,373,875	
Less: Pension Expense	<u>225,364</u>	
(Increase)/Decrease in Pension Expense		1,148,511

Per GASB No. 68 Non-employer contributing entities are required to record an increase in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase/(Decrease) in On-behalf State Aid TPAF Pension	(12,474,824)
Increase/(Decrease) in On-behalf TPAF Pension Expense	<u>12,474,824</u>

Per GASB No. 75 Non-employer contributing entities are required to record a decrease in revenue and expense for On-behalf other post-retirement health benefits paid by the State of New Jersey on the Statement of Activities that are less than those amounts reported in the fund financial statements

Increase in On-behalf Other Post-Employment Health Benefits	1,787,677
Increase in On-behalf Other Post-Employment Health Benefits Expense	<u>(1,787,677)</u>

Change in net position of governmental activities **\$ 5,275,527**

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

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2025

	Food Service
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 538,315
Accounts receivable	53,307
Noncurrent assets:	
Furniture, machinery & equipment	1,129,408
Less accumulated depreciation	(613,816)
Total noncurrent assets	515,592
Total assets	1,107,214
Current Liabilities:	
Accounts Payable	199,043
	199,043
NET POSITION	
Net Investment in capital assets	515,592
Unrestricted	392,579
Total net position	\$ 908,171

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2025

Operating revenues:

Charges for services:

Daily sales - program and non-program sales	\$ 456,169
Total operating revenues	<u>456,169</u>

Operating expenses:

Purchase services-fixed price contract	1,281,077
Food Commodities	89,656
Depreciation	88,717
Total Operating Expenses	<u>1,459,450</u>
Operating income (loss)	<u>(1,003,281)</u>

Non-operating revenues (expenses):

State sources:

State school lunch program	32,945
State school breakfast program	5,237

Federal sources:

National school lunch program	553,842
Breakfast Program	155,837
Food Distribution Program	89,656
Summer EBT Tranfer Program for Children	3,112
Total non-operating revenues (expenses)	<u>840,629</u>
Income (loss) before contributions & transfers	<u>(162,652)</u>

Total net position- July 1, 2024	<u>1,070,823</u>
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Total net position-June 30, 2025	<u><u>\$ 908,171</u></u>
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See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2025

	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and other funds	\$ 456,170
Payments to management company and other suppliers	(1,377,407)
Net cash provided by (used for) operating activities	(921,237)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	41,679
Federal sources	874,172
Net cash provided by (used for) non-capital financing activities	915,851
CASH FLOWS FROM CAPITAL AND RELATED INVESTING ACTIVITIES	
Payments for Equipment	(44,071)
Net cash provided by (used for) investing activities	(44,071)
Net increase (decrease) in cash and cash equivalents	(49,457)
Balances—beginning of year	587,773
Balances—end of year	\$ 538,316
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (1,003,281)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	88,717
Increase (decrease) in accounts payable	(6,673)
Total adjustments	82,044
Net cash provided by (used for) operating activities	\$ (921,237)

See accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of the School District and Reporting Entity:

The Board of Education of the Ocean Township ("Board") School District (the "District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Ocean Township School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include four elementary schools and one high school, located in the Ocean Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

District-wide Financial Statements

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or function and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues, including all taxes, are presented as general revenues of the Board, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category - *government and proprietary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental and proprietary.

GOVERNMENTAL FUNDS

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS, (continued)

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues. The Board currently has no funds in the capital project fund.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

PROPRIETARY FUNDS, (continued)

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

The Board's Enterprise Fund is comprised of the Food Service Fund.

Internal Service Fund - The internal service fund may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity on a cost reimbursement basis. The District accounts for its self-insured prescription drug plan costs provided to the Board of Education employees through the internal service fund. During Fiscal Year 2025 the District decided to no longer self insure its prescription drug plan costs. Prescription drugs are now provided directly with the Horizon State Health Benefit Plan.

C. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Measurement Focus, (continued)

Fund Financial Statements, (continued)

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Basis of Accounting, (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendents office for approval. 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. 6A:23-2(G)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year. The additional appropriation was caused by \$100,000 of Mental Health Aid being received.

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Budgets/Budgetary Control, (continued)

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.

F. 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 Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

G. Cash, Cash Equivalents and Investments

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 Board 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.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

G. Cash, Cash Equivalents and Investments, (continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the 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.

H. Tuition Revenues/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.

I. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated capital assets are valued at their acquisition value on the date received. The capital assets acquired or constructed are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. The Board currently maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

M. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as accumulated vacation and sick 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 Board 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 Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

N. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 1(B) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

P. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Accounting and Financial Reporting for Pensions, (continued)

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one items that qualify for reporting in this category, deferred amounts related to pension.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Q. Deferred Outflows/Inflows of Resources, (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

S. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

V. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses for personal services -benefits are reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

X. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Y. Recently Issued Accounting Pronouncements

The GASB has issued the following statements that will become effective for the School District for fiscal years ending June 30, 2025, and 2026:

GASB Statement No. 101, *Compensated Absences*, became effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

In September 2024, the Government Accounting Standards Board issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement will provide users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025. Management is currently reviewing the provisions of this Statement and its effect on the financial statements of the District.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2025, cash and cash equivalents of the Board consisted of the following:

Checking/Money Market Accounts	<u>\$23,148,688</u>
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During the period ended June 30, 2025, the Board did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025 was \$23,148,688 and the bank balance was \$28,021,756. The entire balance was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey statutes.

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 Board's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments (established in New Jersey Statutes 18A:20-37) are treated as cash equivalents. As of June 30, 2025, \$-0- of the Board's bank balance of \$28,021,756 was exposed to custodial credit risk.

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-37 limit the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified by the Statutes. The type of allowance investments are Bonds of the United States of America or local unit or school districts of which the local unit is a part of: 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.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

NEW JERSEY ASSET AND REBATE MANAGEMENT PROGRAM

The District participates in the New Jersey Asset and Rebate Management Program which is a joint investment trust for local governmental units in the State of New Jersey. It was formed to make available comprehensive investment management, accounting and rebate calculation services for the issuers of tax-exempt bonds and complies with New Jersey statutes which provide a convenient method for local governments to pool funds for temporary investing. These investments consist of United States Treasury Bills and notes with a maturity not greater than 397 days, and fully collateralized repurchase agreements. The carrying amount and fair value as of June 30, 2025 was \$10,582,798.

NOTE 3. RECEIVABLES

Receivables at June 30, 2025, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$2,715,318	\$3,006	\$2,718,324
Federal Aid	478,432	50,301	528,733
Other	<u>194,128</u>	<u>53,307</u>	<u>194,128</u>
	<u>\$3,387,878</u>	<u>\$53,307</u>	<u>\$3,441,185</u>

NOTE 4. INTERFUND BALANCES AND TRANSFERS

The District had no interfund balances as of June 30, 2025.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance 6/30/24	Additions	Deductions	Balance 6/30/25
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$984,968	\$	\$	\$984,968
Construction in Progress	<u>3,634,880</u>	<u>381,393</u>	<u>(3,606,380)</u>	<u>409,893</u>
Total Capital Assets, Not Being Depreciated	<u>4,619,848</u>	<u>381,393</u>	<u>(3,606,380)</u>	<u>1,394,861</u>
Capital Assets Being Depreciated				
Site Improvements	4,065,312	261,540	-	4,326,852
Buildings and Improvements	68,508,134	6,210,365		74,718,499
Machinery and Equipment	<u>14,852,515</u>	<u>717,714</u>	<u>(155,344)</u>	<u>15,414,885</u>
Total Capital Assets, Being Depreciated	<u>87,425,961</u>	<u>7,189,619</u>	<u>(155,344)</u>	<u>94,460,236</u>
Less Accumulated Depreciation:				
Site Improvements	2,574,101	183,621		2,757,722
Buildings and Improvements	33,555,207	1,905,403		35,460,610
Machinery and Equipment	<u>10,891,092</u>	<u>761,182</u>	<u>(104,629)</u>	<u>11,547,977</u>
Total Accumulated Depreciation	<u>47,020,400</u>	<u>2,850,206</u>	<u>(104,629)</u>	<u>49,765,977</u>
Total Capital Assets, Being Depreciated, Net	<u>40,405,561</u>	<u>4,339,413</u>	<u>(50,715)</u>	<u>44,694,259</u>
Governmental Activities Capital Assets, Net	<u>\$45,025,409</u>	<u>\$4,720,806</u>	<u>\$(3,657,095)</u>	<u>\$46,089,120</u>
	Balance 6/30/24	Additions	Deductions	Balance 6/30/25
Business-Type Activity				
Equipment	<u>\$996,796</u>	<u>\$132,612</u>	<u>\$</u>	<u>\$1,129,408</u>
Totals	<u>996,796</u>	<u>132,612</u>	<u>-</u>	<u>1,129,408</u>
Less Accumulated Depreciation				
Equipment	<u>525,099</u>	<u>88,717</u>		<u>613,816</u>
Total Accumulated Depreciation	<u>525,099</u>	<u>88,717</u>	<u>-</u>	<u>613,816</u>
Business-Type Activity Capital Assets, Net	<u>\$471,697</u>	<u>\$43,895</u>	<u>\$ -</u>	<u>\$515,592</u>

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 5. CAPITAL ASSETS, (continued)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$114,221
Other Instructional	188,241
General Administration	5,724
School Administration	14,061
Operations and Maintenance	38,349
Transportation	400,586
Unallocated	<u>2,089,024</u>
Total	<u>\$2,850,206</u>

NOTE 6. LONG-TERM DEBT OBLIGATIONS

Changes in long-term obligations for the fiscal year ended June 30, 2025 are as follows:

	Balance <u>6/30/24</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>6/30/25</u>	Due Within <u>One Year</u>
Financed Purchases Payable	\$1,761,914	\$	\$402,987	\$1,358,927	\$399,288
Compensated Absences Payable	2,158,698		122,070	2,036,628	
Bonds Payable	19,475,000		1,335,000	18,140,000	1,380,000
Net Pension Obligation	<u>14,630,816</u>	<u> </u>	<u>911,420</u>	<u>13,719,396</u>	<u> </u>
	<u>\$38,026,428</u>	<u>\$</u>	<u>\$2,771,477</u>	<u>\$35,254,951</u>	<u>\$1,779,288</u>

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 6. LONG-TERM DEBT OBLIGATIONS, (continued)

A. Bonds Payable, (continued)

Schedule of Payments

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025-2026	1,380,000	558,231	1,938,231
2026-2027	1,430,000	516,831	1,946,831
2027-2028	1,480,000	473,931	1,953,931
2028-2029	1,530,000	429,531	1,959,531
2029-2030	1,585,000	383,631	1,968,631
2030-2040	<u>10,735,000</u>	<u>1,227,707</u>	<u>11,962,707</u>
	<u>\$18,140,000</u>	<u>\$3,589,862</u>	<u>\$21,729,862</u>

B. Bonds and Notes Authorized But Not Issued:

As of June 30, 2025, the District had no authorized but not issued bonds.

C. Financing Purchases Payable:

The District has Financed Purchases Agreements for energy conservation equipment, buses and copiers, all Financing Purchase Agreements are for a term of fifteen years. The following is the payment schedule at June 30, 2025:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	399,288	34,092	433,380
2027	414,810	23,512	438,322
2028	264,554	12,480	277,034
2029	<u>280,275</u>	<u>3,654</u>	<u>283,929</u>
	<u>\$1,358,927</u>	<u>\$73,738</u>	<u>\$1,432,665</u>

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund 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 reports can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtm>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 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.

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 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 of New Jersey 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.

Benefits Provided

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

The following represents the membership tiers for PERS:

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

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

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year</u> <u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/25	\$1,373,888	\$102,160
6/30/24	1,350,041	96,409
6/30/23	1,267,758	95,552

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>
6/30/25	\$11,940,496	\$3,532,242	\$147,911	\$4,709
6/30/24	12,629,011	3,476,354	144,027	4,523
6/30/23	12,054,210	3,210,545	167,238	3,992

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,557,835 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2025, the District had a liability of \$13,719,396 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. 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 governmental entities, actuarially determined. At June 30, 2025, the District's proportion was .001009666 percent, which was a decrease of .0000004437 percent from its proportion measured as of June 30, 2024.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

For the year ended June 30, 2025, the District recognized pension expense of \$225,364 at June 30, 2025, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$274,825	\$
Changes of assumptions	17,044	156,095
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions	205,916	672,656
District contributions subsequent to the measurement date	<u>1,276,908</u>	<u>335,630</u>
Total	<u>\$1,774,693</u>	<u>\$1,164,380</u>

The \$1,276,908 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(582,492)
2025	450,715
2026	(259,306)
2027	(149,695)
2028	<u>3,896</u>
Total	<u>\$(536,882)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 years for 2024, 2023, 2022, 2021, 2020 and 2019, respectively.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2024 and June 30, 2023 are as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$1,079,580,780	\$1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net pension liability	13,702,423,985	14,606,489,066
District's Proportion	.100966659%	.101011034%

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

Mortality Rates

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

Mortality Rates, (continued)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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 PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2024 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:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$18,383,154	\$13,719,396	\$9,964,324

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2024 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>146,477,662</u>
	<u>\$146,477,662</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. The net pension liability associated with the District 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, 2024, the proportion of the TPAF net pension liability associated with the District was .2056036%.

For the year ended June 30, 2025, the District recognized on-behalf pension expense and revenue of \$(534,328) for contributions provided by the State in the District-Wide Financial Statements.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 7. PENSION PLANS, (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Health 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 a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 7. PENSION PLANS, (continued)

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, 2024) 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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 7. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

The State of New Jersey sponsors and administers the post-retirement health benefit program for school districts.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

General Information about the OPEB Plan, (continued)

State Health Benefit State Retired Employees Plan, (continued)

The total non-employer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>153,553</u>
Total	<u>372,741</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the postemployment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of the plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Total Nonemployer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is 0.00%. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the statement of net position.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Total Nonemployer OPEB Liability, (continued)

The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2025 is \$109,406,011. Since the OPEB liability associated with the District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. For the June 30, 2024, measurement date, the State's proportionate share of the non-employer OPEB liability associated with the District was .32834%, which was an increase of .00295% from its proportion measured as of June 30, 2023:

The actuarial assumptions and other inputs vary for each plan member depending on the pension plan the member is enrolled in. The actuarial valuation at July 1, 2023, which was rolled forward to June 30, 2024, used the following actuarial assumptions, applied to all period in the measurement:

Salary increases -

	<u>TPAF/ABP*</u>	<u>PERS*</u>	<u>PFRS*</u>
Salary Increases:	2.75 – 5.65%	2.75 – 6.55%	3.25 – 16.25%

* Based on service years

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

Experience Studies – The actuarial assumptions used in the July 1, 2023, valuation were based on the results of the TPAF, PERS, and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the plan upon retirement.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Health Care Trend Assumptions – For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.93%. 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.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2024, the board of education/board of trustees recognized on-behalf OPEB expense of \$5,319,919 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Ringwood School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 9. DEFERRED COMPENSATION

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

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits participants to defer a portion of their salary until future years. All amounts of compensation deferred are held for the exclusive benefit of plan participants and beneficiaries. Amounts deferred under the plan are distributable upon separation from service, death, or unforeseeable emergency.

