

Board of Education
OF
ATLANTIC COUNTY
SPECIAL SERVICES
SCHOOL DISTRICT
(a component unit of the County of Atlantic)

Atlantic County Special Services School District Board of Education
Mays Landing, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

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Introductory Section

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ATLANTIC COUNTY
SPECIAL SERVICES
SCHOOL DISTRICT

Dr. Philip Guenther
Superintendent
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Mr.. Nicholas Brown
School Business Administrator
nbrown@acsssd.net

October 31, 2025

Honorable President and
Members of the Board of Education
Atlantic County Special Services School District
Mays Landing, New Jersey

Dear Board Members and Constituents
of Atlantic County Special Services School District:

The annual comprehensive financial report of the Atlantic County Special Services School District (District) for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements, required supplemental information, and other supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, U.S. OMB Uniform Guidance, and State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT

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1) REPORTING ENTITY AND ITS SERVICES: The District is a component unit of the County of Atlantic within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Board of Education of the Special Services School District and the Vocational School District of the County of Atlantic, a component unit of the County of Atlantic, constitutes the District's reporting entity.

The mission of the Atlantic County Special Services School District is to provide innovative educational programs and related services for students with special needs ages 3 to 21 who meet eligibility requirements. This is accomplished by offering specialized, individualized instruction aligned with the New Jersey Core Curriculum Content and Common Core Standards to meet academic, vocational, functional, physical, and emotional student needs. Essential programs are developed in collaboration with educational and human services agencies by planning, coordinating, assisting and/or implementing countywide programs as appropriate.

In addition to a wide range of on-site and off-campus programs for enrolled students, the Board of Education provides itinerant shared services including occupational therapy, physical therapy, speech/language therapy, counseling, behavioral consultation, nursing services, homebound instruction, and child study team evaluation/services to students in Local Educational Agencies. The educational services which had been provided to youth housed at the Harbor fields juvenile detention facility concluded at the end of the Extended School Year in August 2020.

2) ECONOMIC CONDITION AND OUTLOOK: The district's enrollment in 2024-2025 was 341 students on October 15, 2024, up 24 students from the same point in 2023. The economic environment in New Jersey continues to have a major impact on the state's educational system. Sending districts have experienced changes in their State Aid allocations throughout the implementation of the School Funding Reform Act and these changes have impacted some Districts' ability to provide services to their resident students. Although our district does not directly receive state aid, the changes to sending districts have had an impact on our budget planning, particularly in light of changing student enrollment. We will continue to closely monitor actual student enrollment numbers, modify spending as needed, and gather data in order to effectively and realistically project tuition revenues for the 2024-2025 budget.



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In 2025, the Atlantic City Casino Industry continued to face challenges, including the lingering effects from the pandemic, a difficult economy and high inflation. However, the industry demonstrated resilience after the pandemic, with in-person winnings from players surpassing pre-pandemic levels of 2019. Phase 2 of the Atlantic City Gateway Project is slated to wrap up in the fall of 2022 and includes a 400-bed residential building. The \$22.4 million National Aerospace Research & Technology Park was constructed on a 58-acre park adjacent to the FAA William Hughes Technical Center and has been completed. This project is a major step in diversifying the region's economy and places Atlantic County in a position to leverage the economic possibilities of the aviation industry.

3) MAJOR INITIATIVES: We continue to work to ensure that we maintain high quality special education programs and services while maximizing efficiency through a county-wide shared service for students with severe disabilities. With our enhanced technology infrastructure, we continue to support the expanded use of technology for instruction, and communication with all stakeholders. Students who require assistive technology or augmentative communication devices are provided individual devices and programs based on their needs. All teachers and students have access to a laptop computer or tablet to facilitate individualized programs which include the use of self-paced on-line instructional and assessment platforms. Classrooms are equipped with interactive boards to facilitate different learning styles as well as creativity and collaboration. We continue to utilize enhanced technology to communicate with families and sending districts. Teachers, case managers, and administrators are able to engage directly with parents through an advanced messaging communication platform, and meetings with sending districts and parents can be scheduled virtually if needed.

We have expanded our Transitions to Work program with additional students engaged in work-based learning experiences under the direction of job coaches and mentors in school and at healthcare facilities, and community-based organizations throughout Atlantic County.

Through our new collective bargaining agreement, a daily common planning period has been established for all staff members to promote an inter-professional approach to monitoring student progress and assessing individual student needs. Collaborative program meetings and professional development activities are scheduled during this time. Targeted professional development is also facilitated through university partnerships and special education consultants.



We are proud to offer a continuum of programs and services to address the unique needs of our students as we help them develop and grow toward their potential.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2025.



ATLANTIC COUNTY
SPECIAL SERVICES
SCHOOL DISTRICT

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

7) DEBT ADMINISTRATION: In accordance with the statutes governing Type I School Districts, the bonded debt is assumed by the County of Atlantic, New Jersey, and provision for amortization of principal and interest on the outstanding debt is included in the county budget.

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 1(E) 1 and 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. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 1(F), Notes to the Financial Statements.

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

10) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of the Ford, Scott & Associates, L.L.C. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, OMB Uniform Guidance and State Treasury Circular Letter 15-08 OMB. 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.



ATLANTIC COUNTY
SPECIAL SERVICES
SCHOOL DISTRICT

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11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Board of Education of the Special Services School District and the Vocational School District of the County of Atlantic 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.

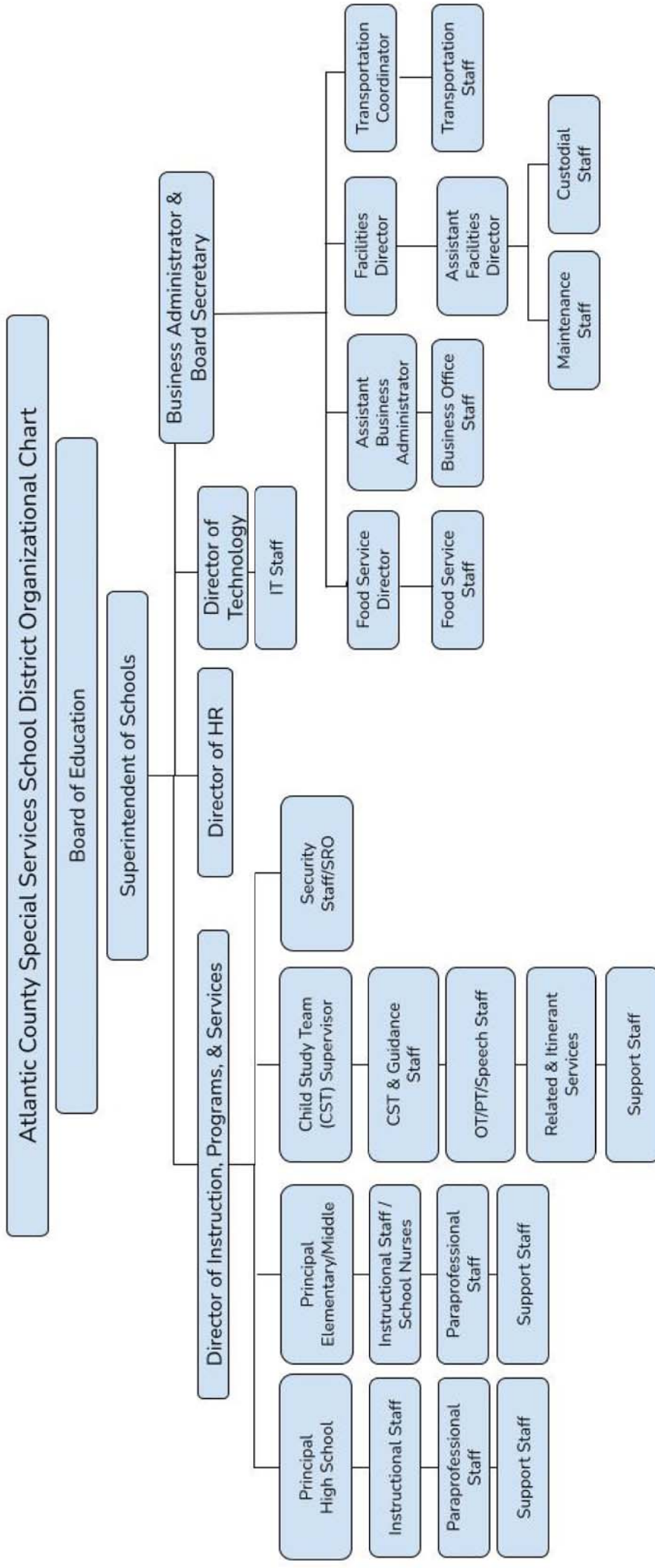
Respectfully submitted,

Philip J. Guenther

Philip J. Guenther, Ed.D.
Superintendent

Nicholas Brown

Nicholas Brown
Business Administrator/
Board Secretary



**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)**

MAYS LANDING, NEW JERSEY

ROSTER OF OFFICIALS
June 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark W. Ludwick, President	2026
Ellen Hyatt, Vice President	2028
Roy Foster	2028
Steven LaPorta	2028
Patricia Marshall	2026
Dr. Edwin Lopez-Bernard	2026
Kathleen Quish	Ex-officio
Leslie White-Coursey, Executive Regional Superintendent	Ex-officio

Other Officials

Philip J. Guenther, Ed. D., Superintendent

Erin Lichtenwalner, Director of Instruction, Programs and Services

Nicholas Brown, Board Secretary/Business Administrator

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)
Consultants and Advisors**

Architect of Record

Larry Merighi
Manders, Merighi, Portadin, Farrell Architects, LLC
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Vineland, NJ 08360

Attorneys

Nehmad, Perillo & Davis
4030 Ocean Heights Avenue
Egg Harbor Township, NJ 08234

Audit Firm

Ford Scott & Associates, LLC
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Ocean City, NJ 08226

Official Depository

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Mays Landing, NJ 08330

Insurance Agent

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Egg Harbor Township, NJ 08234

Jeffery Dunn
Glenn Insurance
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Absecon, NJ 08201

David Miller
CJ Adams Company
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Northfield, NJ 08225

School Physicians

George Bross, DO
Harborview-Kids First
505 Bay Avenue
Somers Point, NJ 08244

Barry D. Glasser, M.D.
Brigantine Towne Center
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Brigantine, NJ 08203

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Atlantic County Special Services School District
(a component unit of the County of Atlantic)
County of Atlantic
Mays Landing, New Jersey

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Special Services School District (a component unit of the County of Atlantic), in the County of Atlantic, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Special Services School District (a component unit of the County of Atlantic), as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency

with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025, on our consideration of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over financial reporting and compliance.

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

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

October 31, 2025

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Required Supplemental Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Atlantic County Special Services School District's (a component unit of the County of Atlantic) ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District increased approximately \$2,430,000 due to changes in proportion of pension and post-retirement benefit liabilities.
- The State of New Jersey reimbursed the District \$525,270 during the fiscal year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. The State also contributed \$3,011,943 for TPAF Pension Contributions on-behalf of the district and post-retirement benefits provided to former district employees. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- During the fiscal year ended June 30, 2025, the District's governmental activities revenues were approximately \$884,000 more than total expenses. During the prior fiscal year, revenues exceeded expenditures by approximately \$2,148,000.
- In the District's business-type activities, net position increased \$1,545,000 as a result of an excess of revenues over expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.

- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area.
- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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

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

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**Major Features of Atlantic County Special Services School District's (a
component unit of the County of Atlantic)
Government-wide and Fund Financial Statements
(Figure A-1)**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and student activities	Activities the District operates similar to private businesses; food service and construction enterprise	Instances in which the District is the trustee or agent for someone else's resources.
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.
------------------------------------	---	--	---	---

Government-wide Statements

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

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

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

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

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

transportation enterprise fund, and Teachers Aide enterprise fund are included here.

Fund Financial Statements

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's governmental activities net position increased between fiscal years 2025 and 2024 as a result of an excess of revenues over expenses. The business-type activities net position increased due to the excess of revenues over expenses.

