

SEASIDE HEIGHTS SCHOOL DISTRICT

**Seaside Heights, New Jersey
County of Ocean**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
SEASIDE HEIGHTS SCHOOL DISTRICT
SEASIDE HEIGHTS, NEW JERSEY**

YEAR ENDED JUNE 30, 2025

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
TYLER VERGA**

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INTRODUCTORY SECTION

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SEASIDE HEIGHTS SCHOOL DISTRICT



1200 Bay Blvd
Seaside Heights, NJ 08751

Tyler Verga, CPA
Business Administrator/Board Secretary

Phone:(732)269-2321
Fax (732-269-4487)
E-Mail: tverga@btboe.org

Honorable President and Members of the Board of Education

Seaside Heights School District
1200 Bay Boulevard
Seaside Heights, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Seaside Heights School District for the fiscal year that 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 School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Seaside Heights School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14, as amended by GASB Statement No. 39. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular as well as special education for handicapped youngsters. The School District’s enrollments for the past ten years are detailed below:

Fiscal Year	Student Enrollment	Percent Change
2024-25	163	-1.21%
2023-24	165	-4.62%
2022-23	173	-7.49%
2021-22	187	-11.37%
2020-21	211	19.89%
2019-20	176	-13.30%
2018-19	203	-4.25%
2017-18	212	6.53%
2016-17	199	13.02%
2015-16	198	7.81%

2. ECONOMIC CONDITION AND OUTLOOK:

Seaside Heights is a summer community with a very transient school population. Due to winter rentals, Seaside Heights School District’s poverty percentage is high, thus qualifying it as a Title I School. Federal dollars are being used aggressively to try to reduce teacher-student ratio, extend the learning day, and supplement educational experiences. The Borough of Seaside Heights continues to recover from the impacts of Superstorm Sandy, which had reduced its taxable ratable base by approximately 25%.

3. MAJOR INITIATIVES:

The District completed its projects, which were primarily funded by Federal Covid Funds. The District completed its upgrade to HVAC and the Outdoor Fitness projects.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the District. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in the "Notes to the Financial Statement", Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

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 will present a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2025.

8. DEBT ADMINISTRATION:

As of June 30, 2025, the District has no outstanding debt.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute, as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit

public funds in public depositories protected from loss under the provisions of the Governmental Units 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.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

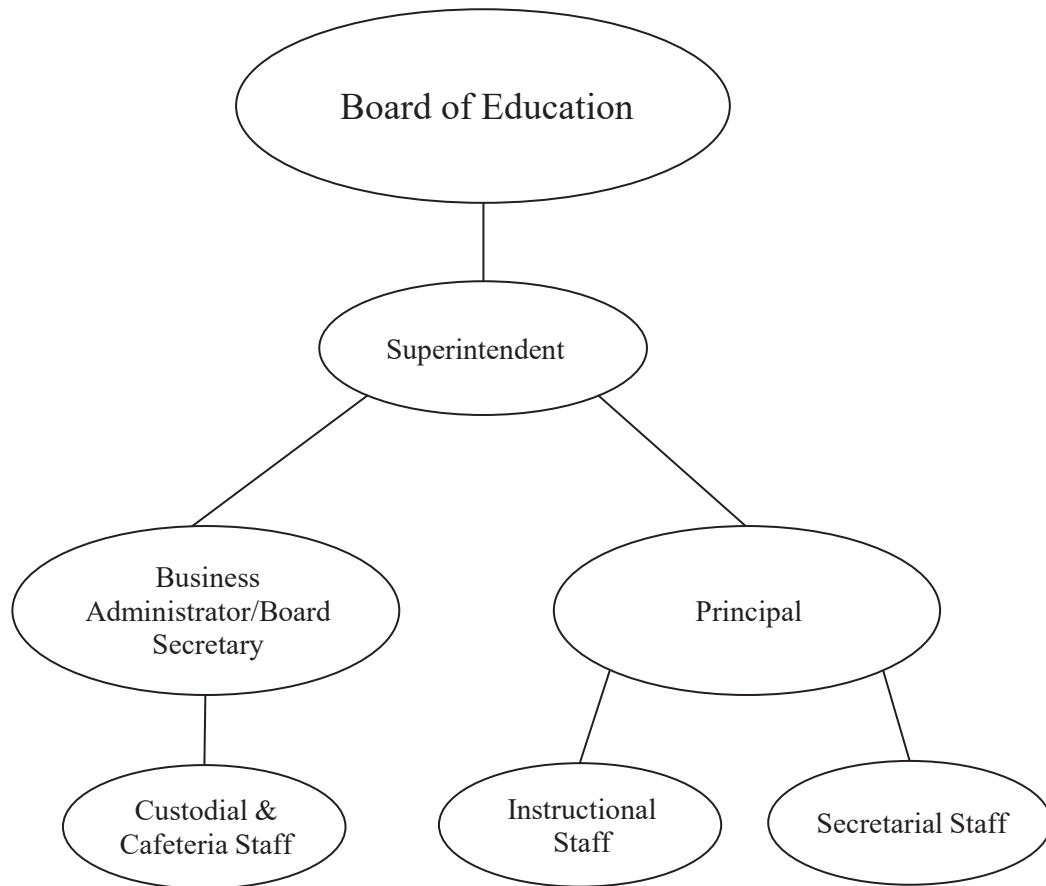
I would like to express my appreciation to the Business Office staff and Superintendent’s staff and to those municipal, county, and state personnel who contributed their time and respective expertise in providing statistical information for the compilation of this report and as can be found within this report. I further express my appreciation to the School District's auditing firm which provided guidance and advice during the preparation of this report.

Prepared by and Respectfully Submitted:



Tyler Verga, CPA
Business Administrator/Board Secretary

**SEASIDE HEIGHTS SCHOOL DISTRICT
SEASIDE HEIGHTS, NEW JERSEY
ORGANIZATIONAL CHART
JUNE 30, 2025**



**SEASIDE HEIGHTS SCHOOL DISTRICT
SEASIDE HEIGHTS, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2025**

Members of the Board of Education

TERM EXPIRES

Dr. Matthew Marko, President

2027

Erik Hershey, Vice President

2026

James Boyd

2025

Matthew Wright

2026

Jessica Richardson

2025

Other Officials

James D. Roselli, Superintendent of Schools

Tyler Verga, CPA, School Business Administrator/Board Secretary

Kathleen Magaraci, Treasurer of School Monies

David M. Cassadonte, Esq., Board Attorney

**SEASIDE HEIGHTS SCHOOL DISTRICT
SEASIDE HEIGHTS, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2025**

AUDITOR/AUDIT FIRM

Jerry W. Conaty, CPA, PSA, CFE, RMA
Holman Frenia Allison, P. C.
1985 Cedar Bridge Avenue, Suite 3
Lakewood, New Jersey 08701

ATTORNEY

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202 Main Street
Toms River, New Jersey 08753

OFFICIAL DEPOSITORY

Ocean First Bank
975 Hooper Ave
Toms River, New Jersey 08753

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FINANCIAL SECTION

Second Section

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Seaside Heights School District
County of Ocean
Seaside Heights, NJ 08751

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Seaside Heights School District (hereafter referred to as the School District), County of Ocean, State of New Jersey, as of and for the fiscal year ended, June 30, 2025, and the related notes to the financial statements, which collectively comprise the School 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 School District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 the Financial Statements section of our report. We are required to be independent of the 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 opinion.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2025, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 School District 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 Responsibility

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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 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 judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'Jerry W. Conaty', with a stylized, overlapping flourish at the end.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 5, 2025

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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SEASIDE HEIGHTS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025 UNAUDITED

This section of the Seaside Heights School District's (the School District) Annual Comprehensive Financial Report (ACFR) presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34, Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2024-2025) and the prior fiscal year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 are as follows:

- In total, net position of governmental activities decreased (\$58,230) which represents a (2.76)% decrease from 2024. Total net position of business-type activities increased \$4,494, which represents a 24.08% increase from 2024.
- General revenues accounted for \$4,799,386 in revenue or 59.76% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,232,367 or 40.24% of total revenues of \$8,031,753.
- Total assets of governmental activities decreased by (\$725,661) as cash and cash equivalents increased by \$142,520, receivables decreased by (\$432,064), restricted cash and cash equivalents increased by \$196, and total capital assets and right to use leased assets decreased by (\$436,313).
- Total liabilities of governmental activities decreased by (\$46,181) as non-current liabilities due beyond one year decreased by (\$6,541).
- The District had \$7,880,946 in governmental activity expenses; only \$3,083,331 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$4,739,385 were adequate to provide for these programs, resulting in a decrease in net position for governmental activities of (\$58,230).
- In the governmental funds, the general fund had \$6,044,617 in revenues and, \$5,849,324 in expenditures. The general fund's fund balance increased by \$92,347 over 2024.

USING THE ACFR

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains RSI and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the School District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the School District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the School District.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The School District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services within the School District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the School District's own programs.

The School District reports no fiduciary funds.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The School District's financial position is the result of several types of 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.

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. The following table provides a summary of net position for June 30, 2025 and 2024, respectively:

Net Position
June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
Assets				
Current and Other				
Assets	\$ 980,928	\$ 923,603	\$ 14,156	\$ 12,073
Capital Assets and				
Right to Use Leased				
Assets, Net	3,388,266	3,615,648	8,998	10,498
Total Assets	<u>4,369,194</u>	<u>4,539,251</u>	<u>23,154</u>	<u>22,571</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	327,597	283,311	-	-
Total Assets and				
Deferred Outflows				
of Resources	<u>4,696,791</u>	<u>4,822,562</u>	<u>23,154</u>	<u>22,571</u>
Liabilities				
Long-Term Liabilities	2,043,320	1,379,505	-	-
Other Liabilities	513,324	556,931	-	3,911
Total Liabilities	<u>2,556,644</u>	<u>1,936,436</u>	<u>-</u>	<u>3,911</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	91,600	112,960	-	-
Total Liabilities				
and Deferred				
Inflows of Resources	<u>2,648,244</u>	<u>2,049,396</u>	<u>-</u>	<u>3,911</u>
Net Position				
Net Investment in				
Capital Assets	3,388,266	3,615,648	8,998	10,498
Restricted	191,343	289,733	-	-
Unrestricted*	(1,531,062)	(1,132,215)	14,156	8,162
Total Net Position	<u>\$ 2,048,547</u>	<u>\$ 2,773,166</u>	<u>\$ 23,154</u>	<u>\$ 18,660</u>

* For the year ended June 30, 2024, Net Position and Long-Term Liabilities are restated for GASB 101 (See Note 20 for further detail)

The largest portion of the District's net position is its net investment in capital assets less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position decreased \$98,390.00 from the prior year.

Unrestricted net position may be used to meet the School District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$1,531,062) is shown as unrestricted net deficit for Governmental Activities.

The following table provides a summary of revenues and expenses for the School District’s governmental and business-type activities and the change in net position for June 30, 2025 and 2024. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the ‘Financial Analysis of the District’s Funds’ section later in this report.

	For the year Ended June 30, 2025		
	Governmental	Business-Type	
	Activities	Activities	Total
Revenues:			
Program Revenues:			
Operating Grants and Contributions	\$ 3,083,331	\$ 149,036	\$ 3,232,367
General Revenues:			
Property Taxes	4,314,000	-	4,314,000
Federal and State Aid	389,160	-	389,160
Miscellaneous	96,225	1	96,226
Total Revenues	<u>7,882,716</u>	<u>149,037</u>	<u>8,031,753</u>
Expenses:			
Instructional Services	3,931,528	-	3,931,528
Support Services	3,941,574	204,543	4,146,117
Interest and Other Charges	7,844	-	7,844
Total Expenses	<u>7,880,946</u>	<u>204,543</u>	<u>8,085,489</u>
Other Financing Sources/(Uses)	(60,000)	60,000	-
Change in Net Position	(58,230)	4,494	(53,736)
Net Position, Beginning (as Restated, Note 20)	2,106,777	18,660	2,125,437
Net Position, Ending	<u>\$ 2,048,547</u>	<u>\$ 23,154</u>	<u>\$ 2,071,701</u>
	For the year Ended June 30, 2024		
	Governmental	Business-Type	
	Activities	Activities	Total
Revenues:			
Program Revenues:			
Operating Grants and Contributions	\$ 3,048,272	\$ 184,487	\$ 3,232,759
General Revenues:			
Property Taxes	4,013,793	-	4,013,793
Federal and State Aid	484,395	-	484,395
Miscellaneous	231,195	1	231,196
Total Revenues	<u>7,777,655</u>	<u>184,488</u>	<u>7,962,143</u>
Expenses:			
Instructional Services	4,273,356	-	4,273,356
Support Services	3,759,373	225,971	3,985,344
Interest and Other Charges	5,971	-	5,971
Total Expenses	<u>8,038,700</u>	<u>225,971</u>	<u>8,264,671</u>
Change in Net Position	(261,045)	(41,483)	(302,528)
Net Position, Beginning	3,034,212	60,143	3,094,355
Net Position, Ending	<u>\$ 2,773,167</u>	<u>\$ 18,660</u>	<u>\$ 2,791,827</u>

Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the School District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2025 and 2024 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

June 30, 2025				
	Amount	Percent Of Total	Increase (Decrease) From 2024	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 1,969,818	27.92%	\$ (445,479)	-18.44%
Undistributed	5,049,979	71.59%	(123,362)	-2.38%
Capital Outlay	32,514	0.46%	(7,531)	-18.81%
Debt Service:				
Interest	1,824	0.03%	-	100.00%
Total	\$ 7,054,135	100.00%	\$ (576,372)	-7.55%

June 30, 2024				
	Amount	Percent Of Total	Increase (Decrease) From 2023	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 2,415,297	31.65%	\$ (62,185)	-2.51%
Undistributed	5,173,341	67.80%	732,488	16.49%
Capital Outlay	40,045	0.52%	(346,224)	-89.63%
Debt Service:				
Interest	1,824	0.03%	-	100.00%
Total	\$ 7,630,507	100.00%	\$ 324,079	4.44%

Instructional costs increased primarily due to pandemic costs and inflation related to worldwide supply chain issues. In addition the District received unprecedented levels of federal Covid funding which was used for various program and capital enhancements.

