Annual Comprehensive Financial Report

of the

Borough of Keyport Board of Education

County of Monmouth

Keyport, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Borough of Keyport, Board of Education
Finance Department

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INTRODUCTORY SECTION

THE KEYPORT BOARD OF EDUCATION
KEYPORT, NJ 07735

Anthony Rapolla
Business Administrator/Board Secretary

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Tel. 732-212-6100 ext. 1008
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November 19, 2025

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

Dear Board Members:

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

The annual comprehensive financial report is presented in five sections: introductory, financial, basic financial statements, required supplementary information, and other supplementary information. The introductory section includes this transmittal letter, the roster of officials, consultants and advisors and the District's organizational chart. The financial section includes the independent auditor's report and the management's discussion and analysis. The basic financial statements included the district-wide financial statements, fund financial statements, and notes to the financial statements. The required supplementary information reports on budget comparisons for the general and special revenue funds. The other supplementary information consists of various financial statements, statistical information and single audit. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the provisions of the Uniform Guidance and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Keyport School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Keyport Board of Education and all its schools constitute the District's reporting entity.

The District provides a high quality education as well as a full range of programs appropriate to the pre-school program through grade twelve. These include regular education, programs for gifted and talented students, as well as special education for handicapped students both in district and out of district. The district consists of two schools. The elementary encompasses the pre-school program through grade eight while the high school comprises of grades nine through twelve.

Supervising district-wide goals are a District Superintendent, School Business Administrator, Director of Curriculum, Director of Pupil Personnel and Director of Guidance. Each school has a principal and the Central School has a vice-principal to oversee day-to-day operations.

The following is a comparison of student enrollments for the last six years.

Student Enrollment

Fiscal Year	Student Enrollment	Percent Change
2024-2025	945	-3.37%
2023-2024	978	5.16%
2022-2023	930.0	0.324%
2021-2022	927.0	-0.215%
2020-2021	929.0	-7.65%
2019-2020	1006.0	-2.99%

The Board of Education is comprised of ten members. Nine members are elected to three-year terms with three seats up for election each year. One member is appointed by the Union Beach Board of Education as the Union Beach representative. This appointment is made on an annual basis. Regular meetings of the Board of Education are held on one Wednesday of each month. Depending on the needs of the Board of Education, there may be an additional workshop action meeting during a particular month. During its meetings, the Board determines policy, district goals and priorities and conducts the business of the Board of Education. Board meetings are open to the public and begin at 6:30 p.m.

To maintain effective communication, the District makes extensive use of the district website as well as many social media platforms. The District also uses the 911 Inform Instant Alert System to update parents and community members of important activities and events. Parents also receive considerable information disseminated by the main office in each building. Information about the budget is posted on the Keyport Schools web site with easy access from the front page of the web site under "User Friendly Budget".

All curricula in the district have been aligned to the state mandated New Jersey Student Learning Standards and each school follows the district-wide goals as established by the Board of Education.

2) ECONOMIC CONDITION AND OUTLOOK: Enrollment in the Keyport District has decreased in grades K-12 over the last six years. Over the last six years, our sending district, Union Beach, has significantly decreased the amount of students they are sending us. This has had a major impact on the tuition revenue the district receives. Additionally, State Aid has been trending downwards as a result of the funding formula. The district budget remains well-below adequacy as we hope a future update to the funding formula will result in increased revenue.

3) MAJOR INITIATIVES: The district continued to undergo major initiatives in repairing and rehabilitating buildings that are between 50 year and 100 years of age. A $16.8 million dollar school referendum passed in November of 2019 to upgrade district facilities. These upgrades included HVAC, a secure vestibule, ceilings, electric panels, LED lights, fire alarm systems, ADA compliant ramp, asbestos abatement, water drainage, masonry and envelope repairs. The district also installed a new track at the athletic complex and recently repaved areas at both schools. We also just completed installing a new Early Childhood Playground as well as an outdoor classroom..

District Goals

2022-2027 DISTRICT GOALS (5-YEAR GOALS)

Goal 1: To improve academic success for all students Pre K -12 in Keyport Public Schools.

Goal 2: To foster partnerships with the community, in addition to a strong parent-student educator relationship, through effectiveness communication and engagement opportunities.

Goal 3: To maintain a fiscally responsible budget that supports positive student learning experience in well maintained facilities.

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

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

7) DEBT ADMINISTRATION: As of June 30, 2025, the District had outstanding bond debt in the amount of $13,170,000 and Installment Purchase Contract debt of $56,211.00.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories (TD Bank, Hazlet Office) protected from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Company LLC, CPAs was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the Uniform Guidance and New Jersey OMB Circular 15-08. 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 section of this report. The Board and Business Office wish to express their gratitude to the participating employees from Suplee, Clooney & Company LLC for a thorough, efficient, professional, and pleasant audit experience.

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

Respectfully submitted,

Lisa M. Savoia, Ed.D.

Lisa M. Savoia, E.d.D.
Superintendent

Anthony Rapolla

Anthony Rapolla
Board Secretary
Business Administrator

Keyport Board of Education
Keyport, New Jersey

Roster of Officials
June 30, 2025

Members of the Board of Education	**Term Expires**
Caitlin Cunningham President	2026
Ruth Grabowski, Vice President	2025
Dennis Fotopoulos	2025
Laura Abrahamsen	2027
John Hausmann	2026
Rebecca Kahane	2027
Joesph Stahley	2027
Joseph Stahl	2025
Jennifer Tevis	2026
Jeannette Van Houten, Union Beach Rep.	2026

Other Officials

Lisa M. Savoia, Superintendent

Anthony Rapolla, Board Secretary/School Business Administrator

Perry Lattiboudere
Board Attorney

Keyport Board of Education

Advisors and Consultants

ARCHITECT

Spiezel Architectural Group

1395 Hamilton Square Road

Suite 2A

Hamilton, NJ 08691

AUDIT FIRM

Suplee, Clooney & Company LLC

308 East Broad Street

Westfield, New Jersey 07090-2122

ATTORNEY

Adams, Lattiboudere, Croot & Herman LLC

1037 Raymond Boulevard

Suite 900

Newark, NJ 07102

COMPUTER CONSULTANT

System 3000

615 Hope Road

Eatontown, NJ 07724

ENVIRONMENTAL ENGINEERS

Environmental Design

421 West Kings Highway

Audubon, New Jersey 08106

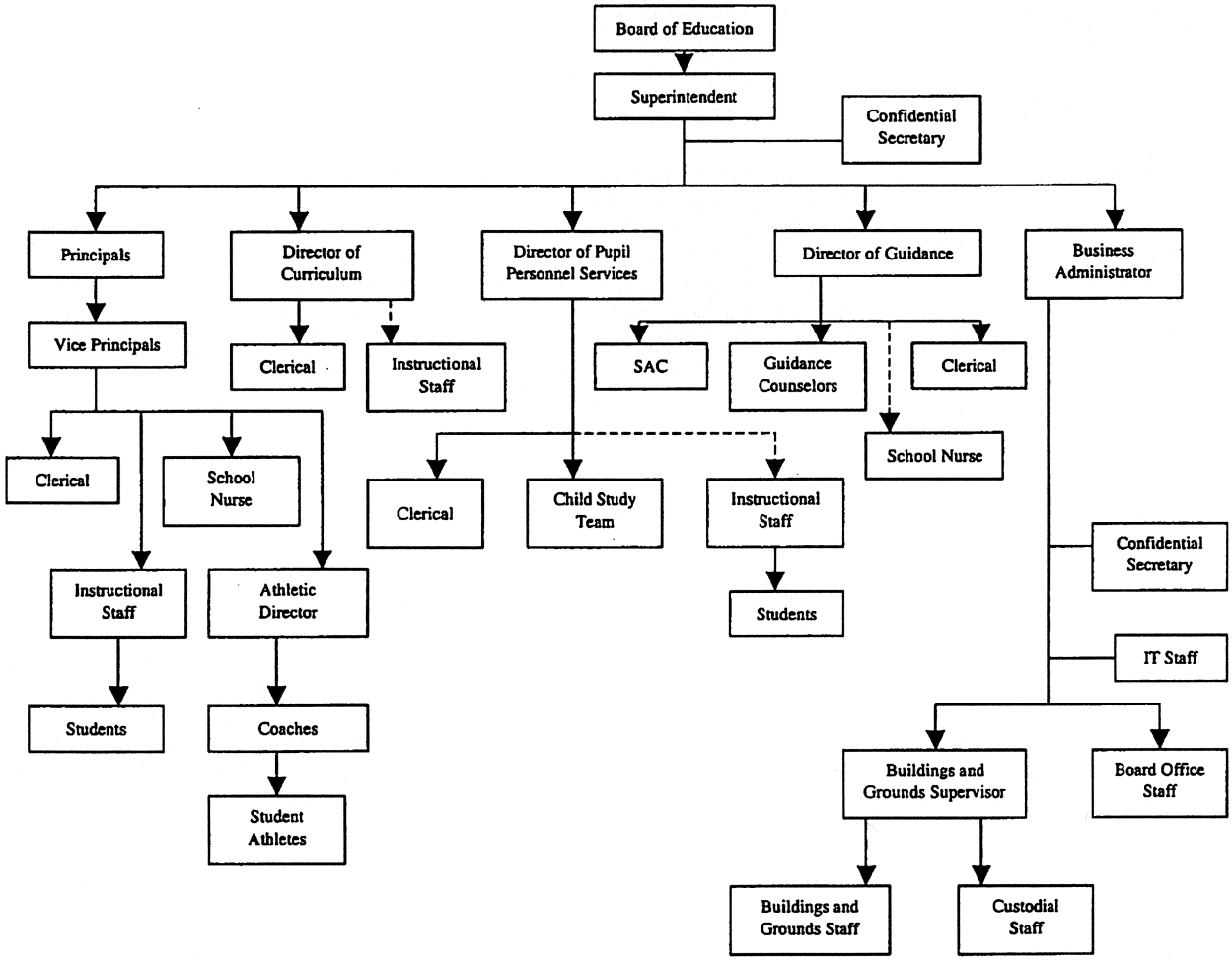
OFFICIAL DEPOSITORY

TD Bank

16 Bethany Road

Hazlet, New Jersey 07730

1110 ORGANIZATIONAL CHART



Adopted: 07 September 2011

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FINANCIAL SECTION

SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR REPORT

Honorable President and Members
of the Board of Education
Borough of Keyport School District
County of Monmouth
Keyport, New Jersey 07735

Report on the Financial Statements

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards*, 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 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 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 in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule 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 November 18, 2025 on our consideration of the 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

November 18, 2025

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REQUIRED SUPPLEMENTARY INFORMATION – Part I

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

BOROUGH OF KEYPORT SCHOOL DISTRICT
KEYPORT, NEW JERSEY

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

UNAUDITED

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

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments. Certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A. In fiscal year 2025 the District implemented GASB Statement No. 101-Compensated Absences.

Financial Highlights

- At the district-wide financial statements, revenues from governmental activities accounted for $26,048,156.45 or 96.85 percent of total school district revenue. The other 3.15 percent of revenue was generated by the business type activities.

- At year end the Board of Education has a balance in the maintenance reserve of $979,910.96 for future maintenance projects. The Board of Education also transferred $800,000.00 to the capital reserve bringing the balance to $3,361,444.86 for future capital projects.

Overview of the Financial Statements

This Annual Comprehensive Annual Financial Report ("ACFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District–wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.

- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds and Proprietary Funds.

- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.

- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include the districts food services and extendicare funds.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

BOROUGH OF KEYPORT SCHOOL DISTRICT
KEYPORT, NEW JERSEY

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

UNAUDITED

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Table 1 reflects how the various parts of this annual report are arranged and related to one another.

District-wide Financial Statements

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

The District-wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.

- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The Food service and Extendicare activities are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains two financial funds:

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

- Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.

Financial Analysis of the District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 on the next page reflects the District's net position as a whole. Table 2 reflects the changes in net position from operating results.

BOROUGH OF KEYPORT SCHOOL DISTRICT
KEYPORT, NEW JERSEY

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

UNAUDITED

Statement of Net Position

TABLE 1
NET POSITION

	FY2025	FY2024 (As Restated)
ASSETS		
Current & Other Assets	$10,993,264.26	$11,516,543.62
Capital Assets	23,157,108.19	24,017,459.32
TOTAL ASSETS	34,150,372.45	35,534,002.94
DEFERRED OUTFLOWS OF RESOURCE		
Deferred loss from debt refunding		
Related to pensions	351,491.00	446,428.38
TOTAL DEFERRED OUTFLOWS	351,491.00	446,428.38
LIABILITIES		
Long-Term Liabilities	16,718,167.12	17,351,992.56
Other Liabilities	681,466.80	926,031.46
TOTAL LIABILITIES	17,399,633.92	18,278,024.02
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	377,294.00	496,921.00
TOTAL DEFERRED INFLOWS	377,294.00	496,921.00
NET POSITION		
Net investment in capital assets	11,032,384.88	11,156,534.21
Restricted	8,929,461.35	9,193,565.53
Unrestricted (deficit)	(3,236,910.70)	(3,144,613.44)
TOTAL NET POSITION	$16,724,935.53	$17,205,486.30

A large portion of the District's net position is its net investment in capital assets. Restricted net positions include those items that are subject to external restrictions (e.g., for capital projects, unemployment compensation insurance, capital, maintenance and excess fund balance in the general fund as well as student activities and scholarships in the special revenue fund).

Unrestricted net position is at a deficit due to the net pension liability.

Current and other assets remained relatively the same as the prior fiscal year while total liabilities decreased. The decrease in liabilities was due to a reduction of bonds payable, net pension liabilities and compensated absences. Unrestricted net position reflects large deficit due to the effects of accruals required by GASB 68 and GASB 75.

Changes in Net Position from Operating Results

TABLE 2
CHANGES IN NET POSITION

	FY2025	FY2024 (As Restated)
Revenues		
Program Revenues		
Charges for Services	711,855.19	994,970.32
Operating Grants & Contributions	5,923,766.93	7,362,015.27
General Revenues		
Property Taxes	11,946,553.00	11,705,332.00
Grants (includes State Aid) & Entitlements	6,283,392.33	5,349,824.76
Other Revenues	2,051,336.27	2,747,229.66
	26,916,903.72	28,159,372.01
Expenses:		
Instruction	15,222,955.31	14,904,160.91
Pupils and Instructional Staff	4,342,632.12	4,598,004.37
General & School Administration, Central Services & Administrative Technology	2,497,112.16	2,143,805.19
Maintenance	1,968,227.04	1,656,443.35
Transportation	887,541.42	515,143.09
Interest on Long-Term Debt	468,284.00	505,454.83
Unallocated Depreciation	1,091,628.13	1,185,916.58
Business-Type	919,074.31	748,705.32
Total Expenses	27,397,454.49	26,257,633.64
Change in Net Position	(480,550.77)	1,901,738.37
Net Position July 1,	17,205,486.30	15,303,747.93
Net Position June 30,	16,724,935.53	17,205,486.30

Sources of Revenue

The District's total revenue for the 2024-2025 school year was $26,916,903.72 as reflected in Table 3 on the following page. Property taxes accounted for 44 percent of the total revenue with the other 56 percent consisting of state and federal aid, grants, charges for services, and miscellaneous sources including Union Beach tuition.

TABLE 3
DISTRICT-WIDE REVENUES

	FY2025		FY2024	
	Amount	Percentage	Amount	Percentage
Property Taxes	$11,946,553.00	44.00%	11,705,332.00	41.00%
Federal & State Grants not Restricted	6,283,392.33	23.00%	5,349,824.76	19.00%
Miscellaneous Income	2,051,336.27	8.00%	2,747,229.66	10.00%
Charges for Services	711,855.19	3.00%	994,970.32	4.00%
Operating Grants and Contributions	5,923,766.93	22.00%	7,362,015.27	26.00%
	$26,916,903.72	100.00%	$28,159,372.01	100.00%

Expenses for the Fiscal Year 2025 and 2024

The total expenditures for the 2024-2025 fiscal year for all programs and services were $27,397,454.49 Table 4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 72 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in the school and administrative buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. Depreciation expense on capital assets is included in expenses for the year and totals $1,188,859.13 for Governmental Funds and $8,320.00 for Proprietary Funds.

TABLE 4
DISTRICT-WIDE EXPENSES

	FY2025		FY2024	
	Amount	Percentage	Amount	Percentage
Instruction	$15,222,955.31	56.00%	14,933,803.10	57.00%
Pupils and Instructional Staff	4,342,632.12	16.00%	4,602,815.37	17.00%
General & School Adm., Central Services & Adm. Technology	2,497,112.16	9.00%	2,156,908.19	8.00%
Maintenance	1,968,227.04	7.00%	1,657,019.35	6.00%
Transportation	887,541.42	3.00%	515,143.09	2.00%
Interest on Long-Term Debt	468,284.00	2.00%	505,454.83	2.00%
Other	1,091,628.13	4.00%	1,185,916.58	5.00%
Business-Type	919,074.31	3.00%	748,705.32	3.00%
	$27,397,454.49	100.00%	$26,305,765.83	100.00%

Net Cost of Activities

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student & instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

TABLE 5
NET COST OF SERVICES

	Total Cost of Services FY2025	Total Cost of Services FY2024	Net Cost of Services FY2025	Net Cost of Services FY2024
Instruction	$15,222,955.31	$14,933,803.10	$12,075,236.99	$10,930,755.89
Pupils and Instructional Staff	4,342,632.12	4,602,815.37	2,176,991.82	1,539,914.30
General & School Adm., Central Services & Administrative Tech.	2,497,112.16	2,156,908.19	2,247,043.37	1,914,957.68
Maintenance	1,968,227.04	1,657,019.35	1,913,525.26	1,602,317.57
Transportation	887,541.42	515,143.09	887,541.42	515,143.09
Interest on Long-Term Debt	468,284.00	505,454.83	313,876.00	335,010.83
Unallocated depreciation	1,091,628.13	1,185,916.58	1,091,628.13	1,185,916.58
Business-Type	919,074.31	748,705.32	55,989.38	(75,235.70)
Total Expenses	$27,397,454.49	$26,305,765.83	$20,761,832.37	$17,948,780.24

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

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. This category also includes health and guidance services.

General administration, school administration, and central services include expenses associated with administrative and financial management of the District.

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

Student transportation includes activities with the conveyance of special education students to and from school, school activities and athletic events, as provided by state law.

"Other" includes unallocated depreciation, interest on long term debt, the extendicare program and the food service program.

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the general fund. During the fiscal year there were differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts.

Expenditures

Expenditures increased in both the governmental and proprietary funds. Salaries, insurance premiums and transportation costs were all factors in the increase.

Revenues

Excluding the change in the state pension, revenues overall saw a decrease from the prior year. Federal grants dropped out such as ARP ESSER III during 2024-2025. In addition, revenue from our receiving district, Union Beach were significantly reduced due to less enrollment.