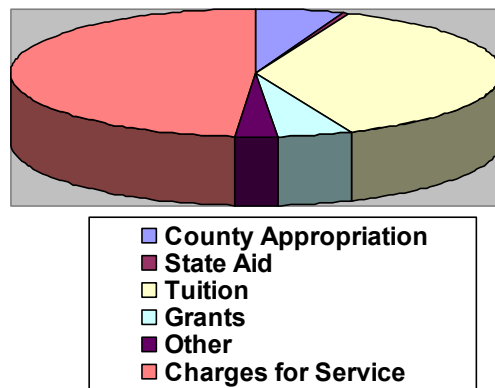
	Governmental Activities		Business-type Activities	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 9,215,429	9,667,007	8,501,883	6,871,244
Capital assets	<u>16,040,882</u>	<u>16,065,854</u>	<u>1,175,924</u>	<u>1,263,032</u>
Total assets	<u>25,256,311</u>	<u>25,732,861</u>	<u>9,677,807</u>	<u>8,134,276</u>
Deferred Outflows of Resources	<u>229,696</u>	<u>143,114</u>	-	-
Total deferred outflows of resources	<u>229,696</u>	<u>143,114</u>	-	-
Long-term liabilities	8,528,218	8,989,076	123,090	125,078
Other liabilities	<u>227,907</u>	<u>192,999</u>	<u>2,217</u>	<u>2,217</u>
Total liabilities	<u>8,756,125</u>	<u>9,182,075</u>	<u>125,307</u>	<u>127,295</u>
Deferred Inflows of Resources	<u>932,340</u>	<u>1,780,660</u>	-	-
Total deferred inflows of resources	<u>932,340</u>	<u>1,780,660</u>	-	-
Net position				
Invested in capital assets	16,040,882	16,065,854	1,175,924	1,263,032
Restricted	5,282,569	5,513,643		
Unrestricted	<u>(5,525,909)</u>	<u>(6,666,257)</u>	<u>8,376,576</u>	<u>6,743,949</u>
Total net position	<u>\$ 15,797,542</u>	<u>14,913,240</u>	<u>9,552,500</u>	<u>8,006,981</u>

Changes in net position. The total revenue of the District increased approximately \$4,784,000 due to changes in the assumptions related to the State funding of pension plans as well as increased revenues in the business type activities.

Approximately 38% of the District's revenue comes from tuition contracts with various districts within Atlantic County and the surrounding Counties. The County of Atlantic levies property taxes on properties located in the county. This tax is collected by the various municipalities and remitted to the County on a quarterly basis. A portion of this tax levy is appropriated in the County's annual budget and remitted to the District. The District expenses are primarily related to instruction, administration, and plant operations.

	2025		2024	
	Amount	Percentage	Amount	Percentage
County Appropriation	\$ 2,070,597	5.70%	\$ 2,070,597	6.57%
Unrestricted State aid	156,169	0.43%	154,530	0.49%
Tuition	13,656,106	37.61%	14,720,526	46.70%
Charges for Services	17,601,460	48.48%	13,022,611	41.31%
Operating Grants and Contributions	1,745,606	4.81%	1,120,945	3.56%
Other	1,077,794	2.97%	433,134	1.37%
Totals	<u>\$ 36,307,732</u>	<u>100.00%</u>	<u>31,522,343</u>	<u>100.00%</u>

2025 Revenue



Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2025 and 2024 fiscal years.

	Governmental Activities		Business-type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program revenue						
Charges for services	13,656,106	14,720,526	17,601,460	13,022,611	31,257,566	27,743,137
Operating Grants	1,455,207	877,073	290,399	243,872	1,745,606	1,120,945
General revenues						
County Appropriation	2,070,597	2,070,597			2,070,597	2,070,597
State aid entitlements	156,169	266,219			156,169	266,219
Other	1,196,541	(234,269)	(9,772)	(131,841)	1,186,769	(366,110)
Total revenues	<u>18,534,620</u>	<u>17,700,146</u>	<u>17,882,087</u>	<u>13,134,642</u>	<u>36,416,707</u>	<u>30,834,788</u>
Expenses						
Instruction:						
Other special instruction	8,230,664	7,263,806			8,230,664	7,263,806
Other instruction	654,798	558,627			654,798	558,627
Support services:						
Student & instruction related services	3,991,446	3,076,796			3,991,446	3,076,796
District administration services	560,328	508,860			560,328	508,860
General & business admin services	1,655,674	1,438,043			1,655,674	1,438,043
Plant operations & maintenance	2,275,206	2,660,068			2,275,206	2,660,068
Pupil transportation	5,158	6,375			5,158	6,375
Capital Outlay	237,044	-			237,044	-
Business-type activities			16,376,568	11,741,054	16,376,568	11,741,054
Total expenses	<u>17,610,318</u>	<u>15,512,575</u>	<u>16,376,568</u>	<u>11,741,054</u>	<u>33,986,886</u>	<u>27,253,629</u>
(Deficiency) before Transfers	924,302	2,187,571	1,505,519	1,393,588	2,429,821	3,581,159
Transfers	(40,000)	(40,000)	40,000	40,000	-	-
Increase/(Decrease) in net position	<u>884,302</u>	<u>2,147,571</u>	<u>1,545,519</u>	<u>1,433,588</u>	<u>2,429,821</u>	<u>3,581,159</u>

Business-type Activities

Revenues of the District's business-type activities increased approximately 36% when compared to the previous fiscal year while expenditures increased 39% over the past fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$8,987,522 which is \$486,486 lower than the beginning of the year. The change is due to construction projects within the District.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue. The budgets are submitted to the County office and, as a Type I School District, are approved by the Board of School Estimates. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budget revenues by \$1,443,486. This is a result of more tuition students received than anticipated as well as unanticipated miscellaneous revenues. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and On-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by \$1,215,689. The most significant variances occurred in the area of health benefits. Audit exhibit C-1 does not include current year depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the District had invested \$17.2 million (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles and machinery. This amount represents a net decrease (including additions and deductions) of \$112,080 or 1%, over last year.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 636,272	636,272	73,500	73,500	709,772	709,772
Buildings and Improvement:	13,312,771	14,076,595	261,425	261,425	13,574,196	14,338,020
Machinery and Equipment	2,091,839	1,352,987	840,999	928,107	2,932,838	2,281,094
Total	\$ 16,040,882	16,065,854	1,175,924	1,263,032	17,216,806	17,328,886

Long-term Debt

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The district's enrollment increased again in the 2024-2025 school year. Although our district does not receive state aid directly, reductions in aid to the sending districts, as a result of the School Funding Formula, impacts our budgetary planning, particularly in light of increased demand for our programs. Certified tuition rates have decreased as a result of the increased enrollment. We continue to closely monitor actual enrollment numbers and make modifications to spending as needed. We anticipate enrollment will continue to increase and the district's fund balance position will reflect the budgeting strategies for the 2025-2026 budget.

EFFECTS OF COVID-19 ON THE DISTRICT'S FINANCIAL POSITION

The COVID-19 pandemic has created economic uncertainty with respect to enrollment and funding of unanticipated expenditures for sanitizing, cleaning and PPE supplies. Atlantic County Special Services provided in-person instruction during the entirety of the COVID-19 pandemic, including the 2024-25 school year. Being able to open school with a regular full-time schedule made a difference in retaining existing students, and the district continues to see an

increase in enrollment. The district is seeing a steady demand for new student referrals from the sending districts.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, sending districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 4805 Nawakwa Boulevard, Mays Landing, New Jersey 08330.

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DISTRICT - WIDE FINANCIAL STATEMENTS

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Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Net Position
6/30/2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,861,469	4,909,097	13,770,566
Receivables, net	319,816	3,612,485	3,932,301
Inventory		14,445	14,445
Internal Balances	34,144	(34,144)	-
Capital assets not being depreciated:			
Land	636,272	73,500	709,772
Capital assets, net of accumulated depreciation	15,404,610	1,102,424	16,507,034
Total Assets	<u>25,256,311</u>	<u>9,677,807</u>	<u>34,934,118</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	229,696		229,696
Total Deferred Outflows of Resources	<u>229,696</u>	<u>-</u>	<u>229,696</u>
LIABILITIES			
Other payables	152,566	2,217	154,783
Unearned Revenue	70,792		70,792
Intergovernmental payable	4,549		4,549
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	263,311	123,090	386,401
Net Pension Liability	8,264,907		8,264,907
Total liabilities	<u>8,756,125</u>	<u>125,307</u>	<u>8,881,432</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	932,340		932,340
Total Deferred Inflows of Resources	<u>932,340</u>	<u>-</u>	<u>932,340</u>
NET POSITION			
Invested in capital assets, net of related debt	16,040,882	1,175,924	17,216,806
Restricted for:			
Other purposes	5,282,569		5,282,569
Unrestricted	(5,525,909)	8,376,576	2,850,667
Total net position	<u>\$ 15,797,542</u>	<u>9,552,500</u>	<u>25,350,042</u>

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Other special instruction	4,690,207	3,540,457	13,656,106	1,067,213	6,492,655		6,492,655	
Other instruction	373,134	281,664		27,789	(627,009)		(627,009)	
Support services:								
Student & instruction related services	2,274,508	1,716,938		169,390	(3,822,056)		(3,822,056)	
School administrative services	319,300	241,028		23,779	(536,549)		(536,549)	
General and business administrative services	943,479	712,195		70,264	(1,585,410)		(1,585,410)	
Plant operations and maintenance	1,296,516	978,690		96,555	(2,178,651)		(2,178,651)	
Pupil transportation	2,939	2,219		217	(4,941)		(4,941)	
Unallocated benefits	7,473,191	(7,473,191)			-		-	
Unallocated depreciation					-		-	
Capital Outlay	237,044				(237,044)		(237,044)	
Total governmental activities	<u>17,610,318</u>	<u>-</u>	<u>13,656,106</u>	<u>1,455,207</u>	<u>(2,499,005)</u>	<u>-</u>	<u>(2,499,005)</u>	
Business-type activities:								
Food Service	509,644		155,563	290,399		(63,682)	(63,682)	
Transportation	8,384,698		8,678,383			293,685	293,685	
Instruction	7,482,226		8,767,514			1,285,288	1,285,288	
Total business-type activities	<u>16,376,568</u>		<u>17,601,460</u>	<u>290,399</u>		<u>1,515,291</u>	<u>1,515,291</u>	
Total primary government	<u>\$ 33,986,886</u>		<u>31,257,566</u>	<u>1,745,606</u>	<u>(2,499,005)</u>	<u>1,515,291</u>	<u>(983,714)</u>	
General revenues:								
Taxes:								
County Appropriation					2,070,597		2,070,597	
Federal and State aid not restricted					156,169		156,169	
Other restricted miscellaneous revenue					28,189		28,189	
Rents and Royalties					41,115		41,115	
Miscellaneous Income					1,007,017		1,007,017	
Transfers					(40,000)	40,000	-	
Gain on Disposal of Fixed Assets					118,747		118,747	
Loss on Disposal of Fixed Assets						(9,772)	(9,772)	
Cancellation of Prior Year Payables					1,473	-	1,473	
Total general revenues, special items, extraordinary items and transfers					<u>3,383,307</u>	<u>30,228</u>	<u>3,413,535</u>	
Change in Net Position					<u>884,302</u>	<u>1,545,519</u>	<u>2,429,821</u>	
Net Position—beginning					<u>14,913,240</u>	<u>8,006,981</u>	<u>22,920,221</u>	
Net Position—ending					<u>15,797,542</u>	<u>9,552,500</u>	<u>25,350,042</u>	

See Accompanying Notes to the Financial Statements

FUND FINANCIAL STATEMENTS

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Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 8,725,171	25,030	111,268	8,861,469
Due from other funds	226,479			226,479
Receivables from other governments	167,794	151,859	-	319,653
Other Accounts Receivables	163			163
Total assets	<u>9,119,607</u>	<u>176,889</u>	<u>111,268</u>	<u>9,407,764</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Intergovernmental payable	4,549	-		4,549
Deferred Revenue	-	70,792		70,792
Payroll Liabilities and Withholdings	152,566			152,566
Due to other funds		81,067	111,268	192,335
Total liabilities	<u>157,115</u>	<u>151,859</u>	<u>111,268</u>	<u>420,242</u>
Fund Balances:				
Restricted for:				
Unemployment Compensation	146,773			146,773
Student Activities		25,030		25,030
Committed to:				
Capital Reserve	5,023,878			5,023,878
Maintenance Reserve	1,406,471			1,406,471
Designated for subsequent years expenditures	360,000			360,000
Assigned to:				
Encumbrances	258,691		-	258,691
Unassigned:				
General fund	1,766,679			1,766,679
Total Fund balances	<u>8,962,492</u>	<u>25,030</u>	<u>-</u>	<u>8,987,522</u>
Total liabilities and fund balances	<u>\$ 9,119,607</u>	<u>176,889</u>	<u>111,268</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

16,040,882

Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds.

