SCHOOL DISTRICT

OF

TOWNSHIP OF COMMERCIAL

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

Township of Commercial Board of Education

Port Norris, New Jersey

For the Fiscal Year Ended June 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

Township of Commercial Board of Education

Port Norris, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Commercial Township Board of Education

Finance Department

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE COMMERCIAL TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS

INTRODUCTORY SECTION

Exhibit		Page
	Letter of Transmittal	1-6
	Organizational Chart	7
	Roster of Officials	8
	Consultants and Advisors	9

FINANCIAL SECTION

	Independent Auditor's Report	10-12
	Required Supplementary Information – Part I	
	Management's Discussion and Analysis (Unaudited)	13-21
Basic Financial Statements		
A.	District-Wide Financial Statements:	
	A-1 Statement of Net Position	22
	A-2 Statement of Activities	23
B.	Fund Financial Statements:	
	Governmental Funds:	
	B-1 Balance Sheet	24
	B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	25
	B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
	Proprietary Funds:	
	B-4 Statement of Net Position	27
	B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	28
	B-6 Statement of Cash Flows	29
	Fiduciary Funds:	
	B-7 Statement of Fiduciary Net Position	N/A
	B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements		30-63
Required Supplementary Information – Part II		
C.	Budgetary Comparison Schedules: (Unaudited)	
	C-1 Budgetary Comparison Schedule – General Fund	65-70
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
	C-1b Community Development Block Grant – Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule – Special Revenue Fund	71

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE COMMERCIAL TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

Exhibit		Page
Notes to the Required Supplementary Information – Part II		
C-3	Budget-to-GAAP Reconciliation	72
Required Supplementary Information - Part III		
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited)	
L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	73
L-2	Schedule of District Contributions – PERS	74
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	75
M.	Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1	Schedule of Changes in the Total OPEB Liability – and Related Ratios	76
Other Supplementary Information		
D.	School Based Budget Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures – Budgetary Basis includes Student Activity and Scholarship Funds	77-78
E-2	Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	79
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	80
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	81
F-2A	Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	82

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE COMMERCIAL TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

Exhibit		Page
G.	Proprietary Funds:	
	Enterprise Fund:	
G-1	Combining Schedule of Net Position	84
G-2	Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	85
G-3	Combining Schedule of Cash Flows	86
	Internal Service Fund:	
G-4	Combining Schedule of Net Position	87
G-5	Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	88
G-6	Combining Schedule of Cash Flows	89
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	N/A
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
I.	Long-Term Debt:	
I-1	Statement of Serial Bonds	90
I-2	Schedule of Obligations under Capital Leases	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	91

STATISTICAL SECTION (Unaudited)

J.	Introduction to the Statistical Section	
Financial Trends Information/Schedules		
J-1	Net Position by Component	96
J-2	Changes in Net Position	97
J-3	Fund Balances - Governmental Funds	98
J-4	Changes in Fund Balances - Governmental Funds	99
J-5	General Fund Other Local Revenue by Source	100
Revenue Capacity Information		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	101
J-7	Direct and Overlapping Property Tax Rates	102
J-8	Principal Property Taxpayers	103
J-9	Property Tax Levies and Collections	104
Debt Capacity Information		
J-10	Ratios of Outstanding Debt by Type	105
J-11	Ratios of General Bonded Debt Outstanding	106
J-12	Direct and Overlapping Governmental Activities Debt	107
J-13	Legal Debt Margin Information	108

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE COMMERCIAL TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS

FINANCIAL SECTION (Continued)

Exhibit		Page
Demographic and Economic Information		
J-14	Demographic and Economic Statistics	109
J-15	Principal Employers	110
Operating Information		
J-16	Full-time Equivalent District Employees by Function/Program	111
J-17	Operating Statistics	112
J-18	School Building Information	113
J-19	Schedule of Required Maintenance Expenditures by School Facility	114
J-20	Insurance Schedule	115