Capital Assets

During the fiscal year 2024-2025 the District saw a decrease in Capital Assets as depreciation exceeded additions. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

Table 6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	Change
Land & Construction in Progress	$384,187.00	$83,662.00			$384,187.00	$83,662.00	359.21%
Site Improvements	1,217,493.00	1,183,650.00			1,217,493.00	1,183,650.00	2.86%
Building and Building Improvements	20,758,405.19	21,748,224.32			20,758,405.19	21,748,224.32	-4.55%
Machinery and Equipment	738,977.00	939,860.00	$58,046.00	$83,743.00	797,023.00	1,023,603.00	-22.14%
Total Assets	$23,099,062.19	$23,955,396.32	$58,046.00	$83,743.00	$23,157,108.19	$24,039,139.32	-3.67%

Debt Administration

At June 30, 2025 the District had $16,458,398.48 outstanding long-term liabilities, consisting of bonds payable from construction, compensated absences, installment purchase contracts and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information about the District's long-term liabilities is presented in Note 4 to the financial statements. There were decreases in bonds payable, compensated absences, installment purchase contracts and in the net pension liability.

Outstanding Long-term Liabilities

Table 7
Long-Term Debt June 30

	FY2025	FY2024 (As Restated)
Installment Purchase Contracts	$58,211.67	$85,203.47
Compensated Absences	646,265.45	272,749.09
Bonds Payable	13,170,000.00	13,935,000.00
Net Pension Expense Payable	2,843,690.00	3,059,040.00
	$16,718,167.12	$17,351,992.56

BOROUGH OF KEYPORT SCHOOL DISTRICT
KEYPORT, NEW JERSEY

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

UNAUDITED

The District's Future

The district's financial position is significantly influenced by enrollment and tuition. Enrollment in the Keyport District has decreased in grades K-12 over the last six years. Also, over the last six years, our sending district, Union Beach, has significantly decreased the amount of students they are sending us. This has had a major impact on the tuition revenue the district receives. Additionally, State Aid has been trending downwards as a result of the funding formula. The district budget remains well-below adequacy as we hope a future update to the funding formula will result in increased revenue.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Anthony Rapolla, School Business Administrator/Board Secretary at the Keyport Borough Board of Education, 370 Broad Street, Keyport, New Jersey 07735 or email at arapolla@kpsdschools.org.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2025

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

EXHIBIT "A-1"

BOROUGH OF KEYPORT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	$5,931,456.81	$158,808.05	$6,090,264.86
Receivables, net	525,351.13	28,236.65	553,587.78
Inventory		8,055.80	8,055.80
Restricted assets:			
Restricted cash and cash equivalents	4,341,355.82		4,341,355.82
Capital assets:			
Land and construction in progress	384,187.00		384,187.00
Other capital assets net of depreciation	22,714,875.19	58,046.00	22,772,921.19
Total Assets	33,897,225.95	253,146.50	34,150,372.45
DEFERRED OUTFLOW OF RESOURCES:			
Related to pensions	351,491.00		351,491.00
Total Deferred Outflows	351,491.00		351,491.00
LIABILITIES:			
Accounts payable	233,454.00		233,454.00
Payroll Deductions Payable	9,305.86		9,305.86
Unearned revenue	245,532.33	3,341.28	248,873.61
Accrued interest payable	189,833.33		189,833.33
Noncurrent liabilities:			
Due within one year:			
Bonds and installment purchase contracts payable	823,372.63		823,372.63
Due beyond one year:			
Pension Liability	2,843,690.00		2,843,690.00
Compensated absences payable	646,265.45		646,265.45
Bonds and installment purchase contracts payable	12,404,839.04		12,404,839.04
Total liabilities	17,396,292.64	3,341.28	17,399,633.92
DEFERRED INFLOW OF RESOURCES:			
Related to pensions	377,294.00		377,294.00
Total Deferred Inflows	377,294.00		377,294.00
NET POSITION:			
Net investment in capital assets	10,974,338.88	58,046.00	11,032,384.88
Restricted for:			
Special revenue fund	469,167.65		469,167.65
Capital projects fund	3,361,444.86		3,361,444.86
Other purposes	5,098,848.84		5,098,848.84
Unrestricted (deficit)	(3,428,669.92)	191,759.22	(3,236,910.70)
Total Net Position	$16,475,130.31	$249,805.22	$16,724,935.53

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

EXHIBIT "A-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2025

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues: Charges for Services	Programs Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
Instruction:							
Regular	$ 8,727,471.31	$ 241,330.83	$	$ 970,975.02	$ (7,997,827.12)	$	$ (7,997,827.12)
Special	4,884,760.00	15,723.72		1,964,769.95	(2,935,713.77)		(2,935,713.77)
Other Instruction	1,353,669.45			211,973.35	(1,141,696.10)		(1,141,696.10)
Support services:							
Student and instruction related services	4,285,869.33	56,762.79	324,444.71	1,841,195.59	(2,176,991.82)		(2,176,991.82)
General administrative services	593,037.64	66,150.53		85,420.77	(573,767.40)		(573,767.40)
School administrative services	1,115,318.43	41,909.86		133,389.86	(1,023,838.43)		(1,023,838.43)
Central service	403,928.66	23,081.53		23,443.62	(403,566.57)		(403,566.57)
Administrative information technology	253,685.51			7,814.54	(245,870.97)		(245,870.97)
Plant operations and maintenance	1,942,438.94	25,788.10		54,701.78	(1,913,525.26)		(1,913,525.26)
Pupil transportation	887,541.42				(887,541.42)		(887,541.42)
Interest on long-term debt	468,284.00			154,408.00	(313,876.00)		(313,876.00)
Unallocated compensated absences	373,516.36	(373,516.36)					
Unallocated depreciation	1,188,859.13	(97,231.00)			(1,091,628.13)		(1,091,628.13)
Total governmental activities	26,478,380.18		324,444.71	5,448,092.48	(20,705,842.99)		(20,705,842.99)
Business-type activities							
Food service	719,149.19		187,814.94	475,674.45		(55,659.80)	(55,659.80)
Extendicare	199,925.12		199,595.54			(329.58)	(329.58)
Total business-type activities	919,074.31		387,410.48	475,674.45		(55,989.38)	(55,989.38)
Total primary government	$ 27,397,454.49	$	$ 711,855.19	$ 5,923,766.93	$ (20,705,842.99)	$ (55,989.38)	$ (20,761,832.37)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					$ 11,366,989.00	$	$ 11,366,989.00
Taxes levied for debt service					579,564.00		579,564.00
Federal and state aid not restricted					6,283,392.33		6,283,392.33
Miscellaneous income					2,208,219.93	5,662.34	2,213,882.27
Disposal of Capital Assets					(162,546.00)		(162,546.00)
Total general revenues and special items					20,275,619.26	5,662.34	20,281,281.60
Change in net position					(430,223.73)	(50,327.04)	(480,550.77)
Net position - beginning (as restated)					16,905,354.04	300,132.26	17,205,486.30
Net position - ending					$ 16,475,130.31	$ 249,805.22	$ 16,724,935.53

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

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

EXHIBIT "B-1"
SHEET #1

BOROUGH OF KEYPORT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	$ 4,115,192.16	$ 712,776.29	$ 1,103,488.36	$ 5,931,456.81
Cash, restricted reserves	4,341,355.82			4,341,355.82
Due from other funds	412,530.60			412,530.60
Receivables from other governments	266,106.84	259,244.29		525,351.13
Total assets	$ 9,135,185.42	$ 972,020.58	$ 1,103,488.36	$ 11,210,694.36
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Payroll Deductions Payable	9,305.86			9,305.86
Interfund payables		412,530.60		412,530.60
Unearned revenue		245,532.33		245,532.33
Total liabilities	9,305.86	658,062.93		667,368.79
Fund balances:				
Restricted:				
Capital reserve account	3,361,444.86			3,361,444.86
Maintenance reserve account	979,910.96			979,910.96
Excess Surplus - Designated for Subsequent Year's Expenditures	2,083,941.00			2,083,941.00
Excess surplus	2,001,576.97			2,001,576.97
Capital projects fund			1,103,488.36	1,103,488.36
Scholarships		226,024.88		226,024.88
Adult school emergency medical training		93,732.87		93,732.87
Student Activities		149,409.90		149,409.90
Assigned:				
Encumbrances	223,253.24			223,253.24
Unassigned (deficit)	475,752.53	(155,210.00)		320,542.53
Total fund balances	9,125,879.56	313,957.65	1,103,488.36	10,543,325.57
Total liabilities and fund balances	$ 9,135,185.42	$ 972,020.58	$ 1,103,488.36	$ 11,210,694.36

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

EXHIBIT "B-1"
SHEET #2

BOROUGH OF KEYPORT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Total Fund Balances (Brought Forward)		$10,543,325.57
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	$36,785,343.00	
Accumulated Depreciation	(13,686,280.81)	
		23,099,062.19
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net Pension Liability	(2,843,690.00)	
Compensated Absences	(646,265.45)	
Bonds Payable	(13,170,000.00)	
Installment Purchase Contracts	(58,211.67)	
		(16,718,167.12)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related	118,037.00	
Employer Contribution related to pensions	233,454.00	
		351,491.00
Deferred Inflows:		
Pension related		(377,294.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(233,454.00)	
Accrued Interest Payable	(189,833.33)	
		(423,287.33)
Net Position of Governmental Activities		$16,475,130.31

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

EXHIBIT "B-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	$ 11,366,989.00	$	$	$ 579,564.00	$ 11,946,553.00
Tuition from Other LEAs Within State	2,090,169.00				2,090,169.00
Miscellaneous	275,372.55	324,794.71			600,167.26
Total - local sources	13,863,738.74	324,794.71		579,564.00	14,768,097.45
State sources	10,733,447.53	1,740,371.78	194,210.00	406,336.00	13,074,365.31
Federal sources	15,671.43	822,345.26			838,016.69
Total revenues	24,612,857.70	2,887,511.75	194,210.00	985,900.00	28,680,479.45
EXPENDITURES:					
Current expense:					
Regular instruction	9,824,427.23				9,824,427.23
Special instruction	3,902,362.98	1,499,796.04			5,402,159.02
Other Instruction	1,518,532.96				1,518,532.96
Support services:					
Student and instruction related services	3,485,448.61	1,342,517.51			4,827,966.12
General administrative services	632,459.48				632,459.48
School administrative services	1,320,715.13				1,320,715.13
Central services	448,220.04				448,220.04
Administrative information technology	269,430.97				269,430.97
Plant operations and maintenance	1,993,704.40				1,993,704.40
Pupil transportation	887,541.42				887,541.42
Transfer of funds to charter schools	22,044.00				22,044.00
Debt service:					
Principal				765,000.00	765,000.00
Interest				470,900.00	470,900.00
Special Schools	65,230.96				65,230.96
Capital outlay	117,717.86	113,519.90	300,525.00		531,762.76
Total expenditures	24,487,836.04	2,955,833.45	300,525.00	1,235,900.00	28,980,094.49
Excess (deficiency) of revenues over (under) expenditures	125,021.66	(68,321.70)	(106,315.00)	(250,000.00)	(299,615.04)
Other financing sources (uses):					
Transfers	(77,605.00)	77,605.00	(250,000.00)	250,000.00	
Total other financing sources (uses)	(77,605.00)	77,605.00	(250,000.00)	250,000.00	
Net change in fund balances	47,416.66	9,283.30	(356,315.00)		(299,615.04)
Fund balances, July 1, 2024	9,078,462.90	$ 304,674.35	$ 1,459,803.36	$	10,842,940.61
Fund balances, June 30, 2025	$ 9,125,879.56	$ 313,957.65	$ 1,103,488.36	$ $-0-	$ 10,543,325.57

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

EXHIBIT "B-3"

BOROUGH OF KEYPORT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total net change in fund balances - governmental funds (from B-2)		($299,615.04)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period		
Depreciation expense		(1,188,859.13)
Capital outlays	$531,762.76	
Less: Capital Outlays not capitalized	(36,691.76)	
		495,071.00
Repayment of long-term debt is 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.		
Payment of Bond Principal		765,000.00
Payment of installment purchase contracts		26,991.80
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		12,750.00
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed(-).		(162,546.00)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	284,770.00	
Add: Pension benefit	9,730.00	
		294,500.00
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(373,516.36)
Change in net position of governmental activities (A-2)		($430,223.73)

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

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OTHER FUNDS

EXHIBIT "B-4"

BOROUGH OF KEYPORT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNI		
	FOOD SERVICE FUND	EXTENDICARE FUND	TOTALS
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 74,050.89	$ 84,757.16	$ 158,808.05
Accounts receivable:			
State	1,848.94	-	1,848.94
Federal	26,277.36	-	26,277.36
Other	110.35	-	110.35
Inventories	8,055.80	-	8,055.80
Total current assets	110,343.34	84,757.16	195,100.50
Noncurrent assets:			
Furniture, machinery and equipment	162,324.00		162,324.00
Less accumulated depreciation	(104,278.00)		(104,278.00)
Total noncurrent assets	58,046.00	-	58,046.00
Total assets	168,389.34	84,757.16	253,146.50
LIABILITIES:			
Current liabilities:			
Unearned revenue	3,341.28	-	3,341.28
Total current liabilities	3,341.28	-	3,341.28
Total liabilities	3,341.28	-	3,341.28
NET POSITION:			-
Net investment in capital assets	58,046.00	-	58,046.00
Unrestricted	107,002.06	84,757.16	191,759.22
Total net position	$ 165,048.06	$ 84,757.16	$ 249,805.22

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

EXHIBIT "B-5"

BOROUGH OF KEYPORT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	EXTENDICARE FUND	TOTAL
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable	$ 94,583.34	$	$ 94,583.34
Daily sales - non-reimbursable	93,231.60		93,231.60
Program Fees		199,595.54	199,595.54
Total operating revenues	187,814.94	199,595.54	387,410.48
OPERATING EXPENSES:			
Cost of sales	251,260.15		251,260.15
Cost of sales - non-reimburseable	39,217.00		39,217.00
Salaries	210,539.19	168,722.05	379,261.24
Employee benefits	66,291.90	27,952.86	94,244.76
Supplies and materials	35,679.84	16.05	35,695.89
Management Fees	14,748.29	3,234.16	17,982.45
Miscellaneous	93,092.82		93,092.82
Depreciation	8,320.00		8,320.00
Total operating expenses	719,149.19	199,925.12	919,074.31
Operating income (loss)	(531,334.25)	(329.58)	(531,663.83)
NON-OPERATING REVENUES (EXPENSES):			
State sources:			
State school lunch program	10,121.02		10,121.02
State school lunch program - NJEIE	12,178.37		12,178.37
State school breakfast program	339.00		339.00
State school breakfast program - NJEIE	1,271.55		1,271.55
Summer P-EBT Administrative Cost			
Federal sources:			
National school lunch program	342,984.68		342,984.68
National school lunch program - HHFKA	9,347.94		9,347.94
National school breakfast program	40,620.67		40,620.67
National food distribution commodities	58,811.22		58,811.22
Interest	3,102.18	2,560.16	5,662.34
Loss on Disposal of Capital Assets			
Total non-operating revenues (expenses)	478,776.63	2,560.16	481,336.79
Change in net position	(52,557.62)	2,230.58	(50,327.04)
Total net position - beginning (as restated)	217,605.68	82,526.58	300,132.26
Total net position - ending	$ 165,048.06	$ 84,757.16	$ 249,805.22

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

EXHIBIT "B-6 "

BOROUGH OF KEYPORT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNI		
	FOOD SERVICE FUND	PRESCHOOL TUITION PROGRAM FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	$ 186,839.60	$ 199,595.54	$ 386,435.14
Payments to employees	(210,539.19)	(168,722.05)	(379,261.24)
Payments to employee benefits	(66,291.90)	(27,952.86)	(94,244.76)
Payments to suppliers	(373,239.43)	(3,250.21)	(376,489.64)
			-
Net cash provided by (used for) operating activities	(463,230.92)	(329.58)	(463,560.50)
Cash flows from noncapital financing activities:			
State sources	22,911.04	-	22,911.04
Federal sources	387,176.32	-	387,176.32
Net cash provided by noncapital financing activities	410,087.36	-	410,087.36
Cash flows from investing activities:			
Interest and dividends	3,102.18	2,560.16	5,662.34
Net cash provided by investing activities	3,102.18	2,560.16	5,662.34
Cash flows from capital and related financing activities:			
Purchases of capital assets	4,303.00	-	4,303.00
Net cash provided (used) by capital and related financing activities	(4,303.00)	-	(4,303.00)
Net increase/(deficit) in cash and cash equivalents	(54,344.38)	2,230.58	(52,113.80)
Cash and cash equivalents, July 1, 2024	128,395.27	82,526.58	210,921.85
Cash and cash equivalents, June 30, 2025	74,050.89	84,757.16	158,808.05
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(531,334.25)	(329.58)	(531,663.83)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	8,320.00	-	8,320.00
Federal commodities	58,811.22	-	58,811.22
Change in assets and liabilities:			
Increase (decrease) in unearned revenue	720.30	-	720.30
Decrease in inventories	251.81	-	251.81
	68,103.33	-	68,103.33
Net cash provided by (used for) operating activities	$ (463,230.92)	$ (329.58)	$ (463,560.50)

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

Borough of Keyport School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Keyport School District have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Keyport School District is a Type II District located in Monmouth County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a ten member board. Nine members are elected to three-year terms and one member is appointed by the Union Beach Board of Education as the Union Beach representative. The Board is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled *"Determining Whether Certain Organizations are Component Units" (GASB 39)* as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.

3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary, middle and high schools located in the Borough of Keyport. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The district also considers the operations of the Extendicare Program as an enterprise fund.

Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide and Proprietary Fund Financial Statements: The District-Wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. *Ad Valorem* (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and installment purchase contracts are reported as other financing sources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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. All budget amendments and transfers must be approved by School Board resolution. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of the last 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 records.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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 or committed 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 and capital projects fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district- wide financial statements. The District generally defines capital assets as assets with an initial cost of $2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

The District accounts for compensated absences (e.g., unused sick and vacation leave) in accordance with Governmental Accounting Standards Board (GASB) Statement No. 101, "Compensated Absences." This statement was implemented for the fiscal year ended June 30, 2025, replacing the guidance previously provided by GASB Statement No. 16.

GASB 101 requires that a liability be recognized for leave that has been earned in exchange for services rendered and that has not yet been used, if (1) the leave is usable for time off or other compensation, and (2) it is more likely than not that the leave will be used or paid. This standard expands the recognition criteria to include certain types of leave that may not have previously met the vesting or accumulation requirements under GASB 16.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's 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 District for the unused sick leave in accordance with the District's agreements with the various employee unions and contracts.

The compensated absences liability is calculated based on leave balances that are expected to be used or paid, consistent with the "more likely than not" threshold established under GASB 101. The District's calculation incorporates both the probability of leave usage and payout eligibility under existing employment agreements.

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

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the proprietary funds.

Unearned Revenue

Unearned revenue in the general and special revenue funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

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

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Student Activities, Adult School Emergency Medical Training, Scholarships and Excess Surplus as Restricted Fund Balance.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

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

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned -is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

Revenues – Exchange and Non-Exchange Transactions

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the revenue is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Proprietary Fund Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service and the extendicare program. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Financial Reporting for Pensions

In the district-wide financial statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and 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.