(8,967,551)

Some liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

(263,311)

Net position of governmental activities

\$ 15,797,542

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
County Appropriation	\$ 2,070,597			2,070,597
Tuition - from LEAs	12,450,434			12,450,434
Other tuition	756,250			756,250
Rents and Royalties	41,115			41,115
Other restricted miscellaneous revenue	28,189			28,189
Miscellaneous	1,007,017	49,611		1,056,628
State sources	3,537,213	73,244	-	3,610,457
Federal sources	156,169	595,064		751,233
	<u>20,496,406</u>	<u>717,919</u>	<u>-</u>	<u>21,214,325</u>
Total revenues				
EXPENDITURES				
Current:				
Other special instruction	5,816,972	401,618		6,218,590
Other instruction	494,726			494,726
Support services and undistributed costs:				
Student & instruction related services	2,754,923	260,771		3,015,694
School administrative services	423,350			423,350
Other administrative services	553,869			553,869
Central Services	444,841			444,841
Admin Information Technology	252,215			252,215
Plant operations and maintenance	1,719,008			1,719,008
Pupil transportation	3,898			3,898
Unallocated Benefits	7,473,191			7,473,191
Capital outlay	350,926	73,244	638,732	1,062,902
Total expenditures	<u>20,287,919</u>	<u>735,633</u>	<u>638,732</u>	<u>21,662,284</u>
Excess (Deficiency) of revenues over expenditures	<u>208,487</u>	<u>(17,714)</u>	<u>(638,732)</u>	<u>(447,959)</u>
OTHER FINANCING SOURCES (USES)				
Cancellation of Prior Year Payables	1,473			1,473
Transfers in/(out)	(678,732)		638,732	(40,000)
Total other financing sources and uses	<u>(677,259)</u>		<u>638,732</u>	<u>(38,527)</u>
Net change in fund balances	(468,772)	(17,714)	-	(486,486)
Fund balance—July 1	9,431,264	42,744		9,474,008
Fund balance—June 30	<u>\$ 8,962,492</u>	<u>25,030</u>	<u>-</u>	<u>8,987,522</u>

**Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
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) \$ (486,486)

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 depreciation exceeded capital outlays in the period.

Gain on the disposal of assets	118,747	
Depreciation expense	(969,577)	
Capital outlays	<u>825,858</u>	(24,972)

In the statement of activities, certain operating expenses, e.g. pension expense are measured under full accrual accounting. In the governmental funds, however, expenditures are reported on the amounts actually billed by the State.

District pension contributions - PERS	827,656	
Cost of benefits earned net of employee contributions	<u>588,457</u>	1,416,113

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

(20,353)

Change in net assets of governmental activities

\$ 884,302

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds				
	Food Service	Transportation	Itinerant/ Shared Services	County Programs	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	1,164,627	3,656,422	88,048	4,909,097
Accounts receivable					
Federal	44,107				44,107
State	2,241				2,241
Other	5,786	1,637,719	1,900,333	22,299	3,566,137
Inventory	14,445				14,445
Total current assets	<u>66,579</u>	<u>2,802,346</u>	<u>5,556,755</u>	<u>110,347</u>	<u>8,536,027</u>
Noncurrent assets:					
Land and Improvements		73,500			73,500
Buildings and Improvements		575,080			575,080
Furniture, machinery & equipment	296,956	2,425,512			2,722,468
Less accumulated depreciation	(252,783)	(1,942,341)			(2,195,124)
Total noncurrent assets	<u>44,173</u>	<u>1,131,751</u>	<u>-</u>	<u>-</u>	<u>1,175,924</u>
Total assets	<u><u>110,752</u></u>	<u><u>3,934,097</u></u>	<u><u>5,556,755</u></u>	<u><u>110,347</u></u>	<u><u>9,711,951</u></u>
LIABILITIES					
Current liabilities:					
Interfund payable	34,144	-		-	34,144
Other Current Liabilities	282	1,935			2,217
Total current liabilities	<u>34,426</u>	<u>1,935</u>	<u>-</u>	<u>-</u>	<u>36,361</u>
Noncurrent Liabilities					
Compensated Absences	-	123,090			123,090
Total noncurrent liabilities	<u>-</u>	<u>123,090</u>	<u>-</u>	<u>-</u>	<u>123,090</u>
Total liabilities	<u>34,426</u>	<u>125,025</u>	<u>-</u>	<u>-</u>	<u>159,451</u>
NET POSITION					
Invested in capital assets net of related debt	44,173	1,131,751			1,175,924
Unrestricted	32,153	2,677,321	5,556,755	110,347	8,376,576
Total net position	<u>\$ 76,326</u>	<u>3,809,072</u>	<u>5,556,755</u>	<u>110,347</u>	<u>9,552,500</u>

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Fund				Totals
	Food Service	Transportation	Itinerant/ Shared Services	County Programs	
Operating revenues:					
Charges for services:					
Daily sales - reimbursable programs	\$ 11,344				11,344
Daily sales - non-reimbursable programs	144,219				144,219
Transportation Fees		8,678,383			8,678,383
Fees for Service			8,646,725		8,646,725
County Aid Payments				120,789	120,789
Total operating revenues	<u>155,563</u>	<u>8,678,383</u>	<u>8,646,725</u>	<u>120,789</u>	<u>17,601,460</u>
Operating expenses:					
Cost of sales - Reimbursable Programs	124,466				124,466
Cost of sales - Nonreimbursable Programs	59,128				59,128
Salaries and wages	152,012	1,754,966	2,916,036	99,196	4,922,210
Employee Benefits	136,037	1,622,712	2,231,028		3,989,777
Other Purchased Services	34,171	314,617	2,184,938		2,533,726
Transportation Operations		634,442			634,442
Contracted Services		3,969,496			3,969,496
Travel				30,614	30,614
Materials and supplies	1,425	13,534	16,847	3,567	35,373
Depreciation	<u>2,405</u>	<u>74,931</u>			<u>77,336</u>
Total Operating Expenses	<u>509,644</u>	<u>8,384,698</u>	<u>7,348,849</u>	<u>133,377</u>	<u>16,376,568</u>
Operating income/(loss)	<u>(354,081)</u>	<u>293,685</u>	<u>1,297,876</u>	<u>(12,588)</u>	<u>1,224,892</u>
Nonoperating revenues/(expenses):					
State sources:					
State school breakfast program	4,854				4,854
State school lunch program	5,064				5,064
Federal sources:					
National school breakfast program	83,080				83,080
National school lunch program	147,176				147,176
Food Distribution Program	50,225				50,225
Loss on Disposal of Fixed Assets		(9,772)			(9,772)
Total nonoperating revenues/(expenses)	<u>290,399</u>	<u>(9,772)</u>	<u>-</u>	<u>-</u>	<u>280,627</u>
Income/(Loss) before contributions & transfers	<u>(63,682)</u>	<u>283,913</u>	<u>1,297,876</u>	<u>(12,588)</u>	<u>1,505,519</u>
Transfers in					
Operating transfer in - general fund	40,000				40,000
Total transfers in	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Change in net position	<u>(23,682)</u>	<u>283,913</u>	<u>1,297,876</u>	<u>(12,588)</u>	<u>1,545,519</u>
Total net position—beginning	<u>100,008</u>	<u>3,525,159</u>	<u>4,258,879</u>	<u>122,935</u>	<u>8,006,981</u>
Total net position—ending	<u>\$ 76,326</u>	<u>3,809,072</u>	<u>5,556,755</u>	<u>110,347</u>	<u>9,552,500</u>

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

Business-type Activities -
Enterprise Funds

	Food Service	Transportation	Itinerant/ Shared Services	County Programs	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 154,085	8,260,338	8,124,029	117,390	16,655,842
Payments to employees	(152,012)	(1,756,954)	(2,916,036)	(99,196)	(4,924,198)
Payments for benefits	(136,037)	(1,622,712)	(2,231,028)	-	(3,989,777)
Payments for suppliers	(173,641)	(4,932,089)	(2,201,785)	(34,181)	(7,341,696)
Net cash provided by/(used for) operating activities	(307,605)	(51,417)	775,180	(15,987)	400,171
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	8,134				8,134
Federal Sources	197,063				197,063
Operating subsidies and transfers to other funds	102,408	1,507	-	-	103,915
Net cash provided by/(used for) non-capital financing activities	307,605	1,507	-	-	309,112
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Assets					-
Net cash (used for) capital and related financing activities	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	-				-
Net cash provided by (used for) investing activities	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	-	(49,910)	775,180	(15,987)	709,283
Balances—beginning of year	-	1,214,537	2,881,242	104,035	4,199,814
Balances—end of year	-	1,164,627	3,656,422	88,048	4,909,097
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating profit/(loss)	(354,081)	293,685	1,297,876	(12,588)	1,224,892
Adjustments to reconcile operating (loss) to net cash provided by (used for) operating activities					
Depreciation and net amortization	2,405	74,931			77,336
Federal Commodities	50,225				50,225
(Increase)/Decrease in accounts receivable, net	(1,478)	(418,045)	(522,696)	(3,399)	(945,618)
(Increase)/Decrease in Inventory	(4,676)				(4,676)
Increase/(Decrease) in Compensated Absences	-	(1,988)			(1,988)
Total adjustments	46,476	(345,102)	(522,696)	(3,399)	(824,721)
Net cash provided by/(used for) operating activities	\$ (307,605)	(51,417)	775,180	(15,987)	400,171

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Atlantic County Special Services School District (a component unit of the County of Atlantic) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Atlantic County Special Services School District (a component unit of the County of Atlantic) (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

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

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

Based on the aforementioned criteria, the District has no component units. The Atlantic County Special Services School is a component unit of the County of Atlantic. The County reports on a regulatory basis of accounting which excludes component units.

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS:

This District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service, transportation services, itinerant services/shared services, and Harborfields, are classified as business-type activities. Fiduciary funds are excluded from the government-wide financial statements.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service, transportation services, itinerant services/shared services, and Harborfields). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (special instruction, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

The following fund types are used by the District:

1. Governmental Funds:

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

Fund Balances – Governmental Funds

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

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

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

2. Proprietary Funds:

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

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District's enterprise fund is comprised of the following:
- Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.
 - Transportation Fund – This fund accounts for the revenues and expenses pertaining to the transportation services provided to other district within the State.
 - Itinerant/Shared Service Fund – This fund accounts for the revenues and expenses pertaining to the various itinerant services provided to other districts within the County. This fund also accounts for the shared service agreements with the Atlantic County Institute of Technology.
 - County Programs Fund – This fund accounts for the revenues and expenses pertaining to agreements with Atlantic County government to provide educational services for the County.

3. Fiduciary Funds:

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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

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

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

2. Investments:

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

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2025, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 12,037
Supplies	2,408
	<u>\$ 14,445</u>

4. Capital Assets:

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

Buildings	30-50 years
Machinery and equipment	3-20 years
Improvements	10-50 years

5. Revenues:

Substantially all governmental fund revenues are accrued. In the proprietary funds, operating revenues consist of revenues that are a direct result of the operations of the program.

Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses, and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

6. Expenditures:

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

7. Compensated Absences:

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

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

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

8. Interfund Activity:

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

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office and are approved by the Board of School Estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2a.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board. The following significant budget transfers were approved during the year:

	<u>From</u>	<u>To</u>
Emotional Regulation Impairment-Salaries of Teachers	\$ 90,780	\$
Multiple Disabilities-Salaries of Teachers		59,057
Multiple Disabilities-Other Salaries for Instruction	86,724	
Autism - Salaries of Teachers	129,942	
Intellectual Disability-Purch. Prof & Ed. Services	115,349	
Undist. Expend. - Other Support Svc. - Speech - Salaries	81,260	
Undist. Expend. - Other Support Svc. - CST - Other Salaries		85,950
Undist. Expend. - General Admin. - Other Purchased Services		103,572
Unallocated Benefits - Social Security Contrib.		63,847
Unallocated Benefits - Health Benefits		524,650
Equipment - Custodial		93,400
Construction Services	363,930	
Material and Supplies	99,270	

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

10. Encumbrances:

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

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

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

11. Tuition Receivable

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

12. Use of Estimates

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

13. Allocation of Costs

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

14. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the District's financial reporting.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets". This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2025, the District had no investments.

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

Credit Risk. New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
(A Component Unit of the County of Atlantic)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)**

money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2025, \$0 of the District's bank balance of \$15,062,952 was exposed to custodial credit risk.