Participant's rights under the plan are equal to the fair market value of the deferred account for each participant. The District has no liability for losses under the plan and is not the plans trustee.

The plan administrators are as follows: AXA-Equitable, Metropolitan Life, Ameriprise, VALIC, Aspire, VOYA Annuities, National Life Teachers Pension and Lincoln Investments.

NOTE 10. COMPENSATED ABSENCES

District employees are entitled to sick, vacation, and personal leave in accordance with Board policy and negotiated agreements. Unused leave may accumulate and, in certain cases, is payable upon retirement, resignation or termination.

Effective for the year ended June 30, 2025, the District implemented GASB Statement No. 101, Compensated Absences, which requires recognition of a liability for leave that (a) has not been used and (b) has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The calculated compensated absences balance is reported as a liability in the district-wide financial statements.

For purposes of measuring its liability, the District has determined that only employees age 55 and older are included, as this represents the group reasonably expected to meet retirement eligibility requirements.

At June 30, 2025, the District's compensated absences liability was \$2,036,628.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 11. 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 insurance coverage through the New Jersey Schools Insurance Group (NJSIG), a public school insurance pool, is to ensure the availability of insurance to New Jersey public schools by offering the best coverage at the lowest possible cost while providing risk management education, training and service.

NJSIG provides coverage for workers' compensation, general and auto liability, property damage, crime, bonds, boiler and machinery, umbrella excess catastrophe, and school boards officials' errors and omissions. Reinsurance has been purchased by NJSIG to cap losses retained by the group. Retention levels have been set on a "per accident" basis. NJSIG encourages loss control among the school districts by giving cost reductions for good loss history and uses individual experience modifications in the calculation of premiums.

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

<u>Fiscal</u> <u>Year</u>	<u>Opening</u> <u>Balance</u>	Employee Contributions/ Interest Earnings/ District <u>Contributions</u>	<u>Amount</u> <u>invoiced</u>	<u>Ending</u> <u>Balance</u>
2024-2025	\$620,668	\$121,666	\$133,442	\$608,892
2023-2024	525,513	95,155	-	620,668
2022-2023	59,767	117,002	189,256	525,513

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Ocean Township Board of Education and has since increased the reserve by additional budget appropriations and by the interest earned on investments for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$6,610,061
Increased by:	
Transfer per Board Resolution – June 17, 2025	2,000,000
Interest on Investments	<u>339,900</u>
	<u>2,339,900</u>
Decreased by:	
Expenditures	223,280
Transfer to Capital Prospects Fund	<u>53,520</u>
	<u>276,800</u>
Ending balance, June 30, 2025	<u>\$8,673,161</u>

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 13. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the District for the accumulation of funds for use as maintenance expenditures in subsequent years. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$2,732,264
Increased by:	
Transfer per Board Resolution – June 17, 2025	422,093
Interest on Investments	<u>10,000</u>
	<u>432,093</u>
Decreased by:	
Expenditures	<u>134,100</u>
Ending balance, June 30, 2025	<u><u>\$3,030,257</u></u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$24,144,250 General Fund fund balance at June 30, 2025, \$1,647,986 is restricted for encumbrances; \$3,030,257 has been legally established as a maintenance reserve in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c.73; \$4,334,300 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$4,334,300 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026); \$8,673,161 has been restricted in the Capital Reserve Account; \$608,892 is reserved for Unemployment Compensation; \$-0- has been appropriated and included as anticipated revenue for the year ending June 30, 2026; and \$1,515,354 is unrestricted and unassigned.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2025 of \$135 is restricted for the payment of debt service.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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, 2025 is \$8,668,600 of which \$4,334,300 is the result of current year operations.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025**

NOTE 16. ECONOMIC DEPENDENCY

The District is dependent on its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District's programs and activities.

NOTE 17. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy-based on the prior year's taxes. The second billing reflects adjustments to the current year's actual tax levy. The final tax bill is usually mailed on or before June 14, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges.

Taxes are collected by the municipality and are remitted to the District on predetermined, agreed-upon schedules.

NOTE 18. RELATED PARTIES AND ORGANIZATIONS

Not included in the District's financial statements are certain Parent-Teacher Associations (PTAs), Parent-Teacher-Student Association, athletic and band booster clubs. These agencies provide services to students and employees of the District but are separate legal entities having sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the District. The District does not account for these entities as component units or joint ventures; it does not maintain an ongoing financial interest or have responsibility for these entities.

NOTE 19. CONTINGENT LIABILITIES

It is the best judgment of the District's management that there are no pending or threatened litigation, unasserted claims or assessments that would have any adverse effect on the accompanying financial statements.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2025

NOTE 20. DEFICIT FUND BALANCE

As reflected on Exhibit B-1, Balance Sheet Governmental Funds, the District has an unassigned deficit fund balance of \$423,549 in the Special Revenue Fund as of June 30, 2024. This deficit is reported in the fund financial statements on a modified accrual basis. *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed on or more June State aid payments as revenue, for budget purposes only, in the current school year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payment (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the Special Revenue fund balance deficits do not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey stature and regulation nor in need of corrective action. The District deficits in the GAAP funds statements are less than the last state aid payment.

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$15,516,892 existed as of June 30, 2025 for governmental activities. The primary cause of this deficit is the recognition of the net pension liability as well as the District not recognizing the receivable for State aid payments and the recording of the long-term liability for compensated absences. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred.

However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place, and pension costs are recorded when due. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

NOTE 21. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 3, 2025, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 74,531,210	\$ -	\$ 74,531,210	\$ 74,531,210	\$ -
Tuition	50,000	-	50,000	267,361	217,361
Transportation Fees	100,000	-	100,000	63,179	(36,821)
Interest Earned on Investments	30,000	-	30,000	817,805	787,805
Interest Earned on Investments-Maintenance Reserve Funds	10,000	-	10,000	10,000	-
Interest Earned on Investments-Capital Project Funds	40,000	-	40,000	339,900	299,900
Unrestricted miscellaneous revenue	76,600	-	76,600	315,767	239,167
Rental fees	262,266	\$ -	262,266	268,021	5,755
Total - Local Sources	75,100,076	-	75,100,076	76,613,243	1,513,167
State Sources:					
Adjustment Aid	754,631	-	754,631	754,631	-
Transportation Aid	1,729,784	-	1,729,784	1,729,784	-
Special Education Categorical Aid	2,550,341	-	2,550,341	2,550,341	-
Security Aid	552,389	-	552,389	552,389	-
Extraordinary Aid	902,500	-	902,500	1,212,664	310,164
Other State Aid - Reimburse Nonpublic Transportation	-	-	-	146,338	146,338
Other State Aid - Mental Health Aid	-	100,000	100,000	100,000	-
Other State Aid - Menstrual Product Reimbursement	-	-	-	3,239	3,239
On-behalf TPAF Pension (non-budgeted)	-	-	-	11,940,496	11,940,496
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	147,911	147,911
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	3,532,242	3,532,242
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)	-	-	-	4,709	4,709
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	2,557,835	2,557,835
Total State Sources	6,489,645	100,000	6,589,645	25,232,579	18,642,934
Federal Sources:					
Medical Assistance Program	100,322	-	100,322	41,952	(58,370)
Total Federal Sources	100,322	-	100,322	41,952	(58,370)
Total Revenues	81,690,043	100,000	81,790,043	101,887,774	20,097,731
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Local Contrib. - Trans to Special Rev-Regular	\$ 1,133,033	-	\$ 1,133,033	\$ 1,133,033	\$ -
Kindergarten - Salaries of Teachers	\$ 796,864	-	\$ 796,864	\$ 786,700	10,164
Grades 1-5 - Salaries of Teachers	7,655,793	51,336	7,707,129	7,685,756	21,373
Grades 6-8 - Salaries of Teachers	4,679,910	(81,270)	4,598,640	4,573,056	25,584
Grades 9-12 - Salaries of Teachers	6,404,617	27,604	6,432,221	6,318,338	113,883
Regular Programs - Home Instruction:					
Salaries of Teachers	45,360	(11,841)	33,519	33,519	-
Purchased Professional-Educational Services	36,400	19,847	56,247	37,140	19,107
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	130,363	40,245	170,608	136,419	34,189
Purchased Professional-Educational Services	6,000	-	6,000	2,800	3,200

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Purchased Technical Services	382,460	149,776	532,236	460,611	71,625
Other Purchased Services (400-500 series)	51,985	(3,110)	48,875	13,689	35,186
General Supplies	754,402	284,666	1,039,068	764,138	274,138
Textbooks	36,523	374	36,897	34,396	2,501
Other Objects	16,882	(280)	16,602	16,006	596
TOTAL REGULAR PROGRAMS - INSTRUCTION	22,130,592	477,347	22,607,939	21,996,393	611,546
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities-Mild to Moderate:					
Salaries of Teachers	504,354	(2,808)	501,546	490,094	11,452
Other Salaries for Instruction	308,344	-	308,344	265,394	42,950
General Supplies	12,025	(8,100)	3,925	2,339	1,586
Total Learning and/or Language Disabilities	824,723	(10,908)	813,815	757,827	55,988
Multiple Disabilities:					
Salaries of Teachers	547,613	(12,816)	534,797	514,473	20,324
Other Salaries for Instruction	498,604	137,725	636,329	636,329	-
Other Purchased Services (400-500 series)	63,150	(6,000)	57,150	51,692	5,458
General Supplies	13,875	26,207	40,082	30,463	9,619
Textbooks	-	-	-	-	-
Total Multiple Disabilities	1,123,242	145,116	1,268,358	1,232,957	35,401

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	4,676,061	6,240	4,682,301	4,407,876	274,425
Other Salaries for Instruction	640,394	(85,305)	555,089	505,782	49,307
General Supplies	22,751	(1,100)	21,651	16,317	5,334
Textbooks	1,015	-	1,015	1,015	-
Total Resource Room/Resource Center	5,340,221	(80,165)	5,260,056	4,930,990	329,066
Preschool Disabilities - Full-Time:					
Salaries of Teachers	223,699	-	223,699	218,113	5,586
Other Salaries for Instruction	254,227	-	254,227	212,307	41,920
General Supplies	27,075	-	27,075	15,470	11,605
Total Preschool Disabilities - Full-Time	505,001	-	505,001	445,890	59,111
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,793,187	54,043	7,847,230	7,367,664	479,566
Basic Skills/Remedial - Instruction					
Salaries of Teachers	296,219	1,135	297,354	215,143	82,211
Other Salaries for Instruction					-
Other Purchased Services (400-500 series)	200	(145)	55	-	55
General Supplies	8,866	350	9,216	9,076	140
Total Basic Skills/Remedial - Instruction	305,285	1,340	306,625	224,219	82,406
Bilingual Education - Instruction:					
Salaries of Teachers	1,111,945	(475)	1,111,470	1,045,623	65,847
Other Salaries for Instruction	27,700	475	28,175	28,175	-
General Supplies	17,867	-	17,867	9,426	8,441
Total Bilingual Education - Instruction	1,157,512	-	1,157,512	1,083,224	74,288

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	387,004	-	387,004	383,287	3,717
Purchased Services (300-500 series)	6,000	(400)	5,600	4,480	1,120
Supplies and Materials	20,176	(1,000)	19,176	5,514	13,662
Other Objects	500	1,000	1,500	525	975
Transfers to Cover Deficit (Custodial Funds)	3,000	(500)	2,500		2,500
Total School-Spon. Cocurricular Actvts. - Inst.	416,680	(900)	415,780	393,806	21,974
School-Spon. Athletics - Inst.					
Salaries	825,575	(13,223)	812,352	721,675	90,677
Purchased Services (300-500 series)	158,228	25,400	183,628	175,424	8,204
Supplies and Materials	70,000	(4,000)	66,000	58,369	7,631
Other Objects	17,220	1,000	18,220	17,642	578
Transfers to Cover Deficit (Custodial Funds)	90,000	-	90,000	90,000	-
Total School-Spon. Athletics - Inst.	1,161,023	9,177	1,170,200	1,063,110	107,090
Before/After School Programs - Inst.					
Salaries	89,525	13,258	102,783	102,783	-
Total Before/After School Programs - Inst.	89,525	13,258	102,783	102,783	-
TOTAL INSTRUCTION	33,053,804	554,265	33,608,069	32,231,199	1,376,870
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	60,000	(45,609)	14,391	-	14,391
Tuition to Other LEAs Within the State - Special	327,499	220,985	548,484	468,076	80,408
Tuition to CSSD & Regional Day Schools		-			-
Tuition to County Vocational School Districts - Regular	619,416	-	619,416	531,113	88,303
Tuition to County Vocational School Districts - Special	157,395	-	157,395	120,321	37,074
Tuition to Private Schools for the Disabled - Within State	3,380,551	(263,469)	3,117,082	2,747,660	369,422
Tuition to Private Schools for the Disabled - Outside State		-			-
State Facilities		-			-
Total Undistributed Expenditures - Instruction:	4,544,861	(88,093)	4,456,768	3,867,170	589,598
Undistributed Expend. - Attend. & Social Work					
Salaries	99,015	-	99,015	98,657	358
Other Purchased Services (400-500 series)	200	-	200	-	200
Total Undistributed Expend. - Attend. & Social Work	99,215	-	99,215	98,657	558
Undist. Expend. - Health Services					
Salaries	445,011	-	445,011	430,288	14,723
Unused Vacation Pay to Term/Retired Staff		-			-
Purchased Professional and Technical Services	105,000	125,844	230,844	230,518	326
Supplies and Materials	14,919	10,089	25,008	20,569	4,439
Other Objects		-			-
Total Undistributed Expenditures - Health Services	564,930	135,933	700,863	681,375	19,488