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	116-117
K-2	Report on Compliance for Each Major Program on Internal Control Over Compliance Required by Uniform Guidance and New Jersey OMB Circular 15-08	118-120
K-3	Schedule of Expenditures of Federal Awards - Schedule A	121
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	122
K-5	Notes to the Schedules of Awards and Financial Assistance	123-124
K-6	Schedule of Findings and Questioned Costs - Section I - Summary of Auditor's Reports - Section II - Financial Statement Findings - Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs	125-128
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	129

INTRODUCTORY SECTION

COMMERCIAL TOWNSHIP SCHOOL DISTRICT

Lynn DiPietropolo
Interim Superintendent/Principal

Lesa Robbins
Business Administrator

John Lavell
Supervisor of CTS/Special Services

Kerri Zeleniak
Assistant Principal

December 1, 2025

Honorable President and
Members of the Board of Education
Commercial Township School District
Cumberland County, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Commercial Township Public School District (District) or the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB," 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:

The Commercial Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Commercial Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2024-2025 fiscal year with a June enrollment of 501 students, which is 30 more than the previous year enrollment. The following details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment

Fiscal Year	Student Enrollment	Percent Change
2024-25	501	1.95%
2023-24	471	1.95%
2022-23	462	(1.28)%
2021-22	468	2.63%
2020-21	456	(9.47)%
2019-20	507	(6.28)%
2018-19	541	2.00%
2017-18	530	(5.00)%
2016-17	558	(2.45)%
2015-16	572	.88%

2. ECONOMIC CONDITION AND OUTLOOK:

Commercial Township continues to be an economically depressed area, which continues to experience limited growth residentially and industrially. It is safe to say that this pattern shall continue.

3. MAJOR INITIATIVES:

In 2024 the NJDOE identified the Commercial Township School as a school in need of comprehensive improvement. The NJDOE Office of Comprehensive Support has supported the District's work to create annual school plans that are intended to ameliorate programs, curriculum, and instruction. The District's annual school plans have consistently identified goals and targets to raise the achievement level of all students, particularly in the critical areas of language arts literacy, mathematics, and social/emotional learning.

Curriculum - The District continues to model the CAR curriculum. The District gained access to an exemplary framework for curricular development and resources to work through the process of revising curricula to align with the NJSLS through Professional Learning Community (PLC) groups. The work and process is sustained by the leadership team and the PLC groups.

3. MAJOR INITIATIVES (CONTINUED):

The District's teachers are in the process of revising the District ELA curriculum since we adopted the new Amplify Language Arts program. The revision of the Math curriculum is complete with updates of the newly adopted Math Standards. The work is on-going, and the focus for the 2024-2025 school year is to add:

- essential questions
- modifications
- assessments
- interdisciplinary connections including career-ready practices and 21st-century themes and skills

Instruction

- Amplify CKLA (Core Knowledge Language Arts) Grades K-8
- monitor ELA NJSLS progress
- use data to drive ELA instruction
- use specific, mathematical language and leverage Word Walls
- use representations to teach mathematical concepts
- use number lines to teach mathematical concepts
- use word problems in tier-one instruction
- develop standards-aligned formative assessments that require responses in prose format
- facilitate high-quality tier-one instruction for all students
- provide student-centered, differentiated instruction around grade-level standards
- provide instruction in the least restrictive environment
- incorporate components of the Marzano Focused Model for effective instruction

Programs/Resources/Other Related Initiatives

- leverage schoolwide Positive Behavior Support PAWS program
- provide education for students about conflict resolution
- utilize Link-it Benchmark Assessments and other district data to measure individual student growth as well as the efficacy of programs
- continue to utilize all the components in Tools of the Mind curriculum for Preschool
- use the Early Childhood Environment Rating Scale (ECERS) to guide the Preschool program
- school-wide use of PBSIS program and initiatives

Child Study Team and Related Services - The District expanded its inclusion programs in order to serve students with special needs in the least restrictive environment. Three support teachers provide tier-two instruction in language arts and math.