NOTE 4. CAPITAL RESERVE FUND

A capital reserve account was established by the Atlantic County Special Services School Board of Education on September 28, 2000, 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. 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-23:2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its 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	\$ 5,232,955
Budgeted Withdrawal	(638,732)
Interest Earnings	200
Tranferred In	<u>429,455</u>
Ending Balance, June 30, 2025	<u>\$ 5,023,878</u>

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NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Atlantic County Special Services School District on June 25, 2012, for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility.

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	\$ 1,056,371
Budgeted Withdrawal	(400,000)
Interest Earnings	100
Transferred from Current Budget	750,000
Ending balance, June 30, 2025	<u>\$ 1,406,471</u>

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NOTE 6. FIXED ASSETS

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

	<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2025</u>
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 636,272	\$ -	\$ -	\$ 636,272
Total capital assets not being depreciated	<u>636,272</u>	<u>-</u>	<u>-</u>	<u>636,272</u>
Bldg and bldg improve	29,767,339			29,767,339
Machinery & equipment	2,930,857	825,858	2,905	3,759,620
Total at historical cost	<u>32,698,196</u>	<u>825,858</u>	<u>2,905</u>	<u>33,526,959</u>
Less accum depr for:				
Bldg and improve	(15,690,744)	(782,890)	19,066	(16,454,568)
Equipment	(1,577,870)	(186,687)	96,776	(1,667,781)
Total accum deprec	<u>(17,268,614)</u>	<u>(969,577)</u>	<u>115,842</u>	<u>(18,122,349)</u>
Total capital assets being depr, net of accum depr	<u>15,429,582</u>	<u>(143,719)</u>	<u>118,747</u>	<u>15,404,610</u>
Governmental activities capital assets, net	<u>\$ 16,065,854</u>	<u>\$ (143,719)</u>	<u>\$ 118,747</u>	<u>\$ 16,040,882</u>
Business-type activities:				
Capital assets that are not being depreciated:				
Land	\$ 73,500			\$ 73,500
Total capital assets not being depreciated	<u>73,500</u>	<u>-</u>	<u>-</u>	<u>73,500</u>
Building and improve	575,080			575,080
Equipment	2,787,616		(65,148)	2,722,468
Less accum depr for:				
Building and improve	(313,655)	(56,637)	34,677	(335,615)
Equipment	(1,859,509)			(1,859,509)
Business-type activities capital assets, net	<u>\$ 1,263,032</u>	<u>\$ (56,637)</u>	<u>\$ (30,471)</u>	<u>\$ 1,175,924</u>

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Depreciation expense is charged to governmental functions as follows:

Other special instruction	\$	459,341
Other instruction		36,543
Student & instruction related services		222,757
School administrative expenses		31,271
General and business administration		92,401
Plant operations and maintenance		126,976
Pupil Transportation		288
	<u>\$</u>	<u>969,577</u>

NOTE 7. GENERAL LONG-TERM DEBT

Governmental Activities

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Issued	Retired	Balance June 30, 2025	Amounts Due Within One Year
Net Pension Liability	\$ 8,746,118	\$	\$ 481,211	\$ 8,264,907	\$ -
Compensated Absences Payable	242,958	20,353		263,311	-
Total	<u>\$ 8,989,076</u>	<u>\$ 20,353</u>	<u>\$ 481,211</u>	<u>\$ 8,528,218</u>	<u>\$ -</u>

Business Type Activities

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Issued	Retired	Balance June 30, 2025	Amounts Due Within One Year
Compensated Absences Payable	\$ 125,078	\$	\$ 1,988	\$ 123,090	\$
	<u>\$ 125,078</u>	<u>\$ -</u>	<u>\$ 1,988</u>	<u>\$ 123,090</u>	<u>\$ -</u>

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NOTE 8. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at:

<http://www.state.nj.us/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>

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.

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.

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 45.28% and the PERS rate is 17.61% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2025, 2024 and 2023 were \$2,330,180, \$2,264,067, and \$2,497,520 respectively, and paid by the State of New Jersey on behalf of the Board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30,

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2025, 2024 and 2023 were \$827,665 \$807,038, and \$764,088, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2025, 2024 and 2023, the State of New Jersey contributed \$680,881, \$616,196, and \$656,092, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$525,270, \$500,562, and \$451,078, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were 20 employees enrolled in the DCRP for the year ended June 30, 2025.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

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

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

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NOTE 9. PENSION LIABILITIES – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS)

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

The following represents the District’s pension liabilities as June 30, 2024:

Public Employees’ Retirement System

The District has a liability of \$8,264,907 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 that was rolled forward to June 30, 2024. The District’s proportion of the net pension liability was based on a projection of all participating employers, actuarially determined. At June 30, 2024, the District’s proportion is 0.06082483640%, which is an increase of 0.73% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized negative pension expense of \$1,416,114. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 165,561	\$ (22,003)
Changes of assumptions	10,268	(94,036)
Net difference between projected and actual earnings on pension plan investments	53,867	(383,221)
Changes in proportion	-	(433,080)
Total	<u>\$ 229,696</u>	<u>\$ (932,340)</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2025	\$ (59,924)
2026	(539,241)
2027	(94,264)
2028	(2,950)
2029	(6,264)
Total	<u>\$ (702,644)</u>

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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 assumptions, applied to all periods in the measurement:

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

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

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

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets 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%

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 made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 10,055,052	8,264,907	6,742,895

Pension plan fiduciary net position.

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

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NOTE 10. PENSION LIABILITIES - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2024, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

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

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

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>25,963,696</u>
Total	<u><u>\$ 25,963,696</u></u>

The net pension liability was measured as of June 30, 2024 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2024, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of (\$2,365,292) and revenue of (\$2,365,292) for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2024 actuarial valuation 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 assumptions, applied to all period included in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75% - 5.65% (based on years of service)
Investment rate of return	7.00%

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging Markets 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%

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

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(CONTINUED)**

be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	-	-
State's proportionate share of the net position liability associated with the District	\$ 30,861,528	25,963,696	21,838,795

Pension plan fiduciary net position.

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

Additional Information

Collective balances of the local group at June 30, 2024 are as follows:

Deferred outflows of resources	\$ 1,108,112,477
Deferred inflows of resources	(10,545,101,790)
Net pension liability	49,492,072,325

Collective pension expense for the plan for the measurement period ended June 30, 2024 is \$(180,539,491).

NOTE 11. OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2024 the State funded the various defined benefit pension systems at 104 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires

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the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2023, which is required to be reported on the financial statements, is \$79.4 billion.

The Fiscal Year 2025 projected aggregate State contribution to the pension plans of \$7.2 billion represents 104 percent of the actuarially determined contribution.

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2024, the State paid PRM benefits for 161,238 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2024, the State contributed \$2.3 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$2.1 billion in Fiscal Year 2023. The State has appropriated \$2.4 billion in Fiscal Year 2025 as the State's contribution to fund increases in prescription drugs and medical claims costs.

In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2024 State OPEB liability to provide these benefits is \$76.9 billion, an increase of \$2.0 billion, or 2.6 percent, from the \$74.9 billion liability recorded in Fiscal Year 2023. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: nj.gov/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

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

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2024, actuarial valuation reported by the State in the State's most recently issued ACFR was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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(CONTINUED)**

Salary Increases

<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
2.75% to 5.65% based on service years	2.75% to 6.55% based on service years	3.25% to 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-2020 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.5% 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 4.5% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027, and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

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

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

Balance at 6/30/24 (Based on 6/30/2023 measurement date)	\$ 52,361,668,239.00
Changes for the year:	
Service cost	2,152,062,729.00
Interest	1,963,557,443.00
Changes in Benefit Terms	-
Differences between Expected & Actual Experiences	158,934,425.00
Changes in assumptions or other inputs	4,462,660,491.00
Contributions: Member	51,347,810.00
Benefit payments	<u>(1,499,600,607.00)</u>
Net changes	<u>7,288,962,291.00</u>
Balance at 6/30/25 (Based on 6/30/2024 measurement date)	<u>\$ 59,650,630,530.00</u>

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

The following presents the total OPEB liability as of June 20, 2024, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 69,863,663,542.00	59,650,630,530.00	51,437,232,141.00

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

The following presents the total OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 49,689,409,509.00	59,650,630,530.00	72,625,778,279.00

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 recognized OPEB expense of \$246,248 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and

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(CONTINUED)

deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,378,932,312.00	(11,139,706,892.00)
Changes in assumptions	10,004,978,073.00	(11,662,607,882.00)
	<u>\$ 16,383,910,385.00</u>	<u>(22,802,314,774.00)</u>

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

Year Ended June 30,	
2025	\$ (2,115,877,507.00)
2026	(1,774,175,666.00)
2027	(842,677,045.00)
2028	221,470,185.00
2029	(1,537,725,697.00)
Thereafter	<u>(369,418,659.00)</u>
	<u>\$ (6,418,404,389.00)</u>

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

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

NOTE 12. COMPENSATED ABSENCES

District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal year. Unused sick leave may be accumulated and carried forward to subsequent years. Upon retirement and who have not less than fifteen years of service in the District and at least 75 accumulated days, the district shall pay the employee for unused sick leave in accordance with the Districts' agreements with various employee unions. Vacation days not used during the year may be carried forward to the subsequent year and upon the approval of the Board employees may be compensated for their unused vacation time.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities and is therefore not shown separately from the long-term liability balance of compensated absences.

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

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(CONTINUED)**

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants 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 plan administrators are as follows:

The Equitable
Lincoln Investments
Frank J. Siracusa & Sons
Met Life
Fidelity Investments
Vanguard

NOTE 14. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2025, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. This is a pay as you go plan and the District does not use any present value calculations to determine the estimated liability. 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 fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024-2025	\$ -	\$ 27,201	\$ 2,892	\$ 2,204	\$ 146,773
2023-2024	-	29,901	2,456	45,097	118,884
2022-2023	-	24,486		-	131,624

NOTE 15. LITIGATION

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

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL
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(CONTINUED)**

NOTE 16. FUND BALANCE APPROPRIATED

General Fund - Of the \$8,962,492 General Fund balance at June 30, 2025, \$360,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2026; \$5,023,878 has been reserved for future capital activity; \$1,406,471 has been reserved for future maintenance activity; \$146,773 is reserved for Unemployment Compensation Claims; \$258,691 has been reserved for encumbrances; and \$1,766,679 is unreserved and undesignated.

NOTE 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 31, 2025, the date on which the financial statements were available to be issued, and no items were identified that require disclosure.

Required Supplementary Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General 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:					
County Appropriation	\$ 2,070,597		2,070,597	2,070,597	-
Tuition- from LEAs	11,965,068	339,602	12,304,670	12,450,434	145,764
Other Tuition	500,000		500,000	756,250	256,250
Non-Resident Fees	237,500		237,500	449,422	211,922
Rents and Royalties	72,640		72,640	41,115	(31,525)
Interest Earned on Capital Reserve Funds	200		200	200	-
Interest Earned on Maintenance Reserve Funds	100		100	100	-
Other Restricted Miscellaneous Revenues	50,000		50,000	27,889	(22,111)
Miscellaneous	280,000		280,000	1,007,017	727,017
Total - Local Sources	15,176,105	339,602	15,515,707	16,803,024	1,287,317
State Sources:					
Reimbursed TPAF Social Security Contributions (non-budgeted)	-		-	525,270	525,270
On-behalf TPAF Post Retirement Contributions (non-budgeted)	-		-	680,881	680,881
On-behalf TPAF LTIDI (non-budgeted)	-		-	882	882
On-behalf TPAF Pension Contributions (non-budgeted)	-		-	2,330,180	2,330,180
Total - State Sources	-	-	-	3,537,213	3,537,213
Federal Sources:					
Medical Assistance Program	-		-	156,169	156,169
Total - Federal Sources	-	-	-	156,169	156,169
Total Revenues	15,176,105	339,602	15,515,707	20,496,406	4,980,699