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Speech, OT, PT & Related Serv.					
Salaries	1,116,818	(31,872)	1,084,946	1,078,073	6,873
Purchased Professional - Educational Services	236,200	442,338	678,538	425,679	252,859
Supplies and Materials	12,438	1,000	13,438	10,496	2,942
Other Objects	600	-	600	547	53
Total Undist. Expend. - Speech, OT, PT & Related Serv.	1,366,056	411,466	1,777,522	1,514,795	262,727
Undist. Expend. - Other Support Serv. Students - Extr. Serv.					
Salaries	526,892	(40,604)	486,288	430,435	55,853
	526,892	(40,604)	486,288	430,435	55,853
Undist. Expend. - Other Support Serv. Students - Extr. Serv.					
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	1,341,399	(2,879)	1,338,520	1,237,482	101,038
Salaries of Secretarial and Clerical Assistants	152,955	-	152,955	152,952	3
Other Purchased Services (400-500 series)	4,200	1,207	5,407	1,370	4,037
Supplies and Materials	63,850	199	64,049	59,187	4,862
Other Objects	12,000	-	12,000	11,355	645
Total Undist. Expend. - Other Supp. Serv. Students - Reg.	1,574,404	(1,473)	1,572,931	1,462,346	110,585
Undist. Expend. Child Study Teams					
Salaries of Other Professional Staff	1,993,283	(18,361)	1,974,922	1,946,215	28,707
Salaries of Secretarial and Clerical Assistants	190,576	(18,208)	172,368	160,197	12,171
Purchased Professional - Educational Services	32,500	19,200	51,700	50,225	1,475
Other Purchased Professional and Technical Services	69,276	(10,500)	58,776	53,711	5,065
Other Purchased Services (400-500 series)	16,400	22,000	38,400	32,355	6,045
Supplies and Materials	28,060	10,747	38,807	37,179	1,628
Other Objects	5,100	(2,700)	2,400	1,400	1,000
Total Undist. Expend. Child Study Teams	2,335,195	2,178	2,337,373	2,281,282	56,091
Undist. Expend. Imp. Of Instructional Services					
Salaries of Supervisor of Instruction	881,792	6,251	888,043	882,642	5,401
Salaries of Other Professional Staff	102,960	(417)	102,543	102,465	78
Salaries of Secretarial and Clerical Assistants	133,859	3,597	137,456	137,457	(1)
Other Salaries	20,000	-	20,000	2,975	17,025
Purchased Professional Educational Services	20,000	-	20,000	4,000	16,000
Other Purchased Services (400-500 series)	22,550	18,100	40,650	30,445	10,205
Supplies and Materials	72,425	(12,428)	59,997	49,738	10,259
Other Objects	2,695	-	2,695	2,180	515
Total Undist. Expend. Imp. Of Instructional Services	1,256,281	15,103	1,271,384	1,211,902	59,482

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	319,201	201	319,402	319,118	284
Purchased Professional and Technical Services	3,750	-	3,750	3,750	-
Supplies and Materials	31,141	80	31,221	22,099	9,122
Other Objects	490	(80)	410	240	170
Total Undist. Expend. - Edu. Media Serv./Sch. Library	354,582	201	354,783	345,207	9,576
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	68,640	-	68,640	68,310	330
Salaries of Secretarial and Clerical Assistants	43,205	696	43,901	43,901	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional - Educational Services	500	13,539	14,039	14,039	-
Other Purchased Services (400-500 series)	22,200	5,500	27,700	24,669	3,031
Total Undist. Expend. - Instructional Staff Training Serv.	134,545	19,735	154,280	150,919	3,361
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	594,559	-	594,559	590,284	4,275
Legal Services	151,315	46,510	197,825	76,859	120,966
Audit Fees	51,000	(10,000)	41,000	41,000	-
Architectural/Engineering Services	100,000	(69,521)	30,479	9,066	21,413
Other Purchased Professional Services	60,000	(4,500)	55,500	43,725	11,775
Purchased Technical Services	43,000	5,000	48,000	42,927	5,073
Communications/Telephone	304,000	(40,000)	264,000	214,354	49,646
BOE Other Purchased Services	4,500	-	4,500	2,676	1,824
Misc. Purchased Services (400-500 series)	36,400	3,000	39,400	29,504	9,896
General Supplies	23,200	250	23,450	11,417	12,033
BOE In-House Training/Meeting Supplies	2,500	-	2,500	225	2,275
Judgements Against the School District	-	71,500	71,500	71,500	-
Miscellaneous Expenditures	39,500	-	39,500	36,233	3,267
BOE Membership Dues and Fees	500	-	500	-	500
Total Undist. Expend. - Supp. Serv. - General Admin.	1,410,474	2,239	1,412,713	1,169,770	242,943
Undist. Expend. - Support Serv. - School Admin.					

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Salaries of Principals/Assistant Principals	1,075,188	8,411	1,083,599	1,071,665	11,934
Salaries of Other Professional Staff	266,846	3,200	270,046	261,978	8,068
Salaries of Secretarial and Clerical Assistants	627,403	6,779	634,182	633,319	863
Other Purchased Services (400-500 series)	148,410	(19,224)	129,186	123,093	6,093
Supplies and Materials	44,175	8,000	52,175	38,480	13,695
Other Objects	27,200	(1,100)	26,100	19,675	6,425
Total Undist. Expend. - Support Serv. - School Admin.	2,189,222	6,066	2,195,288	2,148,210	47,078
Undistributed Expenditures - Central Services					
Salaries	511,986	-	511,986	509,534	2,452
Unused Vacation Pay to Term./Retired Staff					-
Purchased Professional Services	67,000	(9,843)	57,157	50,798	6,359
Purchased Technical Services	93,500	59,249	152,749	130,724	22,025
Misc. Purchased Services (400-500 series)	5,250	100	5,350	4,186	1,164
Supplies and Materials	17,900	1,707	19,607	15,712	3,895
Miscellaneous Expenditures	6,500	(1,500)	5,000	3,139	1,861
Total Undistributed Expenditures - Central Services	702,136	49,713	751,849	714,093	37,756
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	819,291	-	819,291	700,091	119,200
Other Purchased Services (400-500 series)	20,508	36,321	56,829	43,180	13,649
Total Undistributed Expenditures - Admin. Info. Tech.	839,799	36,321	876,120	743,271	132,849
Undist. Expend. -Required Maintenance for School Facilities					
Salaries	-	63	63	63	-
Cleaning, Repair, and Maintenance Services	381,843	23,315	405,158	269,190	135,968
General Supplies	182,400	36,800	219,200	156,565	62,635
Total Undist. Expend. -Required Maintenance for School Facilities	564,243	60,178	624,421	425,818	198,603
Undist. Expend. - Custodial Services					
Salaries	3,040,445	(11,387)	3,029,058	2,825,509	203,549
Salaries of Non-Instructional Aides	76,714	2,575	79,289	65,981	13,308
Purchased Professional and Technical Services	22,500	3,476	25,976	25,976	-
Cleaning, Repair and Maintenance Services	178,100	72,464	250,564	170,590	79,974
Rental of Land building Other than Lease Purchase Agreement	15,500	3,000	18,500	10,683	7,817
Lease Purchases Payments - Energy Savings Improvement Program	259,000	-	259,000	252,499	6,501
Other Purchased Property Services	265,000	(14,675)	250,325	236,989	13,336
Insurance	673,283	-	673,283	613,317	59,966
Miscellaneous Purchased Services	800	-	800	538	262
General Supplies	355,700	17,450	373,150	312,815	60,335
Energy (Natural Gas)	940,000	-	940,000	619,620	320,380
Energy (Electricity)	1,130,000	-	1,130,000	1,061,740	68,260
Other Objects	34,000	-	34,000	25,952	8,048
Total Undist. Expend. - Custodial Services	6,991,042	72,903	7,063,945	6,222,209	841,736

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	141,212	-	141,212	81,244	59,968
Cleaning, Repair, and Maintenance Services	18,300	1,300	19,600	7,100	12,500
General Supplies	58,000	-	58,000	34,723	23,277
Total Undist. Expend. - Care & Upkeep of Grounds	217,512	1,300	218,812	123,067	95,745
Security:					
Salaries	395,544	(8,522)	387,022	359,301	27,721
Purchased Professional and Technical Services	125,000	137,926	262,926	262,926	-
General Supplies	3,550	1,400	4,950	4,830	120
Total Security	524,094	130,804	654,898	627,057	27,841
Total Undist. Expend. - Oper. & Maint. Of Plant	8,296,891	265,185	8,562,076	7,398,151	1,163,925
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	110,437	(8,634)	101,803	96,012	5,791
Sal. For Pup. Trans. (Bet. Home and School) - Regular	1,790,354	27,479	1,817,833	1,761,978	55,855
Sal. For Pup. Trans. (Bet. Home and School) - Special	447,113	(26,029)	421,084	387,964	33,120
Sal. For Pup. Trans. (Other than Bet. Home and School)	67,600	-	67,600	6,102	61,498
Other Purchased Professional and Technical Services	408,400	-	408,400	343,965	64,435
Cleaning, Repair and Maintenance Services	537,000	-	537,000	491,998	45,002
Lease Purchase Payments - School Buses	175,000	-	175,000	155,788	19,212
Contract Services - Aid in Lieu Payments - Non Public	241,280	-	241,280	203,960	37,320
Contract Services - (Between Home and School) - Vendors	530,000	4,100	534,100	530,389	3,711
Contract Services - (Between Home and School) - Joint Agreements	5,000	-	5,000	-	5,000
Contract Services (Special Ed Students)- Vendors	162,000	290,057	452,057	443,505	8,552
Misc. Purchased Serv. - Transportation	105,526	(1,100)	104,426	70,179	34,247
General Supplies	4,000	1,642	5,642	5,623	19
Transportation Supplies	267,000	(1,642)	265,358	208,273	57,085
Other Objects	11,000	9,812	20,812	19,725	1,087
Total Undist. Expend. - Student Transportation Serv.	4,861,710	295,685	5,157,395	4,725,461	431,934

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
UNALLOCATED BENEFITS					
Group Insurance	9,000	-	9,000	5,091	3,909
Social Security Contributions	1,237,000	-	1,237,000	1,070,760	166,240
Other Retirement Contributions - PERS	1,432,324	-	1,432,324	1,373,888	58,436
Other Retirement Contributions - ERIP	19,950	1,525	21,475	20,640	835
Other Retirement Contributions - Regular	115,500	-	115,500	102,160	13,340
Workmen's Compensation	772,613	(6)	772,611	668,003	104,608
Health Benefits	15,835,794	(1,157,484)	14,678,310	13,430,443	1,247,867
Tuition Reimbursement	165,000	10,000	175,000	156,761	18,239
Other Employee Benefits	520,300	(175,000)	345,300	115,017	230,283
TOTAL UNALLOCATED BENEFITS	20,107,481	(1,320,965)	18,786,520	16,942,763	1,843,757
On-behalf TPAF Pension (non-budgeted)		-		11,940,496	(11,940,496)
On-behalf TPAF NCGI Premium (non-budgeted)		-		147,911	(147,911)
On-behalf TPAF Post Retirement Medical (non-budgeted)		-		3,532,242	(3,532,242)
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)		-		4,709	(4,709)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		2,557,835	(2,557,835)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	18,183,193	(18,183,193)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	20,107,481	(1,320,965)	18,786,520	35,125,956	(16,339,436)
TOTAL UNDISTRIBUTED EXPENDITURES	51,164,674	(211,310)	50,953,368	64,069,000	(13,115,632)
TOTAL GENERAL CURRENT EXPENSE	84,218,478	342,955	84,561,437	96,300,198	(11,738,761)

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - School Administration	-	-	-	-	-
Undistributed Expenditures - Req. Maintenance for School Fac.	234,100	234,100	234,100	234,100	234,100
Undistributed Expenditures - Custodial Services	9,877	9,877	9,877	9,877	9,877
Undistributed Expenditures - Care and Upkeep of Grounds	3,930	3,930	3,930	3,930	3,930
Undistributed Expenditures - Student Trans.-Non-Inst. Equip.	-	-	-	-	-
School Buses - Regular	585,410	(47,163)	538,247	538,247	-
Total Equipment	<u>585,410</u>	<u>200,744</u>	<u>786,154</u>	<u>538,247</u>	<u>247,907</u>
Facilities Acquisition and Construction Services					
FA & CS Architecture and Engineering Services	-	137,388	137,388	115,868	21,520
Construction Services	257,000	954,095	1,211,095	1,027,063	184,032
Assessment for Debt Service on SDA Funding	60,092	-	60,092	60,092	-
Total Facilities Acquisition and Construction Services	<u>317,092</u>	<u>1,091,483</u>	<u>1,408,575</u>	<u>1,203,023</u>	<u>205,552</u>
TOTAL CAPITAL OUTLAY	<u>902,502</u>	<u>1,292,227</u>	<u>2,194,729</u>	<u>1,741,270</u>	<u>453,459</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	170,533	(37,328)	133,205	130,265	2,940
Other Salaries for Instruction	137,610	(10,477)	127,133	127,133	-
Purchased Professional and Technical Services	5,750	11,910	17,660	17,660	-
General Supplies	7,400	(4,098)	3,302	3,302	-
Total Summer Schools - Instruction	<u>321,293</u>	<u>(39,993)</u>	<u>281,300</u>	<u>278,360</u>	<u>2,940</u>
TOTAL SPECIAL SCHOOLS	<u>321,293</u>	<u>(39,993)</u>	<u>281,300</u>	<u>278,360</u>	<u>2,940</u>
Transfer of Funds to Charter Schools	498,119	63,093	561,212	463,642	97,570
TOTAL EXPENDITURES	<u>85,940,392</u>	<u>1,658,282</u>	<u>87,598,678</u>	<u>98,783,470</u>	<u>(11,184,792)</u>
Over (Under) Expenditures	<u>(4,250,349)</u>	<u>(1,558,282)</u>	<u>(5,808,635)</u>	<u>3,104,304</u>	<u>8,912,939</u>
Other Financing Sources (Uses):					
Capital Reserve - Transfer to Capital Project Fund	-	-	-	(53,520)	(53,520)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(53,520)</u>	<u>(53,520)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	<u>(4,250,349)</u>	<u>(1,558,282)</u>	<u>(5,808,635)</u>	<u>3,050,784</u>	<u>8,859,419</u>
Fund Balance, July 1				<u>21,646,620</u>	
Fund Balance, June 30	<u>\$ (4,250,349)</u>	<u>\$ (1,558,282)</u>	<u>\$ (5,808,635)</u>	<u>\$ 24,697,404</u>	<u>\$ 8,859,419</u>
Recapitulation of excess (deficiency) of revenues under expenditures:					
Adjustment for prior year encumbrances				(1,200,906)	-
Increase in Capital Reserve - Principal				2,000,000	2,000,000
Increase in Maintenance Reserve - Principal				422,093	422,093

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Increase in Capital Reserve - Interest	40,000		40,000	339,900	299,900
Increase in Maintenance Reserve - Interest	10,000		10,000	10,000	-
Increase in Restricted Fund Balance-Unemployment			-	(11,776)	(11,776)
Budgeted withdrawal from Capital Reserve		(223,280)	(223,280)	(223,280)	-
Budgeted withdrawal from Maintenance Reserve		(134,100)	(134,100)	(134,100)	-
Budgeted Fund Balance	(4,300,349)		(4,300,349)	1,848,853	6,149,202
Total	(4,250,349)	(1,558,286)	(5,808,635)	3,050,784	8,859,419

Recapitulation:

Restricted Fund Balance:

Capital Reserve	8,673,161
Maintenance Reserve	3,030,257
Excess Surplus - Designated for Subsequent Year's Expenditures	4,334,300
Excess Surplus - Current Year	4,334,300
Unemployment Compensation	608,892
Committed Fund Balance:	
Year End Encumbrances	1,647,986
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	2,068,508
Unassigned Fund Balance	24,697,404

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment not recognized on GAAP basis	(553,154)
Fund Balance per Governmental Funds (GAAP)	\$ 24,144,250