In the governmental fund financial statements the year end pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflect both a revenue and expense for this pension contribution.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

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

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

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as leas liabilities or right –to-use assets on the statements of net position.

Right to Use Assets

Right to use 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 incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the government money market account, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than $25,000,000.00. Under (GUDPA), 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 the deposits to the governmental unit.

The Borough of Keyport School District had the following cash and cash equivalents at June 30, 2025:

	Cash in Bank	Deductions	Reconciled Balance
Governmental Funds	$10,921,232.06	($648,419.43)	$10,272,812.63
Proprietary Fund	242,315.78	(83,507.73)	158,808.05
	$11,163,547.84	($731,927.16)	$10,431,620.68

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2025, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, $250,000.00 was covered by Federal Depository Insurance and $10,913,547.84 was covered under the provisions of NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
   a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
   b. the custody of collateral is transferred to a third party;
   c. the maturity of the agreement is not more than 30 days;
   d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
   e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2025 the District has no investments outstanding. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

Borough of Keyport School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2025

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	Beginning Balance (As Restated)	Additions	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$53,182.00			$53,182.00
Construction in Progress	30,480.00	$300,525.00		331,005.00
Total capital assets that are not depreciated	83,662.00	300,525.00		384,187.00
Capital assets being depreciated:				
Site improvements	1,928,239.00	111,654.00		2,039,893.00
Building and building improvements	32,391,265.00			32,391,265.00
Machinery and equipment	2,266,575.00	82,892.00	(379,469.00)	1,969,998.00
Total capital assets being depreciated	36,586,079.00	194,546.00	(379,469.00)	36,401,156.00
Total gross assets	36,669,741.00	495,071.00	(379,469.00)	36,785,343.00
Less: accumulated depreciation for:				
Site improvements	(744,589.00)	(77,811.00)		(822,400.00
Building and building improvements	(10,643,040.68)	(989,819.13)		(11,632,859.81
Machinery and equipment	(1,326,715.00)	(121,229.00)	216,923.00	(1,231,021.00
	(12,714,344.68)	(1,188,859.13)	216,923.00	(13,686,280.81
Governmental activities capital assets, net	$23,955,396.32	($693,788.13)	($162,546.00)	$23,099,062.19
Business type activities:				
Machinery and equipment	$181,621.00	$4,303.00	(23,600.00)	$162,324.00
Less: accumulated depreciation	(119,558.00)	(8,320.00)	23,600.00	(104,278.00
Business type activities capital assets, net	$62,063.00	($4,017.00)		$58,046.00

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	($23,523.00)
Special	($3,518.00)
Support Services:	
Student and instruction related	($19,427.00)
General administration	(28,042.00)
School administration	(1,405.00)
Plant operations and maintenance	(21,316.00)
Direct Expense of various functions	(1,091,628.13)
	($1,188,859.13)

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

As of June 30, 2025 the District did not have any bonds authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2025.

	Installment Purchase Contracts Payable	Bonds Payable	Compensated Absences Payable	Net Pension Liability	Total
Balance, July 1, 2024 (As Restated)	$85,203.47	$13,935,000.00	$272,749.09	$3,059,040.00	$17,351,992.56
Additions/Issued			373,516.36 *		373,516.36
Reductions	26,991.80	765,000.00		215,350.00	1,007,341.80
Balance, June 30, 2025	$58,211.67	$13,170,000.00	$646,265.45	$2,843,690.00	$16,718,167.12
Amounts Due Within One Year	$28,372.63	$795,000.00			$823,372.63

*In accordance with GASB Statement No. 101, the change in compensated absences is presented on a net basis.

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2025, with interest payments on issued debt, are as follows:

Year Ending	GRAND TOTAL		
June 30	Principal	Interest	Total
2026	$795,000.00	$439,700.00	$1,234,700.00
2027	830,000.00	407,200.00	$1,237,200.00
2028	865,000.00	373,300.00	$1,238,300.00
2029	890,000.00	338,200.00	$1,228,200.00
2030	890,000.00	302,600.00	$1,192,600.00
2031-2035	4,450,000.00	1,019,050.00	$5,469,050.00
2036-2040	4,450,000.00	333,750.00	$4,783,750.00
	$13,170,000.00	$3,213,800.00	$16,383,800.00

Installment Purchases

The District has entered into an installment purchase agreements for equipment. The agreements are for terms up to five years. Future annual debt service payments on installment purchases as of June 30, 2025 including interest of $3,654.78 are as follows:

Fiscal Year June 30,	Principal	Interest	Total
2026	$28,372.63	$2,265.89	$30,638.52
2027	16,729.14	1,031.19	17,760.33
2028	13,109.90	357.70	13,467.60
	$58,211.67	$3,654.78	$61,866.45

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.* the State of New Jersey makes the employer contribution on behalf of public school districts.

PERS Contribution Requirements

Three-Year Trend Information for PERS

Year June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2025	$284,773.00	100.00%	$284,773.00
2024	282,270.00	100.00%	282,270.00
2023	282,497.00	100.00%	282,497.00

During the fiscal years ended June 30, 2025, 2024 and 2023, the State of New Jersey contributed $3,317,927.00, $3,173,244.00 and $3,251,757.00 respectively to the TPAF pension system on behalf of the District.

During the fiscal years ended June 30, 2025, 2024 and 2023, the State of New Jersey contributed $1,546.00, $1,477.00, and $1,240.00, respectively to the TPAF long term disability insurance fund on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66, during the years ended June 30, 2025, 2024, and 2023, the State of New Jersey reimbursed the District $675,486.63, $671,758.82, and $636,556.85, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2025, the State reported a net pension liability of $2,843,690.00 for the District's proportionate share of the total net pension liability. 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. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.0209278839 percent, which was a decrease of 0.0001917003 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized a pension benefit of $4,663.00 in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2023 measurement date

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 56,964.00	$ 7,571.00
Changes of assumptions	3,533.00	32,355.00
Net difference between projected and actual earnings on pension plan investments		131,854.00
Changes in proportion and differences between District contributions and proportionate share of contributions	57,540.00	205,514.00
District contributions subsequent to the measurement date	233,454.00	
	$ 351,491.00	$ 377,294.00

The $233,454.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2025	($150,330.80)
2026	63,827.20
2027	(83,342.80)
2028	(60,622.80)
2029	(28,787.80)
	($259,257.00)

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. These actuarial valuations 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.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2024 asset are summarized in the following table:

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

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the pension liability	$3,778,565.00	$2,843,690.00	$2,048,117.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2025, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the District under this 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 District does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the District related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the District as of the measurement date June 30, 2024 was 0.0210245721% which was a decrease of 0.0001751969 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the measurement dates June 30, 2024 and June 30, 2023 was $9,168.00 and $9,540.00, respectively.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2025 was as follows:

Net Pension Liability:	
Districts proportionate share	$-0-
State's proportionate share associated with the District	36,389,892.00
	$36,389,892.00

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 which was rolled forward to June 30, 2024. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2024, the proportion of the TPAF net pension liability associated with the District was .0736263302% which was a decrease of .0048279860 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized on-behalf pension benefit and revenue of $132,745.00 in the government-wide financial statements for contributions provided by the State. This pension benefit and revenue was based on the pension plans June 30, 2024 measurement date.

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-5.65% Based on Years of Service

Mortality Rate

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

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

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

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

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Discount Rate

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

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

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which 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 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. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. 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.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	- 0 -
Total Plan Members	372,741

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Nonemployer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2025 was as follows:

Total OPEB Liability:	
District's Proportionate Share	$-0-
State's Proportionate Share associated with the District	51,044,192
	$51,044,192

The total Non-Employer OPEB liability 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 total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2025, the District recognized on-behalf post-employment expense and revenue of $1,144,053.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2024 measurement date.

At the June 30, 2024 measurement date, the District's proportion was .0855719236 percent, which was a decrease of .0012357460 from its proportion measured as of June 30, 2023.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Imputes

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2025 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:

	TPAF/ABP	PERS	PFRS
Inflation – 2.5%			
Salary Increases	2.75-5.65%*	2.75-6.55%*	3.25-16.25%*

*- Based on Years of Service

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

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.

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Health Care Trend Assumptions

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

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2023 to June 30, 2024.

Balance at 6/30/23		$45,453,944
Changes for the year:		
Service cost	$1,664,356	
Interest	1,680,254	
Differences between expected and actual experience	(333,848)	
Changes in assumptions or other inputs	3,818,784	
Membership Contributions	43,939	
Benefit payments - Net	(1,283,237)	
Net changes		5,590,248
Balance at 6/30/24		$51,044,192

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2025 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:

	1.00% Decrease (2.93%)	At Discount Rate (3.93%)	1.00% Increase (4.93%)
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	$59,783,681	$51,044,192	$44,015,829

Sensitivity of the Total Nonemployer OPEB Liability to Changes in Healthcare Trends

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2025 respectively, calculated using the healthcare trend rate as disclosed above as well as what the total non-employer 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:

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	$42,520,184	$51,044,192	$62,147,276

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 5,458,575	$ 9,532,461
Changes of assumptions	8,561,452	9,979,918
Changes in proportion	835,435	3,187,024
	$ 14,855,462	$ 22,699,403

Amounts rep Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District will be recognized in OPEB expense as follows:

Measurement Period Ended June 30,	Amount
2025	($2,280,915)
2026	($1,988,514)
2027	($1,191,413)
2028	($280,802)
2029	($1,786,179)
Total Thereafter	($316,119)
	($7,843,941)

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at http://www.state.nj.us/treasury/pensions/financial-reports.shtml.

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2024-2025 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed $750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit an employer's match to the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State.

NOTE 11: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 101 (GASB 101), "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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2025, a liability existed for compensated absences for governmental fund-types in the district- wide statement of net position of $646,265.45

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

NOTE 12: INVENTORY

Inventory in the Food Service Fund at June 30, 2025 consisted of the following:

Food and Supplies	$8,055.80

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made. The following interfund balances remained on the balance sheet at June 30, 2025.

Fund	Interfund Receivable	Interfund Payable
General Fund	$412,530.60	
Special Revenue Fund		$412,530.60
	$412,530.60	$412,530.60

NOTE 14: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2025.

NOTE 15: FUND BALANCE APPROPRIATED – GAAP BASIS

General Fund – Of the $9,125,879.56 General Fund fund balance at June 30, 2025, $475,752.77 was unassigned; $223,253.24 has been assigned for year-end encumbrances; $3,361,444.86 is restricted in the capital reserve; $979,910.96 is restricted in the maintenance reserve; $4,085,217.97 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which $2,083,941.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2026.

Borough of Keyport School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2025

NOTE 16: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for restricted fund balance - excess surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based on this calculation, the Keyport School District has $2,565,701.97 excess fund balance resulting from the year ended June 30, 2025.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2025		$24,487,836.04
Increased by:		
Transfer from General Fund to SRF for Preschool Inclusion	77,605.00	
		77,605.00
		24,565,441.04
Decreased by:		
On-Behalf TPAF Pension/Social Security	4,911,864.63	
		4,911,864.63
Adjusted General Fund Expenditures		$19,653,576.41
Excess Surplus Percentage		2.00%
		$393,071.53
Increased by:		
Extraordinary Aid	82,681.00	
		82,681.00
Maximum Unreserved/Undesignated General Fund Balance		$475,752.53
Actual Unreserved/Undesignated General Fund Balance		3,041,454.50
Excess Surplus		$2,565,701.97

NOTE 17: TUITION RESERVE

A tuition reserve was established by the Borough of Keyport School District in accordance with N.J.A.C. 6A:23-3.1(f). This reserve is for formal sending/receiving relationships between two district board of educations established under subchapter 3 of the business service code pursuant to N.J.S.A. 18A:38-19. The maximum amount that may be restricted at year end is 10% of the estimated contract year.

The activity of the tuition reserve for the year ending June 30, 2025 is as follows:

Beginning balance, July 1, 2024	$750,000.00
Decreased by:	
Transfer to Excess Surplus	(500,000.00)
Withdrawals - adopted budget	(250,000.00)
Ending balance, June 30, 2025	$0.00

NOTE 18: CAPITAL RESERVE

A capital reserve was established by the Borough of Keyport Board of Education 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 are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve as per N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A23A-14.1 by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the capital reserve for withdrawal in subsequent school years. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

NOTE 18: CAPITAL RESERVE (CONTINUED)

The activity of the capital reserve for the year ending June 30, 2025 is as follows:

Beginning balance, July 1, 2024		$2,502,631.13
Increased by:		
Interest earnings	$93,258.74	
Unexpended Appropriations	490,554.99	
Board resolutions	800,000.00	
		1,383,813.73
		3,886,444.86
Decreased by:		
Withdrawals - adopted budget		525,000.00
Ending balance, June 30, 2025		$3,361,444.86

NOTE 19: MAINTENANCE RESERVE

A maintenance reserve was established through a board resolution by the Borough of Keyport School District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years.

The activity of the capital reserve for the year ending June 30, 2025 is as follows

Beginning balance, July 1, 2024		$944,461.51
Increased by:		
Interest earnings	$35,449.45	
		35,449.45
Ending balance, June 30, 2025		$979,910.96

NOTE 20: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a 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 of 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 New Jersey Department of Education based upon district property value and wealth.

NOTE 21: DEFICIT FUND BALANCES / NET POSITION

The District has a deficit fund balance of $155,210.00 in the Special Revenue Fund as of June 30, 2025 as reported in the fund statements (modified accrual basis).

N.J.S.A 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, in the current budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e. if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the fund balance deficits in the Special Revenue Fund do not alone indicate that the District is facing financial difficulties. Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result from the delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's deficit in the GAAP funds' statements does not exceed the last state aid payment.

NOTE 22: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 19, 2025 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

NOTE 23: PRIOR PERIOD ADJUSTMENTS

Net Position at June 30, 2024 has been adjusted to properly reflect Capital Assets and to reflect the effect of the implementation of GASB 101 on Compensated Absences:

District-Wide Financial Statements:

	Governmental Activities	Business-Type Activities
Net Position 06/30/24	$16,719,944.83	$ $321,812.26
Adjustment:		
Long Term Liabilities:		
Compensated Abences	48,132.19	
Net investment in capital assets	137,277.02	(21,680.00)
Net Position 06/30/24 (As Restated)	$16,905,354.04	$300,132.26

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REQUIRED SUPPLEMENTARY INFORMATION - Part II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF KEYPORT SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 11,366,989.00	$	$ 11,366,989.00	$ 11,366,989.00	$
Tuition from Other LEAs Within State	2,090,169.00		2,090,169.00	2,090,169.00	
Unrestricted Miscellaneous Revenues	80,000.00		80,000.00	275,372.55	195,372.55
Interest Earned on Maintenance Reserve	500.00		500.00	35,949.45	35,449.45
Interest Earned on Capital Reserve Funds	2,000.00		2,000.00	95,258.74	93,258.74
Total Local Sources	13,539,658.00		13,539,658.00	13,863,738.74	324,080.74
Categorical Transportation Aid	64,629.00		64,629.00	64,629.00	
Extraordinary Aid	150,000.00		150,000.00	232,681.00	82,681.00
Categorical Special Education Aid	892,374.00		892,374.00	892,374.00	
Equalization Aid	4,391,967.00		4,391,967.00	4,391,967.00	
Categorical Security Aid	326,610.00		326,610.00	326,610.00	
On-behalf TPAF Contributions-non-budgeted				3,279,532.00	3,279,532.00
On-behalf TPAF N.C.G.I.-non-budgeted				38,395.00	38,395.00
Reimbursed TPAF Soc. Sec.Contribution-non-budgeted				675,486.63	675,486.63
On-behalf Post Retirement Medical-non budgeted				916,905.00	916,905.00
On-behalf Long Term Disability Insurance				1,546.00	1,546.00
Total State Sources	5,825,580.00		5,825,580.00	10,820,125.63	4,994,545.63
Federal Sources:					
Medicaid Reimbursement (SEMI)	38,337.00		38,337.00	15,671.43	(22,665.57)
Total Federal Sources	38,337.00		38,337.00	15,671.43	(22,665.57)
Total Revenues	19,403,575.00		19,403,575.00	24,699,535.80	5,295,960.80
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Kindergarten	366,903.00	20,000.00	386,903.00	371,138.40	15,764.60
Grades 1-5	2,069,714.00	(139,000.00)	1,930,714.00	1,751,282.19	179,431.81
Grades 6-8	990,584.00		990,584.00	953,018.58	37,565.42
Grades 9-12	2,194,228.00	95,000.00	2,289,228.00	2,260,051.98	29,176.02
Regular programs - home instruction:					
Salaries of teachers	12,000.00	(8,700.00)	3,300.00	1,710.00	1,590.00
Purchased professional educational services	16,796.01	21,700.00	38,496.01	38,466.56	29.45
Regular programs - undistributed instruction:					
Other salaries for instruction	252,311.00	19,000.00	271,311.00	271,211.90	99.10
Purchased professional - educational services	10,000.00	(4,000.00)	6,000.00		6,000.00
Other purchased services (400 - 500 series)	50,000.00		50,000.00	24,963.37	25,036.63
General supplies	488,117.51	(7,200.00)	480,917.51	366,347.63	114,569.88
Textbooks	60,500.00		60,500.00	37,630.38	22,869.62
Total regular programs	6,511,153.52	(3,200.00)	6,507,953.52	6,075,820.99	432,132.53
Instruction - Special Education:					

BOROUGH OF KEYPORT SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Resource Room / Resource Center:					
Salaries of Teachers	$ 1,473,566.00	$	$ 1,473,566.00	$ 1,351,740.19	$ 121,825.81
Purchased Professional-Educational Services	193,600.00		193,600.00	158,149.25	35,450.75
General Supplies	31,955.00		31,955.00	16,108.49	15,846.51
Total Resource Room / Resource Center	1,699,121.00		1,699,121.00	1,525,997.93	173,123.07
Autism:					
Preschool Disabilities - Full - Time:					
Purchased Professional-Educational Services	15,000.00		15,000.00		15,000.00
Total Home Instruction	15,000.00		15,000.00		15,000.00
Total Special Education	1,714,121.00		1,714,121.00	1,525,997.93	188,123.07
Bilingual Education Instruction:					
Salaries of Teachers	265,400.00		265,400.00	265,400.00	
General Supplies	1,800.00		1,800.00		1,800.00
Total Bilingual Education Instruction	267,200.00		267,200.00	265,400.00	1,800.00
Vocational Programs Local Instruction:					
School Sponsored Co-Curricular Activities:					
Salaries	112,508.00		112,508.00	86,941.78	25,566.22
Total School Sponsored Co-Curricular Activities	112,508.00		112,508.00	86,941.78	25,566.22
School Sponsored Athletics:					
Salaries	257,687.00	27,005.00	284,692.00	281,728.06	2,963.94
Purchased Services (300-500 Series)	70,000.00	(12,500.00)	57,500.00	51,880.45	5,619.55
Supplies and Materials	85,980.38	495.00	86,475.38	64,577.29	21,898.09
Total School Sponsored Athletics	413,667.38	15,000.00	428,667.38	398,185.80	30,481.58
Total Other Instructional Programs	793,375.38	15,000.00	808,375.38	750,527.58	57,847.80
Total - Instruction	9,018,649.90	11,800.00	9,030,449.90	8,352,346.50	678,103.40
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	92,800.00	6,000.00	98,800.00	98,745.34	54.66
Tuition to Other LEA's within the State - Special	141,347.00	(15,582.21)	125,764.79	53,372.37	72,392.42
Tuition to County Vocational School District - Regular	137,166.00	27,834.00	165,000.00	160,900.94	4,099.06
Tuition to County Vocational School District - Sp Ed	35,065.00	(15,000.00)	20,065.00	20,000.00	65.00
Tuition to Private Schools for the Handicapped w/in State	577,472.10	115,964.25	693,436.35	628,002.43	65,433.92
Total Undistributed Expenditures - Instruction	983,850.10	119,216.04	1,103,066.14	961,021.08	142,045.06