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Emotional Regulation Impairment					
Salaries of Teachers	589,401	(90,780)	498,621	464,556	34,065
Other Salaries for Instruction	163,299	-	163,299	123,689	39,610
Purchased Professional-Educational Services	37,935	14,935	52,870	51,862	1,008
General Supplies	16,150	5,826	21,976	21,763	213
Other Objects	9,550	(4,398)	5,152	5,152	-
Total Emotional Regulation Impairment	816,335	(74,417)	741,918	667,022	74,896
Multiple Disabilities					
Salaries of Teachers	1,580,755	59,057	1,639,812	1,600,696	39,116
Other Salaries for Instruction	816,252	(86,724)	729,528	705,996	23,532
Purchased Professional-Educational Services	29,970	15,890	45,860	42,973	2,887
Other Purchased Services	1,600	-	1,600	-	1,600
General Supplies	24,400	(7,128)	17,272	15,671	1,601
Other Objects	5,000	-	5,000	3,373	1,627
Total Multiple Disabilities	2,457,977	(18,905)	2,439,072	2,368,709	70,363
Autism					
Salaries of Teachers	1,158,901	129,942	1,288,843	1,287,481	1,362
Other Salaries for Instruction	133,906	1,220	135,126	131,769	3,357
Purchased Professional-Educational Services	47,810	(650)	47,160	44,101	3,059
General Supplies	6,873	35,688	42,561	41,384	1,177
Other Objects	2,500	(96)	2,404	2,332	72
Total Autism	1,349,990	166,104	1,516,094	1,507,067	9,027
Preschool Disabilities - Full-Time					
Salaries of Teachers	213,468	3,695	217,163	217,159	4
Other Salaries for Instruction	63,606	18,165	81,771	80,102	1,669
Purchased Professional-Educational Services	1,115	-	1,115	1,000	115
General Supplies	7,500	(2,075)	5,425	5,347	78
Other Objects	500	(362)	138	138	-
Total Preschool Disabilities - Full-Time	286,189	19,423	305,612	303,746	1,866
Home Instruction					
Salaries of Teachers	1,980	(1,800)	180	-	180
Total Home Instruction	1,980	(1,800)	180	-	180

**Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Extended School Year					
Salaries of Teachers	266,493	(28,362)	238,131	231,329	6,802
Other Salaries for Instruction	41,437	(14,419)	27,018	26,394	624
Purchased Professional-Educational Services	8,000	22,695	30,695	29,011	1,684
Other Purchased Services	50	-	50	-	50
General Supplies	1,750	(1,067)	683	682	1
Other Objects	2,500	(2,386)	114	114	-
Total Extended School Year	320,230	(23,539)	296,691	287,530	9,161
Intellectual Disability - Severe					
Salaries of Teachers	460,972	(1,125)	459,847	458,374	1,473
Other Salaries for Instruction	129,360	1,000	130,360	119,216	11,144
Purchased Professional-Educational Services	223,785	(115,349)	108,436	88,392	20,044
General Supplies	4,500	12,751	17,251	16,916	335
Total Intellectual Disability - Severe	818,617	(102,723)	715,894	682,898	32,996
Total Special Education - Instruction	6,051,318	(35,857)	6,015,461	5,816,972	198,489
Other Instructional Programs - Instruction					
Salaries	492,959	-	492,959	492,182	777
Purchased Services	500	(500)	-	-	-
Supplies and Materials	3,500	(110)	3,390	2,544	846
Total Other Instructional Programs - Instruction	496,959	(610)	496,349	494,726	1,623
Total Instruction	6,548,277	(36,467)	6,511,810	6,311,698	200,112
Undistributed Expenditures - Health Services:					
Salaries	229,938	8,000	237,938	235,082	2,856
Purchased Professional and Technical Services	65,200	(8,000)	57,200	39,412	17,788
Other Purchased Services	750	-	750	-	750
Supplies and Materials	7,410	-	7,410	3,151	4,259
Other Objects	769	-	769	719	50
Total Undistributed Expenditures - Health Services	304,067	-	304,067	278,364	25,703

**Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT & Related Services:					
Salaries	1,611,730	(81,260)	1,530,470	1,528,048	2,422
Purchased Professional and Educational Services	6,000	25,140	31,140	29,781	1,359
Other Purchased Services		960	960	744	216
Supplies and Materials	11,190	2,150	13,340	12,233	1,107
Total Undistributed Expenditures - Other Support Services - Students - Speech, OT, PT & Related Services:	1,628,920	(53,010)	1,575,910	1,570,806	5,104
Undistributed Expenditures - Other Support Services - Students - Guidance:					
Salaries	90,366	-	90,366	90,366	-
Supplies and Materials	2,000	(1,435)	565	482	83
Total Undistributed Expenditures - Other Support Services - Students - Guidance:	92,366	(1,435)	90,931	90,848	83
Undistributed Expenditures - Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	518,247	85,950	604,197	603,974	223
Salaries of Secretarial and Clerical Assistants	65,261	1,125	66,386	66,386	-
Other Salaries	123,388	-	123,388	123,388	-
Purchased Professional and Educational Services	2,500	773	3,273	961	2,312
Other Purchased Services	7,135	1,500	8,635	7,144	1,491
Supplies and Materials	3,235	300	3,535	2,694	841
Other Objects	900	-	900	890	10
Total Undistributed Expenditures - Other Support Services - Students - Child Study Team:	720,666	89,648	810,314	805,437	4,877
Undistributed Expenditures - Improvement of Instructional Serv.					
Other Salaries	3,600	-	3,600	2,311	1,289
Purchased Professional and Educational Services	1,000	5,000	6,000	3,600	2,400
Other Purchased Services	2,500	(2,500)	-	-	-
Supplies and Materials	250	(250)	-	-	-
Other Objects	900	(10)	890	890	-
Total Undistributed Expenditures - Improvement of Instructional Serv.	8,250	2,240	10,490	6,801	3,689
Undistributed Expenditures - Educational Media Serv./Sch. Library Purchased Professional and Technical Services					
	500	(500)	-	-	-
Total Undistributed Expenditures -Edu. Media Serv/Sch Library	500	(500)	-	-	-
Undistributed Expenditures - Instructional Staff Training Services Other Purchased Services					
Supplies and Materials	1,000	-	1,000	1,000	-
Other Objects	2,500	(1,000)	-	-	-
		(833)	1,667	1,667	-
Total Undistributed Expenditures -Instructional Staff Training Services	4,500	(1,833)	2,667	2,667	-

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(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	150,437	1	150,438	150,438	-
Legal Services	60,300	2,879	63,179	52,530	10,649
Audit Fees	30,000	-	30,000	30,000	-
Other Purchased Professional Services	68,794	21,700	90,494	88,146	2,348
Communications/Telephone	41,880	(5,280)	36,600	36,501	99
Other Purchased Services	77,347	103,572	180,919	177,579	3,340
General Supplies	3,500	(1,651)	1,849	979	870
BOE In-House Training/Meeting Supplies	1,500	1,855	3,355	3,351	4
Miscellaneous Expenditures	4,100	(2,575)	1,525	1,525	-
BOE Membership Dues and Fees	14,000	(1,179)	12,821	12,820	1
Total Undistributed Expenditures - Support Services - Gen. Admin.	451,858	119,322	571,180	553,869	17,311
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	260,781	-	260,781	258,280	2,501
Salaries of Secretarial and Clerical Assistants	113,235	-	113,235	113,235	-
Other Purchased Services	46,963	(1,785)	45,178	40,784	4,394
Supplies and Materials	4,334	4,400	8,734	6,834	1,900
Other Objects	11,600	(3,725)	7,875	4,217	3,658
Total Undistributed Expenditures - Support Serv. - School Admin.	436,913	(1,110)	435,803	423,350	12,453
Undistributed Expenditures - Central Services					
Salaries	323,346	10,771	334,117	334,116	1
Purchased Professional Services	99,010	1,087	100,097	100,077	20
Miscellaneous Purchased Services	7,130	(2,065)	5,065	3,961	1,104
Supplies and Materials	7,500	(601)	6,899	6,687	212
Miscellaneous Expenses	400	(400)	-	-	-
Total Undistributed Expenditures - Central Services	437,386	8,792	446,178	444,841	1,337
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	93,972	-	93,972	93,192	780
Purchased Technical Services	89,395	55,375	144,770	144,756	14
Other Purchased Services	750	-	750	415	335
Supplies and Materials	15,750	-	15,750	13,852	1,898
Other Objects	300	-	300	-	300
Total Undistributed Expenditures - Admin. Info. Tech.	200,167	55,375	255,542	252,215	3,327

**Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Required Maintenance for School Facilities of Plant Services:					
Salaries	186,232	(21,872)	164,360	129,316	35,044
Cleaning, Repair and Maintenance Services	196,701	65,300	262,001	187,944	74,057
General Supplies	43,419	-	43,419	28,287	15,132
Other Objects	2,700	-	2,700	973	1,727
Total Undistributed Expenditures - Required Maintenance for School Facilities	429,052	43,428	472,480	346,520	125,960
Undistributed Expenditures - Custodial Services:					
Salaries	450,774	(10,610)	440,164	431,113	9,051
Purchased Professional and Technical Services	9,850	(3,500)	6,350	5,275	1,075
Cleaning, Repair, and Maintenance Services	58,440	-	58,440	45,646	12,794
Other Purchased Property Services	31,000	-	31,000	23,623	7,377
Insurance	110,106	(55,000)	55,106	33,503	21,603
General Supplies	79,400	-	79,400	57,834	21,566
Energy (Natural Gas)	150,000	15,000	165,000	147,638	17,362
Energy (Electricity)	439,797	(42,600)	397,197	361,653	35,544
Energy (Gasoline)	1,978	1,000	2,978	742	2,236
Total Undistributed Expenditures - Custodial Services	1,331,345	(95,710)	1,235,635	1,107,027	128,608
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	22,000	(1,000)	21,000	14,297	6,703
General Supplies	14,000	(7,005)	6,995	4,940	2,055
Total Undistributed Expenditures - Care & Upkeep of Grounds	36,000	(8,005)	27,995	19,237	8,758
Undistributed Expenditures - Security					
Salaries	196,330	4,810	201,140	198,796	2,344
Purchased Professional and Technical Services	49,900	(8,780)	41,120	40,869	251
General Supplies	5,362	1,140	6,502	6,459	43
Total Undistributed Expenditures - Security	251,592	(2,830)	248,762	246,124	2,638
Undistributed Expenditures - Student Transportation Services: Contracted Services - (Other than Between Home and School) - Vendors					
Contracted Services - (Other than Between Home and School) - Vendors	13,000	-	13,000	3,898	9,102
Total Undistributed Expenditures - Student Transportation Serv.	13,000	-	13,000	3,898	9,102

**Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Unallocated Benefits:					
Social Security Contributions	342,000	63,847	405,847	319,009	86,838
Other Retirement Contributions - PERS	435,000	(19,000)	416,000	411,598	4,402
Other Retirement Contributions - Deferred PERS Pymt	5,000	-	5,000	2,515	2,485
Unemployment Compensation	10,000	-	10,000	-	10,000
Worker's Compensation	385,119	(25,780)	359,339	340,102	19,237
Health Benefits	2,543,088	524,650	3,067,738	2,844,572	223,166
Tuition Reimbursement	10,500	-	10,500	4,810	5,690
Other Employee Benefits	16,100	-	16,100	7,192	8,908
Unused Sick Payment to Terminated/Retired Staff	-	6,180	6,180	6,180	-
Total Unallocated Benefits	3,746,807	549,897	4,296,704	3,935,978	360,726
Reimbursed TPAF Social Security Contributions (non-budgeted)				525,270	(525,270)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				680,881	(680,881)
On-behalf TPAF LTDI (non-budgeted)				882	(882)
On-behalf TPAF Pension Contributions (non-budgeted)				2,330,180	(2,330,180)
Total On-behalf Contributions	-	-	-	3,537,213	(3,537,213)
Total Undistributed Expenditures	10,093,389	704,269	10,797,658	13,625,195	(2,827,537)
Interest Earned on Maintenance Reserve	100	-	100	100	-
Total Current Expense	16,641,766	667,802	17,309,568	19,936,993	(2,627,425)
Capital Outlay:					
Interest Earned on Capital Reserve	200	-	200	200	-
Equipment:					
Undistributed Expenditures:					
Custodial Services		93,400	93,400	14,606	78,794
Total Equipment	200	93,400	93,600	14,806	78,794