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 1,255,033	\$ 55,050	\$ 1,310,083	\$ 1,774,830	\$ 461,747
State Sources	5,584,366	290,724	5,875,090	5,633,106	(241,984)
Federal Sources	1,594,341	486,484	2,080,825	1,902,345	(178,480)
Total Revenues	8,436,740	832,258	9,268,998	9,310,281	41,283
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,940,612	119,957	2,060,569	2,013,824	46,745
Other Salaries for Instruction	747,475	17,628	765,103	731,777	33,326
Purchased Professional - Educational Services	186,080	135,708	321,788	291,192	30,596
Other Purchased Professional Services	953,591	281,965	1,235,556	1,109,213	126,343
Tuition	1,006,620	(152,571)	854,049	854,049	-
General Supplies	204,500	94,062	298,562	267,637	30,925
Textbooks	53,315	4,525	57,840	57,732	108
Other Objects	-	-	-	-	-
Total Instruction	5,093,193	501,274	5,593,467	5,325,424	268,043
Support Services					
Salaries	937,698	(7,306)	930,392	836,265	94,127
Personal Services - Employee Benefits	1,639,872	(12,070)	1,627,802	1,622,076	5,726
Purchased Professional - Educational Services	289,170	305,089	594,259	528,002	66,257
Purchased Property Services	-	-	-	-	-
Other Purchased Services	-	20,038	20,038	7,964	12,074
General Supplies	-	18,611	18,611	16,594	2,017
Other Objects	-	-	-	-	-
Scholarships Awarded	5,000	-	5,000	19,875	(14,875)
Student Activities	100,000	-	100,000	584,536	(484,536)
Total Support Services	2,971,740	324,362	3,296,102	3,615,312	(319,210)
Facilities Acquisition and Construction Services:					
Buildings	-	-	-	-	-
Instructional Equipment	372,807	6,622	379,429	358,599	20,830
Non-instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	372,807	6,622	379,429	358,599	20,830
Total Expenditures	8,436,740	832,258	9,268,998	9,299,335	(30,337)
Excess (Deficiency) of Revenues Over (Under)	\$ -	\$ -	\$ -	\$ 10,946	\$ 10,946
Expenditures and Other Financing Sources (Uses)					
Fund Balance, July 1,					
Fund Balance, June 30,					
Recapitulation:					
Restricted:					
Scholarship				46,852	
Student Activities				426,776	
Total Fund Balance				473,628	

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2025

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	\$ 101,887,774	\$ 9,310,281
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			469,592
Less Current Year Encumbrances			(362,060)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		550,737	330,538
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(553,154)	(423,549)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 101,885,357</u>	<u>\$ 9,324,802</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	\$ 98,783,470	\$ 9,299,335
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			469,592
Less Current Year Encumbrances			(362,060)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 98,783,470</u>	<u>\$ 9,406,867</u>

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2016	0.10492447%	\$23,553,440	\$7,219,151	326.26%	47.93%
2017	0.10384950%	\$31,008,009	\$7,130,014	434.89%	40.14%
2018	0.10469619%	\$24,637,193	\$7,335,862	335.85%	48.10%
2019	0.10583713%	\$20,447,449	\$7,224,113	283.04%	40.45%
2020	0.10384950%	\$18,524,738	\$7,287,888	254.19%	42.04%
2021	0.10416102%	\$16,538,314	\$7,533,520	219.53%	42.90%
2022	0.10469490%	\$12,402,681	\$7,644,565	162.24%	52.08%
2023	0.10053210%	\$15,171,677	\$7,857,907	193.08%	62.91%
2024	0.10101103%	\$14,630,816	\$7,664,302	190.90%	65.23%
2025	0.10096666%	\$13,719,396	\$7,528,207	182.24%	68.22%

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2016	902,069	(902,069)		7,219,151	12.50%
2017	930,106	(930,106)		7,130,014	13.04%
2018	980,468	(980,468)		7,335,862	13.37%
2019	1,032,967	(1,032,967)		7,224,113	14.30%
2020	1,000,040	(1,000,040)		7,287,888	13.72%
2021	1,036,384	(1,036,384)		7,533,520	14.73%
2022	1,226,099	(1,226,099)		7,644,565	16.04%
2023	1,267,758	(1,267,758)		7,857,907	16.13%
2024	1,350,041	(1,350,041)		7,664,302	17.61%
2025	1,373,888	(1,373,888)		7,528,207	18.25%

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2016	0.0000000000%	0.3042984900%	\$ 192,329,639	31,415,277	0.00%	28.71%
2017	0.0000000000%	0.3120932900%	\$ 245,512,453	31,553,108	0.00%	22.33%
2018	0.0000000000%	0.3073114900%	\$ 207,200,489	31,635,815	0.00%	25.41%
2019	0.0000000000%	0.3049740000%	\$ 194,017,908	31,717,809	0.00%	26.49%
2020	0.0000000000%	0.2983911500%	\$ 183,125,465	31,228,688	0.00%	26.95%
2021	0.0000000000%	0.2941761300%	\$ 193,711,441	32,374,498	0.00%	24.60%
2022	0.0000000000%	0.2883588268%	\$ 138,629,050	34,351,416	0.00%	35.52%
2023	0.0000000000%	0.2882586777%	\$ 148,725,381	34,738,303	0.00%	32.29%
2024	0.0000000000%	0.2948637888%	\$ 150,476,863	34,277,279	0.00%	31.49%
2025	0.0000000000%	0.2056036000%	\$ 146,477,662	34,795,303	0.00%	37.99%

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2025

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate from 7.00%.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate from 7.00%.

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Costs	\$ 7,066,083	\$ 6,112,667	\$ 7,694,369	\$ 8,936,123	\$ 5,129,804	\$ 5,040,013	\$ 5,677,196	\$ 6,834,986
Interest on Total OPEB Liability	\$ 6,447,145	\$ 6,109,467	\$ 4,515,913	\$ 5,137,522	4,985,697	6,152,717	6,508,440	5,624,888
Changes in Benefit Terms				\$ (210,796)				
Changes in Assumptions	14,652,699	349,648	(45,712,599)	195,387	41,179,643	2,075,561	(17,901,608)	(22,869,891)
Gross Benefit Payments	(4,923,789)	(4,762,429)	(4,473,146)	(4,046,928)	(3,924,677)	(4,273,184)	(4,171,344)	
Differences Between Actual and Expected Experience	2,040,281	(4,898,791)	10,190,712	(37,533,934)	38,742,667	(25,915,094)	(12,377,049)	(4,125,607)
Contribution from the Member	168,595	156,564	143,501	556	118,957	126,689	144,168	151,915
Net Changes in total Share of OPEB Liability	25,451,014	3,067,126	(27,641,250)	(27,522,070)	86,232,091	(16,793,318)	(22,120,197)	(14,383,709)
Total OPEB Liability - Beginning	<u>170,404,736</u>	<u>170,404,736</u>	<u>198,045,986</u>	<u>225,437,271</u>	<u>139,205,180</u>	<u>155,998,498</u>	<u>178,118,695</u>	<u>192,502,404</u>
Total OPEB Liability - Ending	<u>\$ 195,855,750</u>	<u>\$ 173,471,862</u>	<u>\$ 170,404,736</u>	<u>\$ 197,915,201</u>	<u>\$ 225,437,271</u>	<u>\$ 139,205,180</u>	<u>\$ 155,998,498</u>	<u>\$ 178,118,695</u>
District's Proportionate Share of OPEB Liability								
State's Proportionate Share of OPEB Liability	195,855,750	173,471,862	170,404,736	197,915,201	225,437,271	139,205,180	155,998,498	178,118,695
Total OPEB Liability - Ending	<u>\$ 195,855,750</u>	<u>\$ 173,471,862</u>	<u>\$ 170,404,736</u>	<u>\$ 197,915,201</u>	<u>\$ 225,437,271</u>	<u>\$ 139,205,180</u>	<u>\$ 155,998,498</u>	<u>\$ 178,118,695</u>
District's Covered Employee Payroll	<u>\$ 42,323,510</u>	<u>\$ 41,941,581</u>	<u>\$ 42,596,210</u>	<u>\$ 41,995,981</u>	<u>\$ 39,908,018</u>	<u>\$ 38,516,576</u>	<u>\$ 38,941,922</u>	<u>\$ 38,971,677</u>
Districts' Proportionate Share of the								
Total OPEB Liability as a Percentage of its								
Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Other Supplementary Information

SPECIAL REVENUE FUND

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Total Brought Forward (Ex. E-1a)	Title I 24-25	Title II, Part A 24-25	Title III, Part A 24-25	I.D.E.A Basic 24-25	I.D.E.A Preschool	Totals 2025
REVENUES							
Local Sources	\$ 1,774,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,774,830
State Sources	5,633,106						5,633,106
Federal Sources	129,654	537,585	97,386	41,929	1,049,770	46,021	1,902,345
Total Revenues	7,537,590	537,585	97,386	41,929	1,049,770	46,021	9,310,281
EXPENDITURES:							
Instruction:							
Salaries of Teachers	1,625,356	312,128	52,033	24,307			2,013,824
Other Salaries for Instruction	731,777						731,777
Purchased Professional - Educational Services	59,365	17,409					76,774
Other Purchased Professional and Technical Services	214,418						214,418
Other Purchased Professional Services	1,091,630		17,583				1,109,213
Tuition	-				808,028	46,021	854,049
General Supplies	267,637						267,637
Textbooks	57,732						57,732
Other Objects	-						-
Total Instruction	4,047,915	329,537	69,616	24,307	808,028	46,021	5,325,424
Support services:							
Salaries of Supervisors	254,221						254,221
Other Salaries for Instruction	582,044						582,044
Personal Services - Employee Benefits	1,373,536	203,148	27,770	17,622			1,622,076
Purchased Professional - Educational Services	286,260				241,742		528,002
Purchased Professional and Technical Services	-						-
Other Purchased Professional Services	7,964						7,964
General Supplies	11,694	4,900					16,594
Travel	-						-
Scholarships Awarded	19,875						19,875
Student Activities	584,536						584,536
Total support services	3,120,130	208,048	27,770	17,622	241,742	-	3,615,312
Facilities acquisition and const. serv.:							
Buildings	-						-
Instructional Equipment	358,599						358,599
Non-instructional Equipment	-						-
Total facilities acquisition and const. serv.	358,599	-	-	-	-	-	358,599
Total Expenditures	7,526,644	537,585	97,386	41,929	1,049,770	46,021	9,299,335
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,946	-	-	-	-	-	10,946
Fund Balance, July 1	462,682	-	-	-	-	-	462,682
Fund Balance, June 30	473,628	-	-	-	-	-	473,628

For the Fiscal Year Ended June 30, 2025

[illegible]

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	N.J. Non-Public Nursing Aid	N.J. Non-Public Textbook Aid	N.J. Non-Public Security Aid	N.J. Non-Public Technology Aid	N.J. Nonpublic Auxiliary Services Chapter 192 Compensatory	ESL	N.J. Nonpublic Handicapped Services Supplemental Instruction	Chapter 193 Examination & Classification	Corrective Speech	Total Carried Forward
REVENUES										
Local Sources	159,532	57,732	251,945	54,886	399,170	4,503	172,221	211,077	47,058	\$ 1,358,124
State Sources										
Federal Sources										
Total Revenues	159,532	57,732	251,945	54,886	399,170	4,503	172,221	211,077	47,058	1,358,124
EXPENDITURES										
Instruction:										
Salaries of Teachers										-
Other Salaries for Instruction										-
Purchased Professional - Educational Services										-
Purchased Professional and Technical Services	159,532		251,945	54,886	399,170	4,503	172,221	211,077	47,058	214,418
Other Purchased Professional Services										1,085,974
Tuition										-
General Supplies		57,732								57,732
Textbooks										-
Other Objects										-
Total Instruction	159,532	57,732	251,945	54,886	399,170	4,503	172,221	211,077	47,058	1,358,124
Support services:										
Salaries of Supervisors										-
Other Salaries for Instruction										-
Personal Services - Employee Benefits										-
Purchased Professional - Educational Services										-
Purchased Professional and Technical Services										-
Other Purchased Professional Services										-
General Supplies										-
Travel										-
Scholarships Awarded										-
Student Activities										-
Total support services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and const. serv.:										
Building										-
Instructional Equipment										-
Non-instructional Equipment										-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-	-	-
Total Expenditures	159,532	57,732	251,945	54,886	399,170	4,503	172,221	211,077	47,058	1,358,124
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	# \$ -	\$ -	# \$ -	\$ -	\$ -	# \$ -	\$ -	\$ -	\$ -	\$ -

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Preschool Education Aid Revenue and Expenditures
Budgetary Basis
Year Ended June 30, 2025

	Original Budget	Budget Transfers	Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,616,193	\$ (5,423)	\$ 1,610,770	\$ 1,585,528	\$ 25,242
Other Salaries for Instruction	747,475	17,628	765,103	731,777	33,326
Purchased Professional Educational Services	19,000	(3,250)	15,750	3,500	12,250
Other Purchased Services (400-500 series)		0			-
Tuition to Other LEAs Within the State - Regular		0			-
General Supplies	204,500	(10,954)	193,546	193,107	439
Other Objects		0			-
Total instruction	2,587,168	(1,999)	2,585,169	2,513,912	71,257
Support services:					
Salaries of Program Directors	173,870	(2,212)	171,658	154,628	17,030
Salaries of Supervisors of Instruction	171,842	(2,501)	169,341	95,744	73,597
Salaries of Other Professional Staff	49,758	941	50,699	50,699	-
Salaries of Secr. And Clerical Assistants	43,227	2,986	46,213	45,619	594
Other Salaries	135,623	0	135,623	134,231	1,392
Salaries of Community Parent Involvement Spec.	66,654	0	66,654	66,190	464
Salaries of Facilitator/Coach	296,724	(11,419)	285,305	285,305	-
Salaries of Master Teachers		0			-
Personal Services - Employee Benefits	1,356,570	0	1,356,570	1,356,570	-
Purchased Educational Services - Contracted Pre-K	289,170	0	289,170	286,260	2,910
Purchased Professional - Educational Services		0			-
Cleaning, Repair, and Maintenance Services		0			-
Other Purchased Professional Services	-	7,045	7,045	7,045	-
General Supplies	-	7,159	7,159	7,159	-
Travel	-	0			-
Total support services	2,583,438	1,999	2,585,437	2,489,450	95,987
Facilities acquisition and cont. serv:					
Instructional equipment	372,807	0	372,807	351,977	20,830
Noninstructional Equipment		0			-
Total Facilities acquisition and cont. serv.	372,807	0	372,807	351,977	20,830
Contribution to Charter Schools					-
Transfer to General Fund	-	-	-	-	-
Total Expenditures	\$ 5,543,413	\$ -	\$ 5,543,413	\$ 5,355,339	\$ 188,074

CALCULATION OF BUDGET & CARRYOVER

Total 2024-25 PreK/ECPA Aid Allocation	\$ 4,278,067
Add: Actual PreK/ECPA Aid Carryover June 30, 2024	242,188
Add: Budgeted Transfer From General Fund	1,133,033
Total Funds Available for 2024-25 Budget	5,653,288
Less: 2024-25 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(5,543,413)
Available & Unbudgeted Funds as of June 30, 2025	109,875
Add: June 30, 2025 Unexpended PreK Aid	188,074
2025- Actual Carryover - PreK Aid	\$ 297,949
2024-25 PreK Aid Carryover Budgeted in 2026-FY	\$ 109,875