BOROUGH OF KEYPORT SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Attendance and Social Work Services:					
Salaries	68,614.00	$	68,614.00	68,614.00	
Total Attendance and Social Work Services	68,614.00		68,614.00	68,614.00	
Health Services:					
Salaries	131,065.00	(19,700.00)	111,365.00	93,487.80	17,877.20
Purchased Professional and Technical Services	23,000.00	31,000.00	54,000.00	50,664.50	3,335.50
Supplies and Materials	18,474.00	(7,300.00)	11,174.00	8,997.91	2,176.09
Total Health Services	172,539.00	4,000.00	176,539.00	153,150.21	23,388.79
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	157,528.00		157,528.00	157,528.00	
Purchased Professional - Educational Services		4,840.00	4,840.00	4,840.00	
Total Other Support Services - Speech, OT, PT & Related Services	157,528.00	4,840.00	162,368.00	162,368.00	
Other Support Services - Students - Extra Services					
Aids for Instruction	$ 23,127.00		23,127.00	23,127.00	
Purchased Professional - Educational Services	35,135.00	(4,840.00)	30,295.00	23,803.99	6,491.01
Total Other Support Services - Students - Extra Services	58,262.00	(4,840.00)	53,422.00	46,930.99	6,491.01
Guidance:					
Salaries of Other Professional Staff	404,229.00		404,229.00	404,010.13	218.87
Salaries of Secretarial and Clerical Assistants	49,065.00		49,065.00	49,064.88	0.12
Purchased Professional - Educational Services	10,000.00		10,000.00	5,572.70	4,427.30
Other Purchased Services	15,500.00		15,500.00	5,064.72	10,435.28
Supplies and Materials	6,000.00		6,000.00		6,000.00
Other Objects	7,725.17		7,725.17	2,951.16	4,774.01
Total Guidance	492,519.17		492,519.17	466,663.59	25,855.58
Child Study Teams:					
Salaries of Other Professional Staff	368,468.00	(4,200.00)	364,268.00	355,103.92	9,164.08
Salaries of Secretarial and Clerical Assistants	53,914.00		53,914.00	53,912.88	1.12
Total Child Study Teams	422,382.00	(4,200.00)	418,182.00	409,016.80	9,165.20
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	246,461.00		246,461.00	235,460.64	11,000.36
Salaries of Secretarial and Clerical Assts.	62,764.00		62,764.00	62,703.84	60.16
Other Salaries	22,000.00		22,000.00	15,300.00	6,700.00
Purchased Prof. and Tech. Services	14,000.00		14,000.00	3,820.00	10,180.00
Supplies and materials	240.00		240.00	240.00	
Total Improvement of Instruction Services / Other Support Services - Instructional Staff	345,465.00		345,465.00	317,524.48	27,940.52
Educational Media Services / School Library:					
Salaries	35,127.00	(1,600.00)	33,527.00	23,127.00	10,400.00
Salaries of Technological Coordinators	50,917.00	1,600.00	52,517.00	52,500.00	17.00
Purchased Professional and Technical Services	1,000.00		1,000.00		1,000.00
Other Purchased Services (400-500 Series)	6,000.00		6,000.00	4,418.72	1,581.28
Supplies and materials	16,500.00		16,500.00	6,185.92	10,314.08
Total Educational Media Services / School Library	109,544.00		109,544.00	86,231.64	23,312.36

BOROUGH OF KEYPORT SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instructional Staff Training Services:					
Other Objects	$ 26,020.27	$	$ 26,020.27	$ 10,097.82	$ 15,922.45
Total Instructional Staff Training Services	26,020.27		26,020.27	10,097.82	15,922.45
Support Services General Administration:					
Salaries	309,242.00		309,242.00	309,239.52	2.48
General Admin. Salaries-Governance Staff (BOE Direct Reports Only)		6,000.00	6,000.00	3,000.00	3,000.00
Legal Services	98,000.00	(9,919.00)	88,081.00	55,419.50	32,661.50
Expenditure and Internal Control Audit Fees	33,000.00		33,000.00	32,425.00	575.00
Other Purchased Professional Services	57,500.00	(25,800.00)	31,700.00	20,755.00	10,945.00
Other Purchased Technical Services	6,500.00		6,500.00		6,500.00
Communications / Telephone	44,000.00	26,900.00	70,900.00	15,754.05	55,145.95
Board Travel Expense	8,500.00	1,100.00	9,600.00	9,248.44	351.56
Miscellaneous Expenditures	1,500.00	1,100.00	2,600.00	2,574.73	25.27
General Supplies	3,000.00	7,200.00	10,200.00	10,090.87	109.13
BOE In- House Training/ Meeting Supplies	500.00		500.00	81.00	419.00
Miscellaneous Expenditures	2,750.00	(300.00)	2,450.00	2,005.35	444.65
BOE Membership Dues and Fees	8,900.00		8,900.00	8,897.24	2.76
Total Support Services General Administration	573,392.00	6,281.00	579,673.00	469,490.70	110,182.30
Support Services School Administration:					
Salaries of Principals / Asst. Principals	$ 394,382.00	13,119.35	407,501.35	407,501.27	0.08
Salaries of Secretarial and Clerical Assistants	206,683.00		206,683.00	206,682.72	0.28
Purchased Professional and Technical Services		1,880.65	1,880.65		1,880.65
Supplies and Materials	18,000.00		18,000.00	12,858.61	5,141.39
Other Objects	15,000.00	1,000.00	16,000.00	15,528.00	472.00
Total Support Services School Administration	634,065.00	16,000.00	650,065.00	642,570.60	7,494.40
Central Service:					
Salaries	296,847.00	2,000.00	298,847.00	288,062.24	10,784.76
Purchased Professional Services		1,200.00	1,200.00	1,200.00	
Other Purchase Professional Service	25,000.00	2,000.00	27,000.00	25,992.20	1,007.80
Misc. Purch Services (400-500)	6,500.00	(1,200.00)	5,300.00	3,620.00	1,680.00
Supplies and Materials	2,500.00	2,000.00	4,500.00	3,642.53	857.47
Miscellaneous Expenditures	5,700.00	2,000.00	7,700.00	3,476.49	4,223.51
Total Central Service	336,547.00	8,000.00	344,547.00	325,993.46	18,553.54
Administrative Information Technology:					
Salaries	102,717.00	2,310.92	105,027.92	105,010.92	17.00
Purchased Technical Services	98,200.00	40,689.08	138,889.08	104,107.91	34,781.17
Supplies and Materials	24,700.00		24,700.00	19,569.95	5,130.05
Total Administrative Information Technology	225,617.00	43,000.00	268,617.00	228,688.78	39,928.22
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	447,597.41	(33,995.00)	413,602.41	203,925.21	209,677.20
Lead Testing of Drinking Water	10,246.00	-	10,246.00	4,916.00	5,330.00
General Supplies	45,290.37	-	45,290.37	32,357.66	12,932.71
Other Objects	3,000.00	-	3,000.00	792.50	2,207.50
Total Required Maintenance for School Facilities	506,133.78	(33,995.00)	472,138.78	241,991.37	230,147.41

BOROUGH OF KEYPORT SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries	651,326.00	$ -	$ 651,326.00	$ 530,480.93	$ 120,845.07
Purchased Professional and Technical Services	13,600.00	-	13,600.00	7,239.64	6,360.36
Cleaning, Repair and Maintenance Services	7,000.00	-	7,000.00	-	7,000.00
Other Purchased Property Services	57,000.00	-	57,000.00	47,880.45	9,119.55
Insurance	290,000.00	(20,000.00)	270,000.00	260,270.00	9,730.00
Miscellaneous Purchased Services	20,000.00	-	20,000.00	14,573.13	5,426.87
General Supplies	73,234.25	-	73,234.25	62,861.92	10,372.33
Energy (Natural Gas)	140,000.00	10,000.00	150,000.00	144,903.10	5,096.90
Energy (Heat and Electricity)	140,000.00	90,000.00	230,000.00	208,694.68	21,305.32
Total Custodial Services	1,392,160.25	80,000.00	1,472,160.25	1,276,903.85	195,256.40
Care and Upkeep of Grounds:					
Salaries	48,612.00	(3,000.00)	45,612.00	45,612.00	
Purchased Professional and Technical Services	20,000.00	8,000.00	28,000.00	26,234.07	1,765.93
General Supplies	20,000.00	(5,000.00)	15,000.00	14,242.58	757.42
Total Care and Upkeep of Grounds	88,612.00		88,612.00	86,088.65	2,523.35
Security:					
Purchased Professional and Technical Services	151,920.00		151,920.00	100,170.25	51,749.75
Cleaning, Repair, and Maintenance Services	15,000.00		15,000.00		15,000.00
General Supplies	10,000.00		10,000.00	3,354.92	6,645.08
Total Security	176,920.00		176,920.00	103,525.17	73,394.83
Student Transportation Services:					
Contracted Services (Other than Between Home and School) - Vendors	$ -	-	-	-	-
Contract Services (Sp. Ed. Stds.) - Vendors	$ 160,000.00	-	160,000.00	137,692.72	22,307.28
Contracted Svces -(Spec.Ed. Stud) - ESCs & CTSAs	80,000.00	-	80,000.00	34,991.43	45,008.57
Total Student Transportation Services	811,792.08	-	811,792.08	714,857.27	96,934.81
	1,051,792.08		1,051,792.08	887,541.42	164,250.66
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	270,000.00		270,000.00	229,128.34	40,871.66
Other Retirement Contributions - PERS	300,000.00		300,000.00	289,839.63	10,160.37
Unemployment Compensation	51,300.00		51,300.00	46,390.31	4,909.69
Workmen's Compensation	155,000.00	(2,000.00)	153,000.00	136,757.94	16,242.06
Health Benefits	4,377,600.00	(128,102.04)	4,249,497.96	3,333,853.23	915,644.73
Tuition Reimbursements	39,265.40		39,265.40	27,891.00	11,374.40
Other Employee Benefits	40,000.00		40,000.00	10,359.03	29,640.97
Total Unallocated Benefits - Employee Benefits	5,233,165.40	(130,102.04)	5,103,063.36	4,074,219.48	1,028,843.88

BOROUGH OF KEYPORT SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted	$	$	$	3,279,532.00	$ (3,279,532.00)
On-behalf NCGI-non-budgeted				38,395.00	(38,395.00)
On-behalf Post Retirement Medical-non budgeted				916,905.00	(916,905.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				675,486.63	(675,486.63)
On-behalf Long Term Disability Insurance				1,546.00	(1,546.00)
Total TPAF Pension/Social Security				4,911,864.63	(4,911,864.63)
Total Undistributed Expenditures	13,055,128.05	108,200.00	13,163,328.05	15,930,496.72	(2,767,168.67)
General Current Expense:					
Interest Earned on Maintenance Reserve	500.00		500.00		500.00
Total General Current Expense	500.00		500.00		500.00
TOTAL EXPENDITURES - CURRENT EXPENSE	22,074,277.95	120,000.00	22,194,277.95	24,282,843.22	(2,088,565.27)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	6,000.00	(6,000.00)			
Grades 6-8	6,000.00	(1,649.42)	4,350.58	4,350.58	
Grades 9-12 - Equipment	6,000.00	7,949.42	13,949.42	13,933.32	16.10
Undistributed-Admin. Info Technology	5,000.00	(300.00)	4,700.00	1,918.00	2,782.00
Total Equipment	23,000.00		23,000.00	20,201.90	2,798.10
Facilities Acquisition and Construction Services:					
Construction services	612,381.96		612,381.96	87,381.96	525,000.00
Assessment for Debt Service on SDA Funding	10,134.00		10,134.00	10,134.00	
Total Facilities Acquisition and Construction Services	622,515.96		622,515.96	97,515.96	525,000.00
Interest Deposit to Capital Reserve	2,000.00		2,000.00		2,000.00
TOTAL CAPITAL OUTLAY	647,515.96		647,515.96	117,717.86	529,798.10
SPECIAL SCHOOLS:					
Summer School Instruction:					
Salaries of Teachers	$ 60,000.00	(1.88)	59,998.12	56,229.08	3,769.04
Other Salaries for Instruction	9,000.00	1.88	9,001.88	9,001.88	
Purchased Professional and Technical Services	9,000.00		9,000.00		9,000.00
Total Summer School Instruction	78,000.00	0.00	78,000.00	65,230.96	12,769.04
Total Summer School	78,000.00	0.00	78,000.00	65,230.96	12,769.04
TOTAL SPECIAL SCHOOLS	78,000.00	0.00	78,000.00	65,230.96	12,769.04
Transfer of funds to charter schools	157,985.00	(120,000.00)	37,985.00	22,044.00	15,941.00
TOTAL EXPENDITURES	$ 22,957,778.91	0.00	22,957,778.91	24,487,836.04	(1,530,057.13)
Excess (deficiency) of revenues over (under) expenditures	$ (3,554,203.91)	(0.00)	(3,554,203.91)	211,699.76	3,765,903.67

BOROUGH OF KEYPORT SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other financing sources (uses)					
Transfer to special revenue fund	(77,605.00)	$	$ (77,605.00)	$ (77,605.00)	$
Total other financing sources	(77,605.00)		(77,605.00)	(77,605.00)	
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(3,631,808.91)		(3,631,808.91)	134,094.76	3,765,903.67
Fund balances, July 1	9,555,909.80		9,555,909.80	9,555,909.80	
Fund balances, June 30	$ 5,924,100.89	$	$ 5,924,100.89	$ 9,690,004.56	$ 3,765,903.67

Recapitulation:	
Restricted:	
Excess surplus - current year	$ 2,565,701.97
Excess surplus - designated for subsequent year's expenditures	2,083,941.00
Capital reserve	3,361,444.86
Maintenance reserve	979,910.96
Assigned:	
Year-end encumbrances	223,253.24
Designated for subsequent years expenditures	
Unassigned fund balance	475,752.53
	$ 9,690,004.56
Reconciliation to governmental funds statements (GAAP):	
Prior Year aid payment not recognized on GAAP basis	(564,125.00)
Fund balance per governmental funds (GAAP)	$ 9,125,879.56

EXHIBIT "C-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources	$ 699,390.42	$ 10,676.22	$ 710,066.64	$ 710,066.64	$
State sources	2,054,514.59	(10,676.22)	2,043,838.37	1,765,027.68	(278,810.69)
Other sources	254,404.00	131,391.67	385,795.67	324,794.71	(61,000.96)
Total revenues	$ 3,008,309.01	$ 131,391.67	$ 3,139,700.68	$ 2,799,889.03	$ (339,811.65)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	827,822.52	89,441.06	917,263.58	903,526.17	13,737.41
Other Salaries for Instruction	189,082.00		189,082.00	174,377.51	14,704.49
Purchased professional - educational services	21,768.00	(4,868.00)	16,900.00	8,790.06	8,109.94
Tuition	346,253.00		346,253.00	295,214.98	51,038.02
Supplies and materials	153,157.28	(22,048.27)	131,109.01	107,599.59	23,509.42
Miscellaneous Expenditures	11,000.00	(4,344.50)	6,655.50		6,655.50
Total instruction	1,549,082.80	58,180.29	1,607,263.09	1,489,508.31	117,754.78
Support services:					
Other Salaries for Instruction	331,979.87	(4,380.15)	327,599.72	295,811.38	31,788.34
Personal Services Employee - Benefits	633,322.42	(31,808.42)	601,514.00	579,636.58	21,877.42
Purchased professional - educational services	97,815.50	23,502.07	121,317.57	53,442.69	67,874.88
Other Purchased Services	54,150.00	(13,250.00)	40,900.00	21,193.81	19,706.19
Supplies and materials	50,906.42	4,699.88	55,606.30	43,891.38	11,714.92
Miscellaneous Expenditures	207,352.00	94,448.00	301,800.00	292,305.51	9,494.49
Total support services	1,375,526.21	73,211.38	1,448,737.59	1,286,281.35	162,456.24
Facilities acquisition and construction services:					
Instructional equipment	83,700.00		83,700.00	67,765.17	15,934.83
Total facilities acquisition and construction serv.	83,700.00		83,700.00	67,765.17	15,934.83
Total expenditures	$ 3,008,309.01	$ 131,391.67	$ 3,139,700.68	$ 2,843,554.83	$ 296,145.85
Other financing sources (uses)					
Transfer from general fund				77,605.00	(77,605.00)
	$ 3,008,309.01	$ 131,391.67	$ 3,139,700.68	$ 2,765,949.83	$ 373,750.85
Excess (deficiency) of revenues over (under) expenditures				33,939.20	
Fund Balance, July 1				$ 435,228.45	
Fund Balance, June 30				$ 469,167.65	
Scholarships				$ 226,024.88	
Student Activities				149,409.90	
Emergency Medical Training				93,732.87	
				$ 469,167.65	

EXHIBIT "C-3"

BOROUGH OF KEYPORT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$24,699,535.80	$2,800,239.03
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		112,278.62
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(564,125.00)	(155,210.00)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	477,446.90	130,554.10
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$24,612,857.70	$2,887,861.75
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	$24,487,836.04	$2,843,904.83
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		112,278.62
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$24,487,836.04	$2,956,183.45

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

EXHIBIT "L-1"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	Measurement Date Ending June 30, 2024	Measurement Date Ending June 30, 2023	Measurement Date Ending June 30, 2022	Measurement Date Ending June 30, 2021	Measurement Date Ending June 30, 2020	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015
District's proportion of the net pension liability (asset)	0.0209278839%	0.0211195842%	0.0224017639%	0.0229953265%	0.0217976229%	0.0227819226%	0.0238195900%	0.0231226870%	0.0212121813%	0.0226547394%
District's proportionate share of the net pension liability (asset)	$2,843,690	$3,059,040	$3,380,735	$2,724,141	$3,554,622	$4,104,957	$4,689,959	$5,382,592	$6,282,440	$5,085,535
District's covered-employee payroll	1,728,179	1,651,742	1,651,742	1,679,370	1,669,283	1,619,772	1,593,720	1,614,179	1,487,972	1,452,782
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	164.55%	183.34%	162.21%	162.21%	212.94%	253.43%	294.28%	333.46%	422.21%	350.05%
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%	47.92%