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	10,895	41,600	52,495	47,341	5,154
Construction Services	873,932	(363,930)	510,002	288,779	221,223
Materials & Supplies	100,000	(99,270)	730	-	730
Total Facilities Acquisition and Construction Services	984,827	(421,600)	563,227	336,120	227,107
Total Capital Outlay	985,027	(328,200)	656,827	350,926	305,901
Total Expenditures	17,626,793	339,602	17,966,395	20,287,919	(2,321,524)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,450,688)	-	(2,450,688)	208,487	2,659,175
Other Financing Sources (Uses):					
Cancellation of Prior Year Payables				1,473	1,473
Operating Transfers In:				-	-
Operating Transfers Out:				(638,732)	(638,732)
Transfer to Capital Projects Fund	(40,000)	-	(40,000)	(40,000)	-
Transfer to Food Service Fund - Board Contribution					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,490,688)	-	(2,490,688)	(468,772)	2,021,916
Fund Balances, July 1	9,431,264	-	9,431,264	9,431,264	-
Fund Balances, June 30	\$ 6,940,576	-	6,940,576	8,962,492	2,021,916
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Unemployment Compensation				146,773	
Committed Fund Balance:					
Capital Reserve				5,023,878	
Maintenance Reserve				1,406,471	
Designated for Subsequent Year's Expenditures				360,000	
Assigned Fund Balance:					
Reserve for Encumbrances				258,691	
Unassigned Fund Balance				<u>1,766,679</u>	
				8,962,492	
Reconciliation to Governmental Funds Statements (GAAP)				-	
Last State Aid Payment Not Recognized on GAAP Basis				-	
Fund Balance per Governmental Funds (GAAP)				<u>8,962,492</u>	

**Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
Special Revenue 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:					
Revenue from Local Sources	\$ 5,000	101,857	106,857	49,611	(57,246)
Total - Local Sources	5,000	101,857	106,857	49,611	(57,246)
State Sources:					
Other Restricted Entitlements	-	79,000	79,000	73,244	(5,756)
Total - State Sources	-	79,000	79,000	73,244	(5,756)
Federal Sources:					
Small Rural School Achievement (REAP)		53,161	53,161	52,616	(545)
Maximizing Post-School Outcomes		1,408,278	1,408,278	542,448	(865,830)
Other Restricted Entitlements	31,000	(31,000)	-		-
Total - Federal Sources	31,000	1,430,439	1,461,439	595,064	(866,375)
Total Revenues	36,000	1,611,296	1,647,296	717,919	(929,377)

**Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction					
Salaries of Teachers		672,882	672,882	326,009	346,873
Purchased Prof and Educational Services		61,000	61,000	947	60,053
General Supplies	31,000	89,380	120,380	74,662	45,718
Total instruction	<u>31,000</u>	<u>823,262</u>	<u>854,262</u>	<u>401,618</u>	<u>452,644</u>
Support Services					
Personal Services - Employee Benefits		298,796	298,796	137,614	161,182
Purchased Prof & Technical Services		63,161	63,161	60,616	2,545
Other Purchased Services		309,100	309,100	37,494	271,606
Cleaning Repairs and Maintenance		37,977	37,977	-	37,977
Student Activities	5,000	-	5,000	25,047	(20,047)
Total support services	<u>5,000</u>	<u>709,034</u>	<u>714,034</u>	<u>260,771</u>	<u>453,263</u>
Facilities acquisition and construction services:					
Non-instructional Equipment		79,000	79,000	73,244	5,756
Total facilities acquisition and construction services	<u>-</u>	<u>79,000</u>	<u>79,000</u>	<u>73,244</u>	<u>5,756</u>
Total expenditures	36,000	1,611,296	1,647,296	735,633	911,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(17,714)</u>	<u>(17,714)</u>
Fund Balance, July 1				<u>42,744</u>	
Fund Balance, June 30				<u><u>25,030</u></u>	
Restricted:					
Student Activities				<u>25,030</u>	
Total Fund Balance				<u><u>25,030</u></u>	

ATLANTIC COUNTY SPRECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

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

		General Fund	Special Revenue
Sources/inflows of resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	C-1; C-2	\$ 20,496,406	717,919
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			
Prior year		-	-
Current year		-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.			
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.			
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	<u>20,496,406</u>	<u>717,919</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-2	20,287,919	735,633
Differences - budget to GAAP:			
Encumbrances for supplies and equipment ordered but but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes			
Prior year		-	-
Current year		-	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to enterprise fund.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	<u>\$ 20,287,919</u>	<u>735,633</u>

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Required Supplementary Information
Part III

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0608248364%	0.0603831306%	0.0605915070%	0.0632677598%	0.0659117225%	0.0772245320%	0.0846731219%	0.0968321010%	0.1111737820%	0.1163600000%
District's proportionate of the net pension liability (asset)	\$ 8,264,907	\$ 8,746,118	\$ 9,144,093	\$ 7,495,015	\$ 10,748,478	\$ 13,914,315	\$ 16,671,716	\$ 22,540,965	\$ 32,926,485	\$ 26,119,602
District's covered payroll	\$ 6,290,968	\$ 5,328,252	\$ 4,462,944	\$ 4,457,576	\$ 4,370,729	\$ 4,571,254	\$ 4,873,381	\$ 5,975,866	\$ 6,833,374	\$ 6,988,957
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	131.38%	164.15%	204.89%	168.14%	245.92%	304.39%	342.10%	377.20%	481.85%	373.73%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of District Contributions
Public Employee Retirement System
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	827,656	807,037	764,088	740,939	721,041	751,147	842,224	897,046	987,652	1,000,350
Contributions in relation to the contractually required contribution	827,656	807,037	764,088	740,939	721,041	751,147	842,224	897,046	987,652	1,000,350
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	6,290,968	5,328,252	4,462,944	4,457,576	4,370,729	4,571,254	4,873,381	5,975,866	6,833,374	6,988,957
Contributions as a percentage of covered-employee payroll	13.16%	15.15%	17.12%	16.62%	16.50%	16.43%	17.28%	15.01%	14.45%	14.31%

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

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.525314%	0.060257%	0.062853%	0.064830%	0.068961%	0.070716%	0.068926%	0.06628%	0.06628%	0.07846%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	25,963,696	30,750,775	32,428,762	31,167,202	45,410,263	43,399,217	50,222,271	60,321,128	60,321,128	49,593,171
Total	25,963,696	30,750,775	32,428,762	31,167,202	45,410,263	43,399,217	50,222,271	60,321,128	60,321,128	49,593,171
District's covered payroll	7,096,580	6,994,841	6,216,619	6,486,730	6,840,952	6,843,176	7,257,826	7,115,052	7,080,193	7,197,007
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

Source: GASB 68 report on Teachers' Pension and Annuity Fund; District records

ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Nine Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 87,178,973	\$ 78,333,592	\$ 78,347,686	\$ 91,123,204	\$ 105,538,824	\$ 67,529,504	\$ 75,531,668	\$ 89,009,148	\$ 96,530,933
Total	<u>\$ 87,178,973</u>	<u>\$ 78,333,592</u>	<u>\$ 78,347,686</u>	<u>\$ 91,123,204</u>	<u>\$ 105,538,824</u>	<u>\$ 67,529,504</u>	<u>\$ 75,531,668</u>	<u>\$ 89,009,148</u>	<u>\$ 96,530,933</u>
District's covered payroll	13,387,548	12,323,093	10,679,563	10,944,306	11,211,681	11,414,430	12,131,207	13,090,918	13,090,918
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:									
Service Cost	1,845,781	1,901,177	2,504,169	2,999,007	1,887,672	2,026,063	2,500,857	3,007,375	
Interest Cost	2,869,725	2,758,813	2,076,300	2,363,832	2,398,690	2,962,931	3,241,462	2,808,744	
Change in Benefit Terms	-	-	-	(96,990)	-	-	-	-	
Differences between Expected & Actual	(275,660)	(2,752,131)	5,652,142	(17,969,764)	16,226,296	(11,986,522)	(8,602,276)	-	
Changes in Assumptions	6,522,147	157,888	(21,017,240)	89,900	19,278,316	1,006,870	(8,667,637)	(11,352,178)	
Member Contributions	75,044	70,699	65,978	60,432	55,690	61,448	69,804	75,915	
Benefit Payments	(2,191,656)	(2,150,540)	(2,056,867)	(1,862,037)	(1,837,344)	(2,072,954)	(2,019,690)	(2,061,641)	
Change in Total Opeb Liability	<u>8,845,381</u>	<u>(14,094)</u>	<u>(12,775,518)</u>	<u>(14,415,620)</u>	<u>38,009,320</u>	<u>(8,002,164)</u>	<u>(13,477,480)</u>	<u>(7,521,785)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>78,333,592</u>	<u>78,347,686</u>	<u>91,123,204</u>	<u>105,538,824</u>	<u>67,529,504</u>	<u>75,531,668</u>	<u>89,009,148</u>	<u>96,530,933</u>	
Ending Balance	<u>\$ 87,178,973</u>	<u>\$ 78,333,592</u>	<u>\$ 78,347,686</u>	<u>\$ 91,123,204</u>	<u>\$ 105,538,824</u>	<u>\$ 67,529,504</u>	<u>\$ 75,531,668</u>	<u>\$ 89,009,148</u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	651.19%	635.67%	733.62%	832.61%	941.33%	591.62%	622.62%	679.93%	

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

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

SPECIAL REVENUE FUND

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Small Rural School Achievement (REAP)	Maximizing Post-School Outcomes	Recreation Improvement Grant	Mike's Seafood Grant	Student Activity Fund	Education Foundation Grant	Total 2025
REVENUES:							
State Sources			73,244				73,244
Federal Sources	\$ 52,616	542,448		7,390	7,333	34,888	595,064
Local Sources							49,611
Total revenues	<u>52,616</u>	<u>542,448</u>	<u>73,244</u>	<u>7,390</u>	<u>7,333</u>	<u>34,888</u>	<u>717,919</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers		326,009					326,009
Purchased Prof and Educational Services		947					947
General supplies		32,384		7,390		34,888	74,662
Total instruction	<u>-</u>	<u>359,340</u>	<u>-</u>	<u>7,390</u>	<u>-</u>	<u>34,888</u>	<u>401,618</u>
Support services:							
Personal services- employee benefits		137,614					137,614
Purchased Prof & Technical Services	52,616	8,000					60,616
Other Purchased Services		37,494					37,494
Student Activities					25,047		25,047
Total support services	<u>52,616</u>	<u>183,108</u>	<u>-</u>	<u>-</u>	<u>25,047</u>	<u>-</u>	<u>260,771</u>
Facilities acquisition and const. serv.:							
Noninstructional equipment			73,244				73,244
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>73,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,244</u>
Total expenditures	<u>52,616</u>	<u>542,448</u>	<u>73,244</u>	<u>7,390</u>	<u>25,047</u>	<u>34,888</u>	<u>735,633</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,714)</u>	<u>-</u>	<u>(17,714)</u>
Fund Balance, July 1 Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,744</u>	<u>-</u>	<u>42,744</u>
Fund Balance , July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,744</u>	<u>-</u>	<u>42,744</u>
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,030</u>	<u>-</u>	<u>25,030</u>

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CAPITAL PROJECTS FUND

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Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
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 6/30/2025
			Prior Years	Expenditures to Date Current Year	
Nurses Suite Project	7/1/2025	\$ 638,732	-	638,732	-
Totals		\$ 638,732	-	638,732	-

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2025

Revenue and Other Financing
Sources

Transfer from/(to) capital outlay	\$ 638,732
Total revenues	<u>638,732</u>

Expenditures and Other Financing
Uses

Construction Services	638,732
Total expenditures	<u>638,732</u>
Excess (deficiency) of revenues over (under) expenditures	-
Fund balance- beginning	-
Fund balance - ending	<u>\$ -</u>

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
Nurse Suite Project
From Inception and for the Year Ended June 30, 2025

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenue and Other Financing Sources				
Transfer from Capital Reserve	\$	638,732	638,732	638,732
Total revenues	<u>-</u>	<u>638,732</u>	<u>638,732</u>	<u>638,732</u>
Expenditures and Other Financing Uses				
Purchased Prof & Tech Services	-	-	-	-
Construction Services	-	638,732	638,732	638,732
Total expenditures	<u>-</u>	<u>638,732</u>	<u>638,732</u>	<u>638,732</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Additional project information:

Project Number	0125-060-24-1000
Grant Date	N/A
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 631,379
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 631,379
Percentage Increase over Original Authorized Cost	0%
Percentage completion	100%
Original target completion date	October 2024
Revised target completion date	N/A

