

**SCHOOL DISTRICT
OF
SEA ISLE CITY**

For The Fiscal Year Ended June 30, 2025

**Sea Isle City Board of Education
Cape May County, New Jersey**

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

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Introductory Section

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SEA ISLE CITY BOARD OF EDUCATION

501 Atlantic Avenue, Suite #1
Ocean City, NJ 08226

December 5, 2025

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Sea Isle City Public School 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 Sea Isle City Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR 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 principle officials. The financial section includes the financial statements and schedules, management's discussion and analysis, 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 Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. 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.

REPORTING ENTITY AND ITS SERVICES:

The Sea Isle City Public School District is an independent reporting entity with 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 Sea Isle City Board of Education and its school constitute the District's reporting entity.

Sea Isle is a sending district. Grades K-12 are sent to Ocean City Schools. The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Change</u>	<u>Percent Change</u>
2024-2025	58	-8	-12.12%
2023-2024	66	-13	-16.46%
2022-2023	79	-18	-18.56%
2021-2022	97	4	4.30%
2020-2021	93	-2	-2.10%
2019-2020	95	12	14%
2018-2019	83	0	0.00%
2017-2018	83	3	0.04%
2016-2017	80	-8	-0.09%
2015-2016	88	-7	-0.07%

Actual student enrollments throughout the school year fluctuate as a result of the real estate and rental property availability and cost within the community.

ECONOMIC CONDITION AND OUTLOOK:

According to the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, the City of Sea Isle City falls within the low-range as compared to other areas in the county.

As a resort community, the City of Sea Isle City maintains its tax structure based primarily on the tourism industry and real estate investment. This factor presents economic changes throughout the year for some individuals and most of the small businesses within the community. A large percentage of retired citizens on limited income impact the ability to raise funds through taxes, limiting resources from the families that reside year-round in the city. This does not provide a positive outlook for future educational practices.

MAJOR INITIATIVES:

The Sea Isle City Public School District in 2012/2013 became a 100% sending district. As a result, Sea Isle City students in all grades are attending school in Ocean City.

In addition, an inter-local agreement to share administrative services was established between Ocean City Board of Education and the Sea Isle City Board of Education, effective July 1, 2010.

INTERNAL ACCOUNTING CONTROLS:

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

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

As a 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.

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. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Government 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 Financial Statements, Note 1."

DEBT ADMINISTRATION:

As of June 30, 2025, the Sea Isle City Public School District had no outstanding debt issues.

CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT:

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

OTHER INFORMATION:

Independent audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Ford, Scott & Associates, LLC was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and New Jersey OMB Circular Letter 15-08. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Sea Isle City School Board of Education for their concern in providing fiscal accountability to the citizens and the 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,

Timothy Kelley

Timothy Kelley
School Business Administrator

**SEA ISLE CITY BOARD OF EDUCATION
COUNTY OF CAPE MAY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2025**

Members of the Board of Education

Term Expires

Kristy Pittaluga, President	2025
Lauren Ciseck, Vice President	2025
Kerry Mulane	2026
Sue Williamson	2026
Brigid Woolery	2027

Other Officials

Timothy Kelley, School Business Administrator/Board Secretary

**SEA ISLE CITY BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, New Jersey 08226-0538

ATTORNEY

Mark Toscano, Esquire
Comengno Law Group
521 Pleasant Valley Avenue
Moorestown, NJ 08057

OFFICIAL DEPOSITORY

First Bank of Sea Isle City
127 John F. Kennedy Boulevard
Sea Isle City, NJ 08243

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Sea Isle City School District
County of Cape May, 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 Sea Isle City School District, in the County of Cape May, 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 Sea Isle City School District, 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 Sea Isle City School District 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 Sea Isle City School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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 Sea Isle City School District'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 December 5, 2025, on our consideration of the Sea Isle City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Sea Isle City School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.

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

Michael S. Garcia

**Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080**

December 5, 2025

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Required Supplemental Information

PART I

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**SEA ISLE CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The discussion and analysis of Sea Isle City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- In total, net position increased \$558,709.69 which represents a 32.56% increase from 2024.
- General revenues accounted for \$2,568,927.30 in revenue almost 100% of all revenues.
- Total assets of governmental activities increased by \$745,194.02 as cash and cash equivalents increased by \$746,475.02 and the district's receivables decreased by \$1,281.00. Increase in cash is due to an excess of revenues over expenditures.
- The School District had \$2,010,217.61 in expenses. General revenues and Special Items (primarily taxes) of \$2,568,927.30 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$2,568,927.30 in revenues and \$2,010,217.61 in expenditures and other financing uses. The General Fund's fund balance increased \$558,709.69 from 2024.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Sea Isle City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of the Sea Isle City School District, the General Fund is the most significant fund.

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**SEA ISLE CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District has only one kind of activity:

- **Governmental Activities** - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal services.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund and the Special Revenue Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**SEA ISLE CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

Notes to the Financial Statements

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

The School District as a Whole

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

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2025 and 2024.

**Table 1
Net Position**

	2025	2024
Assets		
Current and Other Assets	\$ 2,470,982.87	1,725,788.85
Total Assets	<u>2,470,982.87</u>	<u>1,725,788.85</u>
Liabilities		
Other Liabilities	196,479.83	9,995.50
Total Liabilities	<u>196,479.83</u>	<u>9,995.50</u>
Net Position		
Restricted	1,190,184.32	1,014,093.32
Unrestricted	1,084,318.72	701,700.03
Total Net Position	<u>\$ 2,274,503.04</u>	<u>1,715,793.35</u>

The District's combined net position was \$2,274,503.04 on June 30, 2025. This is an increase from 2024 of \$558,709.69 due to revenues exceeding expenditures.

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**SEA ISLE CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal years 2025 and 2024.

**Table 2
Changes in Net Position**

The District's expenditures decreased \$324,572.19 due mainly to a decrease in tuition costs compared to the prior year.