CAPITAL PROJECTS FUND

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2025

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP		Unexpended Appropriations June 30, 2025
			Expenditures to Date Prior Years	Current Year	
Ocean Township Elementary School Roof Replacement	5/14/2024	1,406,694	456,219	928,117	22,358
Wayside Elementary School Roof Replacement	5/14/2024	1,707,388	783,902	920,770	2,716
					-
					-
					-
Totals		\$ 3,114,082	\$ 1,240,121	\$ 1,848,887	\$ 25,074

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budgetary Basis
Capital Projects Fund
For the Year Ended June 30, 2025

Revenues and Other Financing Sources:

State Sources - SDA Grant	\$ 18,962
Total Revenues	<u>18,962</u>

Expenditures:

Architech Fees	232,600
Construction Services	1,616,287
Total Expenditures	<u>1,848,887</u>

Excess (Deficiency) of revenues over (under) expenditures	(1,829,925)
---	-------------

Other Financing Sources/(uses):

Transfer From Capital Reserve (General Fund)	53,520
Total Other Financing Sources	<u>53,520</u>

Excess (Deficiency) of revenues over (under) expenditures	(1,776,405)
---	-------------

Fund Balance - Beginning	<u>1,801,479</u>
--------------------------	------------------

Fund Balance - Ending	<u><u>\$ 25,074</u></u>
-----------------------	-------------------------

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roof Replacement at Ocean Township Elementary School
From Inception and for the Year Ended June 30, 2025

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 568,640	\$ (14,906)	\$ 553,734	\$ 553,734
Transfer from capital reserve	852,960		852,960	852,960
Total Revenues	<u>1,421,600</u>	<u>(14,906)</u>	<u>1,406,694</u>	<u>1,406,694</u>
Expenditures and Other Financing Uses:				
Architectural/Engineering services		118,200	118,200	118,200
Purchased professional and technical services			-	
Construction services	456,219	809,917	1,266,136	1,266,136
General Supplies			-	
Equipment			-	
Other Objects			-	
Transfer to Debt Service Fund			-	
Total Expenditures	<u>456,219</u>	<u>928,117</u>	<u>1,384,336</u>	<u>1,384,336</u>
Excess (Deficiency) of revenues over (under) expenses and other financing uses	<u>\$ 965,381</u>	<u>\$ (943,023)</u>	<u>\$ 22,358</u>	<u>\$ 22,358</u>

Additional Project Information:

Project Number	
Grant Date/Letter of Notification	
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$1,421,600
Additional Authorized Cost	\$0
Revised Authorized Cost	\$1,421,600
Percentage Increase Over	
Original Authorized Cost	0%
Percentage Completion	97%

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roof Replacement at Wayside Elementary School
From Inception and for the Year Ended June 30, 2025

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 648,000	\$ 33,868	681,868	\$ 681,868
Transfer from capital reserve	972,000	53,520	1,025,520	1,025,520
Total Revenues	<u>1,620,000</u>	<u>87,388</u>	<u>1,707,388</u>	<u>1,707,388</u>
Expenditures and Other Financing Uses:				
Architectural / Engineering services		114,400	114,400	114,400
Purchased professional and technical services			-	
Construction services	783,902	806,370	1,590,272	1,590,272
Transfer to Debt Service Fund			-	
Total Expenditures	<u>783,902</u>	<u>920,770</u>	<u>1,704,672</u>	<u>1,704,672</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 836,098</u>	<u>\$ (833,382)</u>	<u>\$ 2,716</u>	<u>\$ 2,716</u>

Additional Project Information:

Project Number	
Grant Date/Letter of Notification	
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$1,620,000
Additional Authorized Cost	\$84,669
Revised Authorized Cost	\$1,704,669
Percentage Increase Over Original Authorized Cost	5%
Percentage Completion	100%

LONG-TERM DEBT

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT

Long-Term Debt

Schedule of Bonds Payable
Year Ended June 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2024	Issued	Retired	Balance June 30, 2025			
			Date	Amount								
2015 Referendum	15-Feb-15	\$ 28,944,000	3/15/2026	1,380,000	3.000%	\$ 19,475,000		\$ 1,335,000	\$ 18,140,000			
			3/15/2027	1,430,000	3.000%							
			3/15/2028	1,480,000	3.000%							
			3/15/2029	1,530,000	3.000%							
			3/15/2030	1,585,000	3.000%							
			3/15/2031	1,640,000	3.000%							
			3/15/2032	1,695,000	3.000%							
			3/15/2033	1,755,000	3.125%							
			3/15/2034	1,820,000	3.125%							
			3/15/2035	1,880,000	3.250%							
			3/15/2036	1,945,000	3.250%							
						<u>\$ 19,475,000</u>	<u>\$ -</u>	<u>\$ 1,335,000</u>	<u>\$ 18,140,000</u>			
Grand Total									<u>\$ 19,475,000</u>	<u>\$ -</u>	<u>\$ 1,335,000</u>	<u>\$ 18,140,000</u>

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2025

Series	Interest Rate	Amount of Orig. Issue	Amount Outstanding July 1, 2024	Issued	Retired	Amount Outstanding June 30, 2025
Energy Saving Improvement Project	2.610%	3,433,934	1,262,688		227,116	1,035,572
Districtwide Copy Machines	Various	137,725	57,696		32,879	24,817
Buses	2.898%	782,739	441,530		142,992	298,538
			<u>\$ 1,761,914</u>	<u>\$ -</u>	<u>\$ 402,987</u>	<u>\$ 1,358,927</u>

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,497,251		\$ 1,497,251	\$ 1,497,251	\$ -
State Sources:					
Debt Service Aid Type II	436,031		436,031	436,031	-
Total - State Sources	436,031	-	436,031	436,031	-
Total Revenues	1,933,282	-	1,933,282	1,933,282	-
EXPENDITURES:					
Regular Debt Service:					
Interest	598,282		598,282	598,281	1
Redemption of Principal	1,335,000		1,335,000	1,335,000	-
Total expenditures	1,933,282	-	1,933,282	1,933,281	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1	1
Other Financing Sources:					
Operating Transfers In:					
Transfer from Other Funds					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	1	1
Fund Balance, July 1			-	134	133
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 135	\$ 134

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Position by Component
- J-2 Changes in Net Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.	

OCEAN TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
Accrual Basis of Accounting
Unaudited

	Fiscal year ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(restated)	(restated)								
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,897,901	\$ 3,982,607	\$ 10,878,904	\$ 12,849,190	\$ 14,571,110	\$ 16,089,062	\$ 17,914,152	\$ 19,230,398	\$ 23,788,495	\$ 26,590,193
Restricted	24,916,071	10,800,884	5,532,025	7,078,899	10,200,395	12,924,802	16,201,897	19,998,941	22,062,841	23,127,733
Unrestricted	(22,387,040)	(24,236,674)	(26,300,884)	(26,550,959)	(26,117,261)	(24,525,270)	(19,706,949)	(18,472,798)	(16,925,829)	(15,516,892)
Total governmental activities net position	\$ 4,426,932	\$ (9,453,183)	\$ (9,889,955)	\$ (6,622,870)	\$ (1,345,756)	\$ 4,488,594	\$ 14,409,100	\$ 20,756,541	\$ 28,925,507	\$ 34,201,034
Business-type activities										
Invested in capital assets, net of related debt	\$ 39,095	\$ 30,906	\$ 23,259	\$ 17,868	\$ 12,478	\$ 6,406	\$ 296,586	\$ 354,085	\$ 471,697	\$ 515,592
Unrestricted	51,636	90,561	130,924	258,675	386,815	382,526	594,195	772,220	599,126	392,579
Total business-type activities net position	\$ 90,731	\$ 121,467	\$ 154,183	\$ 276,543	\$ 399,293	\$ 388,932	\$ 890,781	\$ 1,126,305	\$ 1,070,823	\$ 908,171
District-wide										
Invested in capital assets, net of related debt	\$ 1,936,996	\$ 4,013,513	\$ 10,902,163	\$ 12,867,058	\$ 14,583,588	\$ 16,095,468	\$ 18,210,738	\$ 19,584,483	\$ 24,260,192	\$ 27,105,785
Restricted	24,916,071	10,800,884	5,532,025	7,078,899	10,200,395	11,469,888	16,201,897	19,998,941	22,062,841	23,127,733
Unrestricted	(22,335,404)	(24,146,113)	(26,169,960)	(26,292,284)	(25,730,446)	(22,687,830)	(19,112,754)	(17,700,578)	(16,326,703)	(15,124,313)
Total district-wide net position	\$ 4,517,663	\$ (9,331,716)	\$ (9,735,772)	\$ (6,346,327)	\$ (946,463)	\$ 4,877,526	\$ 15,299,881	\$ 21,882,846	\$ 29,996,330	\$ 35,109,205

Source: District records

Note: GASB 68 was implemented during the 2015 fiscal year, which required restatement of beginning net position of (\$18,257,948). This amount is not reflected in the June 30, 2014 net position above.

Note: The years 2016 and 2017 were restated due to a revaluation of capital assets.

OCEAN TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	\$ 40,522,362	\$ 45,892,122	\$ 45,781,920	\$ 40,219,547	\$ 36,527,743	\$ 44,071,466	\$ 25,108,795	\$ 26,885,387	\$ 26,731,268	\$ 27,313,807
Special education	11,419,006	12,793,370	13,834,752	12,419,261	11,968,267	13,899,598	7,693,427	7,378,982	7,457,234	7,367,664
Other special education	2,531,521	3,029,437	2,621,320	2,261,234	2,419,379	2,785,244	1,403,322	1,150,566	1,214,827	1,307,443
Other instruction	1,831,733	1,809,805	1,825,577	1,798,851	1,808,874	1,734,041	1,365,921	1,416,427	1,492,425	1,559,699
Support Services										
Instruction	4,319,884	4,420,757	3,480,737	4,052,082	4,668,511	5,078,332	3,195,891	3,626,157	3,448,320	3,867,170
Student & instruction-related services	11,863,986	13,544,060	14,068,119	13,079,032	12,710,658	15,221,877	9,575,592	10,899,184	11,402,024	12,012,196
School administrative services	3,750,253	4,023,127	2,917,325	2,541,108	2,333,637	3,795,704	2,196,019	2,193,911	2,086,372	2,162,271
General administrative services	639,274	1,097,739	2,036,664	1,919,850	2,120,913	1,206,255	1,367,620	1,413,330	900,401	772,507
Central services and administrative information technology	1,855,649	2,113,122	2,166,689	2,099,998	2,148,660	2,343,272	1,478,781	1,471,926	1,449,091	1,457,364
Plant operations and maintenance	7,627,965	7,510,703	7,639,931	7,534,832	7,150,169	7,560,920	6,368,884	6,880,172	7,000,540	7,436,500
Pupil transportation	3,998,919	4,076,488	4,418,551	4,613,008	4,239,783	4,011,922	5,109,430	4,329,922	4,324,222	5,126,047
Personal Services-employee benefits							35,282,020	26,799,989	24,906,564	23,290,297
Special Schools	227,710	223,586	239,036	273,088	271,731	212,830	242,959	256,402	278,360	278,360
Charter schools	25,462	-	43,098	147,800	285,494	142,235	307,813	428,211	501,493	463,642
Non-depreciable capital assets							79,086	60,092	60,092	60,092
Interest on long-term debt	1,127,442	939,956	918,227	854,701	791,717	728,250	688,349	651,011	624,081	584,931
Deletion of capital assets										50,715
Unallocated Depreciation							1,665,906	1,746,383	2,609,487	2,089,024
Total governmental activities expenses	91,741,166	101,474,272	101,991,946	93,814,392	89,445,536	102,790,946	103,129,815	97,588,052	96,467,570	97,199,729
Business-type activities:										
Food service										
Total business-type activities expense	1,129,632	1,089,540	1,132,300	1,023,704	841,880	1,948,920	2,033,160	1,159,825	1,420,185	1,459,450
Total district expenses	<u>\$ 92,870,798</u>	<u>\$ 102,563,812</u>	<u>\$ 103,124,246</u>	<u>\$ 94,838,096</u>	<u>\$ 90,287,416</u>	<u>\$ 104,739,866</u>	<u>\$ 105,162,975</u>	<u>\$ 98,747,877</u>	<u>\$ 97,887,755</u>	<u>\$ 98,659,179</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ 138,091	\$ 233,095	\$ 310,487	\$ 243,678	\$ 169,845				
Support services	292,954	282,979	272,332	295,444	118,251	308,225				
Special schools	19,248	35,804	41,499	102,755	130,427	-				
Personal Services-employee benefits							3,413,970	3,037,830		
Operating grants and contributions	20,327,982	27,188,389	27,313,539	20,483,014	17,071,672	29,891,770	7,005,856	8,433,928	8,735,618	9,324,802
Total governmental activities program revenues	20,640,184	27,645,263	27,860,465	21,191,700	17,564,028	30,369,840	10,419,826	11,471,758	8,735,618	9,324,802
Business-type activities:										
Charges for services:										
Food service	560,319	543,772	582,923	575,561	394,145	6,980	12,590	475,950	513,668	456,169
Operating grants and contributions	587,619	576,504	582,093	570,503	570,485	1,931,580	2,388,970	919,399	851,035	840,629
Total business-type activities program revenues	1,147,938	1,120,276	1,165,016	1,146,064	964,630	1,938,560	2,401,560	1,395,349	1,364,703	1,296,798
Total district program revenues	<u>\$ 21,788,122</u>	<u>\$ 28,765,539</u>	<u>\$ 29,025,481</u>	<u>\$ 22,337,764</u>	<u>\$ 18,528,658</u>	<u>\$ 32,308,400</u>	<u>\$ 12,821,386</u>	<u>\$ 12,867,107</u>	<u>\$ 10,100,321</u>	<u>\$ 10,621,600</u>
Net (Expense) Revenue										
Governmental activities	\$ (71,100,982)	\$ (73,829,009)	\$ (74,131,485)	\$ (72,622,692)	\$ (71,881,508)	\$ (72,421,106)	\$ (92,709,989)	\$ (86,116,294)	\$ (87,731,952)	\$ (87,874,927)
Business-type activities	18,306	30,736	32,716	122,360	122,750	(10,360)	368,400	235,524	(35,482)	(162,652)
Total district-wide net expense	<u>\$ (71,082,676)</u>	<u>\$ (73,798,273)</u>	<u>\$ (74,098,769)</u>	<u>\$ (72,500,332)</u>	<u>\$ (71,758,758)</u>	<u>\$ (72,431,466)</u>	<u>\$ (92,341,589)</u>	<u>\$ (85,880,770)</u>	<u>\$ (87,767,434)</u>	<u>\$ (88,037,579)</u>