EXHIBIT "L-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2016	Fiscal Year Ending June 30, 2015
Contractually required contribution	$ 282,269	$ 282,497	$ 269,302	$ 238,455	$ 221,601	$ 214,207	$ 188,446	$ 194,770	$ 181,452	$ 171,279
Contributions in relation to the contractually required contribution	282,269	282,497	269,302	238,455	221,601	214,207	188,446	194,770	181,452	171,279
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	-	-	$ -	$ -	$ -	-
District's covered-employee payroll	1,728,179	1,668,477	1,651,742	1,679,370	1,669,283	1,619,772	1,593,540	1,614,179	1,487,972	1,452,782
Contributions as a percentage of covered-employee payroll	16.33%	16.93%	16.30%	14.20%	13.28%	13.22%	11.83%	12.07%	12.19%	11.79%

EXHIBIT "L-3"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

	Measurement Date Ending June 30, 2024	Measurement Date Ending June 30, 2023	Measurement Date Ending June 30, 2022	Measurement Date Ending June 30, 2021	Measurement Date Ending June 30, 2020	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015
District's proportion of the net pension liability (asset)	0.0736263302%	0.0784543162%	0.0790110165%	0.0819903444%	0.0812084874%	0.0802705512%	0.0774880612%	0.0774832090%	0.0824909518%	0.0824381848%
State's proportionate share of the net pension liability (asset) associated with the District	$36,389,892	$40,037,332	$40,765,272	$39,417,013	$53,474,812	$49,262,795	$49,296,240	$52,241,973	$64,892,635	$52,104,453
District's covered-employee payroll	9,430,906	8,875,103	8,883,864	9,007,460	8,743,644	9,006,736	8,548,846	8,478,981	7,735,877	8,015,020
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	385.86%	451.12%	458.87%	437.60%	611.58%	546.96%	576.64%	616.14%	838.85%	650.09%
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%

BOROUGH OF KEYPORT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending June 30,	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
2024	7.00%	7.00%	07/01/18-06/30/21
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending June 30,	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
2024	7.00%	7.00%	07/01/18-06/30/21
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)

EXHIBIT "M-1"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN YEARS

	Measurement Date Ended June 30,						
	2024	2023	2022	2021	2020	2019	2018
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District							
Balance at 6/30	$45,453,944	$45,058,857	$54,348,736	$60,266,017	$36,790,113	$41,965,067	$48,709,377
Changes for the year:							
Service cost	1,664,356	1,750,548	2,358,335	2,707,272	1,536,725	1,447,247	1,641,945
Interest	1,680,254	1,600,832	1,194,109	1,409,863	1,323,788	1,659,053	1,783,356
Changes of benefit terms				(57,848)			
Differences between expected and actual experience	(333,848)	(1,841,058)	389,976	(8,955,652)	10,624,242	(7,733,928)	(4,270,562)
Changes in assumptions or other inputs	3,818,784	91,616	(12,087,443)	53,619	11,008,530	548,544	(4,815,701)
Membership Contributions	43,939	41,024	37,945	36,043	31,801	33,477	38,783
Benefit payments - Net	(1,283,237)	(1,247,875)	(1,182,801)	(1,110,578)	(1,049,182)	(1,129,347)	(1,122,131)
Net changes	5,590,248	395,087	(9,289,879)	(5,917,281)	23,475,904	(5,174,954)	(6,744,310)
Balance at 6/30	$51,044,192	$45,453,944	$45,058,857	$54,348,736	$60,266,017	$36,790,113	$46,811,995
Covered Employee Payroll	11,159,085	10,526,845	10,535,606	10,686,830	10,412,927	10,626,508	10,142,566
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total OPEB Liability as a percentage of Covered Employee Payroll	457.42%	431.79%	427.68%	508.56%	578.76%	346.21%	461.54%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

EXHIBIT "M-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OPEB (GASB 75)
NOTE TO RSI IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Change in benefit terms: None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

Measurement Date Ending June 30,	Discount Rate
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND
DETAIL STATEMENTS

EXHIBIT "E-1"
SHEET #1

BOROUGH OF KEYPORT SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	EVERY STUDENT SUCCEEDS ACT						
	TITLE I A	TITLE II A	TITLE III	TITLE IV	IDEA PART B	IDEA PRESCHOOL	NJ HIGH IMPACT TUTORIAL SUPPLEMENT
REVENUES:							
State sources							
Federal sources	$ 243,738.59	$ 36,859.97	$ 16,780.54	$ 7,076.00	$ 295,214.98	$ 8,996.00	$ 30,365.00
Local sources							
Total revenues	$ 243,738.59	$ 36,859.97	$ 16,780.54	$ 7,076.00	$ 295,214.98	$ 8,996.00	$ 30,365.00
EXPENDITURES:							
Instruction:							
Salaries of Teachers	151,646.00		2,646.00				25,415.00
Other Salaries for Instruction							
Purchased professional - educational services						5,728.00	
Tuition					295,214.98		
Supplies and materials	3,660.01		1,425.80	7,076.00		3,268.00	
Total instruction	155,306.01		4,071.80	7,076.00	295,214.98	8,996.00	25,415.00
Support services:							
Other Salaries for Instruction	1,728.00	7,224.00	1,440.00				4,950.00
Personal Services Employee - Benefits	77,854.58						
Purchased professional - educational services	8,200.00	20,000.00	8,266.00				
Other purchased services		7,079.56	1,800.00				
Supplies and materials	650.00	756.41	1,202.74				
Miscellaneous Expenditures		1,800.00					
Total support services	88,432.58	36,859.97	12,708.74				4,950.00
Facilities acquisition and construction serv:							
Instructional equipment							
Total facilities acquisition and construction serv.							
Total expenditures	$ 243,738.59	$ 36,859.97	$ 16,780.54	$ 7,076.00	$ 295,214.98	$ 8,996.00	$ 30,365.00
Other financing sources (uses):							
Transfer from general fund							
Excess (Deficiency) of Revenues Over (Under) Expenditures	$	$	$	$	$	$	
Fund Balance, July 1							
Fund Balance, June 30	$	$	$	$	$	$	

EXHIBIT "E-1"
SHEET #2

BOROUGH OF KEYPORT SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCELERATED LEARNING	MENTAL HEALTH	ARP ESSER III	CRRSA- ESSER II AFTERCHOOL	ARP ESSER III BEYOND SCHOOL	SCHOOL CLIMATE CHANGE	ARTIFICIAL INTELLIGENCE GRANT
REVENUES:							
State sources						$74,321.50	$11,722.06
Federal sources	$ 10,439.00	$ 76.50	$ 57,080.17	$ 2,833.88	$ 606.01		
Local sources							
Total revenues	$ 10,439.00	$ 76.50	$ 57,080.17	$ 2,833.88	$ 606.01	$ 74,321.50	$ 11,722.06
EXPENDITURES:							
Instruction:							
Salaries of Teachers			53,530.17			9,858.00	
Other Salaries for Instruction							
Purchased professional - educational services						400.00	2,662.06
Tuition							
Supplies and materials						11,712.50	
Total instruction			53,530.17			21,970.50	2,662.06
Support services:							
Other Salaries for Instruction			3,550.00			11,094.00	4,860.00
Personal Services Employee - Benefits						1,782.00	
Purchased professional - educational services	10,439.00	76.50					
Other purchased services						5,075.00	4,200.00
Supplies and materials				2,833.88	606.01	$700.00	
Miscellaneous Expenditures							
Total support services	10,439.00	76.50	3,550.00	2,833.88	606.01	18,651.00	9,060.00
Facilities acquisition and construction serv:							
Instructional equipment						33,700.00	
Total facilities acquisition and construction serv.						33,700.00	
Total expenditures	$ 10,439.00	$ 76.50	$ 57,080.17	$ 2,833.88	$ 606.01	$ 74,321.50	$ 11,722.06
Other financing sources (uses):							
Transfer from general fund							
Excess (Deficiency) of Revenues Over (Under) Expenditures	$	$	$	$		$	
Fund Balance, July 1							
Fund Balance, June 30	$	$	$	$		$	

EXHIBIT "E-1"
SHEET #3

BOROUGH OF KEYPORT SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	PRESCHOOL EDUCATION AID	COMPUTER SCIENCE GRANT	LOCAL PROGRAMS	STUDENT ACTIVITIES	ADULT EMERGENCY MEDICAL TRAINING	SCHOLARSHIPS	TOTAL
REVENUES:							
State sources	$1,640,142.05	$ 38,842.07					$ 1,765,027.68
Federal sources							710,066.64
Local sources			$ 350.00	$ 253,665.67	$ 69,522.32	$ 1,256.72	324,794.71
Total revenues	$ 1,640,142.05	$ 38,842.07	350.00	$ 253,665.67	$ 69,522.32	$ 1,256.72	$ 2,799,889.03
EXPENDITURES:							
Instruction:							
Salaries of Teachers	660,431.00						903,526.17
Other Salaries for Instruction	174,377.51						174,377.51
Purchased professional - educational services							8,790.06
Tuition							295,214.98
Supplies and materials	45,554.29	34,902.99					107,599.59
Total instruction	880,362.80	34,902.99					1,489,508.31
Support services:							
Other Salaries for Instruction	260,965.38						295,811.38
Personal Services Employee - Benefits	500,000.00						579,636.58
Purchased professional - educational services	5,893.72	567.47					53,442.69
Other purchased services		2,689.25	350.00				21,193.81
Supplies and materials	36,459.98	$682.36					43,891.38
Miscellaneous Expenditures				214,259.31	48,346.20	27,900.00	292,305.51
Total support services	803,319.08	3,939.08	350.00	214,259.31	48,346.20	27,900.00	1,286,281.35
Facilities acquisition and construction serv:							
Instructional equipment	34,065.17						67,765.17
Total facilities acquisition and construction serv.	34,065.17						67,765.17
Total expenditures	$ 1,717,747.05	$ 38,842.07	350.00	$ 214,259.31	$ 48,346.20	$ 27,900.00	$ 2,843,554.83
Other financing sources (uses):							
Transfer from general fund	77,605.00						77,605.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	$	$	$	$ 39,406.36	$ 21,176.12	$ (26,643.28)	$ 33,939.20
Fund Balance, July 1				110,003.54	72,556.75	252,668.16	435,228.45
Fund Balance, June 30	$	$	$	$ 149,409.90	$ 93,732.87	$ 226,024.88	$ 469,167.65

EXHIBIT "E-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	2025		
	BUDGETED	ACTUAL	VARIANCE
EXPENDITURES:			
Instruction:			
Salaries of teachers	$660,431.00	$660,431.00	
Other salaries for instruction	185,016.00	174,377.51	10,638.49
General supplies	72,307.90	45,554.29	26,753.61
Total Instruction	917,754.90	880,362.80	37,392.10
Support Services:			
Other salaries	267,255.72	260,965.38	6,290.34
Personal services - employee benefits	500,000.00	500,000.00	
Purchased professional services	50,302.00	5,893.72	44,408.28
Travel	10,000.00		10,000.00
Supplies and materials	41,000.00	36,459.98	4,540.02
Total Support Services	868,557.72	803,319.08	65,238.64
Facilities Acquisition & Construction Services:			
Instructional equipment	50,000.00	34,065.17	15,934.83
Total Facilities Acquisitions & Construction	50,000.00	34,065.17	15,934.83
Total expenditures	$1,836,312.62	$1,717,747.05	$118,565.57

CALCULATION OF BUDGET AND CARRYOVER

Total 2024-2025 Preschool Education Aid Allocation	$1,552,100.00
Add: Actual ECPA/ Preschool Education Aid Carryover (June 30, 2024)	250,945.90
Add: budgeted transfer from General Fund	77,605.00
Total Preschool Education Aid Available for 2024-2025 Budget	1,880,650.90
Less: 2024-2025 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(1,836,312.62)
Available and Unbudgeted Preschool Education Funds as of June 30, 2025	44,338.28
Add: June 30, 2025 Unexpended Preschool Education Aid	118,565.57
2024-2025 Carryover - Preschool Education Aid Programs	$162,903.85
2024-2025 Preschool Education Aid Carryover Budgeted for Preschool Programs 2025-2026	$188,209.00

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

EXHIBIT "F-1"

BOROUGH OF KEYPORT SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2025

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEAR	EXPENDITURES TO DATE CURRENT YEAR	(MEMO ONLY) UNEXPENDED PROJECT BALANCE
Bond Referendum Projects- Renovations, Alterations, Upgrades and Improvemnts to High School, Central School and Board of Education Building	8/5/2019	$ 16,330,000.00	$ 15,226,511.64		$ 1,103,488.36
Totals		$ 16,330,000.00	$ 15,226,511.64	$ -	$ 1,103,488.36

EXHIBIT "F-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

Revenues and Other Financing Sources:	
State sources - ROD grant	$74,000.00
Total revenues	74,000.00
Excess (deficiency) of revenues over (under) expenditures	74,000.00
Other financing sources (uses):	
Transfers in/(out)	(250,000.00)
Total other financing sources (uses)	(250,000.00)
Net change in fund balances	(176,000.00)
Fund balance - beginning	$1,279,488.36
Fund balance - ending	$1,103,488.36
Reconciliation to Governmental Fund Statements (GAAP):	
Fund Balance - budgetary basis	$1,103,488.36
Fund Balance - GAAP basis (B-1)	$1,103,488.36
Expenditures - budgetary basis	
Add: Prior Year Encumbrances	300,525.00
Less: Current Year Encumbrances	
Expenditures - GAAP Basis	300,525.00

EXHIBIT "F-2a"

BOROUGH OF KEYPORT SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - RENOVATIONS, ALERATIONS, UPGRADES & IMPROVEMENTS TO HIGH SCHOOL
CENTRAL SCHOOL AND BOARD OF EDUCATON BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond Proceeds	$ 15,315,000.00	$	$ 15,315,000.00	$ 15,315,000.00
SDA Grant		74,000.00	74,000.00	74,000.00
Miscellaneous	1,191,000.00	(250,000.00)	941,000.00	941,000.00
Total revenues and other financing sources	16,506,000.00	(176,000.00)	16,330,000.00	16,330,000.00
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services	1,155,517.36		1,155,517.36	1,405,987.00
Miscellaneous Expenditures	35,670.32		35,670.32	40,000.00
Construction services	14,035,323.96		14,035,323.96	14,884,013.00
Total expenditures	15,226,511.64		15,226,511.64	16,330,000.00
Excess (deficiency) of revenues over (under) expenditures	$ 1,279,488.36	$ (176,000.00)	$ 1,103,488.36	$

Additional project information:	
Project Number	$ 18K070
Grant Date	N/A
Bond authorization date	N/A
Bonds authorized	$ 15,315,000.00
Bonds issued	$ 15,315,000.00
Original Authorized Cost	$15,315,000.00
Additional Authorized Cost	$1,015,000.00
Revised Authorized Cost	$16,330,000.00
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100.00%
Original target completion date	12/31/2020
Completion date	N/A

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICES FUND: This fund provides for the operation of Food services within the school district.

EXTENDICARE FUND: This fund provides for the operation of a before and after school care program.

EXHIBIT "G-1"

BOROUGH OF KEYPORT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	EXTENDICARE FUND	TOTAL
ASSETS:			
Current assets:			
Cash and cash equivalents	$74,050.89	$84,757.16	$158,808.05
Accounts receivable:			
State	1,848.94		1,848.94
Federal	26,277.36		26,277.36
Other	110.35		110.35
Inventories	8,055.80		8,055.80
Total current assets	110,343.34	84,757.16	195,100.50
Noncurrent assets:			
Furniture, machinery and equipment	162,324.00		162,324.00
Less accumulated depreciation	(104,278.00)		(104,278.00)
Total noncurrent assets	58,046.00		58,046.00
Total assets	168,389.34	84,757.16	253,146.50
LIABILITIES :			
Current liabilities:			
Unearned revenue	3,341.28		3,341.28
Total current liabilities	3,341.28		3,341.28
Total liabilities	3,341.28		3,341.28
NET POSITION:			
Net investment in capital assets	58,046.00		58,046.00
Unrestricted	107,002.06	84,757.16	191,759.22
Total net position	$165,048.06	$84,757.16	$249,805.22

EXHIBIT "G-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	EXTENDICARE FUND	TOTAL
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable	$94,583.34		$94,583.34
Daily sales - non-reimbursable	93,231.60		93,231.60
Program Fees		$199,595.54	199,595.54
Total operating revenues	187,814.94	199,595.54	387,410.48
OPERATING EXPENSES:			
Cost of sales	251,260.15		251,260.15
Cost of sales - non-reimbursable	39,217.00		39,217.00
Salaries	210,539.19	168,722.05	379,261.24
Employee benefits	66,291.90	27,952.86	94,244.76
Supplies and materials	35,679.84	16.05	35,695.89
Management fees	14,748.29	3,234.16	17,982.45
Miscellaneous	93,092.82		93,092.82
Depreciation	8,320.00		8,320.00
Total operating expenses	719,149.19	199,925.12	919,074.31
Operating income (loss)	(531,334.25)	(329.58)	(531,663.83)
NON-OPERATING REVENUES (EXPENSES):			
State sources:			
State school lunch program	10,121.02		10,121.02
State school lunch program - NJEIE	12,178.37		12,178.37
State school breakfast program	339.00		339.00
State school breakfast program - NJEIE	1,271.55		1,271.55
Summer P-EBT Administrative Cost			
Federal sources:			
National school lunch program	342,984.68		342,984.68
National school lunch program - HHFKA	9,347.94		9,347.94
National school breakfast program	40,620.67		40,620.67
National food distribution commodities	58,811.22		58,811.22
Interest	3,102.18	2,560.16	5,662.34
Total non-operating revenues (expenses)	478,776.63	2,560.16	481,336.79
Change in net position	(52,557.62)	2,230.58	(50,327.04)
Total net position - beginning (as restated)	217,605.68	82,526.58	300,132.26
Total net position - ending	$165,048.06	$84,757.16	$249,805.22

EXHIBIT "G-3"

BOROUGH OF KEYPORT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	EXTENDICARE FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	$186,839.60	$199,595.54	$386,435.14
Payments to employees	(210,539.19)	(168,722.05)	(379,261.24)
Payments to employee benefits	(66,291.90)	(27,952.86)	(94,244.76)
Payments to suppliers	(373,239.43)	(3,250.21)	(376,489.64)
Net cash provided by (used for) operating activities	(463,230.92)	(329.58)	(463,560.50)
Cash flows from noncapital financing activities:			
State sources	22,911.04		22,911.04
Federal sources	387,176.32		387,176.32
Net cash provided by noncapital financing activities	410,087.36		410,087.36
Cash flows from investing activities:			
Interest and dividends	3,102.18	2,560.16	5,662.34
Net cash provided by investing activities	3,102.18	2,560.16	5,662.34
Cash flows from capital and related financing activities:			
Purchases of capital assets	4,303.00		4,303.00
Net cash provided (used) by capital and related financing activities	(4,303.00)		(4,303.00)
Net increase/(decrease) in cash and cash equivalents	(54,344.38)	2,230.58	(52,113.80)
Cash and cash equivalents, June 30, 2024	128,395.27	82,526.58	210,921.85
Cash and cash equivalents, June 30, 2025	74,050.89	84,757.16	158,808.05
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(531,334.25)	(329.58)	(531,663.83)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	8,320.00		8,320.00
Federal commodities	58,811.22		58,811.22
Change in assets and liabilities:			
Increase (decrease) in unearned revenue	720.30		720.30
(Increase) decrease in inventories	251.81		251.81
	68,103.33		68,103.33
Net cash provided by operating activities	($463,230.92)	($329.58)	($463,560.50)

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term long-term liabilities of the District. This includes obligations under Serial Bonds and Installment Purchase Contracts.