	2025	2024
Revenues		
General Revenues:		
Property Taxes	\$ 2,357,758.00	\$ 2,357,758.00
Grants and Entitlements	165,987.00	184,578.00
Other	45,182.30	26,833.34
Program Revenues:		
Operating Grants and Contributions	(241,016.00)	(268,468.00)
Total Revenues	<u>2,327,911.30</u>	<u>2,300,701.34</u>
Program Expenses		
Instruction		
Support Services:		
Tuition	1,267,485.32	1,679,762.57
Student and Instruction Related Services	(29,175.14)	(85,737.10)
Business Operations and Maintenance of Facilities	(9,055.42)	(46,372.13)
Pupil Transportation	489,389.29	501,368.46
Special Schools	47,129.56	13,872.00
Other	3,428.00	3,428.00
Total Expenses	<u>1,769,201.61</u>	<u>2,066,321.80</u>
Increase/(Decrease) in Net Position	<u>\$ 558,709.69</u>	<u>234,379.54</u>

Governmental Activities

Property taxes made up 91.78% of revenues for governmental activities for the Sea Isle City School District for fiscal year 2025. The district's total revenues were \$2,327,911.30 for the year ended June 30, 2025. Federal, state, and local grants accounted for another 6.46% of revenue.

	2025		2024	
	2025 Amount	Percentage	2024 Amount	2024
Property taxes	\$ 2,357,758.00	101.28%	\$ 2,357,758.00	102.48%
Unrestricted Federal and State aid	165,987.00	7.13%	184,578.00	8.02%
Miscellaneous	45,182.30	1.94%	26,833.34	1.17%
Operating grants and contributions	(241,016.00)	-10.35%	(268,468.00)	-11.67%
Totals	<u>\$ 2,327,911.30</u>	<u>100.00%</u>	<u>2,300,701.34</u>	<u>100.00%</u>

**SEA ISLE CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

Governmental Activities

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

**Table 3
Costs of Services**

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Instruction	\$ -	-	\$ -	-
Support Services:				
Tuition	1,267,485.32	1,267,485.32	1,679,762.57	1,679,762.57
Pupils and Instructional Staff	(29,175.14)	154,753.00	(85,737.10)	41,000.00
School Administration, and Business Operations	(9,055.42) 489,389.29	48,032.44 489,389.29	(46,372.13) (46,372.13)	95,358.77 95,358.77
Pupil Transportation	47,129.56	47,129.56	501,368.46	501,368.46
Transfer to Charter School			13,872.00	13,872.00
Other	3,428.00	3,428.00	3,428.00	3,428.00
Total Expenses	<u>\$ 1,769,201.61</u>	<u>2,010,217.61</u>	<u>2,066,321.80</u>	<u>2,334,789.80</u>

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

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

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

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

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

"Other" includes the Board contribution to the special schools and unallocated depreciation.

**SEA ISLE CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

The School District's Funds

All governmental funds (i.e., general fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$2,568,927.30 and expenditures were \$2,010,217.61. The net change in fund balance for the year in the General Fund was an increase of \$558,709.69.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2025, and the amount and percentage of total revenues compared to prior year revenues.

Revenue	2024-25 Amount	Percentage of Total	2023-24 Amount	Percentage of Total
Local Sources	\$ 2,402,940.30	93.54%	2,384,591.34	92.82%
State Sources	165,987.00	6.46%	184,578.00	7.18%
Federal Sources	-	0.00%	-	0.00%
Total	\$ <u>2,568,927.30</u>	<u>100.00%</u>	<u>2,569,169.34</u>	<u>100.00%</u>

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2025, and the percentage of total expenditures compared to prior year amounts.

Expenditures	2024-25 Amount	Percentage of Total	2023-2024 Amount	Percentage of Total
Current Expense:				
Undistributed				
Expenditures	\$ 2,006,789.61	99.83%	2,317,489.80	99.26%
Transfer to Charter School	-	0.00%	13,872.00	0.59%
Capital Outlay	<u>3,428.00</u>	<u>0.17%</u>	<u>3,428.00</u>	<u>0.15%</u>
Total	\$ <u>2,010,217.61</u>	<u>100.00%</u>	<u>2,334,789.80</u>	<u>100.00%</u>

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

**SEA ISLE CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED (CONTINUED)**

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- The District realized Nonpublic Transportation Aid of \$3,269.00. The amount was not anticipated in the District's budget.
- Various expenses were below anticipated levels. This is a result of the District being a 100% sending district.

Capital Assets

At June 30, 2025, the School District did not have any capital assets.

Debt Administration

At June 30, 2025, the School District's had no debt.

For the Future

The Sea Isle City School District is in good financial condition presently. The District continues to provide quality education programs while continuing to stabilize the tax rate in Sea Isle City. In conclusion, the Sea Isle City School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning and budgeting controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office at the Ocean City School District, 501 Atlantic Ave. Ocean City, NJ 08226.

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Basic Financial Statements

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DISTRICT - WIDE FINANCIAL STATEMENTS

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SEA ISLE CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	\$ 2,467,713.87	2,467,713.87
Receivables, Net	3,269.00	3,269.00
 Total Assets	<u>2,470,982.87</u>	<u>2,470,982.87</u>
 LIABILITIES		
Deferred Revenue	196,479.83	196,479.83
 Total Liabilities	<u>196,479.83</u>	<u>196,479.83</u>
 NET POSITION		
Restricted for:		
Other Purposes	1,190,184.32	1,190,184.32
Unrestricted	1,084,318.72	1,084,318.72
 Total Net Position	<u>\$ 2,274,503.04</u>	<u>2,274,503.04</u>

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

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

FUND FINANCIAL STATEMENTS

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SEA ISLE CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,467,713.87	2,467,713.87
Receivables from Other Governments	3,269.00	3,269.00
Total Assets	<u>2,470,982.87</u>	<u>2,470,982.87</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Deferred Revenue	\$ 196,479.83	196,479.83
Total Liabilities	<u>196,479.83</u>	<u>196,479.83</u>
Fund Balances:		
Restricted for:		
Tax Stabilization	650,000.00	650,000.00
Excess Surplus Undesignated	670,592.06	670,592.06
Excess Surplus - Designated for		
Subsequent Years Expenditures	361,483.35	361,483.35
Unemployment Compensation	92,251.63	92,251.63
Committed for:		
Capital Reserve	2,986.32	2,986.32
Emergency Reserve	171,165.00	171,165.00
Assigned to:		
Encumbrances	73,937.03	73,937.03
Designated by BOE for		
Subsequent Expenditures	4,549.65	4,549.65
Unassigned		
General Fund	247,538.00	247,538.00
Total Fund Balances	<u>2,274,503.04</u>	<u>2,274,503.04</u>
Total Liabilities and Fund Balances	<u>\$ 2,470,982.87</u>	