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 J-2
Page 2 of 2										
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 60,221,552	\$ 61,425,948	\$ 62,765,948	\$ 64,207,696	\$ 65,573,829	\$ 66,718,681	\$ 67,852,899	\$ 69,229,978	\$ 71,317,208	\$ 74,531,210
Taxes levied for debt service	2,246,346	3,501,658	2,160,996	2,751,686	2,739,488	2,716,435	2,675,888	1,818,839	1,492,372	1,497,251
Federal and state aid not restricted	8,302,180	8,416,244	8,494,157	8,380,488	8,328,016	7,708,526	30,473,534	20,072,893	20,985,023	15,039,960
Investment earnings	89,927	25,179	95,283	233,879	228,763	16,603				
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	228,156	117,262	178,326	216,028	288,526	283,378	1,219,453	1,342,025	2,106,315	2,082,033
Total governmental activities	71,088,161	73,486,291	73,694,710	75,889,777	77,158,622	77,443,623	102,221,774	92,463,735	95,900,918	93,150,454
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 71,088,161	\$ 73,486,291	\$ 73,694,710	\$ 75,889,777	\$ 77,158,622	\$ 77,443,623	\$ 102,221,774	\$ 92,463,735	\$ 95,900,918	\$ 93,150,454
Change in Net Position										
Governmental activities	\$ (12,821)	\$ (342,718)	\$ (436,775)	\$ 3,267,085	\$ 5,277,114	\$ 5,022,517	\$ 9,511,785	\$ 6,347,441	\$ 8,168,966	\$ 5,275,527
Business-type activities	18,306	30,736	32,716	122,360	122,750	(10,360)	368,400	235,524	(55,482)	(162,652)
Total district	\$ 5,485	\$ (311,982)	\$ (404,059)	\$ 3,389,445	\$ 5,399,864	\$ 5,012,157	\$ 9,880,185	\$ 6,582,965	\$ 8,113,484	\$ 5,112,875

Note: Prior to FY 2022 personal services employee benefits and unallocated depreciation was allocated to Instruction and support services

OCEAN TOWNSHIP SCHOOL DISTRICT
Fund Balances-Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved	\$ 5,117,680	\$ 5,105,507	\$ 5,210,074	\$ 7,041,912	\$ 10,200,394	\$ 13,174,593	\$ 15,263,551	\$ 19,557,825	\$ 19,798,547	\$ 22,628,896
Unreserved	247,902	242,073	63,177	(88,916)	(75,994)	(95,474)	2,221,597	1,426,435	1,297,336	1,515,354
Total general fund	<u>\$ 5,365,582</u>	<u>\$ 5,347,580</u>	<u>\$ 5,273,251</u>	<u>\$ 6,952,996</u>	<u>\$ 10,124,400</u>	<u>\$ 13,079,119</u>	<u>\$ 17,485,148</u>	<u>\$ 20,984,260</u>	<u>\$ 21,095,883</u>	<u>\$ 24,144,250</u>
All Other Governmental Funds										
Reserved	\$ 18,613,673	\$ 798,529	\$ 53,915	\$ -	\$ -	\$ 347,934	\$ 402,030	\$ 440,984	\$ 462,682	\$ 473,628
Unreserved:										
Special revenue fund	-	-	-	-	(65,204)	(137,228)	(212,207)	(245,430)	(330,538)	(423,549)
Capital projects fund	1,184,718	4,896,847	246,473	36,986	-	-	-	-	1,801,479	25,074
Debt service fund	-	21,562	21,563	1	1	1	-	132	133	135
Total all other governmental funds	<u>\$ 19,798,391</u>	<u>\$ 5,716,938</u>	<u>\$ 321,951</u>	<u>\$ 36,987</u>	<u>\$ (65,203)</u>	<u>\$ 210,707</u>	<u>\$ 189,823</u>	<u>\$ 195,686</u>	<u>\$ 1,933,756</u>	<u>\$ 75,288</u>

Source: District records

OCEAN TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances-Governmental Funds
Last Ten Fiscal Years
Modified Basis of Accounting
Unaudited

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues											
Tax levy	\$ 61,669,419	\$ 62,467,898	\$ 64,927,606	\$ 64,926,944	\$ 67,059,382	\$ 68,313,317	\$ 69,435,116	\$ 70,528,787	\$ 71,048,817	\$ 72,809,580	\$ 76,028,461
Tuition charges	65,142	19,248	138,091	233,095	310,487	118,251	169,845	226,119	97,632	214,196	267,361
Transportation fee	-	15,938	35,804	41,499	102,755	130,427	137,855	147,855	195,387	96,100	63,179
Interest earnings	31,159	89,927	65,917	95,283	233,879	228,763	16,603	18,331	208,751	764,585	1,167,705
Miscellaneous	426,357	480,347	400,091	443,050	496,029	488,775	544,966	1,248,861	2,547,302	2,556,921	2,367,381
State sources	15,438,917	16,788,459	17,778,805	20,193,940	20,641,162	21,491,646	24,037,242	30,517,217	31,256,182	32,090,201	31,295,630
Federal sources	1,774,391	1,733,629	1,823,755	1,839,188	1,824,905	1,868,222	2,487,286	3,358,473	2,804,008	4,932,211	1,972,687
Total revenue	79,405,385	81,595,446	85,170,069	87,772,999	90,668,599	92,639,401	96,746,767	106,045,643	108,158,079	113,463,794	113,162,404
Expenditures											
Instruction:											
Regular instruction	22,675,022	22,811,686	22,700,708	22,999,240	22,495,108	22,223,282	23,537,863	25,180,610	26,763,380	26,823,858	27,321,656
Special education instruction	5,855,639	6,249,695	6,104,371	6,837,150	6,843,019	6,969,798	7,197,179	7,693,427	7,378,982	7,457,234	7,367,664
Other special instruction	1,321,236	1,359,701	1,422,138	1,231,576	1,191,662	1,360,980	1,360,951	1,321,465	1,150,566	1,214,827	1,307,443
Other instruction	1,335,311	1,418,439	1,356,764	1,350,530	1,344,459	1,353,019	1,290,174	1,365,921	1,416,427	1,492,425	1,559,699
Support Services:											
Instruction	4,211,098	4,319,884	4,420,757	3,480,737	4,052,082	4,668,511	5,078,332	3,195,891	3,626,157	3,448,320	3,867,170
Student & inst. related services	6,691,253	6,781,825	6,929,989	7,221,656	7,382,372	7,609,724	7,899,000	9,575,592	10,750,731	11,402,024	11,823,955
General & business administrative services	1,054,071	985,129	1,187,648	1,075,568	1,089,835	1,058,674	1,055,439	1,361,403	1,407,113	1,198,846	1,169,770
School administrative services	2,191,915	2,224,084	2,135,743	2,066,397	2,008,350	2,004,905	2,157,208	2,164,595	2,157,810	2,086,372	2,148,210
Central services	813,562	689,750	706,557	711,319	686,612	715,993	685,790	686,769	675,910	668,447	714,093
Administrative information technology	600,211	601,763	679,446	696,270	742,095	778,153	933,972	792,012	796,016	780,644	743,271
Plant operations and maintenance	6,050,497	6,542,703	6,290,964	6,426,803	6,354,390	5,967,578	6,566,961	6,588,798	6,836,471	7,000,540	7,396,151
Pupil transportation	3,210,016	3,309,559	3,326,902	3,582,846	3,780,708	3,365,342	3,204,476	4,006,529	3,969,742	4,324,222	4,725,461
Unallocated benefits	19,408,640	21,158,651	23,449,483	25,872,166	26,509,581	26,588,577	28,759,023	31,609,787	33,083,767	35,501,846	35,125,956
Administrative costs	-	-	-	-	-	-	386	-	-	-	-
Special Schools	207,251	227,710	223,586	239,036	273,088	271,731	212,830	242,959	256,402	259,129	278,360
Transfer to Charter Schools	15,745	25,462	-	43,098	147,800	285,494	142,235	307,813	428,211	501,493	463,642
Capital outlay	4,774,762	8,999,641	14,665,669	6,007,343	1,008,175	1,182,416	917,255	2,282,194	1,532,594	5,622,048	4,024,724
Debt service:											
Principal	2,745,000	1,265,000	2,599,000	2,400,000	2,440,000	2,470,000	2,515,000	2,535,000	1,744,870	1,290,000	1,335,000
Interest and other charges	469,214	1,169,218	1,069,949	1,008,188	939,923	877,164	813,897	750,029	677,955	636,981	598,281
Total expenditures	83,630,443	90,139,900	99,269,674	93,249,923	89,289,259	89,751,341	94,327,971	101,660,794	104,653,104	111,709,256	111,972,506
Excess (Deficiency) of revenues over (under) expenditures	(4,225,058)	(8,544,454)	(14,099,605)	(5,476,924)	1,379,340	2,888,060	2,418,796	4,384,849	3,504,975	1,754,538	1,189,898

OCEAN TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances-Governmental Funds
Last Ten Fiscal Years
Modified Basis of Accounting
Unaudited

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing sources (uses)											
Capital leases (non-budgeted)	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 137,725	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from bonds	28,944,000	-	2,650,000	-	-	-	-	-	-	-	-
Payments to refunding bond escrow	-	-	(2,650,000)	-	-	-	-	-	-	-	-
Sale of assets	-	24,825	150	7,608	15,441	43,429	-	-	-	-	-
Unemployment reserve-net	-	-	-	-	-	-	-	-	-	-	-
Transfers in	20,859	-	40,738	10,478	1,800	282	-	-	-	95,155	53,520
Transfers out	(20,858)	-	(40,738)	(10,478)	(1,800)	(282)	-	-	-	1,824,960	(53,520)
Total other financing sources (uses)	30,144,001	24,825	150	7,608	15,441	181,154	-	-	-	95,155	-
Net change in fund balances	\$ 25,918,943	\$ (8,519,629)	\$ (14,099,455)	\$ (5,469,316)	\$ 1,394,781	\$ 3,069,214	\$ 2,418,796	\$ 4,384,849	\$ 3,504,975	\$ 1,849,693	\$ 1,189,898
Debt service as a percentage of noncapital expenditures	4.08%	3.00%	4.34%	3.91%	3.83%	3.78%	3.56%	3.31%	2.35%	1.82%	1.79%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

OCEAN TOWNSHIP SCHOOL DISTRICT
General Fund-Other Local Revenue by Source
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sale of energy and utility rebates	\$ -	\$ 6,898	\$ 2,410	\$ -	\$ -	\$ 28,448	\$ 228,771	\$ 154,656	\$ 62,594	\$ 85,204
Grants and Donations	1,620	-	-	-	3,000	193,610	-	-	-	-
Facility charge	277,016	282,979	272,332	295,444	333,514	6,703	25,070	45,883	17,073	41,227
Prior-year insurance refunds	41,466	-	720	560	40,508	66,667	93,966	-	113,101	-
Prior-year miscellaneous refunds	95,136	6,681	12,934	33,146	30,958	10,962	-	63,773	-	135,596
Sponsorship	23,100	25,100	23,600	16,500	10,500	7,600	10,500	14,600	11,100	-
Sale of assets	-	-	7,608	925	523	-	85,779	17,467	21,280	-
Tuition	19,248	138,091	233,095	310,487	118,251	21,115	-	-	-	-
Transportation fees	15,938	35,804	41,499	102,755	114,127	55,709	-	-	-	-
Interest	13,907	25,179	84,805	232,079	228,481	16,603	18,331	-	290,885	-
Cancellation of prior year checks	-	22,996	-	15,085	-	28,745	-	-	-	-
OTEA/OT	-	-	-	17,851	-	-	-	-	-	-
Shared services	27,529	47,447	110,740	105,619	47,177	60,842	5,750	10,250	13,250	10,250
Spartan Football Club Stipend	-	-	-	-	12,500	-	-	170,000	-	-
Advertising- School Buses	-	-	-	6,300	2,100	-	-	-	-	-
Rental Fees	-	-	-	-	-	-	101,495	257,994	269,258	268,031
Miscellaneous	14,480	7,990	12,706	4,599	5,545	25,782	275,817	105,632	120,557	43,480
Total other local revenue	\$ 529,440	\$ 599,165	\$ 802,449	\$ 1,141,350	\$ 947,184	\$ 522,786	\$ 845,479	\$ 840,255	\$ 919,098	\$ 583,788

Source: District Records

OCEAN TOWNSHIP SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property - Township of Ocean
Last Ten Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2016	71,704,300	3,397,753,500	1,074,900	3,800	583,675,400	-	163,311,500	4,217,523,400	-	3,628,655	4,221,152,055	4,673,821,521	1.458
2017	71,984,400	3,897,335,500	1,273,700	3,900	631,943,700	-	218,542,400	4,821,083,600	-	4,034,953	4,825,118,553	4,759,112,032	1.323
2018	75,981,300	4,082,025,000	1,294,200	4,100	584,516,000	-	236,536,800	4,980,357,400	-	4,022,460	4,984,379,860	4,888,118,749	1.324
2019	79,745,200	4,326,880,300	1,311,000	4,100	608,674,920	-	242,693,900	5,259,309,420	213,680	4,064,174	5,263,159,914	5,269,784,142	1.286
2020	75,553,700	4,549,307,800	6,357,900	4,100	626,777,020	-	251,064,000	5,509,064,520	213,680	4,113,022	5,512,963,862	5,431,068,013	1.249
2021	75,277,000	4,723,221,400	6,344,800	4,100	631,128,957	1,744,600	262,583,600	5,700,304,457	421,743	4,345,832	5,704,228,546	5,647,489,912	1.227
2022	80,393,800	5,616,407,500	6,666,600	4,100	643,946,657	1,744,600	276,377,300	6,625,540,557	421,743	4,765,890	6,629,884,704	6,433,018,954	1.068
2023	87,295,000	6,725,858,090	7,420,500	2,600	667,100,357	1,744,600	303,043,100	7,792,464,247	421,743	5,121,851	7,797,164,355	7,875,448,424	0.915
2024	123,628,200	7,357,460,800	8,366,800	4,200	737,820,757	4,811,400	470,671,100	8,702,763,257	421,743	6,372,297	8,709,135,554	8,636,775,604	0.855
2025	123,065,700	8,148,792,800	9,452,600	4,400	819,126,457	4,971,800	489,536,700	9,594,950,457	421,743	6,392,838	9,601,343,295	9,576,864,381	0.801

Source: New Jersey's Monmouth County Board of Taxation Website

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by the County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100.