3. MAJOR INITIATIVES (CONTINUED):

Technology - Google Classroom is an all-in-one platform for students, parents, and staff to interact in a virtual environment. Through Google Classroom, teachers deliver class materials, assessments, feedback, grades, and other supports in one location. Students access learning materials/resources, submit assignments digitally, review feedback, monitor grades, participate in synchronous discussions, and receive other information and announcements. The District uses GoGuardian for filtering, monitoring, and keeping students scholarly while online.

Technology Device Upgrades - The District issues Chromebooks to students in grades 1-8 to use at school for instruction.

Marzano Focused Teacher Evaluation - Commercial Township School District uses the Marzano Focused Teacher Evaluation model. This revised model supports standards-based learning, research-based practices, effective strategies, common language, and taxonomy levels to drive instruction. District goals and professional development are linked to the evaluation model. Goals for the 2024-2025 school year include closing the achievement gaps in language arts and math, infusing social and emotional learning that results in a resilient school community, and integrating technology meaningfully.

The Marzano Focused Teacher Evaluation Model is used to guide observers to identify areas of effective teaching as they observe individual staff in the classroom setting. Each teacher's practice is evaluated in the same manner and the teacher is provided feedback to enhance further teaching and learning.

Staff not subject to mSGP receive a summative score weighted as follows:

15% - Student Growth Objectives
85% - Teacher Practice

Staff subject to mSGP receive a summative score weighed as follows:

5 % - mSGP
70% - Teacher Practice
25 % - Student Growth Objectives

Transportation - The district provides its own transportation through its transportation department, leased buses, and a shared service coordinator for the 2024-2025 school year. The drive shortage has impacted the District, but the District has been innovative in using special funding to pay for driver training as a way to recruit and retain drivers. The District leases buses to save on the cost of contracted routes and transportation for both field trips and all after school activities.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards 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.

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

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. DEBT ADMINISTRATION:

At June 30, 2025, the School District had $5,196,956 as outstanding debt. Of this amount, $881,409 is for compensated absences and the balance of $2,720,000 is for refunding bonds dated April 28, 2022. The District also reported a Net Pension Liability of $1,568,179 in accordance with GASB #68 and Right-to-Use Liability of $27,368.

At June 30, 2025, the School District's overall legal debt margin was $9,161,857 and the unvoted debt margin was $6,441,857, or 70% of the total amount permitted by statute.

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 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. 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 Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Commercial Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, and P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