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

SEA ISLE CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Total Governmental Funds
REVENUES		
Local Sources:		
Local Tax Levy	\$ 2,357,758.00	2,357,758.00
Miscellaneous	45,182.30	45,182.30
Total Local Sources	2,402,940.30	2,402,940.30
State Sources	165,987.00	165,987.00
Total Revenues	<u>2,568,927.30</u>	<u>2,568,927.30</u>
EXPENDITURES		
Current:		
Support Services:		
Tuition	1,267,485.32	1,267,485.32
Student & Instruction Related Serv.	154,753.00	154,753.00
Other Administrative Services	48,032.44	48,032.44
Pupil Transportation	489,389.29	489,389.29
Business and Other Support Serv.	47,129.56	47,129.56
Capital Outlay	3,428.00	3,428.00
Total Expenditures	<u>2,010,217.61</u>	<u>2,010,217.61</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>558,709.69</u>	<u>558,709.69</u>
Net Changes in Fund Balance	558,709.69	558,709.69
Fund Balance - July 1	1,715,793.35	1,715,793.35
Fund Balance - June 30	<u>\$ 2,274,503.04</u>	<u>2,274,503.04</u>

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

SEA ISLE CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$	558,709.69
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

None

Change in Net Position of Governmental Activities	\$	<u>558,709.69</u>
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The accompanying Notes to Financial Statements are an integral part of this statement

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sea Isle City School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A business administrator is hired by the Board and is responsible for the administrative control of the District.

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

A. REPORTING ENTITY

The Sea Isle City School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12.

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.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as whole) and fund financial statements (reporting the District's major funds). Both government-wide and fund financial statements categorize primary activities as governmental. The District's general activities are classified as governmental activities.

In the governmental-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is 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. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Changes in Net Position reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

& instruction related services, etc.). 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) are normally covered by general revenue (property taxes, interest income, etc.).

The governmental-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.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

The emphasis on fund financial statements is on the major funds in the governmental categories. GASB 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 State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund.

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 and is used to account for all financial resources except those required to be accounted for in another fund.

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:

The governmental activities in the governmental-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

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

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

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 within maturities of one year or less when purchased are stated at costs. 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 Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

3. 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.

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.

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

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.

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

4. Revenues:

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

5. Expenditures:

Expenses are recognized when the related fund liability is incurred.

6. Interfund Activity:

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

7. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and under certain circumstances require approval by the County Superintendent of Schools. No material transfers were made to/(from) budgetary line items during the year.

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

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

8. 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.

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.

9. Tuition Payable:

Tuition charges for the fiscal years 2024/25 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

10. Use of Estimates:

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

11. 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 Employee 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. 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

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

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 investment established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2025, \$0 of the government's bank balance of \$2,570,390.01 was exposed to custodial credit risk.

NOTE 3. INVESTMENTS

The District had no investments at June 30, 2025.

NOTE 4. PENSION PLANS

Description of Plans

All required employees

of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's 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: <https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2022Complete.pdf>.

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 155, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.50% of covered payroll. The School District's contributions to TPAF for years ending June 30, 2024, 2023 and 2022 were \$0, \$0 and \$0, respectively, and paid by the State of New Jersey on behalf of

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

the board, equal to the required contributions for each year. The School District's contributions to PERS for the year ending June 30, 2024, 2023 and 2022 were \$0, \$0, and \$0 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 \$0, \$0 and \$0, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$0, \$0 and \$0, 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 with GASB 27.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011, made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) 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 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 PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- 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; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to $\frac{1}{60}$ th from $\frac{1}{55}$ th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th 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 with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

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

NOTE 5. 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 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

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

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:

Salary Increases

<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
2.75% to 5.65%	2.75% to 6.55%	3.25% to 16.25%
based on service years	based on service years	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.

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

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.

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

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
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 (\$241,016) determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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:

<u>Year Ended June 30,</u>	
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.)

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

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

NOTE 6. FUND BALANCE APPROPRIATED

General Fund – Of the \$2,274,503.04 General Fund fund balance, at June 30, 2025, \$73,937.03 is reserved for encumbrances; \$2,619.01 is restricted as designated for subsequent years expenditures and \$1,302,075.41 is restricted as excess surplus in accordance with N.J.S.A. 18A:7-F (\$361,483.35 of the reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2025), \$2,986.32 is reserved as Capital Reserve for projects included in the Long Range Facilities Plan, \$171,165.00 is set aside as Emergency Reserve for unanticipated general fund expenditures, \$650,000.00 has been restricted by the Board of Education in a legal reserve for tax stabilization, \$92,251.63 is reserved for Unemployment Compensation and \$247,538.00 is unassigned.

NOTE 7. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is \$1,302,075.41 of which \$361,483.35 has been appropriated and included as anticipated revenue for the year ending June 30, 2025.

NOTE 8. 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 and liability. As a non-operating district, the only assets for coverage purposes are those in the office of the Board Secretary.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its

former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024-2025	\$ 46.38	-	-	92,251.63
2023-2024	49.75	-	-	92,205.25
2022-2023	42.28	-	-	92,155.50

NOTE 9. 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.

SEA ISLE CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

NOTE 10. SUBSEQUENT EVENTS

The District has evaluated events through December 5, 2025, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

Required Supplemental Information

PART II

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BUDGETARY COMPARISON SCHEDULES