EXHIBIT "I-1"

BOROUGH OF KEYPORT SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2024	DECREASES	BALANCE JUNE 30, 2025
Renovations, Alterations, Upgrades and Improvements to High School, Central School and Board of Education Building	08/05/20	$15,315,000.00	08/01/25	$795,000.00	4.00%			
			08/01/26	830,000.00	4.00%			
			08/01/27	865,000.00	4.00%			
			08/01/28-2031	890,000.00	4.00%			
			08/01/32-2039	890,000.00	3.00%			
						$13,935,000.00	$765,000.00	$13,170,000.00
						$14,750,000.00	$765,000.00	$13,170,000.00

EXHIBIT "I-2"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
AS OF JUNE 30, 2025

PURPOSE	INTEREST RATE	ORIGINAL ISSUE	BALANCE JUNE 30, 2024	RETIRED	BALANCE JUNE 30, 2025
Various Copiers	Various	75,824.95	$ 36,468.92	$ 15,704.14	$ 20,764.78
Various Copiers	Various	59,472.93	48,734.55	11,287.66	37,446.89
			$ 110,881.62	$ 26,991.80	$ 58,211.67

EXHIBIT "I-3"

BOROUGH OF KEYPORT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
Local Sources:				
Local Tax Levy	$ 579,564.00	$ 579,564.00	$ 579,564.00	$
State Sources:				
Debt Service Aid Type II	406,336.00	406,336.00	406,336.00	
Total Revenues	$ 985,900.00	$ 985,900.00	$ 985,900.00	$
EXPENDITURES:				
Regular Debt Service:				
Interest	$ 470,900.00	$ 470,900.00	$ 470,900.00	$
Redemption of Principal	765,000.00	765,000.00	765,000.00	
Total Debt Service	$ 1,235,900.00	$ 1,235,900.00	$ 1,235,900.00	$
Total Expenditures	$ 1,235,900.00	$ 1,235,900.00	$ 1,235,900.00	$
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (250,000.00)	$ (250,000.00)	$ (250,000.00)	$
Other financing sources:				
Transfers in	250,000.00	250,000.00	250,000.00	
Total other financing sources	250,000.00	250,000.00	250,000.00	
Net change in fund balances				
Fund Balance, July 1				
Fund Balance, June 30	$	$	$	$

STATISTICAL SECTION
(UNAUDITED)

BOROUGH OF KEYPORT SCHOOL DISTRICT
STATISTICAL SECTION

Contents

	Page
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

EXHIBIT "J-1"

BOROUGH OF KEYPORT SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	$ 10,974,338.88	$ 10,957,194.19	$ 11,555,563.64	$ 8,905,599.69	$ 8,675,369.74	$ 10,608,035.28	$ 8,695,270.75	$ 8,062,550.00	$ 8,018,177.03	$ $7,849,258.25
Restricted for:										
Special Revenue Fund	469,167.65	435,228.45	206,021.29							
Capital projects	3,361,444.86	2,502,631.13	1,837,059.00							
Other purposes	5,098,848.84	6,255,705.95	4,782,697.75	7,900,981.30	7,694,976.00	4,435,682.91	3,946,014.46	4,092,108.13	3,480,241.53	3,582,397.68
Unrestricted (Deficit)	(3,428,669.92)	(3,430,814.89)	(3,436,947.86)	(4,364,764.99)	(5,099,240.29)	(5,550,898.31)	(5,557,942.46)	(5,456,994.21)	(5,209,777.58)	(5,087,052.76)
Total governmental activities net position	$ 16,475,130.31	$ 16,719,944.83	$ 14,944,393.82	$ 12,441,816.00	$ 11,271,105.45	$ 9,492,819.88	$ 7,083,342.75	$ 6,697,663.92	$ 6,288,640.98	$ 6,344,603.17
Business-type activities										
Net investment in capital assets	$ 58,046.00	$ 83,743.00	$ 97,021.00	$ 107,709.00	$ 75,098.00	$ 65,497.00	$ 48,710.00	$ 37,070.00	$ 37,412.00	$ 47,833.00
Unrestricted	191,759.22	238,069.26	146,736.09	218,022.63	256,556.85	218,530.47	263,859.87	236,476.19	195,250.29	236,041.67
Total business-type activities net position	$ 249,805.22	$ 321,812.26	$ 243,757.09	$ 325,731.63	$ 43,565.62	$ 102,870.31	$ 179,224.27	$ 177,890.80	$ 156,550.01	$ 114,113.98
District-wide										
Net investment in capital assets	$ 11,032,384.88	$ 11,040,937.19	$ 11,652,584.64	$ 9,013,308.69	$ 8,750,467.74	$ 10,673,532.28	$ 8,743,980.75	$ 8,099,620.00	$ 8,055,589.03	$ 7,897,091.25
Restricted for:										
Special Revenue Fund	469,167.65	435,228.45	206,021.29							
Capital projects	3,361,444.86	2,502,631.13	1,837,059.00							
Other projects	5,098,848.84	6,255,705.95	4,782,697.75	7,900,981.30	7,694,976.00	4,435,682.91	3,946,014.46	4,092,108.13	3,480,241.53	3,582,397.68
Unrestricted (Deficit)	(3,236,910.70)	(3,192,745.63)	(3,290,211.77)	(4,146,742.36)	(4,842,683.44)	(5,332,367.84)	(5,294,082.59)	(5,220,518.02)	(5,014,527.29)	(4,851,011.09)
Total district net position	$ 16,724,935.53	$ 17,041,757.09	$ 15,188,150.91	$ 12,767,547.63	$ 11,602,760.30	$ 9,776,847.35	$ 7,395,912.62	$ 6,971,210.11	$ 6,521,303.27	$ 6,628,477.84

Source: ACFR Schedule A-1

BOROUGH OF KEYPORT SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities										
Instruction:										
Regular	$ 8,968,802.14	$ 8,680,215.88	$ 7,817,760.27	$ 12,122,913.57	$ 12,967,730.55	$ 10,599,344.11	$ 11,767,578.44	$ 12,338,834.04	$ 11,285,552.00	$ 9,882,124.90
Special education	4,900,483.72	4,930,466.82	4,319,563.09	3,215,929.71	3,557,805.04	3,342,798.56	3,420,862.67	3,404,741.24	3,863,862.98	3,231,681.98
Other instruction	1,353,669.45	1,323,120.40	1,187,296.73	1,230,555.50	1,513,519.07	1,317,886.36	1,460,421.30	1,541,954.67	1,197,202.27	1,017,715.17
Support services:										
Student and instruction related services	4,342,632.12	4,602,815.37	3,452,844.56	3,756,961.42	4,152,919.30	4,098,572.40	3,727,017.56	3,734,608.62	3,334,773.23	3,232,688.54
General administrative services	659,188.17	488,892.37	438,406.56	421,096.96	435,176.12	492,892.97	525,694.28	551,081.33	604,578.72	550,095.27
School administrative services	1,157,228.29	1,069,460.89	964,974.13	970,089.14	1,005,169.48	1,036,795.53	1,120,176.13	1,182,141.77	1,205,807.24	1,015,741.92
Central services	427,010.19	375,034.75	317,231.17	269,156.26	330,227.11	424,307.87	428,666.89	449,237.46	446,641.44	384,667.67
Administrative information technology	253,685.51	223,520.18	183,512.48	164,731.95	197,406.88	190,909.33	180,485.06	189,192.56	189,792.21	178,873.26
Plant operations and maintenance	1,968,227.04	1,657,019.35	1,735,923.44	1,440,839.92	1,644,325.67	1,776,706.11	2,074,497.68	1,846,304.46	1,901,639.01	2,194,156.28
Pupil transportation	887,541.42	515,143.09	913,630.24	766,866.49	383,066.11	534,579.25	510,743.42	528,542.48	470,086.31	616,837.39
Interest on long-term debt	468,284.00	505,454.83	533,650.67	820,649.00	458,417.68	481,847.00	84,978.33	105,074.13	124,790.32	146,845.01
Unallocated depreciation	1,091,628.13	1,185,916.58	1,084,733.10	554,271.88	621,383.19	511,404.73	463,300.17	475,599.00	524,937.00	467,762.00
Total governmental activities expenses	26,478,380.18	25,557,060.51	22,949,526.44	25,734,061.80	27,267,146.20	24,808,044.22	25,764,421.93	26,347,311.76	25,149,662.73	22,919,189.39
Business-type activities:										
Food service	719,149.19	591,831.21	616,073.79	626,947.79	340,562.86	386,354.19	461,919.88	450,977.54	517,633.74	485,903.55
Extendicare	199,925.12	156,874.11	146,154.91	100,794.74	6,889.00	108,266.51	145,240.67	136,706.86	179,507.14	162,934.46
Total business-type activities expense	919,074.31	748,705.32	762,228.70	727,742.53	347,451.86	494,620.70	607,160.55	587,684.40	697,140.88	648,838.01
Total district expenses	$ 27,397,454.49	$ 26,305,765.83	$ 23,711,755.14	$ 26,461,804.33	$ 27,614,598.06	$ 25,302,664.92	$ 26,371,582.48	$ 26,934,996.16	$ 25,846,803.61	$ 23,568,027.40
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	$ 5,448,092.48	$ 6,895,754.99	$ 4,180,935.72	$ 6,703,321.28	$ 8,574,598.20	$ 5,541,157.43	$ 7,221,114.26	$ 8,407,890.43	$ 7,376,625.97	$ 5,615,297.27
Charges for services	324,444.71	637,289.58	247,282.86	202,047.70	220,578.91	245,359.65				
Total governmental activities program revenues	5,772,537.19	7,533,044.57	4,428,218.58	6,905,368.98	8,795,177.11	5,786,517.08	7,221,114.26	8,407,890.43	7,376,625.97	5,615,297.27
Business-type activities:										
Charges for services										
Food service	187,814.94	195,888.57	171,109.34	48,653.61	3,262.31	107,038.97	157,292.44	150,520.30	153,847.93	170,292.03
Extendicare	199,595.54	161,792.17	156,084.90	109,468.91	29,435.95	126,726.60	152,270.30	152,352.53	168,966.32	212,379.40
Operating grants and contributions	475,674.45	466,260.28	426,614.33	634,191.40	432,119.26	283,040.47	333,979.08	324,461.16	322,663.77	332,844.72
Total business type activities program revenues	863,084.93	823,941.02	753,808.57	792,313.92	464,817.52	516,806.04	643,541.82	627,333.99	645,478.02	715,516.15
Total district program revenues	$ 6,635,622.12	$ 8,356,985.59	$ 5,182,027.15	$ 7,697,682.90	$ 9,259,994.63	$ 6,303,323.12	$ 7,864,656.08	$ 9,035,224.42	$ 8,022,103.99	$ 6,330,813.42

BOROUGH OF KEYPORT SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue										
Governmental activities	$ (20,705,842.99)	$ (18,024,015.94)	$ (18,521,307.86)	$ (18,521,307.86)	$ (18,471,969.09)	$ (19,021,527.14)	$ (18,543,307.67)	$ (17,939,421.33)	$ (17,773,036.76)	$ (17,303,892.12)
Business-type activities	(55,989.38)	75,235.70	(8,420.13)	(8,420.13)	117,365.66	22,185.34	36,381.27	39,649.59	(51,662.86)	66,678.14
Total district-wide net expense	$ (20,761,832.37)	$ (17,948,780.24)	$ (18,529,727.99)	$ (18,529,727.99)	$ (18,354,603.43)	$ (18,999,341.80)	$ (18,506,926.40)	$ (17,899,771.74)	$ (17,824,699.62)	$ (17,237,213.98)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	$ 11,366,989.00	$ 11,081,944.00	$ 10,698,092.00	$ 10,488,325.00	$ 10,207,470.00	$ 9,848,090.00	$ 9,610,209.00	$ 9,421,774.00	$ 9,237,035.00	$ 8,967,996.00
Taxes levied for debt service	579,564.00	623,388.00	882,871.00	881,680.00	762,746.00	460,375.00	461,545.00	461,473.00	366,918.00	308,419.00
Unrestricted grants and contributions	6,283,392.33	5,349,824.76	5,922,725.04	6,112,932.52	6,351,675.01	6,091,162.37	6,067,479.00	5,824,150.49	5,808,056.22	5,971,229.08
Miscellaneous income	2,208,219.93	2,744,410.19	2,315,050.14	2,445,721.85	2,858,242.65	4,871,894.62	2,789,753.50	2,641,046.78	2,305,065.35	2,342,935.69
Transfers			77,250.00	70,744.00	70,121.00	52,420.00				
Disposal of capital assets										(31,578.29)
Total governmental activities	20,438,165.26	19,799,566.95	19,895,988.18	19,999,403.37	20,250,254.66	21,323,941.99	18,928,986.50	18,348,444.27	17,717,074.57	17,559,001.48
Business-type activities:										
Miscellaneous income	5,662.34	2,819.47	4,336.59	249.39	382.72	1,692.26	2,642.41	1,234.31	450.48	186.93
Disposal of Capital Assets	(162,546.00)		(24,106.00)							
Transfers			(77,250.00)	(70,744.00)	(70,121.00)	(52,420.00)				
Total business-type activities	(156,883.66)	2,819.47	(97,019.41)	(70,494.61)	(69,738.28)	(50,727.74)	2,642.41	1,234.31	450.48	186.93
Total district-wide	$ 20,281,281.60	$ 19,802,386.42	$ 19,798,968.77	$ 19,928,908.76	$ 20,180,516.38	$ 21,273,214.25	$ 18,931,628.91	$ 18,349,678.58	$ 17,717,525.05	$ 17,559,188.41
Change in Net Position										
Governmental activities	$ (267,677.73)	$ 1,775,551.01	$ 1,374,680.32	$ 1,478,095.51	$ 1,778,285.57	$ 2,302,414.85	$ 385,678.83	$ 409,022.94	$ (55,962.19)	$ 255,109.36
Business-type activities	(212,873.04)	78,055.17	(105,439.54)	(78,914.74)	47,627.38	(28,542.40)	39,023.68	40,883.90	(51,212.38)	66,865.07
Total district	$ (480,550.77)	$ 1,853,606.18	$ 1,269,240.78	$ 1,399,180.77	$ 1,825,912.95	$ 2,273,872.45	$ 424,702.51	$ 449,906.84	$ (107,174.57)	$ 321,974.43

Source: ACFR Schedule A-2

EXHIBIT "J-3"

BOROUGH OF KEYPORT SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Restricted	$ 8,426,873.79	$ 8,234,546.37	$ 6,290,936.86	$ 6,238,601.99	5,712,657.48	4,505,048.29	3,967,019.67	4,122,442.54	3,519,529.80	3,448,632.77
Assigned	223,253.24	425,849.04	543,007.39	174,364.57	155,526.57	260,431.55		597.29	7,167.29	108,364.55
Unassigned	475,752.53	418,067.49	754,233.02	359,294.35	277,147.13					(181,430.03)
Total general fund	$ 9,125,879.56	$ 9,078,462.90	$ 7,588,177.27	$ 6,772,260.91	$ 6,145,331.18	$ 4,765,479.84	$ 3,967,019.67	$ 4,123,039.83	$ 3,526,697.09	$ 3,375,567.29
All Other Governmental Funds										
Restricted	$ 1,572,656.01	$ 1,594,506.81	$ 1,735,509.65	$ 1,715,534.57	$ 1,706,203.23	$ 2,219,789.40	$ 0.47	$ 12.47	$ 11.73	$ 94,010.99
Assigned		300,525.00			358,750.18	2,869,577.39				
Unreserved, reported in:										
Special revenue fund (deficit)	(155,210.00)	(130,554.10)	(69,285.00)	(65,266.00)	(72,198.00)	(68,368.00)	(68,476.00)		(37,757.37)	(43,124.21)
Total all other governmental funds	$ 1,417,446.01	$ 1,764,477.71	$ 1,666,224.65	$ 1,650,268.57	$ 1,992,755.41	$ 5,020,998.79	$ (68,475.53)	$ 12.47	$ (37,745.64)	$ 50,886.78

Source: ACFR Schedule B-1

EXHIBIT "J-4"