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2024-2025 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- Teacher's Pension and Annuity Fund (TPAF), which is the State's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the School District and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2024-2025 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2024-2025 unassigned fund balance decreased by (\$104,909) to \$140,702.

Proprietary Funds. The School District's proprietary fund provides the same type of information found in the School District-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed a change in net position of \$4,494 in 2024-2025 as compared to a change in net position of (\$41,483) in 2023-2024. This was as a result of a \$60,000 transfer from the general fund to cover the enterprise fund deficit during the year.

Capital Assets

At June 30, 2025 the School District has capital assets of \$3,397,264, net of depreciation, which includes land, buildings and improvements and equipment.

	June 30, 2025	
	Governmental Activities	Business-Type Activities
Land	\$ 75,364	\$ -
Buildings and Improvements	1,892,391	-
Equipment	1,420,511	8,998
Total	\$ 3,388,266	\$ 8,998

	June 30, 2024	
	Governmental Activities	Business-Type Activities
Land	\$ 75,364	\$ -
Buildings and Improvements	2,018,735	-
Equipment	1,515,529	10,498
Total	\$ 3,609,628	\$ 10,498

Additional information on the School District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2025 and 2024, the School District's did not have outstanding debt. \$760,566 and \$821,303, respectively, are in relation to compensated absences payable and \$32,257 and \$6,021, respectively, of lease obligations.

Additional information on the School District's debt administration and other obligations can be found in Note 7 and Note 8 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- The School District anticipates that the approved 2025-2026 budget will be adequate to satisfy all 2025-2026 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected the State of New Jersey will again delay the final state aid payments to school School Districts for 2025-2026.
- The School Districts enrollment has been fairly consistent over the past 3 school years. The School District anticipates stable enrollment over the next several years

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Seaside Heights Board of Education, 1200 Bay Boulevard, Seaside Heights, New Jersey 08751.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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SEASIDE HEIGHTS SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 658,115	\$ (54,767)	\$ 603,348
Receivables, Net (Note 4)	131,470	12,834	144,304
Restricted Cash & Cash Equivalents	191,343	-	191,343
Capital Assets, Net (Note 5)			
Non-Depreciable	75,364	-	75,364
Depreciable	3,312,902	8,998	3,321,900
Total Assets	<u>4,369,194</u>	<u>(32,935)</u>	<u>4,336,259</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions (Note 9)	<u>327,597</u>	<u>-</u>	<u>327,597</u>
Total Deferred Outflow of Resources	<u>327,597</u>	<u>-</u>	<u>327,597</u>
LIABILITIES			
Accounts Payable	56,400	-	56,400
Payroll Deductions and Withholdings	98,502	-	98,502
Due to Other Governments	116,642	-	116,642
Unearned Revenue	166,976	-	166,976
Unemployment Trust Fund Liability	18,715	-	18,715
Internal Balances	56,089	(56,089)	-
Noncurrent Liabilities (Note 7):			
Due Within One Year	7,918	-	7,918
Due in More Than One Year	2,035,402	-	2,035,402
Total Liabilities	<u>2,556,644</u>	<u>(56,089)</u>	<u>2,500,555</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions (Note 8)	<u>91,600</u>	<u>-</u>	<u>91,600</u>
Total Deferred Inflow of Resources	<u>91,600</u>	<u>-</u>	<u>91,600</u>
NET POSITION			
Net Investment in Capital Assets	3,388,266	8,998	3,397,264
Restricted for:			
Capital Projects (Note 3)	58,498	-	58,498
Emergency Reserve (Note 3)	50,427	-	50,427
Maintenance Reserve (Note 3)	56,991	-	56,991
Unemployment Reserve (Note 3)	25,427	-	25,427
Unrestricted (Deficit) (Note 19)	<u>(1,531,062)</u>	<u>14,156</u>	<u>(1,516,906)</u>
Total Net Position	<u>\$ 2,048,547</u>	<u>\$ 23,154</u>	<u>\$ 2,071,701</u>

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

SEASIDE HEIGHTS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS:	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 2,961,654	\$ -	1,537,440	\$ (1,424,214)	\$ -	(1,424,214)
Special Education Instruction	804,423	-	299,295	(505,128)	-	(505,128)
Other Instruction	165,451	-	61,579	(103,872)	-	(103,872)
Support Services:						
Tuition	356,525	-	37,847	(318,678)	-	(318,678)
Student & Instruction Related Services	2,202,728	-	1,003,222	(1,199,506)	-	(1,199,506)
General Administrative	242,538	-	25,728	(216,810)	-	(216,810)
School Administrative Services	156,178	-	16,585	(139,593)	-	(139,593)
Central Services	126,830	-	13,466	(113,364)	-	(113,364)
Administrative Info. Technology	23,261	-	2,481	(20,780)	-	(20,780)
Plant Operations & Maintenance	452,013	-	45,218	(406,795)	-	(406,795)
Pupil Transportation	381,501	-	40,470	(341,031)	-	(341,031)
Interest & Other Charges	7,844	-	-	(7,844)	-	(7,844)
Total Governmental Activities	7,880,946	-	3,083,331	(4,797,615)	-	(4,797,615)
Business-Type Activities:						
Food Service	204,543	-	149,036	-	(55,507)	(55,507)
Total Business-Type Activities	204,543	-	149,036	-	(55,507)	(55,507)
Total Primary Government	\$ 8,085,489	\$ -	3,232,367	(4,797,615)	(55,507)	(4,853,122)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				4,314,000	-	4,314,000
Federal & State Aid Not Restricted				389,160	-	389,160
Transfers to Other Funds				(60,000)	60,000	-
Miscellaneous				96,225	1	96,226
Total General Revenues				4,739,385	60,001	4,799,386
Change In Net Position				(58,230)	4,494	(53,736)
Net Position - Beginning (as Restated, Note 20)				2,106,777	18,660	2,125,437
Net Position - Ending				\$ 2,048,547	\$ 23,154	\$ 2,071,701

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

B. Fund Financial Statements

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Governmental Funds

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**SEASIDE HEIGHTS SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	
ASSETS			
Cash & Cash Equivalents	\$ 551,877	\$ 106,238	\$ 658,115
Receivables, Net:			
Interfund Receivable	-	468	468
Due from Other Governments:			
Federal	-	60,270	60,270
State	71,200	-	71,200
Restricted Cash & Cash Equivalents	191,343	-	191,343
Total Assets	\$ 814,420	\$ 166,976	\$ 981,396
LIABILITIES & FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 56,400	\$ -	\$ 56,400
Unemployment Trust Fund Liability	18,715	-	18,715
Payroll Deductions and Withholdings	98,502	-	98,502
Unearned Revenue	-	166,976	166,976
Interfund Payable	56,557	-	56,557
Total Liabilities	230,174	166,976	397,150
Fund Balances:			
Restricted for:			
Capital Reserve	58,498	-	58,498
Maintenance Reserve	56,991	-	56,991
Emergency Reserve	50,427	-	50,427
Unemployment Reserve	25,427	-	25,427
Assigned for:			
Subsequent Year Expenditures	245,611	-	245,611
Other Purposes	40,066	-	40,066
Unassigned	107,226	-	107,226
Total Fund Balances	584,246	-	584,246
Total Liabilities & Fund Balances	\$ 814,420	\$ 166,976	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,248,729 and the accumulated depreciation is \$3,860,463.	3,388,266
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows Related to Pensions	327,597
Deferred Inflows Related to Pensions	(91,600)
Accrued pension contributions for the June 30, 2025 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(116,642)
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,043,320)
Net Position of Governmental Activities	\$ 2,048,547

**SEASIDE HEIGHTS SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025**

	<u>MAJOR FUNDS</u>		<u>TOTAL GOVERNMENTAL FUNDS</u>
	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	
Revenues:			
Local Sources:			
Local Tax Levy	\$ 4,314,000	\$ -	\$ 4,314,000
Miscellaneous	94,876	1,350	96,226
Total Local Sources	4,408,876	1,350	4,410,226
State Sources	1,629,818	693,618	2,323,436
Federal Sources	5,923	434,383	440,306
Total Revenues	6,044,617	1,129,351	7,173,968
Expenditures:			
Instruction:			
Regular Instruction	1,048,425	435,405	1,483,830
Special Education Instruction	403,101	-	403,101
Other Instruction	82,887	-	82,887
Support Services:			
Tuition	254,277	-	254,277
Attendance & Social Work Services	86,660	-	86,660
Health Services	68,290	-	68,290
Student & Instruction Related Services	646,698	769,406	1,416,104
General Administrative	173,033	-	173,033
School Administrative Services	111,373	-	111,373
Central Services	90,450	-	90,450
Administrative Information Technology	16,559	-	16,559
Plant Operations & Maintenance	303,616	-	303,616
Pupil Transportation	272,168	-	272,168
Unallocated Benefits	1,087,677	-	1,087,677
On Behalf TPAF Pension and Social Security Contributions	1,169,772	-	1,169,772
Capital Outlay	32,514	-	32,514
Debt Service:			
Interest & Other Charges	1,824	-	1,824
Total Expenditures	5,849,324	1,204,811	7,054,135
Excess/(Deficiency) of Revenues Over Expenditures	195,293	(75,460)	119,833
Other Financing Sources (Uses):			
Transfers In	-	75,460	75,460
Transfers Out	(135,460)	-	(135,460)
Capital Lease (Non-Budgeted)	32,514	-	32,514
Total Other Financing Sources (Uses)	(102,946)	75,460	(27,486)
Net Changes in Fund Balances	92,347	-	92,347
Fund Balance, July 1	491,899	-	491,899
Fund Balance, June 30	\$ 584,246	\$ -	\$ 584,246

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	92,347
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	<u>\$ (221,362)</u>	(221,362)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		42,304
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		6,278
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Capital Lease Proceeds		(32,514)
Governmental funds recognize the right to use leased assets as a revenue when lease is first entered, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of Right to Use Leased Assets		(6,020)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>60,737</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>(58,230)</u>

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Proprietary Funds

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SEASIDE HEIGHTS SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2025

	<u>MAJOR FUNDS</u>
	<u>BUSINESS-TYPE</u>
	<u>ACTIVITIES -</u>
	<u>ENTERPRISE</u>
	<u>FUNDS</u>
	<u>FOOD</u>
	<u>SERVICE</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ (54,767)
Accounts Receivable:	
Federal	12,564
State	270
Interfund Receivable	<u>56,089</u>
Total Current Assets	<u>14,156</u>
Noncurrent Assets:	
Capital Assets	14,997
Less: Accumulated Depreciation	<u>(5,999)</u>
Total Capital Assets, Net	<u>8,998</u>
Total Noncurrent Assets	<u>8,998</u>
Total Assets	<u>23,154</u>
NET POSITION	
Investment in Capital Assets	8,998
Unrestricted	<u>14,156</u>
Total Net Position	<u>\$ 23,154</u>

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	\$ 8,241
Salaries	51,623
Supplies and Materials	143,179
Depreciation	1,500
Total Operating Expenses	204,543
Operating Loss	(204,543)
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	1,460
Breakfast After the Bell	1,496
Summer - EBT Administrative Cost	321
Federal Sources:	
National School Lunch Program	92,818
National School Breakfast Program	42,501
National School PB Program	1,877
Summer - EBT Administrative Cost	322
Food Distribution Program	8,241
Interest Revenue	1
Total Nonoperating Revenues	149,037
Other Financing Sources (Uses):	
Transfers From General Fund to Cover Deficit	60,000
Total Other Financing Sources/(Uses)	60,000
Change in Net Position	4,494
Total Net Position - Beginning	18,660
Total Net Position - Ending	\$ 23,154

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Cash Flows From Operating Activities:	
Payments to Employees	\$ (51,623)
Payments to Suppliers	(146,023)
	(197,646)
Net Cash From Operating Activities	
	(197,646)
Cash Flows From Noncapital Financing Activities:	
State Sources	3,277
Federal Sources	137,518
	140,795
Net Cash From Noncapital Financing Activities	
	140,795
Cash Flows From Investing Activities:	
Interest	1
	1
Net Cash From Investing Activities	
	1
Net Decrease in Cash and Cash Equivalents	
	(56,850)
Cash and Cash Equivalents - Beginning of Year	
	2,083
Cash and Cash Equivalents - End of Year	
	\$ (54,767)
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:	
Operating Loss	\$ (204,543)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	1,500
Food Distribution Program	8,241
Decrease in Accounts Receivable	(2,844)
	6,897
Total Adjustments	
	6,897
Net Cash Used for Operating Activities	
	\$ (197,646)

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

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Fiduciary Fund

Not Applicable

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SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Seaside Heights School District (hereafter referred to as the School District) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the Board). The Board is comprised of five members appointed to three-year terms. The operations of the District include one elementary school located in Seaside Heights. The School District has an approximate enrollment at June 30, 2025 of 163 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization's board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84*. The School District had no component units as of for the year ended June 30, 2025.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

General Fund – The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education (DOE) the School District includes budgeted capital outlay in this fund. GAAP as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund – The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary fund:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports no fiduciary funds.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with *P.L.2011 c.202*, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C. 6A:23-2-2(f)1*. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with *N.J.A.C. 6A:23-2-11*.