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SEA ISLE CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,357,758.00	-	2,357,758.00	2,357,758.00	-
Unrestricted Miscellaneous Revenues	2,165.00	-	2,165.00	45,182.30	43,017.30
Total Local Sources	2,359,923.00	-	2,359,923.00	2,402,940.30	43,017.30
State Sources:					
Categorical Special Education Aid	33,181.00	-	33,181.00	33,181.00	-
Categorical Security Aid	16,305.00	-	16,305.00	16,305.00	-
Categorical Transportation Aid	96,010.00	-	96,010.00	96,010.00	-
Nonpublic Transportation	-	-	-	3,269.00	3,269.00
Supplemental Stabilization Aid	-	-	-	14,520.00	14,520.00
Total State Sources	145,496.00	-	145,496.00	163,285.00	17,789.00
Total Revenues	2,505,419.00	-	2,505,419.00	2,566,225.30	60,806.30
EXPENDITURES:					
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	1,053,300.00	-	1,053,300.00	1,053,300.00	-
Tuition to Other LEAs Within the State-Special	105,251.00	-	105,251.00	105,251.00	-
Tuition to Co. Voc. School District-Regular	7,575.00	-	7,575.00	7,575.00	-
Tuition to Co. Voc. School District-Special	9,480.00	-	9,480.00	9,480.00	-
Tuition to CSSD & Regional Day Schools	462,782.00	(109,453.00)	353,329.00	91,879.32	261,449.68
Total Undistributed Expenditures - Instruction	1,638,388.00	(109,453.00)	1,528,935.00	1,267,485.32	261,449.68

SEA ISLE CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Other Support Serv. Students - Extra. Serv.					
Purchased Professional - Educational Services	-	109,453.00	109,453.00	109,453.00	-
Total Undist. Expend. - Other Support Serv. Students - Extra. Serv.	-	109,453.00	109,453.00	109,453.00	-
Undist. Expend. - Improvement of Inst. Services					
Purchased Professional - Educational Services	53,200.00	-	53,200.00	45,300.00	7,900.00
Total Undist. Expend. - Improvement of Inst. Serv.	53,200.00	-	53,200.00	45,300.00	7,900.00
Undist. Expend. - Supp. Serv. - General Admin.					
Legal Services	11,000.00	3,192.30	14,192.30	14,192.30	-
Audit Fees	12,000.00	2,000.00	14,000.00	14,000.00	-
Other Purchased Professional Services	35,000.00	(11,192.30)	23,807.70	-	23,807.70
Communications/Telephone	8,000.00	-	8,000.00	2,760.69	5,239.31
BOE Other Purchased Services	5,000.00	-	5,000.00	4,706.40	293.60
Other Purchased Services (400-500 series)	11,000.00	-	11,000.00	10,270.50	729.50
BOE Membership Dues and Fees	5,000.00	-	5,000.00	2,102.55	2,897.45
Total Undistributed Expenditures - Support Services - General Administration	87,000.00	(6,000.00)	81,000.00	48,032.44	32,967.56
Undistributed Expenditures - Central Services					
Purchased Professional Services	40,000.00	7,000.00	47,000.00	47,000.00	-
Supplies and Materials	1,000.00	(1,000.00)	-	-	-
Miscellaneous Expenditures	1,000.00	-	1,000.00	129.56	870.44
Total Undistributed Expenditures - Central Services	42,000.00	6,000.00	48,000.00	47,129.56	870.44

SEA ISLE CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Student Transportation Serv.	871,345.00	-	871,345.00	489,389.29	381,955.71
Contr. Serv.Trans. (Bet. Home & School) - Vendors	871,345.00	-	871,345.00	489,389.29	381,955.71
Transportation Services					
TOTAL UNDISTRIBUTED EXPENDITURES	2,691,933.00	-	2,691,933.00	2,006,789.61	685,143.39
TOTAL GENERAL CURRENT EXPENSE	2,691,933.00	-	2,691,933.00	2,006,789.61	685,143.39
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services	3,428.00	-	3,428.00	3,428.00	-
Assessment for Debt Service on SDA Funding	3,428.00	-	3,428.00	3,428.00	-
Total Facilities Acquisition and Construction Serv.					
TOTAL CAPITAL OUTLAY	3,428.00	-	3,428.00	3,428.00	-
TOTAL EXPENDITURES	2,695,361.00	-	2,695,361.00	2,010,217.61	685,143.39
					-

SEA ISLE CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (189,942.00)	-	(189,942.00)	556,007.69	745,949.69
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(189,942.00)	-	(189,942.00)	556,007.69	745,949.69
Fund Balance July 1	1,724,226.35	-	1,724,226.35	1,724,226.35	-
Fund Balance June 30	\$ 1,534,284.35	-	1,534,284.35	2,280,234.04	745,949.69
Recapitulation:					
Restricted Fund Balance:					
Tax Stabilization				650,000.00	
Excess Surplus Designated for Subsequent Years Expenditures				361,483.35	
Reserve for Excess Surplus				670,592.06	
Unemployment Compensation				92,251.63	
Committed Fund Balance:					
Capital Reserve				2,986.32	
Emergency Reserve				171,165.00	
Assigned Fund Balance:					
Encumbrances				73,937.03	
Designated for Subsequent Year's Expenditures				4,549.65	
Unassigned Fund Balance				253,269.00	
Fund Balance per Governmental Funds (GAAP)				2,280,234.04	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				(5,731.00)	
				\$ 2,274,503.04	

SEA ISLE CITY SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2025

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

	<u>General Fund</u>
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 2,566,225.30
Difference - budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized	
Final two State Aid payments were delayed until July 2024 is recorded as GAAP revenue but is not recognized as budgetary revenue.	8,433.00
Final two State Aid payments were delayed until July 2025 is recorded as budgetary revenue but is not recognized under GAAP.	(5,731.00)
	[B-2] <u>2,568,927.30</u>
Uses / outflows of resources	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 2,010,217.61
No differences - Budget to GAAP	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental fund	[B-2] <u>\$ 2,010,217.61</u>

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Required Supplemental Information

PART III

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SEA ISLE CITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees 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)	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%	0.0000000000%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ -	-	-	-	-	-	-	-	-	-
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	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

SEA ISLE CITY SCHOOL DISTRICT
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	\$ -	-	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ -	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

SEA ISLE CITY SCHOOL DISTRICT
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)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-	-	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	-	-	-	-	-	-	-	-	-	3,694,244.00
Total	-	-	-	-	-	-	-	-	-	3,694,244.00
District's covered payroll	\$ -	-	-	-	-	-	-	-	-	-
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 Public Employees' Retirement System; District records