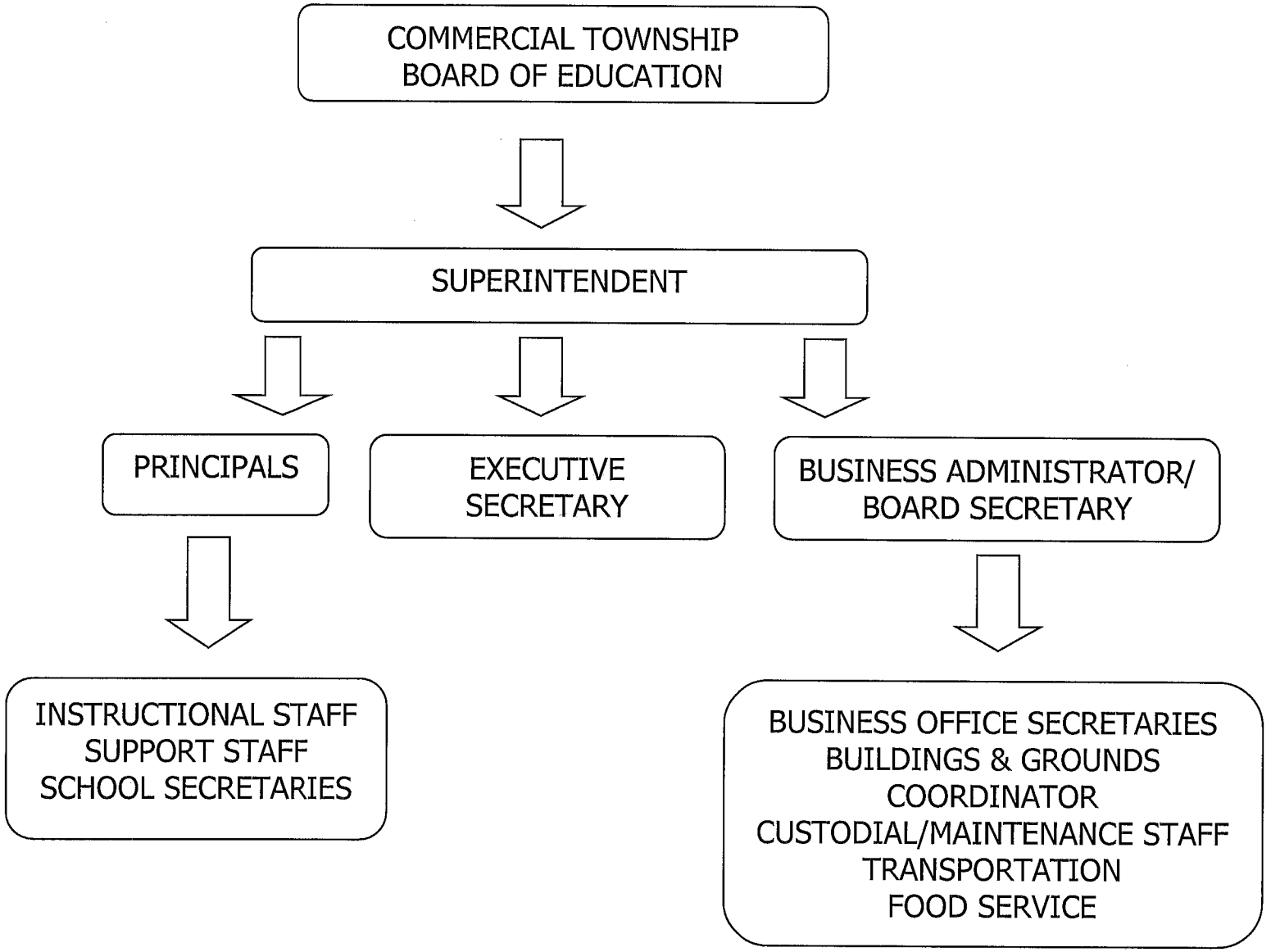
Lynn DiPietropolo

Lynn DiPietropolo, Interim Superintendent/Principal

Lesa Robbins

Lesa Robbins, School Business Administrator/Board Secretary

COMMERCIAL TOWNSHIP PUBLIC SCHOOLS ORGANIZATION CHART



COMMERCIAL TOWNSHIP BOARD OF EDUCATION
PORT NORRIS, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2025

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Sharon Porter, President	2026
Stacy Wilson-Smith, Vice President	2026
Janet Campbell	2026
Tom Forkin	2027
David Kinsey	2026
Karen Stormes-Rivera	2025
Jessica Driver	2027
LaRae Smith	2026
Heather Whitaker	2027

OTHER OFFICIALS	Bond Amount
Jean Smith, Superintendent (To: June 30, 2025)	
Jack McGee, Interim Superintendent (From July 1 - August 17, 2025)	
Lynn DiPietropolo, Interim Superintendent (From August 18, 2025)	
Darren Harris, Board Secretary (To: June 30, 2025)	$ 100,000
Lesa Robbins, Board Secretary (From: July 1, 2025)	
Jonathan M. Busch, Solicitor	

TOWNSHIP OF COMMERCIAL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be 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 Board of Education of the School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also 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 statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025 on our consideration of the Commercial Township School District 's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the effectiveness of the Commercial Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Commercial Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
December 1, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
COMMERCIAL TOWNSHIP

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

UNAUDITED

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

Financial Highlights

Key financial highlights for 2025 are as follows:

- General revenues accounted for $14,215,623 in revenue or 80.6% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $3,425,633 or 19.4% of total revenues of $17,641,256.