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 GAAP with the exception of the legally mandated revenue recognition of the one or more June state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with GASB. New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. 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.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

Description:	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Building and Improvements	10-50 Years	N/A
Equipment	5-20 Years	5-12 Years

Right to Use Leased Assets

The School District has recorded right to use lease assets as a result of implementing GASB Statement No. 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions & Other Post-Employment Benefits

For purposes of measuring the net pension & other post-employment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions & other post-employment benefits, and pension expense, information about the plan's fiduciary net position of the Public Employees' Retirement System (PERS), Teacher's Pension and Annuity Fund (TPAF) and Other Post-Employment Benefits (OPEB) and additions to/deductions from the PERS's, TPAF's * OPEB's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and December 5, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2025:

- Statement No. 101, Compensated Absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Implementation of this Statement resulted in a prior period adjustment and additional footnote disclosures on the School District's financial statements. See Note 14 and Note 20 for further detail.
- Statement No. 102, Certain Risk Disclosures. Management has determined the implementation of this statements did not have a significant impact on the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, Disclosure of Certain Capital Assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Management has not yet determined the potential impact on the District's financial statements.

Note 2. Deposits and Investments

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, *NJSA 17:9-41 et seq.* requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by Federal Deposit Insurance Corporation (FDIC). Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below. As of June 30, 2025, the School District’s bank balance of \$1,183,489 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	889,230
Uninsured and Uncollateralized		155,498
		155,498
Total	\$	1,183,489

Investments

The School District had no investments at June 30, 2025.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2024	\$	58,498
Ending Balance, June 30, 2025	\$	58,498

Emergency Reserve

The School District established an emergency reserve account for the accumulation of funds for use in accordance with *N.J.S.A. 18A: 7F-41c(1)* to finance unanticipated general fund expenditures.

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

Beginning Balance, July 1, 2024	\$	50,427
Ending Balance, June 30, 2025	\$	50,427

Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

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

Beginning Balance, July 1, 2024	\$	56,991
Ending Balance, June 30, 2025	\$	56,991

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 3. Reserve Accounts (Continued)

Unemployment Reserve

Unemployment reserve funds are restricted pursuant to *N.J.S.A. 43:21-7.3(g)*, which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentally for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

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

Beginning Balance, July 1, 2024	\$	25,362
Increased by:		
Interest Earnings		65
Ending Balance, June 30, 2025	\$	25,427

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2025, consisted of the following:

Description:	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ -	\$ 60,270	\$ 60,270
State Awards	71,200	-	71,200
Total	\$ 71,200	\$ 60,270	\$ 131,470

Description:	Proprietary Funds		Total Business-Type Activities
	Food Service Fund		
Federal Awards	\$ 12,564	\$	12,564
State Awards	270		270
Total	\$ 12,834	\$	12,834

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 5. Capital Assets

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

	Governmental Activities			
	Balance July 1, 2024	Additions	Adjustments, Retirements and Transfers	Balance June 30, 2025
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 75,364	\$ -	\$ -	\$ 75,364
Total Capital Assets not being Depreciated	75,364	-	-	75,364
Capital Assets being Depreciated:				
Buildings and Improvements	4,695,437	-	-	4,695,437
Equipment	2,477,928	-	-	2,477,928
Total Capital Assets being Depreciated	7,173,365	-	-	7,173,365
Accumulated Depreciation:				
Buildings and Improvements	(2,676,702)	(126,344)	-	(2,803,046)
Equipment	(962,399)	(95,018)	-	(1,057,417)
Total Accumulated Depreciation	(3,639,101)	(221,362)	-	(3,860,463)
Total Capital Assets being Depreciated, Net	3,534,264	(221,362)	-	3,312,902
Total Governmental Activities Capital Assets, Net	\$ 3,609,628	\$ (221,362)	\$ -	\$ 3,388,266
Business-Type Activities				
	Balance July 1, 2024	Additions	Retirements and Transfers	Balance June 30, 2025
Business-Type Activities:				
Equipment	\$ 14,997	\$ -	\$ -	\$ 14,997
Total Capital Assets being depreciated	14,997	-	-	14,997
Less: Accumulated Depreciation:				
Equipment	(4,499)	(1,500)	-	(5,999)
Total Capital Assets being depreciated, net	(4,499)	(1,500)	-	(5,999)
Total Business-Type Activities Capital Assets, net	\$ 10,498	\$ (1,500)	\$ -	\$ 8,998

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the School District as follows:

Governmental Activities:

Instruction:	
Regular Instruction	\$ 68,976
Special Education Instruction	18,727
Other Instruction	3,852
Support Services:	
Tuition	11,821
Student & Instruction Related Services	73,027
General Administrative	8,035
School Administrative Services	5,180
Central Services	4,206
Administrative Info. Technology	775
Plant Operations & Maintenance	14,123
Pupil Transportation	12,640
	221,362

Total Depreciation Expense – Governmental Activities	\$ 221,362
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Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2025 are as follows:

Fund:	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 56,557
Special Revenue Fund	468	-
Enterprise Fund	56,089	-
	\$ 56,557	\$ 56,557
Total	\$ 56,557	\$ 56,557

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no interfund transfers for the year ended June 30, 2025.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2025 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance			Balance	Balance
	June 30, 2024	Additions	Reductions	June 30, 2025	Due Within One Year
Governmental Activities:					
Lease Obligations	\$ 6,021	\$ 32,514	\$ 6,278	\$ 32,257	\$ 7,918
Compensated Absences (as Restated, Note 20)	821,303	-	60,737	760,566	-
Net Pension Liability	1,218,570	323,915	291,988	1,250,497	-
	\$ 2,045,894	\$ 356,429	\$ 359,003	\$ 2,043,320	\$ 7,918
Total	\$ 2,045,894	\$ 356,429	\$ 359,003	\$ 2,043,320	\$ 7,918

Compensated absences, lease obligations and the net pension liability are liquidated by the general fund.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 7. Long-Term Obligations (Continued)

Lease Obligations

The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The School District executed two agreements on May 9, 2018 and November 17, 2020 to lease office equipment that requires monthly payments of \$440 and \$352, respectively. The School District executed one new lease agreement for copiers on January 31, 2025. There are no variable payment components of the leases. The lease liabilities are measured at an implied discount rate of 2.65%. As a result of the leases, the School District has recorded right to use assets with a net book value of \$10,271 and \$16,484 at June 30, 2022. The right to use assets are discussed in more detail in Note 8.

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2025:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 7,918	\$ 1,820	\$ 9,738
2027	6,237	1,392	7,629
2028	6,652	976	7,628
2029-2033	11,450	627	12,077
	<u>\$ 32,257</u>	<u>\$ 4,815</u>	<u>\$ 37,072</u>

Bonds Authorized but not Issued

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

Note 8. Right to Use Leased Assets

The School District has recorded right to use leased assets. The assets are right to use assets for leased equipment, vehicles and building improvements. The related leases are discussed in the Note 7. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use leased asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right to Use Leased Assets:				
Equipment	\$ 26,755	\$ -	\$ -	\$ 26,755
Total Right to Use Leased Assets	<u>26,755</u>	<u>-</u>	<u>-</u>	<u>26,755</u>
Accumulated Amortization:				
Equipment	(20,734)	(6,021)	-	(26,755)
Total Accumulated Amortization	<u>(20,734)</u>	<u>(6,021)</u>	<u>-</u>	<u>(26,755)</u>
Right to Use Leased Assets, Net	<u>\$ 6,021</u>	<u>\$ (6,021)</u>	<u>\$ -</u>	<u>\$ -</u>

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans (Continued)

Components of Net Pension Liability - At June 30, 2025, the School District's proportionate share of the net pension liability was \$1,250,497. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The School District's proportion measured as of June 30, 2024, was 0.0092029188%, which was an increase of 0.00078992176% from its proportion measured as of June 30, 2023.

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2025, the School District's proportionate share of the PERS expense/(credit), calculated by the plan as of June 30, 2024 is \$82,923. This expense/(credit) is recognized by the School District in the government-wide financial statements.

At June 30, 2025 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 25,050	\$ 3,329
Changes of Assumptions	1,554	14,228
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	57,982
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	184,351	16,061
School District contributions subsequent to measurement date	116,642	-
	\$ 327,597	\$ 91,600

\$116,642 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2024-2025 total salaries for PERS employees multiplied by an employer pension contribution rate of 16.36%. The payable is due on April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans (Continued)

Year Ending		
June 30,		
2026	\$	(19,435)
2027		74,740
2028		10,023
2029		20,014
2030		34,013
	<u>\$</u>	<u>119,355</u>

Special Funding Situation - Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2025. At June 30, 2025, the State's proportionate share of the PERS expense, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$4,032.

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55% Based on Years of Service
Investment Rate of Return	7.00%

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans (Continued)

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 1,675,589	\$ 1,250,497	\$ 908,229

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2025 and 2024:

	6/30/2025	6/30/2024
Collective Deferred Outflows of Resources	\$ 1,079,580,780	\$ 1,080,204,730
Collective Deferred Inflows of Resources	1,611,322,898	1,780,216,457
Collective Net Pension Liability	13,702,423,985	14,606,489,066
School District's portion	0.00920%	0.00841%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by State of New Jersey, Division of Pension and Benefits (the Division). For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

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

The following represents the membership tiers for TPAF:

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

Components of Net Pension Liability - At June 30, 2025, the State's proportionate share of the TPAF net pension liability, attributable to the School District was \$9,103,825. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0184194348%, which was a decrease of 0.0002165329% from its proportion measured as of June 30, 2023.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans (Continued)

For the fiscal year ended June 30, 2024, the State of New Jersey recognized a pension benefit in the amount of (\$33,209) for the State’s proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2024 measurement date.

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 4.25% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
State's Proportionate Share of Net Pension Liability Associated with the School District	\$ 10,821,185	\$ 9,103,825	\$ 7,657,483

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Pension Plans (Continued)

Pension Plan Fiduciary Net Position - 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 additions to/deductions from the TPAF’s fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2025 and 2024:

	<u>06/30/25</u>	<u>06/30/24</u>
Collective Deferred Outflows of Resources	\$ 1,178,433,819	\$ 2,502,380,838
Collective Deferred Inflows of Resources	10,615,423,132	14,830,205,473
Collective Net Pension Liability	49,492,072,325	51,109,961,824
School District's portion	0.01842%	0.01864%

C. Defined Contribution Retirement Plan (DCRP)

Plan Description - DCRP was established July 1, 2007, under the provisions of *N.J.S.A. 43:15C-1 et seq.* The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in PERS or TPAF on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions – The contribution policy is set by *N.J.S.A. 43:15C-3* and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2025, employee contributions totaled \$0, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$0.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 10. Other Post-Retirement Benefits (OPEB)

General Information about the OPEB Plan

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

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability of \$59,650,630,530 as of June 30, 2024 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, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25 to 16.25% based on years of service

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 10. Other Post-Retirement Benefits (OPEB) (continued)

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 the 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 the 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 the Scale MP-2021 for current disabled retirees. Future disabled retirees were based on Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the School District was 0.018252%, which was an increase of 0.00088% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of \$480,660 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

Health Care Trend Assumptions

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 10. Other Post-Retirement Benefits (OPEB) (continued)

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

The following presents the total nonemployer OPEB liability as of June 30, 2024, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 12,751,840	\$ 10,887,710	\$ 9,388,562
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the total nonemployer OPEB liability as of June 30, 2024, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 9,069,542	\$ 10,887,710	\$ 13,255,994
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,689,409,509	\$ 59,650,630,530	\$ 72,625,778,279

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected & Actual Experience	\$ 6,378,932,312	\$ 11,139,706,892
Change in Assumptions	10,004,978,073	11,662,607,882
Contributions Made in Fiscal Year Year Ending June 30, 2024 After Measurement Date **	TBD	N/A
	<u>\$ 16,383,910,385</u>	<u>\$ 22,802,314,774</u>

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 10. Other Post-Retirement Benefits (OPEB) (continued)

Additional Information (continued):

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

Fiscal Year Ending June 30,	
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
	<u><u>\$ (6,418,404,389)</u></u>

** Employer Contributions made after June 30, 2024 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2023, the Program membership consisted of the following:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>153,556</u>
	<u><u>372,741</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,152,062,729
Interest Cost	1,963,557,443
Difference Between Expected & Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Contributions: Member	51,347,810
Gross Benefit Payments	<u>(1,499,600,607)</u>
Net Change in Total OPEB Liability	7,288,962,291
Total OPEB Liability (Beginning)	<u>52,361,668,239</u>
Total OPEB Liability (Ending)	<u><u>\$ 59,650,630,530</u></u>
Total Covered Employee Payroll	\$ 15,845,935,573
Net OPEB Liability as a Percentage of Payroll	376%

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 11. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State for normal costs and post-retirement medical costs related to the TPAF pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2025, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$792,916, \$144,808, \$231,691 and \$357 respectively.

Note 12. Risk Management

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

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

For the Year Ended June 30,	Contributions	Interest Earned	Amount Reimbursed	Ending Balance	
				Unemployment Reserve	Unemployment Liability
2025	\$ -	\$ 64	\$ -	\$ 25,427	\$ 18,715
2024	6,143	56	1,677	25,418	18,715
2023	5,690	52	-	25,306	14,249

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Note 13. Contingencies

State and Federal Grantor Agencies – The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 13. Contingencies (Continued)

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 14. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable

Lincoln Financial

Note 15. Compensated Absences

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

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2025, the liability for compensated absences reported was \$760,566

Note 16. Tax Abatements

As defined by the GASB Statement No. 77, *Tax Abatement*, tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because *N.J.S.A. 54:4-75* and *N.J.S.A. 54:4-76* require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the School District.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at *N.J.S.A. 18A:7F-5(b)*, the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the DOE based upon district property value and wealth.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 17. Agreement with Central Regional School District

On April 23, 2012, the School District approved a working agreement with Central Regional School District. The working agreement, effective July 1, 2012 is for the Central Regional School District to run the everyday activities of the School District. Under the agreement, the School District will still remain autonomous with respect to making its own major financial decisions. The School District expects that this agreement will ultimately save money while improving the quality of education that the students receive. The agreement has received approval by the DOE. On July 2, 2024, the School District approved terminating the current shared services agreement with the Central Regional School District and instituted a 60-day notice clause in the agreement, effective July 3, 2024.