SEA ISLE CITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last 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	3,272,280.00	2,924,941.00	2,884,643.00	3,434,550.00	4,221,725.00	2,909,321.00	3,482,936.00	4,697,446.00	5,268,763.00
Total	\$ 3,272,280.00	2,924,941.00	2,884,643.00	3,434,550.00	4,221,725.00	2,909,321.00	3,482,936.00	4,697,446.00	5,268,763.00
District's covered payroll	-	-	-	-	-	-	-	-	-
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	-	-	-		9,854.00		-	-	
Interest Cost	107,716.00	103,013.00	76,446.00	89,096.00	100,935.00	133,129.00	166,573.00	148,677.00	
Change in Benefit Terms	-	-	-	(3,656.00)					
Expected v. Actual	74,260.00	9,050.00	220,771.00	(808,098.00)	501,720.00	(663,462.00)	(891,486.00)	-	
Changes in Assumptopns	244,810.00	5,895.00	(773,831.00)	3,388.00	771,164.00	43,378.00	(399,684.00)	(615,197.00)	
Member Contributions	2,817.00	2,640.00	2,429.00	2,278.00	2,228.00	2,647.00	3,219.00	4,006.00	
Benefit Payments	(82,264.00)	(80,300.00)	(75,722.00)	(70,183.00)	(73,497.00)	(89,307.00)	(93,132.00)	(108,803.00)	
Change in Total Opeb Liability	347,339.00	40,298.00	(549,907.00)	(787,175.00)	1,312,404.00	(573,615.00)	(1,214,510.00)	(571,317.00)	
State's proportionate share of the net OPEB liability (asset) associated with the District -									
Beginning Balance	2,924,941.00	2,884,643.00	3,434,550.00	4,221,725.00	2,909,321.00	3,482,936.00	4,697,446.00	5,268,763.00	
Ending Balance	\$ 3,272,280.00	\$ 2,924,941.00	\$ 2,884,643.00	\$ 3,434,550.00	\$ 4,221,725.00	\$ 2,909,321.00	3,482,936.00	4,697,446.00	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

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.

Statistical Section

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SEA ISLE CITY SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Restricted	\$ 1,291,891.32	867,680.32	1,112,674.32	1,177,741.32	1,254,505.32	1,169,110.32	1,439,467.32	960,015.32	1,014,093.32	1,190,184.32
Unrestricted	228,704.43	489,135.25	579,999.95	663,130.95	671,065.59	983,176.43	472,018.42	521,398.49	701,700.03	1,084,318.72
Total governmental activities net position	<u>1,520,595.75</u>	<u>1,356,815.57</u>	<u>1,692,674.27</u>	<u>1,840,872.27</u>	<u>1,925,570.91</u>	<u>2,152,286.75</u>	<u>1,911,485.74</u>	<u>1,481,413.81</u>	<u>1,715,793.35</u>	<u>2,274,503.04</u>
District-wide										
Restricted	# 1,291,891.32	867,680.32	1,112,674.32	1,177,741.32	1,254,505.32	1,169,110.32	1,439,467.32	960,015.32	1,014,093.32	1,190,184.32
Unrestricted	228,704.43	489,135.25	579,999.95	663,130.95	671,065.59	983,176.43	472,018.42	521,398.49	701,700.03	1,084,318.72
Total district net position	<u>\$ 1,520,595.75</u>	<u>1,356,815.57</u>	<u>1,692,674.27</u>	<u>1,840,872.27</u>	<u>1,925,570.91</u>	<u>2,152,286.75</u>	<u>1,911,485.74</u>	<u>1,481,413.81</u>	<u>1,715,793.35</u>	<u>2,274,503.04</u>

Source: ACFR Schedule A-1

		Fiscal Year Ending June 30,									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses	\$	45,347.79	13,664.70				852.65				
Governmental activities:											
Instruction:											
Regular											
Support Services:											
Tuition		1,585,234.49	1,670,381.57	1,216,358.16	1,374,473.91	1,514,635.57	1,512,935.07	1,663,828.15	1,823,384.39	1,679,762.57	1,267,485.32
Student & instruction related services		138,732.92	114,200.00	153,159.39	143,706.99	(6,180.70)	75.45	(43,642.46)	(79,081.90)	41,000.00	(28,175.14)
Other administrative services		18,566.47	13,584.28	26,242.69	54,168.30	(42,449.50)	(2,652.08)	(56,157.62)	(59,974.04)	45,850.56	(9,055.42)
Business and Other Support		23,615.80	22,347.32	57,262.12	43,638.70	(13,778.50)	(5,288.89)	37,641.09	38,107.52	49,508.21	47,129.66
Pupil transportation		415,420.78	426,852.99	412,713.39	403,300.20	359,313.83	402,725.14	416,430.91	448,463.55	501,388.46	489,389.29
Transfer to Charter School		-	-	-	-	-	-	416,430.91	22,908.00	13,872.00	-
Capital Outlay		3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00
Total governmental activities expenses		2,230,336.25	2,264,458.86	1,869,163.75	2,022,716.10	1,812,968.70	1,912,075.34	2,041,528.07	2,197,245.52	2,334,789.80	1,769,201.61
Total district expenses		2,230,336.25	2,264,458.86	1,869,163.75	2,022,716.10	1,812,968.70	1,912,075.34	2,041,528.07	2,197,245.52	2,334,789.80	1,769,201.61

SEA ISLE CITY SCHOOL DISTRICT
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues										
Governmental activities:										
Operating grants and contributions	-	-	64,879.00		(183,078.00)	(70,080.00)	(198,131.00)	(284,815.00)	-	-
Total governmental activities program revenues	-	-	64,879.00	-	(183,078.00)	(70,080.00)	(198,131.00)	(284,815.00)	-	-
Total district program revenue	-	-	64,879.00	-	(183,078.00)	(70,080.00)	(198,131.00)	(284,815.00)	-	-
Net (Expense)/Revenue										
Governmental activities	(2,230,336.25)	(2,264,458.86)	(1,804,284.75)	(2,022,716.10)	(1,996,046.70)	(1,982,155.34)	(2,239,659.07)	(2,482,060.52)	(2,334,789.80)	(1,769,201.61)
Total district-wide net expense	(2,230,336.25)	(2,264,458.86)	(1,804,284.75)	(2,022,716.10)	(1,996,046.70)	(1,982,155.34)	(2,239,659.07)	(2,482,060.52)	(2,334,789.80)	(1,769,201.61)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	1,827,302.00	1,827,302.00	1,827,302.00	1,827,302.04	1,827,302.00	1,827,302.00	1,827,302.00	1,827,302.00	2,357,758.00	2,357,758.00
Unrestricted grants and contributions	260,223.00	260,782.00	301,199.00	251,051.00	238,833.00	219,757.00	201,240.00	202,870.00	184,578.00	165,987.00
Miscellaneous income	12,078.64	12,594.68	11,642.45	8,679.06	14,610.34	69,791.03	2,316.06	21,816.59	26,833.34	45,182.30
Total governmental activities	2,099,603.64	2,100,676.68	2,140,143.45	2,087,032.10	2,080,745.34	2,116,850.03	1,998,858.06	2,051,988.59	2,569,169.34	2,568,927.30
Total district-wide	2,099,603.64	2,100,676.68	2,140,143.45	2,087,032.10	2,080,745.34	2,116,850.03	1,998,858.06	2,051,988.59	2,569,169.34	2,568,927.30
Changes in Net Assets										
Governmental activities	(130,732.61)	(163,780.18)	335,858.70	64,316.00	84,698.64	134,694.69	(240,801.01)	(430,071.93)	234,379.54	799,725.69
Total district	(130,732.61)	(163,780.18)	335,858.70	64,316.00	84,698.64	134,694.69	(240,801.01)	(430,071.93)	234,379.54	799,725.69