BOROUGH OF KEYPORT SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Tax levy	$ 11,946,553.00	$ 11,705,332.00	$ 11,580,963.00	$ 11,370,005.00	$ 10,970,216.00	$ 10,308,465.00	$ 10,071,754.00	$ 9,883,247.00	$ 9,603,953.00	$ 9,276,415.00
Tuition	2,090,169.00	2,854,566.00	2,172,158.00	2,202,721.00	2,816,497.00	2,628,820.00	2,682,329.98	2,472,138.00	2,113,641.42	2,194,284.00
Miscellaneous	731,375.45	1,059,718.05	458,211.31	449,611.63	185,252.27	2,495,054.41	112,534.21	168,908.78	191,423.93	156,120.60
State sources	13,074,715.31	11,423,338.64	11,573,424.93	11,583,092.40	11,047,580.89	9,870,917.06	9,479,387.59	8,944,384.04	8,371,983.13	8,358,477.51
Federal sources	838,016.69	2,597,267.83	2,045,714.52	1,525,416.31	1,060,730.61	719,624.60	779,867.98	759,592.88	808,454.06	699,568.93
Total revenue	28,680,829.45	29,640,222.52	27,830,471.76	27,130,846.34	26,080,276.77	26,022,881.07	23,125,873.76	22,228,270.70	21,089,455.54	20,684,866.04
Expenditures										
Instruction										
Regular Instruction	9,824,427.23	9,735,654.11	9,376,658.34	7,367,068.96	7,141,653.17	6,326,065.86	6,581,114.05	6,449,862.81	6,077,239.59	5,913,797.40
Special education instruction	5,402,159.02	5,382,795.99	5,000,430.94	1,690,516.55	1,653,641.92	1,675,256.86	1,743,872.06	1,602,237.55	1,675,297.54	1,639,119.84
Other instruction	1,518,532.96	1,479,607.09	1,457,975.82	673,773.85	760,985.42	741,205.26	827,887.76	791,920.61	652,626.43	614,057.36
Support services:										
Tuition				776,505.33	931,088.45	801,183.29	524,194.58	461,466.54	943,616.76	739,034.50
Student and instruction related services	4,828,316.12	5,069,002.19	4,191,881.71	2,373,287.11	2,410,693.84	2,252,968.55	2,106,500.30	2,040,520.68	1,688,435.26	1,858,562.36
General administrative services	632,459.48	527,353.97	525,161.64	419,999.05	372,287.46	385,781.44	409,000.42	386,246.54	415,605.07	389,212.55
School administrative services	1,320,715.13	1,261,133.31	1,250,798.33	546,017.62	508,277.46	586,532.62	584,743.31	572,592.64	609,130.65	577,330.93
Central services	448,220.04	438,957.75	426,950.08	299,270.29	287,227.44	327,470.42	320,844.32	311,598.91	288,918.64	300,135.76
Administrative information technology	269,430.97	247,475.32	220,085.45	174,855.46	181,604.43	161,805.90	148,722.82	148,424.86	134,255.15	135,265.18
Plant operations and maintenance	1,993,704.40	1,769,619.66	1,966,956.55	1,501,110.72	1,495,332.56	1,521,596.68	1,745,722.36	1,474,257.98	1,463,916.47	1,533,721.66
Pupil transportation	887,541.42	515,143.09	913,630.24	766,866.49	383,066.11	534,579.25	510,743.42	528,542.48	470,086.31	493,246.60
Unallocated employee benefits				8,514,179.13	7,196,459.75	6,754,908.35	6,554,373.60	6,049,078.07	5,652,830.88	5,307,696.48
Capital outlay	531,762.76	222,230.97	416,106.39	506,188.33	3,265,611.42	12,815,715.00	623,342.92	108,393.92	278,736.75	490,005.73
Special Schools	65,230.96	66,827.38	51,837.26	48,420.01	53,061.21	56,526.88				
Debt service:										
Principal	765,000.00	815,000.00	800,000.00	770,000.00	315,000.00	595,000.00	575,000.00	555,000.00	535,000.00	610,000.00
Interest and other charges	470,900.00	506,925.00	536,850.00	564,912.50	842,799.17	72,832.50	94,320.00	114,026.26	133,001.26	154,751.26
Cost of Issuance of Bonds									126,035.26	
Total expenditures	28,980,444.49	28,051,683.83	27,135,322.75	26,992,971.40	27,798,789.81	35,609,428.86	23,350,381.92	21,594,169.85	21,018,696.76	20,755,937.61
Excess (deficiency) of revenues over (under) expenditures	(299,615.04)	1,588,538.69	695,149.01	137,874.94	(1,718,513.04)	(9,586,547.79)	(224,508.16)	634,100.85	70,758.78	(71,071.57)
Other financing sources (uses)										
Bond proceeds						15,315,000.00				
Intallment purchase contracts (non-budgeted)			59,472.93	75,824.95						
Transfers in			77,250.00	134,271.00	159,466.17	138,940.00			94,010.11	436,039.03
Transfers out				(63,527.00)	(89,345.17)	(86,520.00)			(94,010.11)	(436,039.03)
Total other financing sources (uses)			136,722.93	146,568.95	70,121.00	15,367,420.00				
Net change in fund balances	$ (299,615.04)	1,588,538.69	831,871.94	284,443.89	(1,648,392.04)	5,780,872.21	(224,508.16)	634,100.85	$ 70,758.78	$ (71,071.57)
Debt service as a percentage of noncapital expenditures	4.34%	4.75%	5.00%	5.04%	4.72%	2.93%	2.95%	3.11%	3.22%	3.77%

Source: ACFR Schedule B-2

EXHIBIT "J-5"

BOROUGH OF KEYPORT SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Solar Renewable Energy Credits	Miscellaneous	Total
2025	$ 2,090,169.00	$ 132,619.63	$ 97,623.76	$ 45,129.16	$ 2,365,541.55
2024	2,854,566.00	171,275.97	95,035.50	136,802.58	3,162,644.55
2023	2,172,158.00	159,709.02		51,219.43	2,383,086.45
2022	2,223,155.76	10,973.88	203,337.00	8,255.20	2,445,721.84
2021	2,819,512.09	20,110.15		18,620.41	2,858,242.65
2020	2,647,067.71	97,904.93	120,454.00	564,018.05	3,429,444.69
2019	2,729,291.55	55,209.62		5,252.33	2,789,753.50
2018	2,472,138.00	26,435.16	49,980.00	92,493.62	2,641,046.78
2017	2,113,641.42	8,005.89	94,548.65	88,869.39	2,305,065.35
2016	2,194,284.00	4,368.09	74,408.00	69,875.60	2,342,935.69

Source: District Records

EXHIBIT "J-6"

BOROUGH OF KEYPORT SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

Year	Net Assessed Valuation Taxable	Estimated Full Cash Valuations	Percentage of Net Assessed to Estimated Full Cash Valuations
2024	$1,131,726,398.00	$1,076,492,010.00	105.13%
2023	1,029,850,098.00	1,033,951,190.00	99.60%
2022	909,949,069.00	891,861,800.00	102.03%
2021	822,360,027.00	824,395,384.00	99.75%
2020	784,768,300.00	775,386,128.00	101.21%
2019	739,211,600.00	772,748,902.00	95.66%
2018	710,171,300.00	709,107,639.00	100.15%
2017	693,663,200.00	708,180,909.00	97.95%
2016	680,441,700.00	700,547,711.00	97.13%
2015	663,678,100.00	676,601,183.00	98.09%

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

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

EXHIBIT "J-7"

BOROUGH OF KEYPORT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Borough of Keyport Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Keyport	Monmouth County	
2025	$ 0.951	$ 0.048	$ 0.999	$ 0.787	$ 0.206	$ 1.992
2024	0.986	0.055	1.041	0.821	0.208	2.070
2023	1.040	0.086	1.126	0.845	0.227	2.198
2022	1.159	0.097	1.256	0.899	0.239	2.394
2021	1.246	0.929	1.353	0.909	0.262	2.524
2020	1.245	0.927	1.342	0.935	0.266	2.543
2019	1.302	0.933	1.364	0.910	0.265	2.539
2018	1.325	0.932	1.390	0.928	0.282	2.600
2017	1.348	0.935	1.393	0.934	0.280	2.607
2016	1.321	0.926	1.367	0.935	0.283	2.585

Source: District Records and Municipal Tax Collector
(Rates are per $100 of assessed value)

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

EXHIBIT "J-8"

BOROUGH OF KEYPORT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2024				2015		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Green Grove Associates/Richard Kurtz	$ 21,491,500.00	1	1.899%	Green Grove Associates/richard Kurtz	$ 12,803,400.00	1	1.929%
Keyport Harbor Apartments, LLC	20,389,700.00	2	1.802%	251 Atlantic LLC	9,482,200.00	2	1.429%
Building Keyport LLC & Wren Keyport	11,610,900.00	3	1.026%	Building Keyport LLC & Wren Keyport	8,100,000.00	3	1.220%
Teaneck Road Partners, LLC	9,422,300.00	4	0.833%	Straub Motores, Inc	7,230,500.00	4	1.089%
AP Cass Street DE, LLC & Chab Port	9,347,500.00	5	0.826%	Swift Family Partnership, LP	6,062,300.00	5	0.913%
45 Beers, LLC	5,800,000.00	6	0.512%	Holmdel Point Apartments	5,459,900.00	6	0.823%
Bay Ridge Realty Crp	5,600,300.00	7	0.495%	Keyport Marine Basin, Inc	5,456,200.00	7	0.822%
Keyport Marine Basin, Inc	5,573,300.00	8	0.492%	Blue 62 Associates	3,759,100.00	8	0.566%
Keyport Realty Development, LLC	5,300,000.00	9	0.468%	NJ Bell Telephone Co Tax Manager	3,535,676.00	9	0.533%
JC III realty Holdings, LLC	5,255,700.00	10	0.464%	Fragrance Resources, Inc	3,525,200.00	10	0.531%
Total	$ 99,791,200.00		8.818%	Total	$ 65,414,476.00		9.856%

Source: Municipal Tax Assessor

Source: Municipal Tax Assessor

EXHIBIT "J-9"

BOROUGH OF KEYPORT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a) Amount	Percentage of Levy	Collections in Subsequent Years
2025	$ 11,946,553.00	$ 11,946,553.00	100.00%	
2024	11,705,332.00	11,705,332.00	100.00%	
2023	11,580,963.00	11,580,963.00	100.00%	
2022	11,370,005.00	11,370,005.00	100.00%	
2021	10,970,216.00	10,970,216.00	100.00%	
2020	10,308,465.00	10,308,465.00	100.00%	
2019	10,071,754.00	10,071,754.00	100.00%	
2018	9,883,247.00	9,883,247.00	100.00%	
2017	9,603,953.00	9,603,953.00	100.00%	
2016	9,276,415.00	9,276,415.00	100.00%	

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

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

EXHIBIT "J-10"

BOROUGH OF KEYPORT SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Installment Purchase Contracts	Total District	Percentage of Personal Income (a)	Per Capita (a)
2025	$ 13,170,000.00	$ 58,211.67	$ 13,228,211.67	N/A	N/A
2024	13,935,000.00	85,203.47	14,020,203.47	N/A	$ 1,952.13
2023	14,750,000.00	110,881.62	14,860,881.62	2.08%	2,093.38
2022	15,550,000.00	65,621.31	15,615,621.31	2.31%	2,180.65
2021	16,320,000.00		16,320,000.00	2.46%	2,267.93
2020	16,635,000.00		16,635,000.00	2.78%	2,393.18
2019	1,915,000.00		1,915,000.00	0.33%	274.04
2018	2,490,000.00		2,490,000.00	0.45%	353.14
2017	3,045,000.00	1,520.97	3,046,520.97	0.57%	432.99
2016	3,580,000.00	19,354.75	3,599,354.75	0.70%	510.11

Source: District ACFR Schedules I-1, I-2
Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
(a) See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

EXHIBIT "J-11"

BOROUGH OF KEYPORT SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
2025	$ 13,170,000.00	-0-	$ 13,170,000.00	1.164%	$ N/A
2024	13,935,000.00	-0-	13,935,000.00	1.231%	1,952.13
2023	14,750,000.00	-0-	14,750,000.00	1.432%	2,093.38
2022	15,550,000.00	-0-	15,550,000.00	1.709%	2,180.65
2021	16,320,000.00	-0-	16,320,000.00	1.985%	2,267.93
2020	16,635,000.00	-0-	16,635,000.00	2.120%	2,393.18
2019	1,915,000.00	-0-	1,915,000.00	0.259%	274.04
2018	2,490,000.00	-0-	2,490,000.00	0.351%	353.14
2017	3,045,000.00	-0-	3,045,000.00	0.439%	432.99
2016	3,580,000.00	-0-	3,580,000.00	0.526%	510.11

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
(a) See Exhibit J-6 for property tax data.
(b) Population data can be found in Exhibit J-14.

EXHIBIT "J-12"

BOROUGH OF KEYPORT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

Governmental Unit	Gross Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Keyport	$ 24,420,642.67	100.000%	$ 24,420,642.67
Other debt			
Monmouth County	1,643,106,400.00	0.583%	9,579,310.31
Subtotal, overlapping debt			33,999,952.98
Borough of Keyport School District Direct Debt			13,170,000.00
Total direct and overlapping debt			$ 47,169,952.98

Source: Township of Colts Neck Chief Financial Officer, Monmouth County Treasurer's Office and Freehold Regional School District

(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.

EXHIBIT "J-13"

BOROUGH OF KEYPORT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Year 2025:

Equalized Valuation Basis	
2024	$ 1,167,318,681.00
2023	1,056,898,246.00
2022	1,022,346,480.00
	$ 3,246,563,407.00
Average Equalized Valuation of Taxable Property	$ 1,082,187,802.33
Debt Limit (4% (a) of Average Equalization Value)	$ 43,287,512.09
Total Net Debt Applicable to Limit	13,170,000.00
Legal Debt Margin	$ 30,117,512.09

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	$ $43,287,512.09	$ $39,469,778.71	$ $36,122,901.01	$ 32,794,933.31	$ $30,601,434.83	29,279,748.03	28,336,061.48	27,804,393.37	27,123,609.85	26,617,950.31
Total Net Debt Applicable To Limit	13,170,000.00	14,275,000.00	15,210,000.00	15,875,000.00	16,635,000.00	17,230,000.00	2,490,000.00	3,045,000.00	3,580,000.00	4,190,000.00
Legal Debt Margin	$ 30,117,512.09	$ 25,194,778.71	$ 20,912,901.01	$ 16,919,933.31	$ 13,966,434.83	$ 12,049,748.03	$ 25,846,061.48	$ 24,759,393.37	$ 23,543,609.85	$ 22,427,950.31
Total Net Debt Applicable to the Limit as a % of Debt Limit	30.42%	36.17%	42.11%	48.41%	54.36%	58.85%	8.79%	10.95%	13.20%	15.74%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

EXHIBIT "J-14"

BOROUGH OF KEYPORT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2024	7,182	$ N/A	$ N/A	4.10%
2023	7,099	713,286,223.00	100,477.00	3.90%
2022	7,161	675,862,341.00	94,540.00	3.60%
2021	7,196	662,888,324.00	90,876.00	6.10%
2020	6,951	598,418,541.00	84,694.00	8.80%
2019	6,988	574,902,760.00	81,569.00	3.20%
2018	7,051	558,784,699.00	76,307.00	3.70%
2017	7,036	533,863,536.00	73,117.00	4.10%
2016	7,056	515,610,144.00	70,493.00	4.50%
2015	7,080	501,023,280.00	68,487.00	5.10%

Source:
(a) Population information provided by the NJ Dept. of Labor and Workforce Development.
(b) Personal income has been estimated based upon the municipal population and per capita personal income pres
(c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau
Economic Analysis.
(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.
N/A - Not Available

EXHIBIT "J-16"

BOROUGH OF KEYPORT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	79	80	82	84	83	84	85	85	86	85
Special education	18	19	19	17	17	19	20	21	19	19
Other special education - Aides	15	10	7	4	4	8	5	4	2	5
Other instruction	8	7	6	7	8	8	11	13	8	9
Support Services:										
Student & instruction related services	18	19	18	20	20	20	19	19	24	21
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	7	7	7	7	7	8	8	8	8	8
Central services	3	5	5	5	5	6	6	6	6	6
Plant operations and maintenance	11	13	14	14	15	15	15	15	15	15
Total	162	163	161	161	162	171	172	174	171	171

Source: District Personnel Records

EXHIBIT "J-17"

BOROUGH OF KEYPORT SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio		Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	High School				
2024-2025	945	$27,212,781.73	$ 28,796.59	5.16%	116	1:7.89	1:8.63	945	885	-2.28%	93.65%
2023-2024	968	26,507,527.86	27,383.81	-0.64%	116	1:7.5	1:10.3	967	894	3.87%	92.45%
2022-2023	921	25,382,366.36	27,559.57	2.37%	113	1:7.5	1:9.3	931	861	0.54%	92.48%
2021-2022	927	24,955,571.62	26,920.79	7.77%	114	1:9.1	1:9.4	926	844	-0.32%	91.14%
2020-2021	929	23,205,300.73	24,978.80	15.42%	116	1:9.2	1:9.4	929	903	-7.84%	97.20%
2019-2020	1,012	21,901,790.04	21,642.09	1.55%	123	1:9.0	1:8.9	1,008	972	-2.61%	96.43%
2018-2019	1,035	22,057,719.00	21,311.81	8.01%	116	1:9.4	1:8.1	1,035	978	-1.33%	94.49%
2017-2018	1,055	20,816,749.67	19,731.52	3.22%	116	1:9.1	1:9.1	1,049	981	-1.13%	93.52%
2016-2017	1,050	20,071,958.75	19,116.15	4.89%	126	1:8.4	1:8.2	1,061	970	0.19%	91.42%
2015-2016	1,070	19,501,180.62	18,225.40	0.70%	126	1:9.0	1:7.64	1,059	1,002	-1.21%	94.62%

Sources: District records
Note: Enrollment based on annual October district count.
(a) Operating expenditures equal total expenditures less debt service, capital outlay, scholarships and student activites.
(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).

EXHIBIT "J-18"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

District Buildings	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary School(s):										
Central School (1961)										
Square Feet	96,185	96,185	96,185	96,185	96,185	96,185	96,185	96,185	96,185	96,185
Capacity (students)	660	660	660	660	660	660	660	632	632	632
Enrollment	600	616	598	598	590	663	685	691	681	703
Keyport High School (1927)										
Square Feet	84,958	84,958	84,958	84,958	84,958	84,958	84,958	84,958	84,958	84,958
Capacity (students)	412	412	412	412	412	412	412	524	524	524
Enrollment	345	352	328	328	339	349	350	364	369	367
Other										
Administration Building										
Square Feet	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930	1,930

Number of Schools at June 30, 2025
Elementary = 1
High School = 1

Source: 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.

EXHIBIT "J-19"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

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

School Facilities * Project #(s)	Total	Keyport Central School	Keyport High School
2025	$ 241,991.37	$ 128,293.03	$ 113,698.34
2024	116,225.11	61,599.31	54,625.80
2023	282,949.58	149,962.97	132,986.61
2022	255,633.63	135,485.99	120,147.64
2021	338,080.07	179,182.44	158,897.63
2020	313,043.67	165,913.15	147,130.52
2019	480,832.65	254,841.30	225,991.35
2018	332,250.68	176,092.86	156,157.82
2017	357,482.29	189,465.62	168,016.67
2016	420,411.90	222,818.31	197,593.59

* - School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

EXHIBIT "J-20"
SHEET #1

BOROUGH OF KEYPORT SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	Coverage Amount	Deductible
School Alliance Insurance Fund		
Property Coverage:		
Blanket Real and Personal Property	$60,748,448.00	$2,500.00
Blanket Extra Expense	50,000,000.00	2,500.00
Blanket Valuable Papers and Records	500,000.00	2,500.00
Blanket EDP	576,079.00	2,500.00
Boiler and Machinery Coverage:		
Property Damage	60,748,448.00	2,500.00
Crime Coverage:		
Forgery and Alteration	50,000.00	1,000.00
Faithful Performance Blanket Dishonesty	500,000.00	1,000.00
Funds Transfer Fraud	50,000.00	25,000.00
General Liability Coverage:		
General Aggregate	10,000,000.00	
Bodily Injury and Property Damage	10,000,000.00	
Fire Damage	2,500,000.00	
Medical Expense	10,000.00	
Sexual Molestation Sublimit	10,000,000.00/occurrence; 10,000,000.00/member aggregate; 28,500,000.00/fund aggregate (shared limit)	
Employee Benefits Liability	5,000,000.00/member annual aggregate	1,000.00
Communicable Disease	500,000.00/member aggregate	
Automobile Coverage:		
Bodily Injury and Property Damage	10,000,000.00	1,000.00 (Auto Physical Damage)
Uninsured/Underinsured Motorists	25,000.00/person; 50,000.00/accident; 25,000.00/property damage	500.00 (property damage)
Cyber Coverage:		
Aggregate Limit Per Scheduled Insured	2,000,000.00	10,000.00
Cyber Extortion	750,000.00	10,000.00
Environmental Impairment Coverage:		
Each Claim	1,000,000.00	50,000.00
Fund Aggregate (Shared Limit)	10,000,000.00	
School Board Legal Coverage:		
Limit of Liability	5,000,000.00	5,000.00
IEP Hearing	100,000.00	5,000.00
Excess Coverage:		
Limit of Liability (AL/GL)	10,000,000.00	
Limit of Liability (SLPL)	15,000,000.00	

EXHIBIT "J-20"
SHEET #2

BOROUGH OF KEYPORT SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

	Coverage Amount	Deductible
Fireman's Fund Insurance Company		
Excess Liability Coverage:		
Each Occurrence	$25,000,000.00	
Aggregate (Shared Limit)	25,000,000.00	
New Jersey Schools Insurance Group		
Workers' Compensation & Employers' Liability Coverage:		
Bodily Injury by Accident	3,000,000.00/accident	
Bodily Injury by Disease	3,000,000.00/employee; 3,000,000.00/aggregate	
Lloyd's Syndicate 2623/623 (Beazley Furlonge Ltd)		
Excess Environmental Liability Coverage:		
Each Pollution Condition including Claims Expenses	1,500,000.00	$25,000.00
Policy Aggregate	1,500,000.00	25,000.00
Crisis & Reputation Management Expenses Sublimit	250,000.00	25,000.00
Microbial Matter		250,000.00
Selective Insurance Company of America		
Public Official Surety Bond Coverage:		
Board Secretary	225,000.00	

Source: District Records

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SINGLE AUDIT SECTION

EXHIBIT "K-1"

SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
308 East Broad Street, Westfield, New Jersey 07090-2122
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable President and Members
of the Board of Education
Borough of Keyport School District
County of Monmouth
Keyport, New Jersey 07735

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities each major fund of the Borough of Keyport School District, in the County of Monmouth, State of New Jersey (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Keyport 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.*

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

November 19, 2025

SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
308 East Broad Street, Westfield, New Jersey 07090-2122
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Honorable President and Members
of the Board of Education
Borough of Keyport School District
County of Monmouth
Keyport, New Jersey 07735

Report on Compliance for Each Major Federal and State Program

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

In our opinion, the 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 federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the 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 federal and state program. Our audit does not provide a legal determination of the 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 or grant agreements applicable to the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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 Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance 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 State Grant Compliance Supplement*. Accordingly, this report is not suitable for any other purpose.