On April 15, 2024, voters rejected a proposed merger between the School District and Toms River Regional School District in a special voter approved referendum.

On August 12, 2024, the Berkeley Township School District was appointed to serve the Seaside Heights School District to run everyday activities of the School District. Under the agreement, the School District will still remain autonomous with respect to making its own major financial decisions.

Note 18. Fund Balances

General Fund – Of the \$584,246 General Fund balance at June 30, 2025, \$58,498 has been restricted for the Capital Reserve Account, \$56,991 has been restricted for the Maintenance Reserve Account, \$50,427 has been restricted for the Emergency Reserve Account, \$25,427 has been restricted for Unemployment, \$245,611 is assigned for subsequent year's expenditures, \$40,066 has been assigned to other purposes and \$107,226 is unassigned.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of (\$1,531,062) at June 30, 2025. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for PERS as of June 30, 2025. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 20. Prior Period Adjustment/Restatement of Net Position

Net Position as of July 1, 2024, has been restated as follows for the implementation of GASB Statement No. 101, *Compensated Absences* .

Net Position as previously reported at June 30, 2024	\$	2,773,166
Prior Period Adjustment:		
Implementation of GASB 101:		
Net Position		(666,389)
		<u> </u>
Net Position as restated, July 1, 2024	\$	<u><u>2,106,777</u></u>

Long-Term Liabilities of the Governmental Funds as of July 1, 2024, has been restated as follows for the implementation of GASB Statement No. 101, *Compensated Absences*.

Long-Term Liabilities as previously reported at June 30, 2024	\$	1,379,505
Prior Period Adjustment:		
Implementation of GASB 101:		
Long-Term Liabilities		666,389
		<u> </u>
Fund Balance as restated, July 1, 2024	\$	<u><u>2,045,893</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
10-1210	\$ 4,314,000	\$ -	\$ 4,314,000	\$ -
10-1320	25,000	(25,000)	-	-
10-1990	57,041	25,000	82,041	12,760
10-1993	25	-	25	-
10-1994	25	-	25	-
10-1995	25	-	25	-
Total Local Sources	4,396,116	-	4,396,116	12,760
State Sources:				
School Choice Aid	80,816	-	80,816	-
Categorical Transportation Aid	11,203	-	11,203	-
Extraordinary Aid	-	-	-	64,403
Categorical Special Education Aid	153,976	-	153,976	-
Categorical Security Aid	92,138	-	92,138	-
Other State Aids	-	-	-	224
Stabilized School Budget Aid	46,658	-	46,658	-
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	792,916
TPAF Social Security (reimbursed)	-	-	-	144,808
TPAF Post Retirements	-	-	-	231,691
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	357
Total State Sources	384,791	-	384,791	1,619,190
Federal Sources:				
Medicaid Reimbursement	23,148	-	23,148	(17,225)
Total Federal Sources	23,148	-	23,148	(17,225)
Total Revenues	4,804,055	-	4,804,055	1,229,934

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
ACCOUNT NUMBERS			ACTUAL	
Current Expense:				
Regular Programs - Instruction:				
Kindergarten - Salaries of Teachers	154,000	1,163	155,163	-
Grades 1-5 - Salaries of Teachers	737,383	(34,488)	702,895	-
Grades 6-8 - Salaries of Teachers	154,000	(34,446)	119,554	11,087
Regular Programs - Home Instruction:				
Salaries of Teachers	5,000	(2,000)	3,000	3,000
Purchased Professional - Educational Services	5,000	(2,000)	3,000	2,882
Regular Programs - Undistributed Instruction:				
Other Salaries for Instruction	15,900	9,371	25,271	-
Purchased Professional - Educational Services	-	5,200	5,200	2,565
Other Purchased Services	19,000	(9,997)	9,003	3,883
General Supplies	60,200	(10,000)	50,200	2,840
Textbooks	4,000	(2,985)	1,015	1,015
Other Objects	2,000	-	2,000	604
Total Regular Programs - Instruction	1,156,483	(80,182)	1,076,301	27,876
Special Education - Instruction:				
Learning and/or Language Disabilities:				
Salaries of Teachers	83,000	69,400	152,400	37
Other Salaries for Instruction	64,000	36,385	100,385	-
General Supplies	1,000	-	1,000	1,000
Total Learning and/or Language Disabilities	148,000	105,785	253,785	1,037
Special Education - Instruction:				
Resource Room/Resource Center:				
Salaries of Teachers	154,000	(37,003)	116,997	-
Other Salaries	96,000	(62,200)	33,800	697
General Supplies	1,000	-	1,000	747
Total Resource Room/Resource Center	251,000	(99,203)	151,797	1,444
Total Special Education - Instruction	399,000	6,582	405,582	2,481
Bilingual Education - Instruction:				
Salaries of Teachers	79,000	1,200	80,200	66
Other Purchased Services	-	678	678	-
General Supplies	1,000	-	1,000	413
Other Objects	1,000	(1,000)	-	-
Total Bilingual Education - Instruction	81,000	878	81,878	479

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
School-Sponsored Cocurricular/Extra					
Curricular Activities - Instruction:					
Salaries	11-401-100-100	-	1,000	1,000	-
Other Objects	11-401-100-800	350	1,000	1,350	488
					862
Total School-Sponsored Cocurricular/Extra		350	2,000	2,350	1,488
Curricular Activities - Instruction					
Summer School - Instruction:					
Purchased Professional and Technical Services	11-422-100-300	2,000	(678)	1,322	-
		2,000	(678)	1,322	1,322
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	-	230	230	230
Tuition to Other LEAs Within State - Special	11-000-100-562	-	136,944	136,944	134,841
Tuition to County Special Services & Regular Day Schools	11-000-100-565	-	99,915	99,915	99,915
Tuition to Private School Disabled - Within State	11-000-100-566	161,658	(94,352)	67,306	19,291
		161,658	142,737	304,395	254,277
Total Undistributed Expenditures - Instruction (Tuition)					50,118
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	87,000	(2,100)	84,900	84,864
Purchased Professional and Technical Services	11-000-211-300	2,000	-	2,000	1,725
Supplies and Materials	11-000-211-600	-	71	71	71
		89,000	(2,029)	86,971	86,660
Total Undistributed Expenditures Attendance and Social Work					311
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	60,000	3,596	63,596	63,596
Purchased Professional & Technical Services	11-000-213-300	1,000	(18)	982	982
Supplies and Materials	11-000-213-600	3,500	1,224	4,724	4,694
		64,500	4,802	69,302	68,290
Total Undistributed Expenditures - Health Services					1,012
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	71,800	(6,900)	64,900	62,862
Purchased Professional - Educational Services	11-000-216-320	25,000	24,772	49,772	49,765
Supplies and Materials	11-000-216-600	1,000	-	1,000	126
		97,800	17,872	115,672	112,753
Total Undistributed Expenditures - Speech, OT, PT and Related Services					2,038
					7
					874
					2,919

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025		VARIANCE FINAL TO ACTUAL		
		ORIGINAL BUDGET	BUDGET TRANSFERS		FINAL BUDGET	ACTUAL
Undistributed Expenditures - Other Support Services - Extra Services: Salaries	11-000-217-100	133,000	(30,984)	102,016	101,269	747
Purchased Professional - Educational Services	11-000-217-320	-	1,573	1,573	1,573	-
Total Undistributed Expenditures - Other Support Services - Extra Services		133,000	(29,411)	103,589	102,842	747
Undistributed Expenditures - Guidance: Salaries of Other Professional Staff	11-000-218-104	70,000	950	70,950	70,934	16
Purchased Professional - Educational Services	11-000-218-320	11,000	1,078	12,078	12,078	-
Supplies and Materials	11-000-218-600	500	(346)	154	154	-
Total Undistributed Expenditures - Guidance		81,500	1,682	83,182	83,166	16
Undistributed Expenditures - Child Study Teams: Salaries of Other Professional Staff	11-000-219-104	161,374	18,322	179,696	179,696	-
Salaries of Secretaries & Clerical Assistants	11-000-219-105	43,200	200	43,400	43,400	-
Purchased Professional - Educational Services	11-000-219-320	25,000	(13,700)	11,300	11,100	200
Supplies and Materials	11-000-219-600	4,000	-	4,000	3,921	79
Total Undistributed Expenditures - Child Study Teams		233,574	4,822	238,396	238,117	279
Undistributed Expenditures - Improvement of Instruction Services: Salaries of Supervisors of Instruction	11-000-221-102	25,000	(11,000)	14,000	14,000	-
Purchased Professional - Educational Services	11-000-221-320	15,000	(5,375)	9,625	9,625	-
Total Undistributed Expenditures - Improvement of Instruction Services		40,000	(16,375)	23,625	23,625	-
Undistributed Expenditures - Educational Media Services/Library: Salaries	11-000-222-100	16,000	29,800	45,800	45,770	30
Salaries of Technology Coordinators	11-000-222-177	40,000	4,600	44,600	38,412	6,188
Supplies and Materials	11-000-222-600	2,000	(608)	1,392	1,388	4
Total Undistributed Expenditures - Educational Media Services/Library		58,000	33,792	91,792	85,570	6,222
Undistributed Expenditures - Instructional Staff Training Services: Purchased Professional - Educational Services	11-000-223-320	1,000	(375)	625	625	-
Other Purchased Services	11-000-223-500	2,000	(125)	1,875	-	1,875
Total Undistributed Expenditures - Instructional Staff Training Services		3,000	(500)	2,500	625	1,875

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Support Services - General Administration:					
Salaries - Governance Staff	11-000-230-109	3,600	-	3,600	-
Legal Services	11-000-230-331	20,000	24,050	44,050	777
Audit Fees	11-000-230-332	26,500	(250)	26,250	-
Architectural/Engineering Services	11-000-230-334	1,000	7,000	8,000	-
Purchased Technical Services	11-000-230-340	17,000	32,100	49,100	18
Communications/Telephone	11-000-230-530	10,000	11,006	21,006	1
BOE Other Purchased Professional Services	11-000-230-585	4,000	(3,619)	381	381
Other Purchased Services	11-000-230-590	15,000	273	15,273	1,296
General Supplies	11-000-230-610	-	1,500	1,500	78
Judgements Against School District	11-000-230-820	40,000	(40,000)	-	-
Miscellaneous Expenditures	11-000-230-890	500	2,967	3,467	-
BOE Membership Dues and Fees	11-000-230-895	4,500	(1,000)	3,500	543
Total Undistributed Expenditures -		142,100	34,027	176,127	3,094
Support Services - General Administration					
Undistributed Expenditures -					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	108,222	1	108,223	-
Purchased Professional & Technical Services	11-000-240-300	1,500	(858)	642	642
Supplies and Materials	11-000-240-600	7,000	(2,907)	4,093	943
Total Undistributed Expenditures -		116,722	(3,764)	112,958	1,585
Support Services - School Administration					
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	29,472	3,057	32,529	-
Purchased Professional Services	11-000-251-330	25,000	(1,000)	24,000	599
Purchased Technical Services	11-000-251-340	-	31,000	31,000	-
Supplies and Materials	11-000-251-600	1,000	2,700	3,700	180
Miscellaneous Expenditures	11-000-251-890	350	-	350	350
Total Undistributed Expenditures - Central Services		55,822	35,757	91,579	1,129
Undistributed Expenditures -					
Administrative Information Technology:					
Purchased Technical Services	11-000-252-340	6,000	9,289	15,289	640
Supplies and Materials	11-000-252-600	4,000	(1,829)	2,171	261
Total Undistributed Expenditures -		10,000	7,460	17,460	901
Administrative Information Technology					

SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -				
Required Maintenance for School Facilities:				
Salaries	33,155	6,700	39,855	39,461
Cleaning, Repair & Maintenance Services	50,109	7,218	57,327	20,202
Lead Testing of Drinking Water	1,000	500	1,500	1,500
General Supplies	13,000	13,000	26,000	15,821
Other Objects	-	1,000	1,000	1,000
Total Undistributed Expenditures -	97,264	28,418	125,682	77,984
Required Maintenance for School Facilities				47,698
Undistributed Expenditures - Custodial Services:				
Salaries	88,015	9,369	97,384	96,626
Salaries of Non-Instructional Aides	12,000	(5,000)	7,000	153
Cleaning, Repair & Maintenance Services	10,000	(9,000)	1,000	-
Insurance	52,000	(10,000)	42,000	40,824
General Supplies	10,000	3,631	13,631	13,631
Energy (Electricity)	61,000	-	61,000	60,912
Total Undistributed Expenditures - Custodial Services	233,015	(11,000)	222,015	212,146
Undistributed Expenditures -				
Care and Upkeep of Grounds:				
Purchased Professional and Technical Services	10,000	-	10,000	8,497
General Supplies	1,000	-	1,000	-
Total Undistributed Expenditures -	11,000	-	11,000	8,497
Care and Upkeep of Grounds				2,503
Security:				
Purchased Professional and Technical Services	27,000	(20,000)	7,000	4,989
Total Security	27,000	(20,000)	7,000	4,989

