CITY OF OCEAN CITY

SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT

ON ADMINISTRATIVE FINDINGS

FINANCIAL, COMPLIANCE AND PERFORMANCE

JUNE 30, 2025

AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS FINANCIAL, COMPLIANCE AND PERFORMANCE

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REPORT OF INDEPENDENT AUDITORS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the general purpose financial statements of the Board of Education of the City of Ocean City School District in the County of Cape May for the year ended June 30, 2025, and have issued our report thereon dated November 28, 2025.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of the management of the City of Ocean City Board of Education and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

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

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

November 28, 2025

ADMINISTRATIVE FINDINGS – FINANCIAL COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's ACFR.

Official Bonds (*N.J.S.A.* 18A:17-26, 18A:17-32, 18A:13-13)

Name	Position	Amount
Timothy E. Kelley	Board Secretary/ School Business Administrator	$300,000

P.L.2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted included all health benefit plans offered by the school district.

The school district project data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

If the data certification date reflects submission date later than 60 days after the end of the enrollment period: The original data submission did not require significant revision due to errors or omissions on the part of the district.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The board made a proper adjustment to the billings to sending districts for the per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal (or state) regulations regarding the compensation which is required to be reported.

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were found.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23-8.3. As a result of the procedures performed, a transaction error rate of zero was noted and no additional procedures were deemed necessary.

A. *General Classification Findings -NONE*
B. *Administrative Classification Findings -NONE*

Board Secretary's Records

The Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes (NJSA 18A:18A-21).

Acknowledgement of the Board's receipt of the Board Secretary's and the Treasurer's monthly financial reports were included in the minutes.

Budget appropriations were not greater than realized revenues and Board authorized use of surplus.

No budgetary line accounts were over-expended during the fiscal year and at June 30.

Purchase orders were charged to the appropriate line accounts in accordance with State prescribed Uniform Minimum Chart of Accounts (2R2), for New Jersey Public Schools.

Treasurer's Records

The Board Treasurer's Records were in satisfactory condition.

All required reconciliations were performed.

All cash receipts were promptly deposited.

The Treasurers Records were in agreement with the Board Secretary.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2024-25 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the School District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for Other Special Federal and State Projects revealed no areas of noncompliance and/or questionable costs.

TPAF Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teacher's Pension and Annuity Fund. No exceptions were noted with these filings.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90-day grant liquidation period required by the Office of Grant Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are $44,000 (with a Qualified Purchasing Agent) and $32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently $20,200 for 2024-2025.

The Board of Education has the responsibility of determining whether the expenditures of any category will exceed the statutory thresholds within the contract year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of my examination, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Food Service

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded $100,000 in federal and/or State support. Accordingly, we inquired of school management, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA’s expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the public health emergency procedures/practices that the district instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements’ modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. No exceptions noted.

The financial transactions and statistical records of the school food services were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions noted.

The school district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed and audited. The FSMC contract included a guarantee that the 2024-25 school year will operate at a subsidy not to exceed ($115,000). All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions noted.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. No exceptions noted.

Net cash resources did not exceed three months' average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the board of education. No exceptions noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted and certified in a timely manner. No exceptions noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed was compared to the number of valid applications on file and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions noted.

USDA Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B in the ACFR.

Student Body Activities

Overall, the records of the various student activity funds were in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

Facilities and Capital Assets

Our audit procedures of facilities and capital assets found no exceptions.

Miscellaneous

The school district did comply with continuing disclosure agreements made in relation to prior year(s) bond issuances.

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12(g).

Follow-up on Prior Year Findings

In accordance with governmental auditing standards, our procedures included a review of all prior year recommendations including findings. There were no prior year findings noted, therefore no corrective action necessary.

Acknowledgment

We received the complete cooperation of all the officials of the School District, and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

Ford, Scott & Associates, LLC

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

Leon P. Costello

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Licensed Public School Accountant
No. 767