Suplee Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Robert W. [illegible]

PUBLIC SCHOOL ACCOUNTANT NO. 948

November 19, 2025

EXHIBIT K-3
SCHEDULE A

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AL NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT PERIOD FROM	GRANT PERIOD TO	AWARD AMOUNT	BALANCE AT JUNE 30, 2024	ADJUSTMENT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED-THROUGH TO SUBRECEIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2025 (ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2025 UNEARNED REVENUE	BALANCE JUNE 30, 2025 DUE GRANTOR
U.S. Department of Education														
Pass-Through State Department of Education														
Medicaid Assistance Program (SEMI)	93.778	2005NJ5MAP	07/01/2024	06/30/2025	$15,671.43			$15,671.43	($15,671.43)					
Total General Fund						-	-	15,671.43	(15,671.43)	-	-	-	-	-
U.S. Department of Education														
Pass-Through State Department of Education														
E.S.E.A.:														
Title I Part A	84.010	S010A210030	07/01/2024	09/30/2025	265,210.00			147,568.00	(243,738.59)			($96,170.59)		
Title I Part A	84.010	S010A220030	07/01/2023	09/30/2024	228,030.00	($86,063.46)	$156.93	85,906.53					-	
Title II Part A	84.367	S367A200029	07/01/2021	09/30/2022	31,762.79	195.00						-	$195.00	
Title II Part A	84.367	S367A210029	07/01/2024	09/30/2025	51,303.00			27,632.00	(36,859.97)			(9,227.97)	-	
Title II Part A	84.367	S367A220029	07/01/2023	09/30/2024	43,278.00	(1,585.71)		1,585.71				-	-	
Title III - Elementary	84.365	S365A150030	07/01/2024	09/30/2025	24,906.00			13,160.00	(16,780.54)			(3,620.54)		
Title III - Elementary	84.365	S365A150030	07/01/2023	09/30/2024	17,677.00	(3,651.04)		3,651.04						
Title IV Part A	84.424	S424A150030	07/01/2024	09/30/2025	7,076.00			2,392.00	(7,076.00)			(4,684.00)		
Title IV Part A	84.424	S424A150030	07/01/2023	09/30/2024	18,125.00	(2,878.55)		2,878.55						
Total NCLB						(93,983.76)	156.93	284,773.83	(304,455.10)	-	-	(113,703.10)	195.00	
I.D.E.A. Part B Special Education Cluster														
I.D.E.A. Part B	84.027	H027A210100	07/01/2024	09/30/2025	308,215.00			199,683.00	(295,214.98)			(95,531.98)		
I.D.E.A. Part B	84.027	H027A220100	07/01/2023	09/30/2024	290,480.00	(92,048.00)		92,048.00						
I.D.E.A. Preschool	84.173	H173A210114	07/01/2024	09/30/2025	9,268.00			5,966.00	(8,996.00)			(3,030.00)		
I.D.E.A. Preschool	84.173	H173A220114	07/01/2023	09/30/2024	9,272.00	(1,439.00)		1,439.00						
Total I.D.E.A. Part B Special Education Cluster						(93,487.00)		299,136.00	(304,210.98)			(98,561.98)		
Education Stabilization Fund:														
CRRSA - ESSER II- Student Learning	84.425D	S425D210027	03/13/2020	09/30/2023	131,127.69	(65,562.69)		65,562.69						
ARP - ESSER	84.425U	S425U210027	03/13/2020	09/30/2024	2,448,557.00	(410,218.34)	95.74	467,202.77	(57,080.17)					
ARP - ESSER- Learning Acceleration	84.425U	S425U210027	03/13/2020	09/30/2024	79,447.00	(20,789.00)		31,228.00	(10,439.00)					
ARP- ESSER- Evidence Based	84.425U	S425U210027	03/13/2020	09/30/2024	40,000.00			606.01	(606.01)					
ARP-ESSER- Beyond School	84.425U	S425U210027	03/13/2020	09/30/2024	40,000.00			2,833.88	(2,833.88)					
ARP-ESSER- Mental Health	84.425U	S425U210027	03/13/2020	09/30/2024	88,501.00	(2,544.50)		2,621.00	(76.50)					
Total Education Stabilization Fund						(499,114.53)	95.74	570,054.35	(71,035.56)					
Total U.S. Department of Education						(686,585.29)	252.67	1,153,964.18	(679,701.64)			(212,265.08)	195.00	
U.S. Department of Treasury														
Passed-through State Department of Education:														
Coronavirus Relief Fund:														
COVID ARP SLFRF Learning Accel - High Impact	21-027	0345064100	07/01/2023	09/30/2024	75,999.00	(13,439.58)		38,816.00	(30,365.00)			(4,988.58)		
Total Coronavirus Relief Fund Special Education Cluster						(13,439.58)		38,816.00	(30,365.00)			(4,988.58)		
Total Special Revenue Fund						(700,024.87)	252.67	1,192,780.18	(710,066.64)			(217,253.66)	195.00	
Enterprise Fund:														
U.S. Department of Agriculture														
Passed-Through State Department of Agriculture:														
Child Nutrition Cluster:														
U.S.D.A. Commodities Program	10.555	251NJ304N1099	07/01/2024	06/30/2025	60,506.86			60,506.86	(58,078.40)				$2,428.46	
U.S.D.A. Commodities Program	10.555	241NJ304N1099	07/01/2023	06/30/2024	60,723.27	732.82			(732.82)					
National School Lunch Program	10.555	251NJ304N1099	07/01/2024	06/30/2025	342,984.68			320,384.57	(342,984.68)			(22,600.11)		
National School Lunch Program	10.555	241NJ304N1099	07/01/2023	06/30/2024	310,633.76	(17,596.79)		17,596.79						
National School Lunch Program - HHFKA	10.555	251NJ304N1099	07/01/2024	06/30/2025	9,347.94			8,739.81	(9,347.94)			(608.13)		
National School Lunch Program - HHFKA	10.555	241NJ304N1099	07/01/2023	06/30/2024	7,986.88	(441.76)		441.76						
National School Breakfast Program	10.553	251NJ304N1099	07/01/2024	06/30/2025	40,620.67			37,551.55	(40,620.67)			(3,069.12)		
National School Breakfast Program	10.553	241NJ304N1099	07/01/2023	06/30/2024	44,106.25	(2,461.84)		2,461.84						
Total Child Nutrition Cluster						(19,767.57)		447,683.18	(451,764.51)			(26,277.36)	2,428.46	
Total Enterprise Fund						(19,767.57)		447,683.18	(451,764.51)			(26,277.36)	2,428.46	
Total Federal Financial Assistance						($719,792.44)	$252.67	$1,656,134.79	($1,177,502.58)			($243,531.02)	$2,623.46	

See accompanying notes to schedules of expenditure of financial assistance.

EXHIBIT "K-4"
SCHEDULE "B"

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE JUNE 30, 2024 UNEARNED REVENUE (ACCTS REC)	CARRY OVER	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE JUNE 30, 2025 (ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2025 UNEARNED REVENUE	BALANCE JUNE 30, 2025 DUE GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
State Department of Education														
General Funds:														
State Aid - Public Cluster														
Categorical Special Education Aid	25-495-034-5120-089	$892,374.00	07/01/2024	06/30/2025			$803,136.60	($892,374.00)	$89,237.40					$892,374.00
Categorical Special Education Aid	24-495-034-5120-089	569,435.00	07/01/2023	06/30/2024			56,943.50		(56,943.50)				$56,943.50	569,435.00
Categorical Equalization Aid	25-495-034-5120-078	4,391,967.00	07/01/2024	06/30/2025			3,956,203.30	($4,391,967.00)	435,763.70					4,391,967.00
Categorical Equalization Aid	24-495-034-5120-078	3,912,967.00	07/01/2023	06/30/2024			388,732.90		(388,732.90)				388,732.90	3,912,967.00
Categorical Security Aid	25-495-034-5120-084	326,610.00	07/01/2024	06/30/2025			293,949.00	($326,610.00)	32,661.00					326,610.00
Categorical Security Aid	24-495-034-5120-084	277,906.00	07/01/2023	06/30/2024			27,790.60		(27,790.60)				27,790.60	277,906.00
Total State Aid - Public Cluster							5,526,755.90	(5,610,951.00)	84,195.10				473,467.00	10,371,259.00
Categorical Transportation Aid	25-495-034-5120-014	64,629.00	07/01/2024	06/30/2025			58,166.10	(64,629.00)	6,462.90				($6,462.90)	64,629.00
Categorical Transportation Aid	24-495-034-5120-014	39,799.00	07/01/2023	06/30/2024			3,979.90		(3,979.90)					39,799.00
Extraordinary Aid	25-100-034-5120-473	232,681.00	07/01/2024	06/30/2025				(232,681.00)		($232,681.00)				232,681.00
Extraordinary Aid	24-100-034-5120-473	179,388.00	07/01/2023	06/30/2024	($179,388.00)		179,388.00						179,388.00	179,388.00
On-behalf TPAF non-contributory insurance	25-495-034-5094-004	38,395.00	07/01/2024	06/30/2025			38,395.00	(38,395.00)						38,395.00
On-behalf TPAF Pension	25-495-034-5094-002	3,279,532.00	07/01/2024	06/30/2025			3,279,532.00	(3,279,532.00)						3,279,532.00
On-behalf TPAF Post retirement medical	25-495-034-5094-001	916,905.00	07/01/2024	06/30/2025			916,905.00	(916,905.00)						916,905.00
On-behalf TPAF Long-Term Disability Insurance	25-495-034-5094-002	1,546.00	07/01/2024	06/30/2025			1,546.00	(1,546.00)						1,546.00
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	675,486.63	07/01/2024	06/30/2025			642,060.79	(675,486.63)		(33,425.84)				675,486.63
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	671,758.82	07/01/2023	06/30/2024	(63,800.24)		63,800.24						63,800.24	671,758.82
Total General Funds					(243,188.24)		10,710,528.93	(10,820,125.63)	86,678.10	(266,106.84)			710,192.34	16,471,379.45
Special Revenue Fund:														
Artificial Intelligence Innovation In Education Grant	25-100-034-5063-369	75,000.00	07/01/2024	06/30/2025			1,750.00	(11,722.06)		(9,972.06)				11,722.06
NJ Dual Enrollment Grant	25-100-074-2400-092	50,000.00	07/01/2024	06/30/2025			25,000.00				25,000.00			
Secondary School Science Computer Science Initiative	25-100-034-5063-349	45,852.00	07/01/2024	06/30/2025			38,841.00	(38,842.07)		(1.07)				38,842.07
Preschool Education Aid	24-495-034-5120-086	1,305,541.00	07/01/2023	06/30/2024	250,945.90	(250,945.90)	130,554.10		(130,554.10)					
Preschool Education Aid	25-495-034-5120-086	1,850,685.00	07/01/2024	06/30/2025		250,945.90	1,396,890.00	(1,640,142.05)	155,210.00		162,903.85		162,903.85	1,850,685.00
Climate Change Education Grants	25-495-034-5063-359	75,752.00	07/01/2023	06/30/2024			42,304.00	(74,321.50)		(32,017.50)				74,321.50
Total Special Revenue Fund					250,945.90		1,635,339.10	(1,765,027.68)	24,655.90	(41,990.63)	187,903.85		162,903.85	1,975,570.63
Capital Projects Fund:														
State of New Jersey Department of Community Affairs														
Pre-Kindergarten Playground Equipment	25-495-022-8030-668	74,000.00	07/01/2024	06/30/2025			74,000.00	(74,000.00)						74,000.00
State of New Jersey School Development Authority														
Pre-Kindergarten Playground Equipment	2430-060-23-PK01	126,620.00	07/01/2023	06/30/2024	(6,410.00)		126,620.00	(120,210.00)						126,620.00
					(6,410.00)		200,620.00	(194,210.00)						200,620.00
Debt Service Fund:														
Debt Service Aid Type II	25-495-034-5120-075	406,336.00	07/01/2024	06/30/2025			406,336.00	(406,336.00)						406,336.00
Total Debt Service Fund							406,336.00	(406,336.00)						406,336.00
Enterprise Fund:														
National School Lunch Program (State Share)	25-100-010-3360-067	10,126.94	07/01/2024	06/30/2025			9,471.77	(10,121.02)		(649.25)			649.25	10,126.94
National School Lunch Program (State Share)	24-100-010-3360-067	10,609.78	07/01/2023	06/30/2024	(597.99)		597.99							10,609.78
National School Lunch Program (State Share) - NJEIE	25-100-010-3360-067	12,178.37	07/01/2024	06/30/2025			11,078.93	(11,856.87)		(777.94)			777.94	12,178.37
National School Lunch Program (State Share) - NJEIE	24-100-010-3360-067	4,827.90	07/01/2023	06/30/2024	(219.45)		219.45							4,827.90
National School Breakfast Program (State Share)	25-100-010-3360-067	339.00	07/01/2024	06/30/2025			314.70	(339.00)		(24.30)			24.30	339.00
National School Breakfast Program (State Share)	24-100-010-3360-067	506.10	07/01/2023	06/30/2024	(27.90)		27.90							506.10
National School Breakfast Program (State Share) - NJEIE	25-100-010-3360-067	1,271.55	07/01/2024	06/30/2025			1,195.60	(1,271.55)		(75.95)			75.95	1,271.55
National School Breakfast Program (State Share) - NJEIE	24-100-010-3360-067	209.15	07/01/2023	06/30/2024	(4.70)		4.70							209.15
Summer P-EBT Administrative Cost	N/A	321.50	07/01/2024	06/30/2025				(321.50)		(321.50)			321.50	321.50
Total Enterprise Fund					(850.04)		22,911.04	(23,909.94)		(1,848.94)			1,848.94	40,390.29
Total State Financial Assistance					$497.62		$12,975,735.07	($13,209,609.25)	$111,334.00	($309,946.41)	$187,903.85		$874,945.13	$19,094,296.37
Less: On-Behalf amounts not utilized for determination of Major Programs:														
On-behalf TPAF non-contributory insurance	25-495-034-5094-004	38,395.00	07/01/2024	06/30/2025			($38,395.00)	$38,395.00						
On-behalf TPAF Pension	25-495-034-5094-002	3,279,532.00	07/01/2024	06/30/2025			(3,279,532.00)	3,279,532.00						
On-behalf TPAF Long-Term Disability Insurance	25-495-034-5094-001	916,905.00	07/01/2024	06/30/2025			(916,905.00)	916,905.00						
On-behalf TPAF post retirement medical	25-495-034-5094-002	1,546.00	07/01/2024	06/30/2025			(1,546.00)	1,546.00						
Total State Financial Assistance Subject to Single Audit							$8,739,357.07	($8,973,231.25)						

See accompanying notes to schedules of expenditure of financial assistance.

Borough of Keyport School District
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2025

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Keyport School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

Borough of Keyport School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2025

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($86,678.10) for the general fund and $87,622.72 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$15,671.43	$10,733,447.53	$10,749,118.96
Special Revenue Fund	822,345.26	1,740,371.78	2,562,717.04
Capital Projects Fund		194,210.00	194,210.00
Debt Service Fund		406,336.00	406,336.00
Food Service Fund	451,764.51	23,909.94	475,674.45
	$1,289,781.20	$13,098,275.25	$14,388,056.45
GAAP Adjustments:			
State Aid		111,334.00	111,334.00
Encumbrances	(112,278.62)		(112,278.62)
Total Awards and Financial Assistance	$1,177,502.58	$13,209,609.25	$14,387,111.83

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2025. TPAF Social Security contributions represent 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.

EXHIBIT "K-6"

Borough of Keyport School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

(1)	Type of Auditor's Report Issued:	Unmodified
(2)	Internal Control Over Financial Reporting:	
	(a) Material weakness identified?	No
	(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(3)	Noncompliance material to basic financial statements noted?	No

Federal Program(s)

(1)	Internal Control Over Major Federal Programs:	
	(a) Material weakness identified?	No
	(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(2)	Type of Auditor's Report issued on compliance for major federal program(s)?	Unmodified
(3)	Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule?	No

(4) Identification of Major Federal Program(s):

Program	Assistance Listing #	Federal FAIN #
Title I Part A	84.010	S010A210030

EXHIBIT "K-6"

Borough of Keyport School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

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

Federal Program(s)- continued

5) Program Threshold Determination:
Type A Federal Program Threshold > $750,000.00
Type B Federal Program Threshold <= $750,000.00

(6) Auditee qualified as a low-risk auditee under the Uniform Guidance? Yes

State Program(s)

(1) Internal Control Over Major State Programs:

(a) Material weakness identified? No

(b) Significant deficiencies identified that are not considered to be material weaknesses? No

(2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified

(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08 and listed in Section III of this schedule? No

(4) Identification of Major State Program(s):

Program	Grant Number
Pre-School Education Aid	495-034-5120-086
Debt Service Aid Type II	495-034-5120-075

(5) Program Threshold Determination:
Type A State Program Threshold > $750,000.00
Type B State Program Threshold <= $750,000.00

(6) Auditee qualified as a low-risk auditee under N.J. OMB Circular 15-08? Yes

EXHIBIT "K-6"

Borough of Keyport School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

EXHIBIT "K-7"

Borough of Keyport School District

Schedule of Prior Year Audit Findings

Not Applicable