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Student Transportation Services:					
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	32,472	3,270	35,742	712
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	3,600	(332)	3,268	3,268
Contract Services (Between Home & School) - Vendors	11-000-270-511	-	3,310	3,310	-
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	6,000	1,022	7,022	156
Contract Services (Special Education) - Vendors	11-000-270-514	33,000	(33,000)	-	-
Contract Serv.(Sp Ed Stds)-Joint Agrmnts	11-000-270-515	-	1,359	1,359	454
Contract Services (Special Education) - ESCs & CTASAs	11-000-270-518	270,000	(43,924)	226,076	19
Miscellaneous Purchased Services - Transportation	11-000-270-593	5,000	-	5,000	5,000
Total Undistributed Expenditures -		350,072	(68,295)	281,777	9,609
Student Transportation Services					
Unallocated Benefits:					
Group Insurance	11-000-291-210	2,000	3,207	5,207	-
Social Security Contributions	11-000-291-220	70,000	47,162	117,162	12,979
Other Retirement Contributions - PERS	11-000-291-241	120,000	5,227	125,227	-
Pension Contributions	11-000-291-249	2,000	-	2,000	2,000
Unemployment Compensation	11-000-291-250	5,000	-	5,000	5,000
Workmen's Compensation	11-000-291-260	45,000	(7,000)	38,000	274
Health Benefits	11-000-291-270	839,000	(114,439)	724,561	12,746
Tuition Reimbursement	11-000-291-280	5,000	-	5,000	2,750
Other Employee Benefits	11-000-291-290	55,000	-	55,000	15,518
Unused Sick Payment to Staff	11-000-291-299	24,000	37,788	61,788	1
Total Unallocated Benefits		1,167,000	(28,055)	1,138,945	51,268
Nonbudgeted:					
TPAF Pension (on-behalf)	N/A	-	-	-	(792,916)
TPAF Social Security (reimbursed)	N/A	-	-	-	(144,808)
TPAF Post Retirements	N/A	-	-	-	(231,691)
TPAF Long-Term Disability Insurance (on behalf)	N/A	-	-	-	(357)
Total Undistributed Expenditures		3,172,027	131,940	3,303,967	(976,606)
Total Expenditures - Current Expense		4,810,860	60,540	4,871,400	(943,586)
Interest Deposit to Capital Reserves	604-000	25	-	25	25
Interest Deposit to Maintenance Reserves	606-000	25	-	25	25
Interest Deposit to Emergency Reserves	606-000	25	-	25	25

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Capital Outlay: Equipment: Grades 1-5	14,950	-	14,950	14,950
Total Equipment	14,950	-	14,950	14,950
Facilities Acquisition & Construction Services: Assessment for Debt Service on SDA Funding	1,824	-	1,824	-
Total Facilities Acquisition & Construction Services	1,824	-	1,824	-
Assets Acquired Under Capital Leases (Non-Budgeted): Capital Leases (Non-Budgeted)	-	-	32,514	(32,514)
Total Assets Acquired Under Capital Leases (Non-Budgeted)	-	-	32,514	(32,514)
Total Capital Outlay	16,774	-	16,774	(17,564)
Total Expenditures	4,827,709	60,540	4,888,249	5,849,324
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(23,654)	(60,540)	(84,194)	268,859
Other Financing Sources/(Uses): Transfers In(Out): Local Contrib -Transfer to Spec Rev-Inclusion Transfers to Cover Deficit (Enterprise Fund) Capital Leases (Non-Budgeted)	(75,460)	-	(75,460)	(75,460)
Total Other Financing Sources/(Uses)	(75,460)	-	(75,460)	(27,486)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(99,114)	(60,540)	(159,654)	241,373
Fund Balances, July 1	536,003	-	536,003	-
Fund Balances, June 30	\$ 436,889	\$ (60,540)	\$ 376,349	\$ 241,373

SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025		VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	
Restricted Fund Balance:			
Capital Reserve			\$ 58,498
Maintenance Reserve			56,991
Emergency Reserve			50,427
Unemployment Reserve			25,427
Assigned Fund Balance:			
Designated for Subsequent Year's Expenditures			245,611
Year-End Encumbrances			40,066
Unassigned Fund Balance			140,702
Subtotal			617,722
Reconciliation to Governmental Funds Statements (GAAP):			
Last State Aid Payments Not Recognized on GAAP Basis			(33,476)
Fund Balance per Governmental Funds (GAAP)			\$ 584,246

RECAPITULATION OF FUND BALANCE

SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources	\$ 3,150	\$ 200	\$ 3,350	\$ 1,350
State Sources	631,745	-	631,745	631,075
Federal Sources	301,113	158,299	459,412	434,383
				25,029
Total Revenues	936,008	158,499	1,094,507	1,066,808
Expenditures:				
Instruction:				
Salaries of Teachers	232,918	49	232,967	232,917
Other Salaries for Instruction	68,465	67,624	136,089	115,291
Other Purchased Services (400-500 Series)	59,414	24,468	83,882	83,882
General Supplies	3,322	1,993	5,315	3,315
				2,000
Total Instruction	364,119	94,134	458,253	435,405
Support Services:				
Salaries of Other Professional Staff	106,500	38,859	145,359	141,357
Personal Services - Employee Benefits	266,699	(29,703)	236,996	236,766
Purchased Educational Services	255,000	(69,209)	185,791	185,791
Other Purchased Services (400-500 Series)	17,000	124,218	141,218	140,600
Supplies and Materials	2,150	200	2,350	2,349
				1
Total Support Services	647,349	64,365	711,714	706,863
4,851				
Total Expenditures	1,011,468	158,499	1,169,967	1,142,268
27,699				
Total Outflows	1,011,468	158,499	1,169,967	1,142,268
27,699				
Other Financing Sources/(Uses):				
Transfers from Operating Budget	75,460	-	75,460	75,460
-				
Total Other Financing Sources/(Uses)	75,460	-	75,460	75,460
-				
Fund Balance, July 1	-	-	-	-
-				
Fund Balance, June 30	-	-	-	-
\$	\$	\$	\$	\$

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2025**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 6,033,989	\$ 1,066,808
<p>The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).</p>		
Current Year	(33,476)	(62,543)
Prior Year	44,104	-
<p>Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)</p>		
	\$ 6,044,617	\$ 1,004,265
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 5,849,324	\$ 1,066,808
<p>Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)</p>		
	\$ 5,849,324	\$ 1,066,808

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

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SEASIDE HEIGHTS SCHOOL DISTRICT
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.84100%	0.00802%	0.00742%	0.0076%	0.00742%	0.00784%	0.00665%	0.00768%	0.00777%	0.00643%
School District's proportionate share of the net pension liability	\$ 1,250,497	\$ 1,218,570	\$ 1,209,789	\$ 879,538	\$ 1,265,252	\$ 1,336,995	\$ 1,544,099	\$ 1,548,462	\$ 2,273,962	\$ 1,744,022
School District's covered payroll	\$ 715,976	\$ 688,725	\$ 632,874	\$ 513,551	\$ 503,644	\$ 536,396	\$ 510,639	\$ 471,277	\$ 457,446	\$ 519,008
School District's proportionate share of the net pension liability as a percentage of its covered payroll	174.66%	176.93%	191.16%	171.27%	251.22%	249.26%	302.39%	328.57%	497.10%	336.03%
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%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

SEASIDE HEIGHTS SCHOOL DISTRICT
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's contractually required contribution	\$ 125,226	\$ 112,442	\$ 101,091	\$ 86,949	\$ 84,877	\$ 72,176	\$ 78,005	\$ 61,623	\$ 68,209	\$ 66,794
Contributions in relation to the contractually required contribution	(125,226)	(112,442)	(101,091)	(86,949)	(84,877)	(72,176)	(78,005)	(61,623)	(68,209)	(66,794)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 722,679	\$ 715,976	\$ 688,725	\$ 632,874	\$ 592,625	\$ 513,551	\$ 503,644	\$ 536,396	\$ 510,639	\$ 471,277
Contributions as a percentage of covered payroll	17.33%	15.70%	14.68%	13.74%	14.32%	14.05%	15.49%	11.49%	13.36%	14.17%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

SEASIDE HEIGHTS SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST TEN FISCAL YEARS *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 9,103,825	\$ 9,510,432	\$ 8,855,868	\$ 7,927,339	\$ 11,111,296	\$ 10,008,436	\$ 10,647,675	\$ 10,409,627	\$ 11,034,003	\$ 9,001,264
School District's covered payroll	\$ 1,983,715	\$ 2,228,200	\$ 2,278,152	\$ 2,187,028	\$ 2,084,208	\$ 1,972,100	\$ 1,884,311	\$ 1,762,862	\$ 1,696,488	\$ 1,627,986
School District's proportionate share of the net pension liability as a percentage of its covered 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%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

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SEASIDE HEIGHTS SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
 LAST EIGHT FISCAL YEARS *

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 447,834	\$ 446,619	\$ 534,700	\$ 611,451	\$ 354,160	\$ 369,196	\$ 400,899	\$ 482,641
Interest Cost	358,398	320,424	233,905	268,114	270,320	327,047	348,046	296,466
Changes in Benefit Terms	-	-	-	(11,001)	-	-	-	-
Difference Between Expected and Actual Experiences	433,169	(271,945)	314,108	(2,382,659)	1,952,551	(1,306,892)	(831,466)	-
Changes of Assumptions	814,546	18,358	(2,367,716)	10,197	2,199,977	111,379	(940,053)	(1,167,022)
Contributions: Member	9,372	8,211	7,433	6,854	6,355	6,797	7,571	8,039
Gross Benefit Payments	(273,714)	(249,796)	(231,690)	(211,198)	(209,672)	(229,308)	(219,047)	(218,323)
Net Change in Total OPEB Liability	1,789,605	271,871	(1,509,260)	(1,708,242)	4,573,691	(721,781)	(1,234,050)	(598,199)
Total OPEB Liability (Beginning)	9,098,105	8,826,234	10,335,494	12,043,736	7,470,045	8,191,826	9,425,876	10,024,075
Total OPEB Liability (Ending)	\$ 10,887,710	\$ 9,098,105	\$ 8,826,234	\$ 10,335,494	\$ 12,043,736	\$ 7,470,045	\$ 8,191,826	\$ 9,425,876
State's Covered Employee Payroll	\$ 2,699,691	\$ 2,916,925	\$ 2,911,026	\$ 2,700,579	\$ 2,587,852	\$ 2,508,496	\$ 2,394,950	\$ 2,273,501
Net OPEB Liability as a Percentage of Payroll	403.29%	311.91%	303.20%	382.71%	465.40%	297.79%	342.05%	415%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2025**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2020	5.40%	2016	3.22%
2023	7.00%	2019	5.60%	2015	4.13%
2022	7.00%	2018	4.86%		
2021	7.00%	2017	4.25%		

The long-term expected rate of return used as of June 30, measurement data is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2020	7.30%	2016	7.65%
2023	7.00%	2019	7.00%	2015	7.90%
2022	7.00%	2018	7.00%		
2021	7.00%	2017	7.00%		

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2020	7.00%	2016	3.98%
2023	7.00%	2019	6.28%	2015	4.90%
2022	7.00%	2018	5.66%		
2021	7.00%	2017	5.00%		

The long-term expected rate of return used as of June 30, measurement data is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2020	7.00%	2016	7.65%
2023	7.00%	2019	7.00%	2015	7.90%
2022	7.00%	2018	7.00%		
2021	7.00%	2017	7.00%		

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2021	2.16%	2018	3.87%
2023	3.65%	2020	2.21%	2017	2.21%
2022	3.54%	2019	3.50%		

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	Title I	Title IIA	I.D.E.A. - Basic	I.D.E.A. - Preschool	Preschool Education
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	631,075
Federal Sources	334,847	13,502	81,541	2,341	-
Total Revenues	334,847	13,502	81,541	2,341	631,075
Expenditures:					
Instruction:					
Salaries of Teachers	88,125	5,747	-	-	137,868
Other Salaries for Instruction	34,202	-	-	-	81,089
Other Purchased Services (400-500 Series)	-	-	81,541	2,341	-
General Supplies	-	-	-	-	3,315
Total Instruction	122,327	5,747	81,541	2,341	222,272
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	141,357
Personal Services - Employee Benefits	87,520	3,754	-	-	145,402
Purchased Educational Services	-	4,001	-	-	180,905
Other Purchased Services (400-500 Series)	125,000	-	-	-	15,600
Supplies and Materials	-	-	-	-	999
Total Support Services	212,520	7,755	-	-	484,263
Total Expenditures	334,847	13,502	81,541	2,341	706,535
Other Financing Sources/(Uses):					
Transfers from Operating Budget	-	-	-	-	75,460
Total Other Financing Sources/(Uses)	-	-	-	-	75,460
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	-	-	-	-	-

SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	American Rescue Plan (ARP) - Accelerated Learning Coach	American Rescue Plan (ARP) - Evidence Based Summer Learning	Other Local Grants	Totals
Revenues:				
Local Sources	\$ -	\$ -	\$ 1,350	\$ 1,350
State Sources	-	-	-	631,075
Federal Sources	885	1,267	-	434,383
Total Revenues	885	1,267	1,350	1,066,808
Expenditures:				
Instruction:				
Salaries of Teachers	-	1,177	-	232,917
Other Salaries for Instruction	-	-	-	115,291
Other Purchased Services (400-500 Series)	-	-	-	83,882
General Supplies	-	-	-	3,315
Total Instruction	-	1,177	-	435,405
Support Services:				
Salaries of Other Professional Staff	-	-	-	141,357
Personal Services - Employee Benefits	-	90	-	236,766
Purchased Educational Services	885	-	-	185,791
Other Purchased Services (400-500 Series)	-	-	-	140,600
Supplies and Materials	-	-	1,350	2,349
Total Support Services	885	90	1,350	706,863
Total Expenditures	885	1,267	1,350	1,142,268
Other Financing Sources/(Uses):				
Transfers from Operating Budget	-	-	-	75,460
Total Other Financing Sources/(Uses)	-	-	-	75,460
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	-	\$ -	\$ -	\$ -

**SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

	BUDGETED		ACTUAL		VARIANCE
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 132,918	\$	137,868	\$	(4,950)
Other Salaries of Instruction	68,465		81,089		(12,624)
General Supplies	1,322		3,315		(1,993)
Total Instruction	202,705		222,272		(19,567)
Support Services:					
Salaries of Other Professional Staff	106,500		141,357		(34,857)
Employee Benefits	125,000		145,402		(20,402)
Purchased Professional – Educational Services	255,000		180,905		74,095
Other Purchased Professional - Services	17,000		15,600		1,400
Supplies & Materials	1,000		999		1
Total Support Services	504,500		484,263		20,237
Total Expenditures	\$ 707,205	\$	706,535	\$	670

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2024-2025 Preschool Education Aid Allocation	\$ 631,745
Add: Transfer from General Fund	75,460
Total Preschool Education Aid Funds Available for 2024-2025 Budget	707,205
Less: 2024-2025 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(707,205)
Add: June 30, 2025 Unexpended Preschool Education Aid Funds	670
2024-2025 Carryover - Preschool Education Aid Funds	670
2024-2025 Preschool Education Aid Funds Carryover Budgeted in 2025-2026	\$ -

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F. Capital Projects Fund

Not Applicable

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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EXHIBIT I-2

SEASIDE HEIGHTS SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER LEASES
 YEAR ENDED JUNE 30, 2025

DESCRIPTION:	AMOUNT OF ORIGINAL ISSUE	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2024	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2025
Copier - FY21	\$ 18,000	Variable	\$ 6,021	-	\$ 3,951	\$ 2,070
Copier - FY25	32,514	Variable	-	32,514	2,327	30,187
Total			\$ 6,021	\$ 32,514	\$ 6,278	\$ 32,257

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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SEASIDE HEIGHTS SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in Capital Assets	\$ 3,388,266	\$ 3,615,648	\$ 3,814,411	\$ 3,702,450	\$ 2,860,085	\$ 3,009,798	\$ 3,169,403	\$ 3,297,778	\$ 3,187,917	\$ 3,204,839
Restricted	191,343	289,733	289,602	282,561	382,376	218,355	168,280	165,391	710,084	411,384
Unrestricted (Deficit)	(1,531,062)	(1,132,215)	(1,069,802)	(1,575,648)	(1,645,511)	(1,689,091)	(1,663,190)	(1,558,136)	(2,344,807)	(1,695,702)
Total Governmental Activities Net Position	\$ 2,048,547	\$ 2,773,166	\$ 3,034,211	\$ 2,409,363	\$ 1,596,950	\$ 1,539,062	\$ 1,674,493	\$ 1,905,033	\$ 1,553,194	\$ 1,920,521
Business-Type Activities:										
Investment in Capital Assets	\$ 8,998	\$ 10,498	\$ 11,998	\$ 13,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted (Deficit)	14,156	8,162	48,145	88,553	91,089	44,173	7,586	8,374	5,890	2,689
Total Business-Type Activities Net Position	\$ 23,154	\$ 18,660	\$ 60,143	\$ 102,050	\$ 91,089	\$ 44,173	\$ 7,586	\$ 8,374	\$ 5,890	\$ 2,689
District-Wide:										
Net Investment in Capital Assets	\$ 3,397,264	\$ 3,626,146	\$ 3,826,409	\$ 3,715,947	\$ 2,860,085	\$ 3,009,798	\$ 3,169,403	\$ 3,297,778	\$ 3,187,917	\$ 3,204,839
Restricted	191,343	289,733	289,602	282,561	382,376	218,355	168,280	165,391	710,084	411,384
Unrestricted (Deficit)	(1,516,906)	(1,124,053)	(1,021,657)	(1,487,095)	(1,554,422)	(1,644,918)	(1,655,604)	(1,549,762)	(2,338,917)	(1,693,013)
Total District Net Position	\$ 2,071,701	\$ 2,791,826	\$ 3,094,354	\$ 2,511,413	\$ 1,688,039	\$ 1,583,235	\$ 1,682,079	\$ 1,913,407	\$ 1,559,084	\$ 1,923,210

Source: ACFR Schedule A-1
 **For the year ended June 30, 2024 net position was restated due to GASB 101
 *For the year ended June 30, 2021 net position was reclassified due to GASB 84

SEASIDE HEIGHTS SCHOOL DISTRICT
 CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS
 UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 2,961,654	\$ 3,355,663	\$ 3,255,110	\$ 3,256,661	\$ 3,029,818	\$ 2,988,552	\$ 2,768,226	\$ 2,756,466	\$ 1,607,792	\$ 1,349,042
Special Education	804,423	715,402	787,257	609,762	481,596	588,440	944,234	1,042,924	353,173	440,289
Other Special Education	-	-	-	-	-	-	-	-	60,502	57,204
Other Instruction	165,451	202,290	136,297	146,130	115,481	152,581	185,164	174,796	18,008	25,456
Support Services:										
Tuition	356,525	464,260	6,194	11,757	40,901	82,803	50,309	27,572	24,747	32,306
Student & Instruction Related Services	2,202,728	2,092,918	2,018,121	1,369,942	1,293,767	958,279	1,044,511	1,090,456	676,464	616,765
Other Administrative Services	242,538	180,797	194,302	146,970	118,615	155,110	-	169,445	98,254	110,395
Central Services	126,830	114,145	103,729	94,111	84,255	96,036	141,600	150,243	87,930	92,028
Administration Information Technology Services	23,261	17,749	31,301	18,898	26,928	19,712	79,373	12,144	31,518	37,416
School Administrative Services	156,178	137,101	120,396	112,507	129,582	150,980	12,406	447,651	338,388	305,674
Plant Operations & Maintenance	452,013	396,585	380,239	856,511	617,501	388,708	413,737	165,063	62,981	116,039
Pupil Transportation	381,501	355,819	145,299	295,272	124,248	150,259	150,369	-	-	-
Unallocated Benefits	-	-	-	-	-	-	-	-	2,205,772	1,820,944
Interest & Other Charges	7,844	5,971	10,379	10,035	2,978	3,416	-	3,477	18,486	21,741
Reduction of Capital Leases	-	-	-	-	-	-	3,584	-	-	-
Unallocated Adjustment to Fixed Assets	-	-	-	-	-	-	-	-	23,886	-
Unallocated Depreciation	-	-	-	-	-	-	-	-	172,305	199,299
Total Governmental Activities Expenses	7,880,946	8,038,700	7,188,624	6,928,556	6,065,670	5,734,876	5,925,255	6,126,018	5,820,763	5,260,702
Business-Type Activities:										
Food Service	204,543	225,971	259,109	196,858	162,963	188,844	154,416	166,310	162,967	136,294
Total Business-Type Activities Expense	204,543	225,971	259,109	196,858	162,963	188,844	154,416	166,310	162,967	136,294
Total District Expenses	\$ 8,085,489	\$ 8,264,671	\$ 7,447,733	\$ 7,125,414	\$ 6,228,633	\$ 5,923,720	\$ 6,079,671	\$ 6,292,328	\$ 5,983,730	\$ 5,396,996
Program Revenues:										
Operating Grants & Contributions	\$ 3,083,331	\$ 3,048,272	\$ 3,098,558	\$ 3,206,823	\$ 1,825,284	\$ 1,377,950	\$ 1,637,562	\$ 1,918,264	\$ 1,674,562	\$ 1,126,360
Total Governmental Activities Program Revenues	\$ 3,083,331	\$ 3,048,272	\$ 3,098,558	\$ 3,206,823	\$ 1,825,284	\$ 1,377,950	\$ 1,637,562	\$ 1,918,264	\$ 1,674,562	\$ 1,126,360
Business-Type Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 149,036	\$ 184,487	\$ 217,201	\$ 207,818	\$ 209,877	\$ 225,428	\$ 153,625	\$ 159,794	\$ 156,168	\$ 120,374
Total Business-Type Activities Program Revenues	\$ 149,036	\$ 184,487	\$ 217,201	\$ 207,818	\$ 209,877	\$ 225,428	\$ 153,625	\$ 159,794	\$ 156,168	\$ 120,374
Total District Program Revenues	\$ 3,232,367	\$ 3,232,759	\$ 3,315,759	\$ 3,414,641	\$ 2,035,161	\$ 1,603,378	\$ 1,791,187	\$ 2,078,058	\$ 1,830,730	\$ 1,246,734

SEASIDE HEIGHTS SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
UNAUDITED

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue:										
Governmental Activities	(4,797,615)	(4,990,428)	(4,090,066)	(3,721,733)	(4,240,386)	(4,356,926)	(4,287,693)	(4,207,754)	(4,146,201)	(4,134,342)
Business-Type Activities	(55,507)	(41,484)	(41,908)	10,960	46,914	36,584	(791)	(6,516)	(6,799)	(15,920)
Total District-Wide Net Expense	(4,853,122)	(5,031,912)	(4,131,974)	(3,710,773)	(4,193,472)	(4,320,342)	(4,288,484)	(4,214,270)	(4,153,000)	(4,150,262)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	4,314,000	4,013,793	3,748,999	3,350,000	3,025,000	2,900,000	2,748,368	2,748,368	2,737,431	2,430,356
Taxes Levied for Debt Service	-	-	-	20,000	-	45,000	-	-	-	-
Grants & Contributions	389,160	555,710	818,556	827,881	1,075,481	1,804	1,036,425	1,010,344	1,466,553	1,029,671
Tuition Received	-	22,486	62,336	51,707	93,858	1,049,750	3,729	-	2,192	7,883
Miscellaneous Income	96,225	137,394	85,023	23,502	27,156	60,598	35,791	30,162	39,336	96,699
Transfers In/Out	(60,000)	-	-	-	-	-	(9,000)	(10,000)	(17,000)	(20,900)
Special Items:										
FEMA reimbursements	-	-	-	-	-	-	-	-	-	32,837
Cancellation of Community Disaster Loan	-	-	-	-	-	-	744,280	-	-	-
Capital Asset-Super Storm Sandy	-	-	-	-	-	-	-	-	34,464	(356,521)
Community Block Grant	-	-	-	-	-	-	-	-	115,895	502,437
Total Governmental Activities	4,739,385	4,729,383	4,714,914	4,273,090	4,221,495	4,057,152	4,559,593	3,778,874	4,578,871	3,722,462
Business-Type Activities:										
Transfers In/Out	60,000	-	-	-	-	-	9,000	10,000	17,000	20,900
Investment Earnings	1	1	2	3	3	-	-	-	1,572	2,338
Total Business-Type Activities	60,001	1	2	3	3	-	9,000	10,000	18,572	23,238
Total District-Wide	4,799,386	4,729,384	4,714,916	4,273,093	4,221,498	4,057,152	4,568,593	3,788,874	4,597,443	3,745,700
Change in Net Position:										
Governmental Activities	(58,230)	(261,045)	624,848	551,357	(18,891)	(299,774)	271,900	(428,880)	432,670	(411,880)
Business-Type Activities	4,494	(41,483)	(41,906)	10,963	46,917	36,584	8,209	3,484	11,773	7,318
Total District	(53,736)	(302,528)	582,942	562,320	28,026	(263,190)	280,109	(425,396)	444,443	(404,562)

Source: ACFR Schedule A-2

SEASIDE HEIGHTS SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 UNAUDITED

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021 *	2020	2019	2018	2017	2016
General Fund:										
Restricted	\$ 191,343	\$ 289,733	\$ 289,602	\$ 282,561	\$ 382,376	\$ 218,355	\$ 168,280	\$ 165,391	\$ 1,216,598	\$ 1,273,318
Committed	-	-	-	-	-	-	425	-	-	-
Assigned	285,677	659	240,000	111,701	230,186	250,000	473,870	-	-	-
Unassigned	107,226	201,507	324,671	62,139	140,480	118,870	-	59,494	150,556	58,624
Total General Fund	\$ 584,246	\$ 491,899	\$ 854,273	\$ 456,401	\$ 753,042	\$ 587,225	\$ 642,575	\$ 224,885	\$ 1,367,154	\$ 1,331,942
All Other Governmental Funds:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,088)	\$ (9,917)	\$ (7,326)	\$ (13,434)	\$ (9,487)
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,088)	\$ (9,917)	\$ (7,326)	\$ (13,434)	\$ (9,487)

Source: ACFR Schedule B-1
 *For the year ended June 30, 2021 fund balance was reclassified due to GASB 84.