OCEAN TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Valuation
Last Ten Years
Unaudited

Township of Ocean						
Fiscal Year Ended June 30,	Township of Ocean Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Township of Ocean	Monmouth County	
2016	1.396	0.062	1.458	0.493	0.328	2.279
2017	1.252	0.071	1.323	0.442	0.286	2.051
2018	1.280	0.044	1.324	0.428	0.287	2.039
2019	1.233	0.053	1.286	0.415	0.285	1.986
2020	1.199	0.050	1.249	0.415	0.276	1.940
2021	1.180	0.047	1.227	0.415	0.272	1.914
2022	1.027	0.041	1.068	0.370	0.250	1.688
2023	0.892	0.023	0.915	0.332	0.243	1.490
2024	0.837	0.018	0.855	0.306	0.229	1.390
2025	0.785	0.016	0.801	0.295	0.224	1.320

Source: Borough Tax Collector

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

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

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

OCEAN TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited

	2023	
	Taxable Assessed Value	% of Total District Net Assessed Value
Woodshire Apartments	\$ 85,331,800	1.71%
Seaview Acquisition LLC	69,770,837	1.40%
Continental Land Developers, LLC	37,994,000	0.76%
West Park Gardens NJ, LP	32,212,700	0.65%
Cold Indian Spring Corp	31,664,200	0.64%
Primrose Estates, LLC	28,385,600	0.57%
Sunset Arcadia Center Inc	24,715,100	0.50%
Westwood Oaks Associates	20,000,000	0.40%
Continental Enterprise Apart, LLC	18,091,400	0.36%
Hollywood Golf Club	18,030,300	0.36%
TOTAL	\$ 366,195,937	7.35%

	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Seaview Square, LLC c/o Linque Management	\$ 60,000,000	1.40%
Woodshire Apartments	48,393,500	1.13%
Ocean Seniors, LLC	23,987,300	0.56%
Westwood Oaks Associates	23,107,100	0.54%
Sears Roebuck & Co.	22,517,600	0.52%
Cold Indian Springs Corp	20,046,600	0.47%
Gold Enterprises c/o Salem Management	19,222,700	0.45%
Continental Land Developers, LLC	16,453,000	0.38%
Hollywood Golf Club	15,398,300	0.36%
Sunset Arcadia Center, Inc.	11,970,000	0.28%
TOTAL	\$ 261,096,100	6.09%

Source: Municipal Tax Assessor

Note: Values are assessed at January 1 of the audit year.

OCEAN TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years
Unaudited

Collected within the Fiscal Year of the Levy ^a

Fiscal Year Ended June,	Total Tax Levy for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years
2016	62,467,898	62,467,898	100.00%	-
2017	64,927,606	64,927,606	100.00%	-
2018	64,926,944	64,926,944	100.00%	-
2019	67,059,382	67,059,382	100.00%	-
2020	68,313,317	68,313,317	100.00%	-
2021	69,435,116	69,435,116	100.00%	-
2022	70,528,777	70,528,777	100.00%	-
2023	71,048,817	71,048,817	100.00%	-
2024	72,809,580	72,809,580	100.00%	-
2025	76,028,461	76,028,461	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form) from Municipal Tax Assessor.

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

N/A At the completion of the ACFR, this data was not available.

OCEAN TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Governmental Activities

Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Percentage of Personal Income ^a	Per Capita ^a
2016	37,299,000	3,523,750	40,822,750	2.10%	1,498
2017	34,870,000	3,081,295	37,951,295	1.88%	1,425
2018	32,470,000	2,675,426	35,145,426	1.65%	1,311
2019	30,030,000	2,256,278	32,286,278	1.46%	1,209
2020	27,560,000	2,207,040	29,767,040	1.30%	1,120
2021	25,045,000	1,992,444	27,037,444	1.09%	1,008
2022	22,510,000	2,448,943	24,958,943	0.95%	894
2023	20,765,000	2,184,617	22,949,617	0.82%	825
2024	19,475,000	1,761,914	21,236,914	N/A	764
2025	18,140,000	1,358,927	19,498,927	N/A	N/A

Source: District records

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

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

N/A At the completion of the ACFR, this data was not available.

OCEAN TOWNSHIP SCHOOL DISTRICT
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Township of Ocean

Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ^a	Net Bonded Debt Per Capita ^b
2016	36,068,208	-	36,068,208	0.85%	1,339.28
2017	33,794,526	-	33,794,526	0.70%	1,268.85
2018	32,470,000	-	32,470,000	0.65%	1,210.89
2019	30,030,000	-	30,030,000	0.57%	1,124.80
2020	27,560,000	-	27,560,000	0.50%	1,036.83
2021	25,045,000	-	25,045,000	0.44%	933.78
2022	22,510,000	-	22,510,000	0.34%	806.46
2023	20,765,000	-	20,765,000	0.27%	746.57
2024	19,475,000	-	19,475,000	0.22%	700.64
2025	18,140,000	-	18,140,000	0.19%	648.04

Sources: Assessed valuations were provided by the Abstract of Ratables, Monmouth County Board of Taxation. School district population data was provided by school district officials.

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements.

a See Exhibit J-6 for property tax data.

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

OCEAN TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
For the Year Ended December 31, 2024
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Ocean	\$ 41,739,640	100.00%	\$ 41,739,640
Monmouth County General Obligation Debt	564,062,115	4.852%	\$ 27,368,294
Other debt			-
Subtotal overlapping debt			69,107,934
Ocean Township School District Direct Debt			19,475,000
Total Direct and Overlapping Debt			<u>\$ 88,582,934</u>

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

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

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

OCEAN TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
For The Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2024	\$ 9,576,864,381
2023	8,636,775,604
2022	7,875,448,424
	<u>\$ 26,089,088,409</u>
Average equalized valuation of taxable property	\$ 8,696,362,803
Debt limit (4% of average equalization value) ^a	347,854,512
Total Net Debt Applicable to Limit	<u>18,140,000</u>
Legal debt margin	<u>\$ 329,714,512</u>

	Fiscal Year					Fiscal Year				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 124,268,127	\$ 192,172,462	\$ 163,570,407	\$ 171,887,912	\$ 182,585,747	\$ 193,942,214	\$ 212,072,485	\$ 245,314,431	\$ 286,461,573	\$ 329,714,512
Total net debt applicable to limit	37,299,000	34,870,000	32,470,000	30,030,000	27,560,000	25,045,000	22,510,000	20,765,000	19,475,000	18,140,000
Legal debt margin	<u>\$ 86,969,127</u>	<u>\$ 157,302,462</u>	<u>\$ 131,100,407</u>	<u>\$ 141,857,912</u>	<u>\$ 155,025,747</u>	<u>\$ 168,897,214</u>	<u>\$ 189,562,485</u>	<u>\$ 224,549,431</u>	<u>\$ 266,986,573</u>	<u>\$ 311,574,512</u>
Total net debt applicable to the limit as a percentage of debt limit	30.01%	18.15%	19.85%	17.47%	15.09%	12.91%	10.61%	8.46%	6.80%	5.50%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation as posted on the Monmouth County Board of Taxation Website.

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other percentage limits would be applicable for other district types.

OCEAN DISTRICT SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Years
Unaudited

Township of Ocean

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2016	26,931	1,967,955,894	73,074	3.90%
2017	26,634	2,020,881,384	75,876	3.50%
2018	26,815	2,125,061,935	79,249	3.20%
2019	26,698	2,196,444,460	82,270	8.90%
2020	26,581	2,288,384,871	86,091	8.90%
2021	26,821	2,470,723,699	92,119	6.40%
2022	27,912	2,634,362,472	94,381	3.20%
2023	27,814	2,794,667,278	100,477	3.50%
2024	27,796	N/A	N/A	3.80%
2025	27,992	N/A	N/A	N/A

Sources:

- a** Population information provided by the NJ Dept. of Labor and Workforce Development. Estimate is based on July 1 of the audit year.
- b** Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c** Per capita personal income by municipality not available. The Per Capita Personal Income amounts presented represent the figures available for Monmouth County, NJ as provided by the State of New Jersey, Department of Education, Division of Finance.
- d** Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

N/A At the time of the ACFR completion, the data was not yet available.

OCEAN TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

TOWNSHIP OF OCEAN				
Employer	2025		2016	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
N/A		N/A		N/A

N/A - At the time of the completion of the ACFR, this information was not available.

OCEAN TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular	267.9	265.4	256.0	255.0	256.0	257.0	252.0	257.0	262.0	264.0
Special education	133.5	142.4	141.2	138.3	130.0	131.7	131.0	131.0	134.0	124.0
Other special education	25.0	25.0	21.0	18.5	25.0	25.0	31.0	37.0	37.0	34.0
Other instruction	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Support Services:										
Student and instruction related services	93.0	103.0	105.0	101.8	91.0	87.8	102.0	94.0	91.0	95.0
General administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
School administration services	25.0	24.0	23.0	23.0	23.0	27.0	25.0	25.0	25.0	25.0
Central services	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Administrative information technology	11.0	11.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	11.0
Plant operations and maintenance	62.0	61.0	63.5	67.0	53.0	51.0	51.0	51.0	51.0	50.0
Pupil transportation	45.0	44.0	44.0	46.0	42.0	36.0	36.0	38.0	40.0	40.0
Total	680.4	693.8	684.7	679.6	650.0	645.5	658.0	663.0	670.0	660.0

Source: District records.

OCEAN TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	3,655	78,706,041	21,534	6.18%	370	9.9:1	8.6:1	11.3:1	3,629	3,485	#REF!	96.03%
2017	3,584	80,935,056	22,582	4.87%	369	9.8:1	8.6:1	10.9:1	3,560	3,410	-1.90%	95.79%
2018	3,514	83,834,392	23,857	5.65%	364	9.8:1	8.6:1	10.7:1	3,485	3,335	-2.11%	95.70%
2019	3,426	84,901,161	24,781	3.87%	355	9.5:1	9.3:1	10.2:1	3,400	3,243	-2.44%	95.38%
2020	3,305	85,221,761	25,786	4.06%	411	7.5:1	8.4:1	8.4:1	3,253	3,148	-4.32%	96.77%
2021	3,274	90,081,819	27,514	6.70%	416	7.3:1	8.1:1	8.4:1	3,251	3,094	-0.06%	95.17%
2022	3,196	94,181,396	29,469	7.11%	426	7.0:1	7.9:1	8.2:1	3,203	3,081	-1.48%	96.19%
2023	3,137	100,697,685	32,100	8.93%	428	6.5:1	7.8:1	8.2:1	3,187	2,976	-0.50%	93.38%
2024	3,145	104,160,227	33,119	3.17%	428	6.5:1	7.8:1	8.2:1	3,187	2,976	0.00%	93.38%
2025	3,110	106,014,500	34,088	2.93%	425	9.4:1	10.3:1	10.0:1	3,130	2,972	-1.79%	94.95%

Sources: District Records

Note: Enrollment based on annual October district count.

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

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

OCEAN TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

District Building		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary											
Wanamassa Elementary School											
Square feet		59,580	59,580	59,580	80,529	80,529	80,529	80,529	80,529	80,529	80,529
Capacity (students)		477	477	477	477	477	477	477	477	477	477
Enrollment		295	315	309	316	305	325	328	322	357	356
Ocean Township Elementary School											
Square feet		76,160	76,160	76,160	77,797	77,797	77,797	77,797	77,797	77,797	77,797
Capacity (students)		609	609	609	609	609	609	609	609	609	609
Enrollment		411	386	426	396	366	380	390	385	392	410
Wayside Elementary School											
Square feet		147,375	147,375	147,375	96,987	96,987	96,987	96,987	96,987	96,987	96,987
Capacity (students)		713	713	713	713	713	713	713	713	713	713
Enrollment		660	652	606	585	566	570	569	574	590	583
Middle School											
Ocean Township Intermediate School											
Square feet		257,400	257,400	257,400	231,031	231,031	231,031	231,031	231,031	231,031	231,031
Capacity (students)		1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951
Enrollment		1,081	1,075	1,053	1,050	1,029	977	950	889	860	889
High School											
Ocean Township High School											
Square feet		200,215	200,215	200,215	224,295	224,295	224,295	224,295	224,295	224,295	224,295
Capacity (students)		1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326
Enrollment		1,208	1,156	1,120	1,079	1,039	1,022	1,008	967	946	872

Number of Schools at June 30, 2025

Elementary = 3

Middle = 1

High = 1

Source: District records

Note: Increases in square footage and capacity are the results of additions. Enrollment is based on the annual October district count.

OCEAN TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Allowable Maintenance Expenditures by School Facilities
Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities 11-000-261-XXX												
Gross Square Footage	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
School facilities												
Ocean Township Elementary School	77,797	\$ 100,822	\$ 128,875	\$ 120,169	\$ 97,900	\$ 87,684	\$ 173,340	\$ 103,286	\$ 51,870	\$ 63,500	\$ 46,616	
Ocean Township High School	224,295	319,849	270,142	323,544	298,983	287,527	456,594	297,781	149,547	183,075	134,399	
Ocean Township Intermediate School	231,031	322,773	274,200	288,107	294,184	285,759	441,068	306,724	154,038	188,573	138,435	
Wanamassa Elementary School	80,529	76,277	76,810	114,669	97,457	87,965	171,393	106,913	53,692	65,730	48,253	
Wayside Elementary School	96,987	158,277	157,805	141,516	104,926	115,700	195,879	128,763	64,665	79,163	58,115	
Total School Facilities		977,998	907,832	988,005	893,450	864,635	1,438,274	943,467	473,812	580,041	425,818	
Grand Total		\$ 977,998	\$ 907,832	\$ 988,005	\$ 893,450	\$ 864,635	\$ 1,438,274	\$ 943,467	\$ 473,812	\$ 580,041	\$ 425,818	

Source: District Records

Required maintenance, defined in N.J.A.C. 6:24, The Educational Facilities Construction and Financing Act, includes expenditures for systems warranty purposes that are approved for repairs and replacements for the purpose of keeping a school facility open, comfortable and safe for use or in its original condition, include repairs and replacements to a school facility's heating, lighting, ventilation, security and other fixtures to keep the facility or fixtures in effective working condition. Required maintenance includes periodic or occasional inspection; adjustment, lubrication, and cleaning (non-janitorial) of buildings or fixtures; replacement of parts; and other actions to assure continuing service and to prevent breakdown.