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Statistical Section

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Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	20,804,347	20,064,288	20,045,747	19,081,151	18,303,791	17,942,147	17,194,711	16,836,458	16,065,854	16,040,882
Restricted	1,024,333	1,661,682	1,089,745	1,036,574	1,194,898	2,156,163	3,679,754	5,840,794	5,513,643	5,282,569
Unrestricted	(20,901,443)	(20,504,881)	(20,882,022)	(20,631,968)	(18,203,153)	(15,027,721)	(11,768,757)	(9,911,583)	(6,666,257)	(5,525,909)
Total governmental activities net position	927,237	1,221,089	253,470	(513,343)	1,295,536	5,070,589	9,105,708	12,765,669	14,913,240	15,797,542
Business-type activities										
Invested in capital assets, net of related debt	1,782,430	1,549,132	1,406,575	1,213,518	1,248,522	1,304,501	1,120,734	1,054,292	1,263,032	1,175,924
Restricted										
Unrestricted	2,363,799	2,673,412	2,928,500	3,570,730	4,113,856	3,803,842	4,678,212	5,519,101	6,743,949	8,376,576
Total business-type activities net position	4,146,229	4,222,544	4,335,075	4,784,248	5,362,378	5,108,343	5,798,946	6,573,393	8,006,981	9,552,500
District-wide										
Invested in capital assets, net of related debt	22,586,777	22,586,777	21,452,322	20,294,669	19,552,313	19,246,648	18,315,445	17,890,750	17,328,886	17,216,806
Restricted	1,024,333	1,024,333	1,089,745	1,036,574	1,194,898	2,156,163	3,679,754	5,840,794	5,513,643	5,282,569
Unrestricted	(18,537,644)	(17,831,469)	(17,953,522)	(17,060,338)	(14,089,297)	(11,223,879)	(7,090,545)	(4,392,482)	77,692	2,850,667
Total district net position	5,073,466	5,779,641	4,588,545	4,270,905	6,657,914	10,178,932	14,904,654	19,339,062	22,920,221	25,350,042

Source: ACFR Schedule A-1

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,					
	2016	2017	2018	2019	2020	2021
	2022	2023	2024	2025		
Expenses						
Governmental activities						
Instruction						
Other special education	6,674,720	13,150,586	15,342,977	11,186,765	9,535,986	9,913,130
Other instruction	840,012	1,269,274	1,508,517	716,677	634,180	771,759
					6,436,167	7,263,806
					645,673	558,627
Support Services:						
Student & instruction related services	2,575,716	5,315,899	5,997,389	4,638,765	3,817,777	4,388,391
General administrative services	590,498	933,999	1,168,796	866,764	616,266	765,358
School administrative services	1,237,757	2,437,219	2,910,094	2,145,912	1,710,011	1,994,808
Plant operations and maintenance	1,514,807	3,308,944	3,951,888	3,029,622	2,779,580	3,127,971
Pupil transportation	19,583	25,999	42,296	52,037	24,186	7,224
Unallocated Benefits	9,080,398					8,507
Capital Outlay		74,634	59,166	5,451	116,939	169,522
Unallocated Depreciation	841,464					65,499
Total governmental activities expenses	23,374,955	26,516,554	30,981,123	22,641,993	19,234,925	20,968,641
					14,998,749	15,512,575
					16,006,125	17,610,318
Business-type activities:						
Food service	585,800	598,363	541,655	485,191	438,497	323,362
Transportation	7,130,778	6,548,940	5,888,134	5,381,802	4,881,204	3,750,611
Teachers Aide Services	3,650,622	4,071,467	4,468,163	4,455,719	4,060,654	3,460,680
Other		14,243	56,065	3,167		-
Total business-type activities expense	11,367,200	11,233,013	10,954,017	10,325,879	9,380,355	7,534,653
Total district expenses	34,742,155	37,749,567	41,935,140	32,967,872	28,615,280	28,503,294
					24,702,408	27,253,629
					24,563,835	33,986,886
Program Revenues						
Governmental activities:						
Charges for services:						
Instruction (tuition)	18,249,748	17,688,459	14,652,684	13,329,154	14,961,744	14,671,125
Operating grants and contributions	3,637,239	4,888,197	8,778,826	6,026,617	3,763,082	7,377,181
Total governmental activities program revenues	21,886,987	22,576,656	23,431,510	19,355,771	18,724,826	22,048,306
					16,071,604	15,597,599
					13,075,950	14,720,526
					2,995,654	877,073
					17,516,504	15,111,313
Business-type activities:						
Charges for services:						
Food service	244,334	254,708	253,516	213,267	127,786	82,354
Transportation	6,650,694	6,143,004	5,932,797	5,670,735	4,752,423	3,185,147
Teachers Aide Services	3,889,285	4,467,413	4,622,046	4,724,732	4,765,054	3,828,012
Other		27,075		-	-	-
Operating grants and contributions	217,241	211,657	193,405	178,570	134,010	214,020
Total business type activities program revenues	11,001,554	11,103,857	11,001,764	10,787,304	9,779,273	7,283,171
Total district program revenues	32,888,541	33,680,513	34,433,274	30,143,075	28,504,099	29,331,477
					26,371,137	28,864,082
					10,299,533	13,266,483
					287,775	243,872
					17,891,859	290,399
					33,003,172	
Net (Expense)/Revenue						
Governmental activities	(1,487,968)	(3,939,898)	(7,549,813)	(3,286,222)	(510,099)	1,079,665
Business-type activities	(365,646)	(129,156)	47,747	461,245	398,918	(251,482)
Total district-wide net expense	(1,853,614)	(4,069,054)	(7,502,066)	(2,824,797)	(111,181)	828,183
					1,072,855	85,024
					734,447	1,525,429
					1,807,302	1,610,463
					(2,499,005)	
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	2,050,096	2,050,096	2,050,096	2,050,096	2,070,597	2,070,597
Federal & State Aid - not restricted	215,447	1,582,346	4,077,210	213,882	181,816	158,582
Miscellaneous income	170,365	155,767	128,555	151,337	110,775	332,013
Rents and Royalties			75,000	96,800	135,467	62,800
Transfers	(250,000)	(200,000)	(64,784)	(190,000)	(87,700)	87,700
Contributed Services					(40,000)	(40,000)
Cancellation of Prior Year Payables		16,641	183,779	599	-	-
Loss on the Disposal of Fixed Assets					(5,470)	-
Gain on the Disposal of Fixed Assets					-	-
Adjustment to Fixed Assets					-	-
					(555,714)	1,473
					-	118,747

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2016	2017	2018	2019	Fiscal Year Ending June 30,		2022	2023	2024	2025
County Bond Proceeds					2020	2021				
Refund of Prior Year Revenue		628,900	37,848	(13,761)	-	-	-	-	-	-
Receivable Cancelled						(5,458)				
Total governmental activities	2,185,908	4,233,750	6,582,194	2,519,409	2,318,978	2,545,307	2,524,740	2,587,106	2,062,547	3,383,307
Business-type activities:										
Miscellaneous income	305,976	250,000	200,000	64,784		190,000	90,000	40,000	40,000	40,000
Transfers	62,101		9,641			-	-	-	-	-
Cancellation of Prior Year Payables										
Adjustment to Capital Assets			(4,170)		(12,252)	(10,788)	(92,553)	-	(131,841)	(9,772)
Loss on Disposal of Fixed Assets										
Cancellation of student balances										
Total business-type activities	368,077	250,000	205,471	64,784	(12,252)	(10,788)	(2,553)	40,000	(91,841)	30,228
Total district-wide	2,553,985	4,483,750	6,787,665	2,584,193	2,306,726	2,724,519	2,522,187	2,627,106	1,970,706	3,413,535
Change in Net Position										
Governmental activities	697,940	293,852	(967,619)	(766,813)	1,808,879	3,624,972	4,035,119	3,659,961	2,147,571	884,302
Business-type activities	2,431	120,844	253,218	526,209	386,666	(72,270)	759,189	774,447	1,433,588	1,545,519
Total district	\$ 700,371	414,696	(714,401)	(240,604)	2,195,545	3,552,702	4,794,308	4,434,408	3,581,159	2,429,821

Source: ACFR Schedule A-2

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2016	2017	2018	2019	Fiscal Year Ending June 30,		2022	2023	2024	2025
					2020	2021				
General Fund										
Restricted										
Committed		3,995,442	3,769,158	3,205,970	2,919,680	86,634	107,138	131,624	118,884	146,773
Assigned	31,721	75,671	143,184	226,865	154,430	4,018,543	6,619,707	6,789,496	7,349,326	6,790,349
Unassigned	3,653,911	2,767,342	2,296,163	1,556,486	2,543,752	388,495	161,886	122,726	280,688	258,691
Reserved	1,024,333		-			2,559,016	1,084,518	1,695,868	1,682,366	1,766,679
Unreserved										
Total general fund	4,709,965	6,838,455	6,208,505	4,989,321	5,617,862	7,052,688	7,973,249	8,739,714	9,431,264	8,962,492
All Other Governmental Funds										
Restricted, reported in:										
Special Revenue fund						61,154	50,148	50,706	42,744	25,030
Assigned, reported in:										
Capital projects fund		545,260		-		-	-	-	-	-
Unreserved, reported in:										
Capital projects fund		1,000		-		-	-	-	-	-
Total all other governmental funds	-	546,260	-	-	-	61,154	50,148	50,706	42,744	25,030

Source: ACFR Schedule B-1

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
County Appropriation	2,050,096	2,050,096	2,050,096	2,050,096	2,070,597	2,070,597	2,070,597	2,070,597	2,070,597	2,070,597
Tuition charges	18,249,748	17,529,522	14,475,034	13,132,234	14,749,684	14,443,443	12,762,005	12,804,424	14,720,526	13,206,684
Interest Earnings	751	120	120	120	300	974	20,804	41,851	111,689	28,189
Rents & Royalties			75,000	96,800	135,467	62,800	87,700	87,700	31,740	41,115
Miscellaneous	171,096	360,093	326,374	403,782	363,497	620,238	505,612	532,461	339,506	1,506,050
State sources	1,880,708	2,058,082	6,115,623	2,576,673	2,608,969	3,008,035	3,726,542	3,612,371	3,388,677	3,610,457
Federal sources	201,036	362,503	206,294	213,882	187,186	255,987	279,795	294,372	355,509	751,233
Total revenue	22,553,435	22,360,416	23,248,541	18,473,587	20,115,700	20,462,074	19,453,055	19,443,776	21,018,244	21,214,325
Expenditures										
Instruction										
Other special instruction	6,674,720	6,498,631	6,435,827	6,125,895	6,043,580	5,640,046	4,874,363	4,794,438	5,931,459	6,218,590
Other instruction	840,012	627,238	632,769	392,454	401,922	432,741	458,752	480,976	455,231	494,726
Support Services:										
Student & instruction related services	2,575,716	2,626,960	2,515,689	2,540,197	2,419,576	2,460,660	2,408,094	2,403,504	2,507,311	3,015,694
General administrative services	590,498	384,566	411,630	388,851	366,180	390,486	490,120	434,566	469,027	553,869
School Administrative services	514,285	461,555	490,268	474,642	390,568	429,152	446,926	393,906	414,675	423,350
Business administrative services	723,472	819,836	809,050	786,254	717,566	728,044	735,850	631,905	702,847	697,056
Plant operations and maintenance	1,559,994	1,635,183	1,657,725	1,659,093	1,761,603	1,753,917	1,890,635	1,984,213	2,167,714	1,719,008
Pupil transportation	19,583	12,848	17,741	28,496	15,328	4,051	6,077	590	5,197	3,898
Unallocated employee benefits	6,902,753	6,919,388	10,854,307	7,115,220	6,954,214	6,794,887	6,901,281	6,885,194	7,051,468	7,473,191
Capital outlay	108,708	145,002	756,708	168,028	227,221	386,733	331,402	627,461	589,727	1,062,902
Total expenditures	20,509,741	20,131,207	24,581,714	19,679,130	19,297,758	19,020,717	18,543,500	18,636,753	20,294,656	21,662,284
Excess (Deficiency) of revenues over (under) expenditures	2,043,694	2,229,209	(1,333,173)	(1,205,543)	817,942	1,441,357	909,555	807,023	723,588	(447,959)
Other Financing sources (uses)										
Contributed Services										
Cancellation of Prior Year Payables		16,641	183,779	599	-	-	-	-	-	1,473
County Bond Proceeds		628,900	37,848							-
Increase in Capital Reserve		392,100	(94,190)	(150,000)	230,559	-	-	-	-	-
Transfer to Capital Reserve		(392,100)	94,290	150,100	(230,559)					-
Decrease in Maintenance Reserve			(2,336)	(150,000)	103,400					-
Transfer from Maintenance Reserve			2,356	150,020	(103,400)					-
Transfers in			55,216		-					-
Transfers out	(250,000)	(200,000)	(120,000)	(13,761)	(190,000)	(90,000)		(40,000)	(40,000)	(40,000)
Refund of Prior Year's Revenue						(5,458)				-
Appropriations Cancelled										
Total other financing sources (uses)	(250,000)	445,541	156,963	(13,641)	(189,401)	(95,458)	-	(40,000)	(40,000)	(38,527)
Net change in fund balances	1,793,694	2,674,750	(1,176,210)	(1,219,184)	628,541	1,345,899	909,555	767,023	683,588	(486,486)
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: ACFR Schedule B-2