SEASIDE HEIGHTS SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED

	FISCAL YEAR ENDING, JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Tax Levy	\$ 4,314,000	\$ 4,013,793	\$ 3,748,999	\$ 3,577,480	\$ 3,370,000	\$ 3,025,000	\$ 2,945,000	\$ 2,748,368	\$ 2,748,368	\$ 2,737,431
Tuition Charges	-	22,486	62,336	71,900	51,707	93,858	1,804	3,729	-	2,192
Miscellaneous	96,226	208,709	85,023	6,683	23,502	30,222	62,696	37,811	30,162	39,336
State Sources	2,323,436	2,331,304	2,581,240	2,480,123	2,146,413	1,809,954	1,754,829	1,655,166	1,603,227	1,500,819
Federal Sources	440,306	691,841	1,226,702	1,575,924	506,752	365,995	334,009	328,343	426,727	654,787
Total Revenues	7,173,968	7,268,133	7,704,300	7,712,110	6,098,374	5,325,029	5,098,338	4,773,417	4,808,484	4,934,565
Expenditures:										
Instruction:										
Regular Instruction	1,483,830	1,896,593	1,929,905	2,010,026	1,833,920	1,688,809	1,366,836	1,353,410	1,607,792	1,349,042
Special Education Instruction	403,101	404,360	466,770	376,338	291,467	332,538	466,220	512,070	353,173	440,289
Other Special Instruction	-	-	-	-	-	-	63,055	61,022	60,502	57,204
Other Instruction	82,887	114,344	80,807	90,233	69,930	86,247	28,371	24,802	18,008	25,456
Support Services:										
Tuition	254,277	361,527	5,076	9,850	31,709	62,458	35,981	17,227	24,747	32,306
Attendance & Social Work Services	86,660	96,599	86,935	88,642	88,610	63,337	-	-	-	-
Health Services	68,290	101,016	96,420	92,289	90,039	87,892	-	-	-	-
Student & Instruction Related Services	1,416,104	1,432,244	1,461,749	962,636	823,301	571,067	747,037	681,288	676,464	616,765
Other Administrative Services	173,033	140,828	158,399	122,654	91,853	116,904	101,273	105,865	98,254	110,395
Central Services	90,450	88,918	84,602	78,568	65,289	72,378	56,768	53,594	40,557	36,104
Administration Information	16,559	13,797	25,485	15,751	20,877	14,862	8,873	7,587	31,518	37,416
Technology Services	111,373	106,707	98,137	93,913	100,377	113,838	94,222	93,868	87,930	92,028
School Administrative Services	303,616	314,626	320,717	629,297	391,549	297,611	308,196	279,681	338,388	305,674
Plant Operations & Maintenance	272,168	277,097	118,456	246,449	96,207	113,235	107,544	103,127	62,981	116,039
Pupil Transportation	2,257,449	2,239,982	1,984,877	1,950,032	1,754,012	1,668,624	1,683,472	1,611,217	1,367,408	1,308,635
Unallocated Benefits	32,514	40,045	386,269	1,162,594	197,732	6,840	44,289	312,521	191,647	133,968
Capital Outlay	-	-	-	76,613	19,359	17,202	45,000	184,355	-	-
Debt Service:										
Principal	1,824	1,824	1,824	2,866	2,465	4,622	-	15,645	-	-
Interest & Other Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	7,054,135	7,630,507	7,306,428	8,008,751	5,968,696	5,318,464	5,157,127	5,417,279	4,959,369	4,661,321
Other Financing Sources/(Uses):										
Community Block Grant	-	-	-	-	-	-	-	-	-	200,000
Transfers in	75,460	-	-	-	-	-	-	-	-	-
Lease Purchase Agreements	-	-	-	-	18,043	-	-	22,564	9,156	-
Capital Asset-Super Storm Sandy	-	-	-	-	-	-	-	-	-	115,895
Capital Leases	32,514	-	-	-	-	-	-	-	-	-
Cancellation of Prior Year Payables	(135,460)	-	-	-	-	-	-	(9,000)	-	34,464
Transfers Out	(27,486)	-	-	-	18,043	-	-	13,564	(844)	(17,000)
Total Other Financing Sources/(Uses)	(27,486)	(362,374)	397,872	(296,641)	147,721	6,565	(58,789)	(630,298)	(151,729)	606,603
Net Change in Fund Balances	\$ 92,347	\$ (362,374)	\$ 397,872	\$ (296,641)	\$ 147,721	\$ 6,565	\$ (58,789)	\$ (630,298)	\$ (151,729)	\$ 606,603
Debt Service as a Percentage of Noncapital Expenditures	0.03%	0.02%	0.02%	0.41%	0.88%	3.83%	0.00%	0.00%	0.00%	2.33%

Source: ACFR Schedule B-2

SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 UNAUDITED

FISCAL YEARENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION		MISCELLANEOUS	TOTAL
		FROM OTHER LEA's	OTHER		
2025	\$ 75	\$ -	\$ -	\$ 94,801	\$ 94,876
2024	75	22,486	0	135,319	157,780
2023	75	62,336	-	84,948	147,359
2022	150	71,900	-	714	72,764
2021	110	51,707	-	23,392	75,209
2020	75	-	93,858	27,081	121,014
2019	75	-	1,804	60,324	62,203
2018	150	-	3,729	35,641	39,520
2017	150	-	-	28,775	28,925
2016	150	-	2,192	38,337	40,679

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**SEASIDE HEIGHTS SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE ^b	ACTUAL (COUNTY EQUALIZED) VALUE
2025	\$ 86,054,700	\$ 1,112,147,700	\$ 440,581,500	\$ 66,774,400	\$ 1,705,558,300	\$ 188,335,800	\$ 1,893,894,100	1.148	\$ 1,705,658,300
2024	25,019,300	473,558,700	167,789,800	29,658,200	696,026,000	82,479,000	778,505,000	1.150	1,137,855,158
2023	34,644,400	389,582,900	172,293,800	27,037,200	623,558,300	6,046,240	629,604,540	1.040	931,471,403
2022	21,456,000	439,464,500	181,344,100	30,350,900	672,615,500	87,415,800	760,031,300	0.964	794,021,367
2021	19,095,500	425,464,500	187,187,500	29,806,300	661,553,800	88,147,700	749,701,500	0.944	694,626,405
2020	19,582,800	410,297,000	187,545,000	28,830,100	646,254,900	97,329,000	743,583,900	0.964	682,783,835
2019	24,022,500	402,655,000	185,718,300	29,332,200	641,728,000	84,335,200	726,063,200	0.900	665,907,856
2018	24,205,000	397,426,800	189,130,300	26,644,900	637,407,000	84,865,300	722,272,300	0.879	647,752,177
2017	23,517,700	395,764,200	184,782,100	28,206,900	632,270,900	83,155,500	715,426,400	0.866	647,752,177
2016	25,230,100	393,639,500	186,208,200	28,345,200	633,423,000	69,658,800	703,081,800	0.884	637,374,723

Source: Abstract of Rateables - Ocean County

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 (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

^b Tax rates are per \$100

**SEASIDE HEIGHTS SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE ^a	TOTAL DIRECT	LOCAL SCHOOL DISTRICT TAX RATE	MUNICIPAL RATE	OCEAN COUNTY	
2025	0.620	0.620	0.528	1.130	0.556	2.834
2024	0.620	0.620	0.528	1.130	0.556	2.834
2023	0.586	0.586	0.449	1.095	0.500	2.630
2022	0.557	0.557	0.407	1.089	0.448	2.501
2021	0.403	0.403	0.541	1.054	0.422	2.420
2020	0.443	0.443	0.521	1.025	0.439	2.428
2019	0.429	0.429	0.471	1.021	0.434	2.355
2018	0.417	0.417	0.462	1.002	0.412	2.293
2017	0.431	0.431	0.435	0.967	0.417	2.250
2016	0.450	0.450	0.434	0.930	0.398	2.212

Source: Municipal Tax Collector, Ocean County Board of Taxation.

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

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

	2025		RANK	2016	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
Seaside Heights					
AFMV LLC	\$ 91,468,800	4.83%	1	\$ 30,737,700	4.66%
SHREE ATLANTIC HOSPITALITY LLC	17,321,300	0.91%	3	7,744,000	0.52%
MCGRATH PARTNERSHIP	15,372,300	0.81%	2	23,056,000	2.95%
SEASIDE OCEAN TERRACE LLC	13,612,500	0.72%	4	7,897,000	1.28%
TILLES, SAMUEL INC	11,839,600	0.63%	5	6,633,000	0.40%
M & R OCEAN PROPERTIES LLC	9,253,900	0.49%	6	5,978,100	0.28%
LUCKY LEO'S DUPONT LLC	8,992,200	0.47%	7	-	0.45%
401 BOULEVARD URBAN RENEWAL LLC	8,505,000	0.45%	8	6,552,800	0.31%
FELDMAN, NINI R & FINLAY, JILL R	7,202,300	0.38%	9	-	0.00%
500 BOARDWALK REALTY LLC	7,146,100	0.38%	10	-	0.26%
Total	\$ 190,714,000	10.07%		\$ 88,598,600	11.11%

Source: Municipal Tax Assessor

**SEASIDE HEIGHTS SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY ^a		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	\$ 4,314,000	\$ 4,314,000	100.00%	\$ -
2024	4,013,793	4,013,793	100.00%	-
2023	3,748,999	3,748,999	100.00%	-
2022	3,370,000	3,370,000	100.00%	-
2021	3,025,000	3,025,000	100.00%	-
2020	2,945,000	2,945,000	100.00%	-
2019	2,748,368	2,748,368	100.00%	-
2018	2,748,368	2,748,368	100.00%	-
2017	2,737,431	2,737,431	100.00%	-
2016	2,430,356	2,430,356	100.00%	-

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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**SEASIDE HEIGHTS SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME ^a	PER CAPITA
	LEASE OBLIGATIONS				
2025	\$	30,187	\$ 30,187	N/A	N/A
2024		6,021	6,021	N/A	N/A
2023		26,934	26,934	N/A	N/A
2022		16,990	16,990	N/A	N/A
2021		23,125	23,125	N/A	N/A
2020		28,701	28,701	N/A	N/A
2019		112,868	112,868	N/A	N/A
2018		208,869	208,869	N/A	N/A
2017		309,869	309,869	N/A	N/A
2016		409,599	409,599	N/A	N/A

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

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

b Includes Early Retirement Incentive Plan ("ERIP") refunding and State Loans

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			
	NET ASSESSED VALUATION TAXABLE a	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PERCENTAGE OF PER CAPITA PER CAPITA b
2025	\$ 1,893,894,100	\$ 30,187	0.00%	N/A
2024	778,505,000	6,021	0.00%	N/A
2023	684,020,700	26,934	0.00%	N/A
2022	760,031,300	16,990	0.00%	N/A
2021	749,701,500	23,125	0.00%	N/A
2020	743,583,900	28,701	0.00%	N/A
2019	726,063,200	112,868	0.02%	N/A
2018	722,272,300	208,869	0.03%	N/A
2017	715,426,400	309,869	0.04%	N/A
2016	703,081,800	409,599	0.06%	N/A

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

a Used Estimated County equalized value from J-6

b Population data can be founds in Exhibit J-14

**SEASIDE HEIGHTS SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2025
UNAUDITED**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Seaside Heights	\$ 15,977,000	100.00%	\$ 15,977,000
Other Debt:			
Ocean County General Obligation Debt	551,161,252	0.66000%	<u>3,637,664</u>
Subtotal, Overlapping Debt			<u>19,614,664</u>
Total Direct & Overlapping Debt			<u><u>\$ 19,614,664</u></u>

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

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

SEASIDE HEIGHTS SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Dollars in Thousands)
 UNAUDITED

	FISCAL YEAR ENDED JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$ 31,458,207	\$ 26,726,514	\$ 19,924,719	\$ 18,095,263	\$ 17,027,626	\$ 16,637,007	\$ 16,202,423	\$ 16,202,423	\$ 22,575,426	N/A
Total Net Debt Applicable to Limit	\$ 31,458,207	\$ 26,726,514	\$ 19,924,719	\$ 18,095,263	\$ 17,027,626	\$ 16,637,007	\$ 16,202,423	\$ 16,202,423	\$ 22,575,426	N/A
Legal Debt Margin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
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%	N/A	N/A	N/A

EQUALIZED VALUATION BASIS	
Seaside Heights	TOTAL
2025 \$ 1,705,658,300	\$ 1,705,658,300
2024 1,137,855,158	1,137,855,158
2023 931,471,403	931,471,403
[A]	3,774,984,861

Average Equalized Valuation of Taxable Property [A/3] 1,258,328,287

Debt Limit (2.5% of Average Equalization Value) [B]	31,458,207
Legal Debt Margin [B-C]	\$ 31,458,207

Source: Equalized valuation bases were obtained from the Ocean County Board of Taxation

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**SEASIDE HEIGHTS SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

FOR THE YEAR ENDED JUNE 30,	POPULATION a	PERSONAL INCOME b	PER CAPITA PERSONAL INCOME c	UNEMPLOYMENT RATE d
2025	1,992	58,988	39,295	5.10%
2024	1,992	39,295	39,295	N/A
2023	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2021	2,493	60,823	60,823	5.40%
2020	2,470	57,344	57,344	9.10%
2019	3,024	53,517	53,517	7.20%
2018	2,912	51,725	51,725	6.60%
2017	2,901	50,356	50,356	8.00%
2016	2,887	48,826	48,826	7.80%

Sources:

- a** Population information provided by the NJ Department of Labor and Workforce Development.
- b** Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c** Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- d** Unemployment data provided by the NJ Department of Labor and Workforce Development.