OCEAN TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2025
Unaudited

	Coverage	Deductible/ Self-Insured Retention
Through the New Jersey Schools Insurance Group:		
Property coverage- Real and personal		
Limit of Liability, per Occurrence	\$ 350,000,000	\$ 5,000
Electronic Data Processing Equipment		
Limit of Liability, per Occurrence	Included in Property Limit	
Equipment Breakdown		
Limit of Liability, per Loss	\$ 100,000,000	\$ 25,000
Crime		
Public Employee Dishonesty	\$ 1,000,000	\$ 1,000
Theft, Disappearance and Destruction- Money and Securities	\$ 25,000	\$ 500
Theft, Disappearance and Destruction- Money Orders and Counterfeit Paper Currency	\$ 100,000	\$ 500
Forgery or Alteration	\$ 250,000	\$ 1,000
Computer Fraud	\$ 1,000,000	\$ 1,000
Comprehensive General Liability		
Limit of Liability, per Occurrence	\$ 11,000,000	\$ -
Automobile		
Liability- any Auto		
Bodily Injury and Property Damage		
Limit of Liability, per Accident	\$ 11,000,000	\$ -
Terrorism, per Occurrence/Annual NJSIG Aggregate	\$ 1,000,000	\$ -
Physical Damage- Scheduled Vehicles only		
Comprehensive, Collision and Hired Car Physical Damage	\$ -	\$ 1,000
Workers' Compensation		
Workers' compensation		
Limit of Liability	Statutory	\$ -
Employers Liability/Occupational Disease		
Limit of Liability, per Occurrence	\$ 3,000,000	\$ -
School Leaders Errors and Omissions Liability		
Limit of Liability, Each Policy Period	\$ 11,000,000	\$ -
Each Claim	\$ -	\$ 20,000
Bonds:		
Treasurer	\$ 375,000	\$ -
Business Administrator	\$ 385,000	
Through Federal Insurance Company:		
Supplemental Indemnity Program- Workers Comp Supplement		
Limit of Liability, per Accident	\$ 130,000	\$ - (\$2,500 per week, benefit period 1 year/7 day elimination period)
Through QBE Insurance Corporation:		
Student Accident- Basic		
Total Benefit Maximum for all Accidental Medical		
School Coverage	\$ 25,000	\$ -
Sports Coverage	\$ 25,000	\$ -
Accidental Death and Dismemberment		
Accidental Death	\$ 25,000	\$ -
Accidental Single Dismemberment	\$ 25,000	\$ -
Accidental Double Dismemberment	\$ 50,000	\$ -
Through United States Fire Insurance Company:		
Student Accident- Catastrophic		
Accident Death Benefit, per Occurrence Annually	\$ 10,000	\$ -
Benefit Period of Ten Years with a Maximum Benefit Amount	\$ 5,000,000	\$ 25,000
Through National Union Fire Insurance Company of Pittsburgh, PA:		
Crisis Management		
Expenses, Each Insured Event	\$ 1,000,000	\$ -
Judgements, Each Insured Event	\$ 1,000,000	\$ -
Death or Dismemberment, Each Insured Event	\$ 2,500,000	\$ -
Death or Dismemberment, Each Insured Person	\$ 250,000	\$ -
Disappearance, Each Insured Event	\$ 250,000	\$ -
Disappearance, Each Insured Person	\$ 250,000	\$ -
Threat, Each Insured Event	\$ 250,000	\$ -
Through Beazeley Insurance Company, Inc.		
Cyber Liability		
Aggregate Sublimit of Liability	\$ 2,000,000	\$50,000 as long as all security controls are in place otherwise \$250,000
Through Ascot Insurance Company		
Environmental		
Policy Aggregate Limit	\$ 2,000,000	\$ 50,000
Through Hiscox Syndicates		
Demolition and Rebuild following an Active Assailant Incident		
Policy Aggregate Limit	\$ 10,000,000	\$ -
Through Lloyd's Insurance Company		
Terrorism		
Policy Aggregate Limit	\$ 100,000,000	\$ -

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and
Members of the Board of Education
Township of Ocean School District
County of Monmouth, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education Township of Ocean School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Township of Ocean Board of Education's internal 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 Township of Ocean Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Ocean Board of Education'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 Township of Ocean Board of Education's financial statements are free of 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 or the 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.

Steven D. Wielkottz

Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkottz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 3, 2025





WIELKOTZ & COMPANY ^{LLC}

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY UNIFORM GUIDANCE
AND N.J. OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Township of Ocean School District
County of Monmouth, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Township of Ocean School District in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of Ocean Board of Education's major federal and state programs for the year ended June 30, 2025. The Township of Ocean Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of Ocean Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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 Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Township of Ocean Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Township of Ocean Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Township of Ocean Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Township of Ocean Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



Honorable President and
Members of the Board of Education

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

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

December 3, 2025

OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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SCHEDULE A

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2024	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2025		MEMO Cumulative Total Expenditures	
				From	To						(Accounts Receivable)	Deferred Revenue		Due to Grantor
U.S. Department of Health and Human Services														
Passed-through State Department of Human Services														
General Fund:														
Medical Assistance Program (SEMI)	93.778	230SN53MAP	41,952	7/1/2024	6/30/2025			41,952	(41,952)				41,952	
Total General Fund								41,952	(41,952)				-	
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I	84.010	S010A250030	557,426	7/1/2024	9/30/2025			276,677	(537,585)		(260,908)		504,759	
Title I	84.010	S010A240030	520,835	7/1/2023	9/30/2024	(223,929)		196,086		27,843			203,423	
Title II, Part A	84.367A	S367A250029	139,175	7/1/2024	9/30/2025			74,830	(97,386)		(22,556)		117,429	
Title II, Part A	84.367A	S367A240029	129,296	7/1/2023	9/30/2024	(59,643)		54,257		5,386			57,092	
Title III	84.365	S365A250030	42,106	7/1/2024	9/30/2025			20,773	(41,929)		(21,156)		35,254	
Title III	84.365	S365A240030	35,254	7/1/2023	9/30/2024	(15,905)		13,830		2,075			17,286	
IDEA Part B, Basic Regular	84.027	H027A250100	1,109,805	7/1/2024	9/30/2025			909,460	(1,049,770)		(140,310)		1,133,972	
IDEA Part B, Basic Regular	84.027	H027A240100	1,136,778	7/1/2023	9/30/2024	(218,173)		218,173					95,832	
IDEA Part B, Preschool	84.173	H173A250114	46,021	7/1/2024	9/30/2025			46,021	(46,021)				47,481	
						(517,650)		1,810,107	(1,772,691)	35,304	(444,930)		2,224,239	
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
ARP ESSER	84.425U	S425U210027	3,332,229	3/13/2020	9/30/2024	(114,756)		185,748	(85,676)	14,684			3,080,543	
ARP Learning Acceleration	84.425U	S425U210027	284,306	3/13/2020	9/30/2024	(50,745)		50,745					284,306	
ARP Mental Health	84.425U	S425U210027	45,000	3/13/2020	9/30/2024	-							27,950	
ARP Beyond the School Day	84.425U	S425U210027	40,000	3/13/2020	9/30/2024	-							40,000	
ARP Homeless	84.425U	S425U210027	28,922	4/23/2021	9/30/2024	(1,431)		1,431	(24,152)				28,922	
ARP Summer Perkins	84.425U	S425U210027	40,000	3/13/2020	9/30/2024			14,356	(19,826)		(5,470)		15,848	
	84.048	V048A250030	19,862	7/1/2024	6/30/2025	(166,932)		276,432	(129,654)	14,684	(5,470)		30,517	
						(684,582)		2,086,539	(1,902,345)	49,988	(450,400)		3,508,086	
Total Special Revenue Fund													5,732,325	
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
Enterprise Fund:														
Food Distribution Program	10.569	N/A	89,656	7/1/2024	6/30/2025			89,656	(89,656)				135,674	
School Breakfast Program	10.553	251NJ04N1099	155,837	7/1/2024	6/30/2025			143,491	(155,837)		(12,346)		133,383	
School Breakfast Program	10.553	241NJ04N1099	133,383	7/1/2023	6/30/2024	(30,366)		30,366					118,509	
National School Lunch Program	10.555	251NJ04N1099	553,842	7/1/2024	6/30/2025			515,887	(553,842)		(37,955)		468,311	
National School Lunch Program	10.555	241NJ04N1099	468,311	7/1/2023	6/30/2024	(91,660)		91,660					502,665	
Summer EBT Transfer Program for Children	10.646	N/A	3,112	7/1/2024	6/30/2025			3,112	(3,112)				3,112	
Total Enterprise Fund						(122,026)		874,172	(802,447)		(50,301)		1,361,654	
Total Federal Financial Awards						(806,608)	\$	-	\$	49,988	\$	(500,701)	\$	5,732,325

See accompanying Notes to the Schedules of Expenditures of Awards and Financial Assistance.

OCEAN TOWNSHIP SCHOOL DISTRICT
Schedule of State Financial Assistance
for the Fiscal Year Ended June 30, 2025

State Grants/Program Title	Program or Award Amount	Grant Period From To	Balance at June 30, 2024		Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversion of Prior Year's Balance	Balance at June 30, 2025		MEMO			
			Deferred Revenue (Accts. Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education														
General Fund:														
Adjustment Aid	\$	754,631	7/1/2024	6/30/2025			679,919	(754,631)					(74,712)	754,631
Transportation Aid		1,729,784	7/1/2024	6/30/2025			1,558,537	(1,729,784)					(171,257)	1,729,784
Security Aid		2,550,341	7/1/2024	6/30/2025			2,297,845	(2,550,341)					(54,689)	2,550,341
Extracurricular Aid		1,212,664	7/1/2024	6/30/2025			497,700	(1,212,664)						
Extracurricular Aid		1,034,444	7/1/2023	6/30/2024	(1,034,444)		1,034,444							
Non-Public Transportation Aid		146,338	7/1/2024	6/30/2025				(146,338)						
Student Mental Health		139,760	7/1/2023	6/30/2024	(139,760)		139,760							
Miscellaneous Products	N/A	3,239	7/1/2023	6/30/2024			100,000	(100,000)						
Homeless Tuition Reimbursement		107,361	7/1/2024	6/30/2025				(107,361)						
On-Behalf TPAF Pension		11,940,496	7/1/2024	6/30/2025			11,940,496	(11,940,496)						
On-Behalf TPAF Post Retirement Medical		3,532,242	7/1/2024	6/30/2025			3,532,242	(3,532,242)						
On-Behalf TPAF Long-Term Disability		4,709	7/1/2024	6/30/2025			4,709	(4,709)						
Reimbursement TPAF Social Security Contrib.		2,517,835	7/1/2024	6/30/2025	(121,278)		2,517,721	(2,557,835)						
Reimbursement TPAF Social Security Contrib.		2,515,423	7/1/2023	6/30/2024			121,278							
Total General Fund			-	-	(1,295,482)		24,602,552	(25,339,940)					(533,154)	29,174,393
Special Revenue Fund:														
N.J. Neophyte Aid:														
Textbook Aid		57,840	7/1/2024	6/30/2025			57,840	(57,732)						
Nursing Services Aid		62,724	7/1/2024	6/30/2024		204		204						
Nursing Services Aid		159,770	7/1/2024	6/30/2025			159,770	(159,532)						
Technology Initiative		143,400	7/1/2023	6/30/2024		3,130		3,130						
Security Aid		35,419	7/1/2024	6/30/2025			55,419	(54,886)						
Security Aid		251,945	7/1/2024	6/30/2025		194		194						
Security Aid		231,945	7/1/2024	6/30/2025			251,945	(251,945)						
Auxiliary Services:														
Compensatory Education		244,575	7/1/2023	6/30/2024		14		14						
Compensatory Education		486,370	7/1/2024	6/30/2025			486,370	(900,170)						
English as a Second Language		4,503	7/1/2024	6/30/2025		861		861						
Handicapped Services:														
Supplemental Instruction		3,662	7/1/2023	6/30/2024										
Examination & Classification		172,221	7/1/2024	6/30/2025			172,221	(172,221)						
Examination & Classification		226,036	7/1/2024	6/30/2025			226,036	(211,077)						
Corrective Speech		47,058	7/1/2024	6/30/2025		13,713		13,713						
High Impact Tutoring		79,480	7/1/2024	6/30/2025	(51,229)		47,058	(47,058)						
Emergency Care		3,548	7/1/2023	6/30/2024			55,719	(13,834)						
Computer Science		38,672	7/1/2023	6/30/2024			27,885	(35,294)						
Preschool Education Aid		4,278,067	6/1/2024	8/31/2025		13,213	3,854,518	(4,222,006)						
Preschool Education Aid		2,475,270	7/1/2024	6/30/2025										
Preschool Education Aid			7/1/2022	6/30/2023		(132,311)								
Total Special Revenue Fund					194,507	18,116	5,959,284	(5,633,105)	18,116				(423,549)	15,715,152
Debt Service Fund:														
Debt Service Aid			7/1/2024	6/30/2025			436,031	(436,031)						
Capital Projects Fund:														
ROD Grant Ocean Township Elementary School		553,734	7/1/2023	6/30/2026	(182,488)		-	(71,246)						
ROD Grant Wayside Elementary School		681,868	7/1/2023	6/30/2026	(313,561)		-	(363,397)						
Total Capital Projects Fund					(496,049)		-	(739,533)						
State Department of Agriculture														
Enterprise Fund:														
State School Breakfast Program		5,237	7/1/2024	6/30/2025			4,771	(5,237)						
State School Breakfast Program		4,731	7/1/2023	6/30/2024	(1,114)		1,114							
State School Lunch Program		32,945	7/1/2024	6/30/2025			30,405	(32,945)						
State School Lunch Program		27,066	7/1/2023	6/30/2024	(5,388)		5,388							
Total Enterprise Fund					(6,502)		41,678	(38,182)						
TOTAL STATE FINANCIAL ASSISTANCE														
Less: On-Behalf TPAF Pension and Annuity Aid:														
On-Behalf TPAF Pension			7/1/2024	6/30/2025			11,940,496	(11,940,496)						
On-Behalf TPAF NCGI Premium			7/1/2024	6/30/2025			147,911	(147,911)						
On-Behalf TPAF Post Retirement Medical			7/1/2024	6/30/2025			3,532,242	(3,532,242)						
On-Behalf TPAF Long-Term Disability			7/1/2024	6/30/2025			4,709	(4,709)						
On-Behalf TPAF Social Security Grants			7/1/2024	6/30/2025			121,278	(121,278)						
Total FOR STATE FINANCIAL ASSISTANCE DETERMINATION					(1,603,526)	18,116	14,854,187	(16,561,454)	18,116				(976,703)	45,394,124

See accompanying Notes to Schedules of Expenditures of Assets and Financial Assistance

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Board of Education, Ocean Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal 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 Notes 1(D) and 1(E) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(2,417) for the general fund, \$5,729 for the special revenue fund and \$720,591 for the capital projects fund. See C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$41,952	\$25,230,162	\$25,272,114
Special Revenue Fund	1,930,735	5,610,475	7,541,210
Capital Projects Fund		18,962	18,210
Debt Service Fund		436,031	436,031
Food Service Fund	<u>802,447</u>	<u>38,182</u>	<u>840,629</u>
Total Financial Awards	<u>\$2,775,134</u>	<u>\$31,333,812</u>	<u>\$34,108,946</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2025. 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, 2025.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

The Ocean Township School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$537,585
Title II, Part A: Improving Teacher Quality State Grants	97,386
Title III, Part A	<u>41,929</u>
Total	<u>\$676,900</u>

**OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
2. Material weakness(es) 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 2 CFR 200 section .516(a) of the Uniform Guidance? yes X no

Identification of major programs:

<u>ALN Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A250100	I.D.E.A. Part B Basic
84.010	S010A250030	Title I

Dollar threshold used to distinguish between type A and type B programs: \$750,000
Auditee qualified as low-risk auditee? X yes no

**OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
	State Aid Public Cluster
25-495-034-5120-084	Categorical Security Aid
25-495-034-5120-085	Adjustment Aid
25-495-034-5120-089	Categorical Special Education Aid
25-495-034-5094-003	Reimbursed TPAF Social Security Contributions
25-495-034-5120-044	Extraordinary Special Education Costs Aid
25-495-034-5120-014	Transportation Aid

**OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Not Applicable

**OCEAN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Status of Prior Year Findings

There were no corrective action findings in the prior year.