Source: ACFR Schedule A-2

SEA ISLE CITY SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 1,156,423.43	977,106.25	1,260,084.20	1,402,030.90	1,416,032.44	1,695,090.81	1,487,202.57	1,062,152.69	1,291,011.59	1,774,327.04
Committed	174,051.32	174,051.32	174,151.32	174,151.32	174,151.32	174,151.32	174,151.32	174,151.32	174,151.32	174,151.32
Assigned			15,045.75	26,983.05	81,481.15	7,996.62	2,900.85	3,189.80	4,513.44	78,486.68
Unassigned	241,354.00	241,316.00	263,476.00	242,215.00	242,839.00	243,048.00	247,231.00	241,920.00	246,117.00	247,538.00
Total general fund	\$ 1,571,828.75	1,392,473.57	1,712,757.27	1,845,380.27	1,914,503.91	2,120,286.75	1,911,485.74	1,481,413.81	1,715,793.35	2,274,503.04

Source: ACFR Schedule B-1

SEA ISLE CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Nine Fiscal Years

Exhibit J-4

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	1,827,302.00	1,827,302.00	1,827,302.00	1,827,302.04	1,827,302.00	1,827,302.00	1,827,302.00	1,827,302.00	2,357,758.00	2,357,758.00
Miscellaneous	12,078.64	44,594.68	43,642.45	40,679.06	46,610.34	69,791.03	2,316.06	21,816.59	26,833.34	45,182.30
State sources	260,223.00	260,782.00	301,199.00	251,051.00	238,833.00	219,757.00	201,240.00	202,870.00	184,578.00	165,987.00
Federal sources						5,481.00	-	-	-	-
Total revenue	2,099,603.64	2,132,878.68	2,172,143.45	2,119,032.10	2,112,745.34	2,122,331.03	2,030,858.06	2,051,988.59	2,569,169.34	2,568,927.30
Expenditures										
Instruction:										
Regular instruction	45,347.79	13,664.70				5,481.00				
Support Services:										
Tuition	1,585,234.49	1,670,381.57	1,216,358.16	1,374,473.91	1,514,635.57	1,512,935.07	1,683,828.15	1,823,394.39	1,679,762.57	1,267,485.32
Student & instruction related services	138,732.92	114,200.00	118,200.00	102,009.00	80,790.00	485.00	43,000.00	82,894.00	41,000.00	154,753.00
Other administrative services	39,490.23	31,570.46	31,791.17	57,153.98	64,513.98	27,891.94	55,330.92	62,865.06	45,850.56	48,032.44
Business and Other Support Service	50,257.04	51,936.14	69,369.03	46,044.01	20,940.32	55,623.19	37,641.09	38,107.52	49,508.21	47,129.56
Pupil transportation	415,420.78	426,852.99	412,713.39	403,300.20	359,313.83	402,725.14	416,430.91	448,463.55	501,368.46	489,389.29
Special schools	-							22,908.00	13,872.00	-
Capital outlay	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00	3,428.00
Total Expenditures	2,277,911.25	2,312,033.86	1,851,859.75	1,986,409.10	2,043,621.70	2,008,569.34	2,239,659.07	2,482,060.52	2,334,789.80	2,010,217.61
Excess (Deficiency) of revenues over (under) expenditures	(178,307.61)	(179,355.18)	320,283.70	132,623.00	69,123.64	113,761.69	(208,801.01)	(430,071.93)	234,379.54	558,709.69
Net change in fund balances	(178,307.61)	(179,355.18)	320,283.70	132,623.00	69,123.64	113,761.69	(208,801.01)	(430,071.93)	234,379.54	558,709.69
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: ACFR Schedule B-2

SEA ISLE CITY SCHOOL DISTRICT
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
Unaudited

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Proceeds from</u> <u>Loan Receivable</u>	<u>Miscellaneous</u>	<u>Totals</u>
2016	-	-	12,078.64	12,078.64
2017	-	32,000.00	12,594.68	44,594.68
2018	-	32,000.00	11,642.45	43,642.45
2019	2,493.10	32,000.00	6,185.96	40,679.06
2020	2,446.49	32,000.00	12,163.85	46,610.34
2021	2,361.03	32,000.00	35,430.00	69,791.03
2022	2,243.14	-	72.92	2,316.06
2023	3,214.86	-	18,601.73	21,816.59
2024	7,379.78	-	19,453.56	26,833.34
2025	7,538.30	-	37,644.00	45,182.30