**SEASIDE HEIGHTS SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

2025			2016		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

DATA NOT AVAILABLE

DATA NOT AVAILABLE

0		0.00%		0	0.00%
0				0	

Source: Municipal Tax Collector

N/A - Information was not available at reporting time

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**SEASIDE HEIGHTS SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED**

	FISCAL YEAR ENDED JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function/Program:										
Instruction:										
Regular	15	19	18	18	18	16	16	15	17	17
Special Education	10	6	13	13	13	12	12	12	12	12
Other Special Education	-	2	2	2	1	1	1	1	-	-
Support Services:										
Student & Instruction Related Services	11	11	10	10	10	10	10	9	8	8
School Administrative Services	4	5	2	2	2	2	2	2	1	1
General & Business Administrative Services	2	2	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	4	4	3	3	3	3	3	3	3	3
Total	46	49	49	49	48	45	45	43	42	42

Source: District Personnel Records

SEASIDE HEIGHTS SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 UNAUDITED

FISCAL YEAR Ended June 30,	ENROLLMENT	OPERATING EXPENDITURES a	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF b	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) c	AVERAGE DAILY ATTENDANCE (ADA) c	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2025	163	\$ 4,720,673	\$ 28,961	16.21%	25	6.5	159.09	140.01	-8.42%	88.01%
2024	165	5,081,201	30,795	23.57%	27	6.1	173.72	154.77	-13.03%	89.09%
2023	173	4,311,507	24,922	-0.33%	30	5.8	199.75	178.01	6.93%	89.12%
2022	187	4,676,006	25,005	21.17%	30	6.2	186.80	166.10	-13.20%	88.92%
2021	211	4,044,879	20,636	-18.07%	29	7.3	215.20	178.70	3.01%	89.74%
2020	203	4,189,095	20,636	-18.07%	28	7.3	208.92	187.49	2.66%	89.74%
2019	203	5,112,838	25,186	4.60%	28	7.3	203.50	189.30	-10.33%	93.02%
2018	212	5,104,758	24,079	0.51%	27	7.9	226.95	204.40	6.40%	90.06%
2017	199	4,767,722	23,958	4.78%	24	8.3	213.30	196.70	-0.19%	92.22%
2016	198	4,527,353	22,865	7.80%	24	8.3	213.70	196.70	-5.69%	92.04%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. 1-

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

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

SEASIDE HEIGHTS SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040
313	313	313	313	313	313	313	313	313	313	313
211	211	211	211	211	211	203	203	212	199	198

DISTRICT BUILDINGS:

Elementary Schools:

Hugh J Boyd Jr. Elementary (1967):

Square Feet

Capacity (Students)

Enrollment

Number of Schools at June 30, 2025:

Elementary = 1

Middle School = 0

Senior High School = 0

Other = 0

Source: District Facilities Office, District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 UNAUDITED

SCHOOL FACILITIES	PROJECT # (s)	FISCAL YEAR ENDED JUNE 30,									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary Schools: Hugh J. Boyd, Jr.	N/A	\$ 77,984	\$ 70,379	\$ 68,198	\$ 378,346	\$ 122,079	\$ 82,045	\$ 113,499	\$ 82,970	\$ 67,358	\$ 95,679
Grand Total		\$ 77,984	\$ 70,379	\$ 68,198	\$ 378,346	\$ 122,079	\$ 82,045	\$ 113,499	\$ 82,970	\$ 67,358	\$ 95,679

Source: District Records

**SEASIDE HEIGHTS SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED**

	COVERAGE	DEDUCTIBLE
SCHOOL PACKAGE POLICY (1):		
General Liability	\$ 6,000,000	\$ -
Property & Physical Damage	500,000,000	1,000
General Automobile Liability	6,000,000	-
Worker's Compensation	3,000,000	Per State Law
 SCHOOL ACCIDENT INSURANCE (2):	 None	 None
 SURETY BONDS:		
Treasurer (1)	155,000	Per State Law
School Business Administrator (1)	155,000	Per State Law

Source: District Records

- (1) NJ School Boards Insurance Group - Commercial Package Policy
- (2) Bollinger Insurance (Parent Paid Option Only)
- (3) NJ Jersey School Insurance Group - MOCCSIF Subfund

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SINGLE AUDIT SECTION

Fourth Section

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Seaside Heights School District
County of Ocean
Seaside Heights, NJ 08751

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 Seaside Heights School District (the School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the 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 School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'Jerry W. Conaty', with a stylized, overlapping flourish at the end.

Jerry W. Conaty

Certified Public Accountant

Public School Accountant, No. 2470

Lakewood, New Jersey

December 5, 2025



EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Seaside Heights School District
County of Ocean
Seaside Heights, NJ 08751

Report on Compliance for Each Major State Program

Opinion on Each Major Program

We have audited Seaside Heights School District's compliance with types of compliance requirements identified as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2025. The Seaside Heights School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts of grant agreements applicable to Seaside Heights School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Central Regional School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involved collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey , we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized flourish at the end.

Jerry W. Conaty

Certified Public Accountant

Public School Accountant, No. 2470

Lakewood, New Jersey
December 5, 2025

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SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

FEDERAL CRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL ASSISTANCE LISTING	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	UNEARNED REVENUE	BALANCE, JUNE 30, 2025 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. Department of Agriculture													
Passed Through New Jersey Department of Agriculture:													
Child Nutrition Cluster:													
School Breakfast Program	10.553	241NJ304N1099	100-010-3350-028	\$ 47,428	7/1/23-6/30/24	\$ (2,981)	\$ 2,981	\$ (42,501)	\$ -	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	10.553	251NJ304N1099	100-010-3350-028	42,501	7/1/24-6/30/25	(2,981)	38,635	(42,501)	-	-	-	(3,866)	-
Subtotal							41,616	(42,501)	-	-	-	(3,866)	-
National School Lunch Program	10.555	241NJ304N1099	100-010-3350-026	95,926	7/1/23-6/30/24	(6,666)	6,666	(92,818)	-	-	-	-	-
National School Lunch Program	10.555	251NJ304N1099	100-010-3350-026	92,818	7/1/24-6/30/25	-	84,292	(92,818)	-	-	-	(8,526)	-
National Performance Based Lunch	10.555	241NJ304N1099	100-010-3350-026	1,797	7/1/23-6/30/24	(125)	125	(1,877)	-	-	-	(172)	-
National Performance Based Lunch	10.555	251NJ304N1099	100-010-3350-026	1,877	7/1/24-6/30/25	-	1,705	(1,877)	-	-	-	(172)	-
Food Distribution Program (Noncash Assistance)	10.555	251NJ304N1099	Unavailable	8,241	7/1/24-6/30/25	(6,791)	8,241	(8,241)	-	-	-	(8,698)	-
Subtotal							101,029	(102,936)	-	-	-	(8,698)	-
Total Child Nutrition Cluster						(9,772)	142,645	(145,437)	-	-	-	(12,564)	-
Summer EBT Administrative Cost	10.646	202121S900941	100-115-6130-000	322	7/1/24-6/30/25	-	322	(322)	-	-	-	-	-
Subtotal							322	(322)	-	-	-	-	-
Total U.S. Department of Agriculture						(9,772)	142,967	(145,759)	-	-	-	(12,564)	-
U.S. Department of Health and Human Services													
Passed Through New Jersey Department of Human Services													
Medical Cluster													
Medical Assistance Program (SEMI)	93.78	2405NJMAP	100-054-7540-211	5,923	7/1/24-6/30/24	-	5,923	(5,923)	-	-	-	-	-
Total Medical Cluster							5,923	(5,923)	-	-	-	-	-
Total U.S. Department of Health and Human Services							5,923	(5,923)	-	-	-	-	-
U.S. Department of Education													
Passed Through New Jersey Department of Education:													
No Child Left Behind (NCLB):													
Title I - Part A	84.010	S010A240030	100-034-5064-194	358,876	7/1/24-9/30/25	-	295,449	(334,847)	-	-	-	(39,398)	-
Subtotal							295,449	(334,847)	-	-	-	(39,398)	-
Title II - Part A, Supporting Effective Instruction	84.367A	S367A230029	100-034-5063-290	15,758	7/1/23-9/30/24	(1,087)	10,878	-	-	-	-	-	-
Title II - Part A, Supporting Effective Instruction	84.367A	S367A240029	100-034-5063-290	14,502	7/1/24-9/30/25	-	10,378	(13,502)	-	-	-	(3,124)	-
Subtotal							11,465	(13,502)	-	-	-	(3,124)	-
Special Education Cluster:													
I.D.E.A. Part B	84.027A	H027A230100	100-034-5065-016	86,473	7/1/23-9/30/24	42	-	-	-	(42)	-	-	-
I.D.E.A. Part B	84.027A	H027A240100	100-034-5065-094	81,541	7/1/24-9/30/25	-	63,751	(81,541)	-	42	-	(17,788)	-
Subtotal							63,751	(81,541)	-	42	-	(17,788)	-
I.D.E.A. Preschool	84.173A	H173A240114	100-034-5065-094	2,341	7/1/23-9/30/24	-	2,341	(3,241)	-	-	-	-	-
Subtotal							2,341	(3,241)	-	-	-	-	-
Total Special Education Cluster						42	66,092	(83,882)	-	-	-	(17,788)	-
Assistance Listing Education Stabilization Fund:													
American Rescue Plan (ARP) - Accelerated Learning Coach	84.423U	S425U1210027	100-034-5120-523	50,000	3/13/20-9/30/24	-	885	(885)	-	-	-	-	-
American Rescue Plan (ARP) - Evidence-based Summer Learning	84.423U	S425U1210027	100-034-5120-523	40,000	3/13/20-9/30/24	1,600	1,267	(1,267)	-	(1,600)	-	-	-
Subtotal						1,600	-	(2,152)	-	(1,600)	-	-	-
Total U.S. Department of Education						555	373,006	(434,383)	-	(1,600)	-	(60,270)	-
Total Expenditures of Federal Awards						(9,217)	\$ 521,896	\$ (586,065)	\$ -	\$ (1,600)	\$ -	\$ (72,834)	\$ -

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

SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE	MEMO		
									BALANCE, JUNE 30, 2025 (ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education:											
General Fund:											
State Aid Public:											
Special Education Categorical Aid	495-034-5120-089	\$ 153,976	7/1/24-6/30/25	\$ -	\$ 153,976	\$ (153,976)	\$ -	\$ -	\$ -	\$ 15,244	\$ 153,976
Security Aid	495-034-5120-084	92,138	7/1/24-6/30/25	-	92,138	(92,138)	-	-	-	9,122	92,138
Stabilized School Budget Aid	495-034-5120-014	46,658	7/1/24-6/30/25	-	46,658	(46,658)	-	-	-	-	46,658
Choice Aid	495-034-5120-068	80,816	7/1/24-6/30/25	-	80,816	(80,816)	-	-	-	8,001	80,816
Total State Aid Public				-	373,588	(373,588)	-	-	-	32,367	373,588
Transportation Aid	495-034-5120-014	11,203	7/1/24-6/30/25	-	11,203	(11,203)	-	-	-	1,109	11,203
Lead Based Testing	495-034-5120-104		7/1/23-6/30/24	(1,080)	1,080	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	85,185	7/1/23-6/30/24	(83,185)	85,185	-	-	-	-	-	-
Additional Non-Public Transportation Aid	495-034-5120-044	64,403	7/1/24-6/30/25	(455)	-	(64,403)	-	-	(64,403)	-	64,403
Additional Non-Public Transportation Aid	495-034-5120-014	224	7/1/23-6/30/24	(455)	-	(224)	-	-	(224)	-	224
Reimbursed TPAF Social Security Contributions	495-034-5120-014	161,482	7/1/24-6/30/24	(7,574)	7,574	-	-	-	(7,204)	-	144,808
Reimbursed TPAF Social Security Contributions	495-034-5094-003	144,808	7/1/24-6/30/25	-	137,604	(144,808)	-	-	-	-	144,808
TPAF - Pension											
Medical (Noncash Assistance)	495-034-5094-001	231,691	7/1/24-6/30/25	-	231,691	(231,691)	-	-	-	-	231,691
TPAF - Pension											
Contributions (Noncash Assistance)	495-034-5094-002	792,916	7/1/24-6/30/25	-	792,916	(792,916)	-	-	-	-	792,916
TPAF - Long-Term Disability											
Insurance (Noncash Assistance)	495-034-5094-004	357	7/1/24-6/30/25	-	357	(357)	-	-	-	-	357
Total General Fund				(94,294)	1,641,653	(1,619,190)	-	-	(71,831)	33,476	1,619,190
Special Revenue Fund:											
Preschool Education Aid	495-034-5095-007	668,370	7/1/23-6/30/24	(59,601)	59,601	-	-	-	-	-	-
Preschool Education Aid	495-034-5095-007	707,205	7/1/24-6/30/25	-	707,205	(706,535)	-	670	-	62,543	706,535
Total Special Revenue Fund				(59,601)	766,806	(706,535)	-	670	-	62,543	706,535
New Jersey Department of Agriculture:											
Enterprise Fund:											
National School Lunch Program	100-010-3360-067	1,573	7/1/23-6/30/24	(110)	110	-	-	-	-	-	-
National School Lunch Program	100-010-3360-067	1,460	7/1/24-6/30/25	1,326	1,326	(1,460)	-	-	(134)	-	1,460
Breakfast After the Bell	100-010-3350-021	1,737	7/1/23-6/30/24	(108)	108	-	-	-	-	-	-
Breakfast After the Bell	100-010-3350-021	1,496	7/1/24-6/30/25	1,360	1,360	(1,496)	-	-	(136)	-	1,496
Summer EBT Administrative Cost	100-115-6130-000	321	7/1/24-6/30/25	(218)	321	(321)	-	-	-	-	321
Total Enterprise Fund				(218)	3,225	(3,277)	-	-	(270)	-	3,277
Total State Financial Assistance				(154,113)	2,411,684	(2,329,002)	\$ -	\$ 670	(72,101)	\$ 96,019	\$ 2,329,002
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:											
TPAF - Post Retirement											
Medical (Noncash Assistance)	495-034-5094-001	\$ 231,691	7/1/24-6/30/25			\$ -				\$ 231,691	
TPAF - Pension											
Contributions (Noncash Assistance)	495-034-5094-002	792,916	7/1/24-6/30/25			792,916					
TPAF - Long-Term Disability											
Insurance (Noncash Assistance)	495-034-5094-004	357	7/1/24-6/30/25			357					
Total State Financial Assistance Subject to Calculation for Major Program Determination						\$ (1,304,038)					

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

SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2025. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2025.

**SEASIDE HEIGHTS SCHOOL DISTRICT
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
 FINANCIAL ASSISTANCE
 YEAR ENDED JUNE 30, 2025 (Continued)**

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$51,915) for the general fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District’s basic financial statements on a GAAP basis are presented as follows:

Fund:	Federal	State	Total
General Fund	\$ 5,923	\$ 1,629,818	\$ 1,635,741
Special Revenue Fund	434,383	693,618	1,128,001
Food Service Fund	145,759	3,277	149,036
Total Awards & Financial Assistance	<u>\$ 586,065</u>	<u>\$ 2,326,713</u>	<u>\$ 2,912,778</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The School District had no loan balances outstanding at June 30, 2025.

**SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

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

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	750,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
2) Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?		
	<u> </u> Yes	<u> X </u> No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
495-034-5095-007	Preschool Education Aid

**SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08.

Federal Awards

None.

State Financial Assistance

None.

**SEASIDE HEIGHTS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2025**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.