November 28, 2025

OCEAN CITY BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	2025-2026 Application for State School Aid						**Sample for Verification**						**Private Schools for Disabled**			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Reported on Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Preschool-3YR	4.00		4.00		-		1.00		1.00		-					
Full Day Preschool-4YR	47.00		47.00		-		7.00		7.00		-					
Half Day Kindergarten	-		-													
Full Day Kindergarten	43.00		43.00		-		7.00		7.00		-					
One	42.00		42.00		-		7.00		7.00		-					
Two	48.00		48.00		-		8.00		8.00		-					
Three	47.00		47.00		-		7.00		7.00		-					
Four	62.00		62.00		-		10.00		10.00		-					
Five	60.00		60.00		-		10.00		10.00		-					
Six	56.00		56.00		-		9.00		9.00		-					
Seven	62.00		62.00		-		10.00		10.00		-					
Eight	49.00		49.00		-		8.00		8.00		-					
Nine	235.00		235.00		-		37.00		37.00		-					
Ten	256.00		256.00		-		40.00		40.00		-					
Eleven	258.00		258.00		-		40.00		40.00		-					
Twelve	261.00		261.00		-		41.00		41.00		-					
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14+CR.)																
Subtotal	1,530.00	-	1,530.00	-	-	-	207.00	-	242.00	-	-	-	-	-	-	-
Special Ed - Elementary	56.00		56.00		-		9.00		9.00		-		-	-		-
Special Ed - Middle School	32.00		32.00		-		5.00		5.00		-		-	-		-
Special Ed - High School	98.00	2.00	98.00	2.00	-		16.00	-	16.00		-		2.00	2.00	2.00	-
Subtotal	186.00	2.00	186.00	2.00	-	-	25.00	-	30.00	-	-	-	2.00	2.00	2.00	-
Co. Voc. - Regular	-															
Co. Voc. - FT Post Sec.	-															
Totals	1,716.00	2.00	1,716.00	2.00	-	-	272.00	-	272.00	-	-	-	2.00	2.00	2.00	-
							-									
Percentage Error					-	-					-	-				-

OCEAN CITY BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score, Register, & Application	Sample Errors
Half Day Preschool												
Full Day Preschool-4YR												
Half Day Kindergarten												
Full Day Kindergarten	14.00	14.00	-	7.00	7.00	-	7.00	7.00	-	6.00	6.00	-
One	13.00	13.00	-	7.00	7.00	-	5.00	5.00	-	4.00	4.00	-
Two	6.00	6.00	-	3.00	3.00	-	2.00	2.00	-	2.00	2.00	-
Three	17.00	17.00	-	9.00	9.00	-	5.00	5.00	-	4.00	4.00	-
Four	15.00	15.00	-	8.00	8.00	-	3.00	3.00	-	2.00	2.00	-
Five	19.00	19.00	-	10.00	10.00	-	2.00	2.00	-	2.00	2.00	-
Six	14.00	14.00	-	7.00	7.00	-	1.00	1.00	-	1.00	1.00	-
Seven	15.00	15.00	-	8.00	8.00	-	-	-	-	-	-	-
Eight	14.00	14.00	-	7.00	7.00	-	-	-	-	-	-	-
Nine	18.00	18.00	-	9.00	9.00	-	1.00	1.00	-	1.00	1.00	-
Ten	20.00	20.00	-	11.00	11.00	-	-	-	-	-	-	-
Eleven	13.00	13.00	-	7.00	7.00	-	-	-	-	-	-	-
Twelve	23.00	23.00	-	12.00	12.00	-	1.00	1.00	-	1.00	1.00	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14+CR.)												
Subtotal	201.00	201.00	-	105.00	105.00	-	27.00	27.00	-	23.00	23.00	-
Special Ed - Elementary	30.00	30.00	-	16.00	16.00	-	6.00	6.00	-	5.00	5.00	-
Special Ed - Middle School	12.00	12.00	-	6.00	6.00	-	-	-	-	-	-	-
Special Ed - High School	14.00	14.00	-	7.00	7.00	-	1.00	1.00	-	1.00	1.00	-
Subtotal	56.00	56.00	-	29.00	29.00	-	7.00	7.00	-	6.00	6.00	-
DCF Reg Day Sch	-		-	-	-	-			-			-
Co. Voc. - Regular	-		-	-		-			-			-
Co. Voc. - FT Post Sec.	-		-	-		-			-			-
Res. Mental Health Ctrs	-		-	-	-	-			-			-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	257.00	257.00	-	134.00	134.00	-	34.00	34.00	-	29.00	29.00	-
Percentage Error			-			-			-			-

Transportation

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	196.00	196.00	-	134.00	134.00	-
Reg - Sp Ed, col. 4	16.00	16.00	-	11.00	11.00	-
Transported - Non-Public, col. 3	42.00	42.00	-	29.00	29.00	-
AIL Non-Public Schools	7.00	7.00	-	5.00	5.00	-
Special Ed Spec, col. 6	28.00	28.00	-	18.00	18.00	-
Totals	289.00	289.00	-	197.00	197.00	-
Percentage Error						-

	Reported	Recalc.
Reg Avg. (Mileage) = Regular Including Grade PK Students (Part A)	4.9	4.9
Reg Avg. (Mileage) = Regular Excluding Grade PK Students (Part B)	5.0	5.0
Spec Avg. = Special Ed with Special Needs	5.2	5.2