Source: District Records

SEA ISLE CITY SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities ^a	Net Valuation Taxable	Total District School Tax Rate ^b	Estimated County Equalized Value
2016	82,146,000	4,306,266,600			127,014,700			4,515,427,300		1,003,275	4,516,430,575	0.041	4,466,935,268
2017	73,901,700	4,348,153,900			140,219,000			4,562,274,600		-	4,562,274,600	0.041	4,686,347,548
2018	76,628,200	4,391,270,700			141,427,000			4,609,325,900		-	4,609,325,900	0.040	4,887,092,105
2019	84,891,400	4,417,779,200			150,723,400			4,653,394,000		-	4,653,394,000	0.040	5,096,835,691
2020	91,129,100	4,454,838,600			150,968,000			4,696,935,700		-	4,696,935,700	0.039	5,405,711,837
2021	78,219,900	4,549,352,500			151,299,400			4,778,871,800		-	4,778,871,800	0.039	5,827,289,666
2022	71,309,300	4,641,200,400			145,270,200			4,857,779,900		-	4,857,779,900	0.038	6,596,079,743
2023	67,265,900	4,716,209,400			140,295,200			4,923,770,500		-	4,923,770,500	0.048	8,187,647,230
2024	47,669,400	4,857,736,800			137,010,400			5,042,416,600		-	5,042,416,600	0.047	9,282,726,331
2025	56,407,300	4,840,085,400			135,809,800			5,032,302,500		-	5,032,302,500	0.047	10,060,476,308

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

SEA ISLE CITY SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	SEA ISLE CITY SCHOOL DISTRICT				Overlapping Rates		Total Direct and Overlapping Tax Rate
	General		Total Direct	Cape May County	Municipal Local Purpose		
	Basic Rate a	Obligation Debt Service b					
2016	0.041		0.041	0.255	0.376	0.672	
2017	0.041		0.041	0.270	0.384	0.695	
2018	0.040		0.040	0.285	0.385	0.710	
2019	0.040		0.040	0.298	0.380	0.718	
2020	0.039		0.039	0.315	0.380	0.734	
2021	0.039		0.039	0.342	0.383	0.764	
2022	0.038		0.038	0.380	0.383	0.801	
2023	0.048		0.048	0.421	0.383	0.852	
2024	0.047		0.047	0.420	0.427	0.894	
2025	0.047		0.047	0.413	0.445	0.905	

Source: District Records and Municipal Tax Collector

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

SEA ISLE CITY SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago

Exhibit J-8

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Taxpayer #1	\$ 7,976,500	1	0.16%			
8600 Landis, LLC	7,642,200	2	0.15%			
147 87th LLC	6,933,900	3	0.14%			
CLD SIC LLC	5,419,400	4	0.11%			
42nd Place	4,994,900	5	0.10%			
Taxpayer #2	4,844,400	6	0.10%			
Yacht Club of SIC	4,231,100	7	0.08%			
8515 Landis Ave LLC	3,956,900	8	0.08%	\$ 4,521,300	2	0.10%
Taxpayer #3	3,721,100	9	0.07%			
Taxpayer #4	3,526,400	10	0.07%			
Freda Sea Isle Inn				5,356,800	1	0.12%
To-Glo Corp.				4,217,800	3	0.09%
First Savings & Loan Assn.				4,182,700	4	0.09%
JF Builders				3,694,700	5	0.08%
Taxpayer #5				3,636,100	6	0.08%
Taxpayer #6				3,520,500	7	0.08%
Taxpayer #7				3,421,600	8	0.08%
Taxpayer #8				3,409,200	9	0.08%
Taxpayer #9				3,271,400	10	0.07%
Totals	<u>\$ 53,246,800</u>		<u>1.06%</u>	<u>\$ 39,232,100</u>		<u>0.87%</u>
	District Assessed Value		\$ 5,032,302,500			\$ 4,516,430,575

Source: District ACFR & Municipal Tax Assessor

SEA ISLE CITY SCHOOL DISTRICT

Property Tax Levies and Collections,

Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	1,827,302.00	1,827,302.00	100%	-
2017	1,827,302.00	1,827,302.00	100%	-
2018	1,827,302.00	1,827,302.00	100%	-
2019	1,827,302.00	1,827,302.00	100%	-
2020	1,827,302.00	1,827,302.00	100%	-
2021	1,827,302.00	1,827,302.00	100%	-
2022	1,827,302.00	1,827,302.00	100%	-
2023	1,827,302.00	1,827,302.00	100%	-
2024	2,357,758.00	2,357,857.96	100%	-
2025	2,357,758.00	2,357,758.00	100%	-

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

Note:

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

SEA ISLE CITY SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2016			-			-		52,828
2017			-			-		55,496
2018			-			-		58,051
2019			-			-		62,184
2020			-			-		67,991
2021			-			-		73,283
2022			-			-		73,240
2023			-			-		78,963
2024			-			-		78,963
2025			-			-		78,963

Source: District ACFR Schedules I-1, I-2

SEA ISLE CITY SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	-	-	-	0.00%	52,828
2017	-	-	-	0.00%	55,496
2018	-	-	-	0.00%	58,051
2019	-	-	-	0.00%	62,184
2020	-	-	-	0.00%	67,991
2021	-	-	-	0.00%	73,283
2022	-	-	-	0.00%	73,240
2023	-	-	-	0.00%	78,963
2024	-	-	-	0.00%	78,963
2025	-	-	-	0.00%	78,963

SEA ISLE CITY SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Bonded Debt,
As of June 30, 2025

Exhibit J-12

<u>Governmental Unit</u>	<u>Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Sea Isle City	\$ 77,035,145.00	100.00%	77,035,145.00
Other Debt			
County of Cape May (as of December 31, 2024)	339,398,327.56	9.36%	31,783,570.11
Subtotal, Overlapping Debt			108,818,715.11
Sea Isle City School District Direct Debt			-
Total Direct and Overlapping Debt			<u>\$ 108,818,715.11</u>

Sources: City of Sea Isle City Finance Officer, Cape May County Finance Office

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

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

SEA ISLE CITY SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

	Equalized valuation basis									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	130,799,059.04	133,938,695.00	139,062,606.53	145,157,272.06	152,326,608.68	161,230,470.71	175,632,430.01	202,855,901.00	237,229,573.30	272,021,314.49
Total net debt applicable to limit										
Legal debt margin	130,799,059.04	133,938,695.00	139,062,606.53	145,157,272.06	152,326,608.68	161,230,470.71	175,632,430.01	202,855,901.00	237,229,573.30	272,021,314.49
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Average equalized valuation of taxable property	9,067,377,150
Debt limit (3% of average)	272,021,314 ^a
Net bonded school debt	-
Legal debt margin	\$ 272,021,314

Equalized valuation basis	
2024	\$ 9,965,156,475
2023	9,162,207,853
2022	8,074,767,121
	<u>27,202,131,449</u>