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Interest</u>	<u>Non-Resident Fees</u>	<u>Rent</u>	<u>Shared Services</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	751	110,635		23,375	35,604	170,365
2017	8,919	158,937		105,621	41,107	314,584
2018	10,775	522,060	196,920	76,055	41,725	847,535
2019	37,534	196,920	96,800	36,894	76,909	445,057
2020	80,594	212,060	135,467	20,332	9,849	458,302
2021	57,705	227,682	62,800	43,574	230,734	622,495
2022	23,600	217,058	87,700	2,270	187,461	518,089
2023	91,035	271,526	87,700		114,405	564,666
2024	268,590	-	31,740	-	132,804	433,134
2025	312,808	449,422	41,115	-	722,398	1,525,743

Source: District Records

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
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	10	12	7	7	5	5	5	5	5	5
Special Education instruction	49	50	46	45	44	41	41	37	39	50
Other special education instruction	142	94	81	73	63	61	61	77	77	89
Other instruction	4	2	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	31	32	31	31	24	28	28	25	27	31
General administrative services	2	2	2	2	2	2	2	2	2	2
School administrative services	7	7	6	6	6	6	6	6	6	3
Business administrative services	12	12	11	11	9	8	8	7	7	7
Plant operations and maintenance	16	16	17	17	19	19	19	16	15	18
Pupil transportation	114	83	76	68	65	68	68	45	46	45
Food Service	6	6	5	5	5	4	4	5	5	6
Total	393	316	282	265	242	242	242	225	229	256

Source: District Personnel Records

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2016	390	20,508,259	52,585	0.00%	59	6:1	6:1	6:5:1	387	348	-0.67%	89.92%
2017	371	19,986,205	53,871	2.45%	62	6:1	6:1	6:5:1	365	329	-5.68%	90.14%
2018	345	23,825,006	69,058	28.19%	53	6:1	6:1	6:5:1	348	308	-4.66%	88.51%
2019	309	19,511,102	63,143	-8.57%	52	6:1	6:1	6:5:1	320	282	-8.05%	88.13%
2020	322	19,070,537	59,225	-6.20%	49	6:1	6:1	7:1	321	297	0.31%	92.52%
2021	309	18,633,984	60,304	1.82%	46	6:1	6:1	7:1	309	259	-3.74%	83.82%
2022	282	18,212,098	64,582	7.09%	46	6:1	6:1	7:1	282	243	-8.74%	86.17%
2023	298	18,009,292	60,434	-6.42%	42	6:1	6:1	7:1	313	267	10.99%	85.30%
2024	317	19,704,929	62,161	2.86%	44	6:1	6:1	7:1	313	267	-0.13%	85.28%
2025	341	20,599,382	60,409	-2.82%	44	6:1	6:1	7:1	353	302	12.90%	85.53%

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count.

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

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

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

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
School Building Information
Last Ten Fiscal Years
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000	177,000
508	508	508	508	508	508	508	508	508	508	508
390	371	345	345	322	309	309	309	298	317	341

District Building**Main Campus - Mays Landing (2003)**

Square Feet
Capacity (students)
Enrollment

Other Facilities

Transportation - Mays Landing
Square Feet

5,700 5,700 5,700 5,700 5,700 5,700 5,700 5,700 5,700 5,700

Number of Schools at June 30, 2025

Main Campus = 1

Other = 1

Source: District records, ASSA

Atlantic County Special Services School District
(A Component Unit of the County of Atlantic)
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

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

School Facilities	Project # (s)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Mays Landing Campus	N/A	\$ 346,520	655,970	505,674	561,435	444,857	508,468	381,405	473,708	453,382	481,470
Grand Total		\$ 346,520	655,970	505,674	561,435	444,857	508,468	381,405	473,708	453,382	481,470

Atlantic County Special Services School District
Insurance Schedule
June 30, 2025
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property, Inland Marine & Automobile Physical Damage Limit of Liability - per occurrence	136,448,871	5,000
Extra Expense	50,000,000	
Loss of Rents	95,000	
Loss of Business Income/Tuition	44,686,958	
Valuable Papers	10,000,000	
Public Official Bonds School Business Administrator	75,000	500
Comprehensive General Liability Coverage Limit	31,000,000	
Electronic Data Processing	3,000,000	1,000
Package Policy Crime Coverage	1,000,000	1,000
Board Member Accident Limit of Liability	100,000	
Aggregate	500,000	
Student Accident (Compulsory) Maximum Benefit	1,000,000	
Student Accident (Catastrophic) Maximum Benefit	5,000,000	25,000
Volunteer Accident Maximum Benefit	250,000	
Boiler and Machinery	100,000,000	5,000
Automobile Liability	31,000,000	1,000
Standard Worker's Compensation & Employer's Liability Policy Workers Compensation-Coverage A	Statutory	
Employers' Liability Agreement-Coverage B	2,000,000	
School Board Legal Liability Coverage A	31,000,000	5,000
Coverage B each occurrence	100,000	5,000
policy period	300,000	
Pollution Liability per occurrence	1,000,000	25,000
policy period	11,000,000	75,000
Cyber Risk Liability	2,000,000	20,000

Source: District Records.

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Single Audit Section

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K-1

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

Honorable President and
Members of the Board of Education
Atlantic County Schools for Special Services School District
(a component unit of the County of Atlantic)
Mays Landing, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Atlantic County Special Services School District (a component unit of the County of Atlantic), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s basic financial statements, and have issued our report thereon dated October 31, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

October 31, 2025



K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM
ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB'S CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Atlantic County Special Services School District
(a component unit of the County of Atlantic)
Mays Landing, New Jersey

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Atlantic County Special Services School District (a component unit of the County of Atlantic)'s major federal and state programs for the year ended June 30, 2025. The Atlantic County Special Services School District (a component unit of the County of Atlantic)'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.

It should be noted that as of the date of this report the OMB has not yet issued the final 2025 *OMB Compliance Supplement*, however a draft has been provided, and we have conducted our testing of compliance and internal controls based on that draft. The final 2025 *OMB Compliance Supplement* is in the process of being cleared by OMB Leadership. OMB Staff has informed the American Institute of Certified Public Accountants that no significant changes are expected in that clearance process. When the Final *OMB Compliance Supplement* is issued, we will evaluate any significant changes to the draft and if there is determined to be a material effect related to this audit, we will re-issue this report as deemed appropriate.

In our opinion, the Atlantic County Special Services School District (a component unit of the County of Atlantic) 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 & State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Atlantic County Special Services School District (a component unit of the County of Atlantic)'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 Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the

purpose of expressing an opinion on the effectiveness of Atlantic County Special Services School District (a component unit of the County of Atlantic)'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

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

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

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

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

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

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

October 31, 2025

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A Component Unit of the County of Atlantic)
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024	Carryover Amount	Cash Received	Budgetary Expenditures			Adjustment	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor
									Pass Through	Source	Direct					
U. S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program	10.565	251U334N1099	N/A	7/1/24 - 6/30/25	50,225			50,225	(50,225)			(50,225)				
School Breakfast Program	10.553	251U334N1099	N/A	7/1/24 - 6/30/25	83,080			67,083	(83,080)			(83,080)		(15,987)		
National School Lunch Program	10.553	241U334N1099	N/A	7/1/23 - 6/30/24	66,861	(3,930)		3,930				-		-		
National School Lunch Program	10.555	251U334N1099	N/A	7/1/24 - 6/30/25	147,176			119,066	(147,176)			(147,176)		(28,110)		
National School Lunch Program	10.555	241U334N1099	N/A	7/1/23 - 6/30/24	122,205	(6,984)		6,984				-		-		
Total U.S. Department of Agriculture						(10,914)	-	247,288	(280,481)		-	(280,481)	-	(44,107)	-	-
U.S. Department of Education																
Passed-through State Department of Education:																
Special Education Medicaid Aid	93.778	2305N5MAP	N/A	7/1/23 - 6/30/24	156,169			156,169	(156,169)			(156,169)				
Total General Fund						-	-	156,169	(156,169)		-	(156,169)	-		-	-
Special Revenue Fund:																
Small Rural School Achievement Program	84.358A	S358B250030	N/A	7/1/24 - 9/30/25	53,161	-		52,616	(52,616)			(52,616)		-		
Amer. Rescue Plan - Elem. & Sec. Schools Emer. Relief Fund	84.425U	S425210027	N/A	7/1/22 - 6/30/23	183,656	(183,656)		183,656	-			-		-		
Coronavirus State Fiscal Recovery Funds	21.027	SLRFFODEISES	N/A	6/1/24 - 5/31/26	1,408,278			458,833	(542,448)			(542,448)		(83,615)		
Total Special Revenue Fund						(183,656)	-	695,105	(595,064)		-	(595,064)	-	(83,615)	-	-
Total Federal Financial Awards						\$ (194,570)	-	1,096,562	(1,031,714)		-	(1,031,714)	-	(127,722)	-	-

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2025**

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Atlantic County Special Services School (a component unit of the County of Atlantic). The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies 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 enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The District has elected not to use the 10% de minimis indirect cost rule.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the accrual basis of accounting. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$0 for the general fund and \$0 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2025**

	<u>General fund</u>	<u>Special Revenue Fund</u>	<u>Food service fund</u>	<u>Total</u>
State Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 3,537,213	73,244	9,918	3,620,375
Difference – budget to "GAAP" Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				-
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$ 3,537,213</u>	<u>73,244</u>	<u>9,918</u>	<u>3,620,375</u>

**Atlantic County Special Services School
(A Component Unit of the County of Atlantic)
Notes to the Schedules of Expenditures of Awards and Financial Assistance
June 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 156,169	595,064	280,481	1,031,714
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.				-
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 156,169</u>	<u>595,064</u>	<u>280,481</u>	<u>1,031,714</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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. For the Single Audit Determination, the State of New Jersey Department of Education requires the TPAF Pension contribution be included to determine if the District exceeds the \$750,000 threshold. This amount is then excluded from the major program determination. 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.

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ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(a component unit of the County of Atlantic)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Exhibit K-6

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:		Unmodified			
Internal control over financial reporting:					
1) Material weakness(es) identified?	yes	<u> X </u>		no	
2) Significant deficiencies identified that are not considered to be material weaknesses?	yes	<u> X </u>		none reported	
Noncompliance material to basic financial statements noted?	yes	<u> X </u>		no	

Federal Awards Section

Internal Control over major programs:		Unmodified			
1) Material weakness(es) identified?	yes	<u> X </u>		no	
2) Significant deficiencies identified	yes	<u> X </u>		none reported	
Type of auditor's report on compliance for major programs		Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	yes	<u> X </u>		no	

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>21.027</u>	<u>Coronavirus State Fiscal Recovery Funds</u>

Dollar threshold used to determine Type A programs:		\$750,000			
Auditee qualified as low-risk auditee?	yes	<u> X </u>		no	

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

Part I -- Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

1) Material weakness(es) identified?	_____	yes	_____ X _____	no
2) Significant deficiencies identified	_____	yes	_____ X _____	none reported

Type of auditor's report on compliance for major programs

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance NJOMB Circular Letter 15-08?

_____ yes _____ X _____ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____ 25-495-034-5095-002 _____	_____ Reimbursed TPAF Social Security Contributions _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

N) Dollar threshold used to determine Type A programs:	_____ \$750,000 _____
O) Auditee qualified as low-risk auditee?	_____ X _____ yes _____ no

**ATLANTIC COUNTY SPECIAL SERVICES SCHOOL DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF ATLANTIC)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 -- Schedule of Financial Statement Findings

None

Part 3 -- Schedule of Federal Award Findings and Questioned Costs

None

Part 3 -- Schedule of State Award Findings and Questioned Costs

None

STATUS OF PRIOR YEAR FINDINGS

None