OCEAN CITY BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool-4YR						
Half Day Kindergarten						
Full Day Kindergarten	1.00	1.00	-	1.00	1.00	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	2.00	2.00	-	2.00	2.00	-
Four	2.00	2.00	-	1.00	1.00	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	1.00	1.00	-	1.00	1.00	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14+CR.)						
Subtotal	6.00	6.00	-	5.00	5.00	-
Special Ed - Elementary	1.00	1.00	-	1.00	1.00	-
Special Ed - Middle School	-	-	-	-		-
Special Ed - High School	-	-	-	-		-
Subtotal	1.00	1.00	-	1.00	1.00	-
Co. Voc. - Regular						
Co. Voc. - FT Post Sec.						
Totals	7.00	7.00	-	6.00	6.00	-
				-		
Percentage Error			-			-

CITY OF OCEAN CITY BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	$	54,878,231.56	(B)	
Increased by:				
Transfer from Capital Outlay to Capital Projects Fund	$		(B1a)	
Transfer from Capital Reserve to Capital Projects Fund	$		(B1b)	
Transfer from General Fund to SRF for PreK-Regular	$	191,152.00	(B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	$		(B1d)	
Decreased By:				
On-Behalf TPAF Pension & Social Security	$	11,104,678.40	(B2a)	
Assets Acquired Under Capital Leases			(B2b)	
Adjusted 2024-25 General Fund Expenditures [(B)+(B1's)-(B2's)]	$	43,773,553.16	(B3)	
2% of Adjusted 2024-25 General Fund Expenditures [(B3) times .02]	$	875,471.06	(B4)	
Enter Greater of (B4) or $250,000	$	875,471.06	(B5)	
Increased by: Allowable Adjustment*	$	430,376.00	(K)	
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]			$ 1,305,847.06	(M)

CITY OF OCEAN CITY BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025

SECTION 2

Total General Fund - Fund Balances @ 06/30/25				
(Per ACFR Budgetary Comparison schedule/statement C-1)	$ 14,101,954.23	(C)		
Decreased by:				
Year-end Encumbrances	$ 326,323.35	(C1)		
Legally Restricted-Designated for Subsequent Year's Expenditures	$ -	(C2)		
Legally Restricted-Excess Surplus - Designated for Subsequent Year's Expenditures **	$ 849,950.00	(C3)		
Other Restricted Fund Balances ****	$ 10,654,487.13	(C4)		
Assigned Fund Balance-Unreserved Designated for Subsequent Year's Expenditures	$ 254,146.00	(C5)		
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			$ 2,017,047.75	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	$ 711,200.69	(E)

Recapitulation of Excess Surplus as of June 30, 2025:

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	$ 849,950.00	(C3)
Reserved Excess Surplus ***	$ 711,200.69	(E)
Total Excess Surplus [(C3) + (E)]	$ 1,561,150.69	(D)

* This adjustment line (as detailed below) is to be utilized for Impact Aid (when applicable), Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), and Extraordinary Aid, Additional Nonpublic School Transportation Aid and Unbudgeted TPAF Wage Freeze Grant Funding. (Refer to the Audit Program Section II, Chaper 10 for restrictions on the inclusion Extraordinary Aid and Additional Nonpublic School Transportation Aid.)

Detail of Allowable Adjustment

Impact Aid	$	(H)
Sale & Lease-back	$	(I)
Extraordinary Aid	$ 407,493.00	(J1)
Additional Nonpublic School Transportation Aid	$ 22,883.00	(J2)
Current Year School Bus Advertising Revenue	$	(J3)
Family Crisis Transportation Aid	$	(J4)
Supplemental Stabilization Aid & Maintenance of Equity Aid	$	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	$ 430,376.00	(K)

** This amount represents the June 30, 2025 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2025 ACFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

CITY OF OCEAN CITY BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2025

Detail of Other Restricted Fund Balance

Statutory restrictions:			
Approved unspent separate proposal	$		
Sale/lease-back reserve	$		
Capital reserve	$	4,475,500.00	
Maintenance reserve	$	2,250,498.04	
Emergency reserve	$	424,932.00	
Tuition reserve	$	3,100,000.00	
School Bus Advertising 50% Fuel Offset Reserve - CY	$		
School Bus Advertising 50% Fuel Offset Reserve - PY	$		
Impact Aid General Fund Reserve (Sec. 8002 and 8003)	$		
Impact Aid General Fund Reserve (Sec. 8007 and 8008)	$		
Other state/government mandated reserve	$		
Reserve for Unemployment Fund	$	403,557.09	
[Other Restricted Fund Balance not noted above]****	$		
Total Other Restricted Fund Balance	$	10,654,487.13	(C4)

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2025
OCEAN CITY SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures

   None

2. Financial Planning. Accounting and Reporting

   None

3. School Purchasing Programs

   None

4. School Food Service

   None

5. Student Body Activities

   None

6. Application for State School Aid

   None

7. Pupil Transportation

   None

8. Facilities and Capital Assets

   None

9. Miscellaneous

   None

10. Status of Prior Year Audit Findings/Recommendations

    There were no prior year findings noted, therefore no corrective action necessary.