Source: Abstract of Rates and District Records ACFR Schedule J-7

^a The district is non-operating and does not have an applicable debt allowance

SEA ISLE CITY SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years

Exhibit J-14

Fiscal Year Ended June 30,	Population a	Personal Income (thousands of dollars) b	Per Capita Personal Income c	Unemployment Rate d
2016	2,071	116,133,630	52,828	8.6%
2017	2,060	111,937,038	55,496	7.4%
2018	2,044	115,237,710	58,051	6.9%
2019	2,032	118,386,992	62,184	5.5%
2020	2,019	123,519,433	67,991	11.6%
2021	2,107	126,659,946	73,283	8.9%
2022	2,130	142,930,452	73,240	5.1%
2023	2,122	153,381,300	78,963	5.7%
2024	2,122	151,913,980	78,963	5.9%
2025	2,122	167,559,486	78,963	5.9%

Source:

- a** Population information provided by the NJ Dept of Labor and Workforce Development
- b** Personal income is calculated by multiplying per capita income by the population
- c** Per Capita Income based on Census Bureau midyear population estimates. Estimates for 2014-2023 reflect county population estimates available as of March 2024.
- d** Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

Source:
Information was not available from any source

SEA ISLE CITY SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Exhibit J-16

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular instruction	-	-	-	-	-	-	-	-	-	-
Special education instruction	-	-	-	-	-	-	-	-	-	-
Other special education instruction										
Vocational education										
Other instruction										
Support Services:										
Tuition										
Student & instruction related services										
General administrative services										
School administrative services	-	-	-	-	-	-	-	-	-	-
Business administrative services	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	-	-	-	-	-	-	-	-	-	-
Child Care										
Food Service										
Total	-	-	-	-	-	-	-	-	-	-

Source: District Records, ASSA, Certified Staff Report

SEA ISLE CITY SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	ASSA Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School				
2016	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-

Source: District records, ASSA and Certificated Staff Report

SEA ISLE CITY SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Buildings										
Elementary										
Sea Isle City Public School	-	-	-	-	-	-	-	-	-	-
Square Feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2025
Elementary - 0

Source: District Records, ASSA

SEA ISLE CITY SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities,
Last Ten Fiscal Years
(Unaudited)

Exhibit J-19

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sea Isle City School	N/A	-	-	-	-	-	-	-	-	-	-
Total School Facilities		-	-	-	-	-	-	-	-	-	-
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		-	-	-	-	-	-	-	-	-	-

Source: District Records

SEA ISLE CITY SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Exhibit J-20

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
NJSBAIG/CAIP	General Liability	6,000,000	N/A
	Automobile Liability	6,000,000	N/A
	Errors and Omissions Limit of Liability		
	Coverage A Limits	6,000,000	10,000
	Coverage B Limits	100,000/300,000	10,000
Federal	Supplemental Indemnity Maximum of \$2,000 per week	Full Salary of Ee less WC payment	
RLI	Crime & Bonds		
	Faithful Performance	250,000	1,000
	Money & Securities	5,000	500
	Money Orders/Counterfeit	50,000	1,000
	Computer Fraud	25,000	1,000
	Board Administrator	2,000	500

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**

The Honorable President and
Members of the Board of Education
City of Sea Isle School District
County of Cape May, 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 City of Sea Isle School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Sea Isle School District's basic financial statements, and have issued our report thereon dated December 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Sea Isle School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Sea Isle School District'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 City of Sea Isle School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

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

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 5, 2025

SEA ISLE CITY SCHOOL DISTRICT1
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years Balances	Balance at June 30, 2025			MEMO
				Deferred Revenue (Accounts Receivable)	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	
State Department of Education														
General Fund:														
Transportation Aid	25-495-034-5120-014	7/1/2024	96,010.00					96,010.00	(96,010.00)					96,010.00
State Aid Public Cluster:														
Special Education Aid	25-495-034-5120-089	7/1/2024	33,181.00					33,181.00	(33,181.00)					33,181.00
Security Aid	25-495-034-5120-084	7/1/2024	16,305.00					16,305.00	(16,305.00)					16,305.00
Total State Aid Public Cluster				-	-		-	49,486.00	(49,486.00)	-				49,486.00
Non-Public Transportation Aid	25-495-034-5120-014	7/1/2024	3,269.00						(3,269.00)		(3,269.00)			3,269.00
Non-Public Transportation Aid	24-495-034-5120-014	7/1/2023	4,550.00	(4,550.00)				4,550.00			-			4,550.00
Total General Fund				(4,550.00)	-		-	150,046.00	(148,765.00)	-	(3,269.00)	-	-	153,315.00
				\$ (4,550.00)	-		-	150,046.00	(148,765.00)	-	(3,269.00)	-	-	153,315.00
Total State Financial Assistance														

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

**SEA ISLE CITY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise funds, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(B) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,702.00 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ -	165,987.00	165,987.00
	\$ -	165,987.00	165,987.00

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

**SEA ISLE CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant Deficiencies identified? _____ Yes X No

Non-compliance material to basic financial
statements noted?

_____ Yes X No

Federal Awards

N/A

Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes _____ No

2) Significant Deficiencies identified? _____ Yes _____ No

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

Any audit findings disclosed that are required to be reported in
accordance with the Uniform Guidance?

_____ Yes _____ No

Identification of major programs:

CFDA Number(s)

FAIN Number

Name of Federal Program or Cluster

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

Auditee qualified as low-risk auditee? _____ Yes _____ No

**SEA ISLE CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)**

Section I - Summary of Auditor's Results (Continued)

State Awards **N/A**

Dollar threshold used to distinguish between type A and type B programs: \$ N/A

Auditee qualified as low-risk auditee? _____ Yes _____ No

Type of auditor's report issued on compliance for major programs: N/A

Internal Control over major programs:

1) Material weakness(es) identified? _____ Yes _____ No

2) Significant Deficiencies identified? _____ Yes _____ none reported

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

Identification of major programs:

GMIS Number(s)

Name of State Program

**SEA ISLE CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)**

Section II - Financial Statement Findings

NONE

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

STATE AWARDS:

NONE

FEDERAL AWARDS:

NONE

**SEA ISLE CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)**

K-7

STATUS OF PRIOR YEAR FINDINGS

None

STATE

None

FEDERAL:

None