- Total Net Position of governmental activities was $8,327,471.

- The School District had $16,357,552 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of $3,425,633 mentioned above in arriving at the net governmental activity expenses of the district. General revenues comprising federal and state aid of $11,285,054, property taxes of $2,428,462 and other miscellaneous revenues and adjustments of $502,107 were adequate to provide for the programs maintained by the school.

- The General Fund had $15,041,127 in revenues, $13,815,328 in expenditures and other financing use reductions of $246,018. The General Fund's balance increased $979,781 over 2024. This increase was anticipated by the Board of Education.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Commercial Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are two school buildings maintained by the District, which are the Port Norris Middle School and the Haleyville Elementary School.

- Business – Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 25. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Governmental Funds (Continued)

The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps 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 Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The Food Service fund is the only enterprise fund maintained by the district.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities. Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2024 and 2025.

Table 1
Net Position

	2025	2024
Assets		
Current and Other Assets	$ 5,912,636	$ 5,823,861
Capital Assets, Net	9,479,295	9,377,947
Total Assets	15,391,931	15,201,808
Deferred Outflows of Resources		
Deferred Pension Outflows	232,333	208,663
Liabilities		
Long-term Liabilities	5,196,956	5,295,760
Other Liabilities	1,525,262	2,362,421
Total Liabilities	6,722,218	7,658,181
Deferred Inflows of Resources		
Deferred Pension Inflows	301,543	435,491
Net Position		
Invested in Capital Assets, Net of Debt	7,887,156	7,154,964
Restricted	3,555,279	3,120,042
Unrestricted (Deficit)	(2,841,932)	(2,958,207)
Total Net Position	$ 8,600,503	$ 7,316,799

Table 2 shows the changes in Net Position from fiscal year's 2025 and 2024.

Table 2
Changes in Net Position

	2025	2024
Revenues		
Programs Revenues		
Charges for Services	$ 23,919	$ 28,069
Operating Grants and Contributions	3,401,714	4,142,451
General Revenues		
Property Taxes	2,428,462	2,357,897
Grants and Entitlements	11,285,054	11,049,098
Other	502,107	43,476
Total Revenues	$ 17,641,256	$ 17,620,991
Program Expenses		
Instruction	$ 4,201,257	$ 4,530,145
Support Services		
Tuition	4,298,252	3,613,147
Pupils and Instructional Staff	1,248,106	1,369,989
General Administration, School Administration, Business Admin	781,642	752,635
Operations and Maintenance of Facilities	853,768	1,115,652
Pupil Transportation	1,120,023	1,338,275
Employee Benefits	2,413,024	2,590,395
Interest on Debt	117,387	151,354
Enterprise Funds	466,897	430,682
Other	857,196	731,828
Total Expenses	$ 16,357,552	$ 16,624,102
Increase/(Decrease) in Net Position	$ 1,283,704	$ 996,889

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's $17,641,256 in total governmental revenues for the fiscal year ended June 30, 2025, property taxes made up 13.8% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 83.3% and other revenues made up 2.8%. The total cost of all programs and services was $16,357,552, of which the amount spent on governmental activities was $12,958,572 and of this amount, Instruction comprised 21.7%.

Governmental Activities (Continued)

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

Table 3

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Instruction	$ 4,201,257	$ 2,812,290	$ 4,530,145	$ 2,597,879
Support Services				
Tuition	4,298,252	4,298,252	3,613,147	3,613,147
Pupils and Instructional Staff	1,248,106	749,169	1,369,989	717,638
General Administration, School Administration, Business Admin	781,642	781,642	752,635	752,635
Operation and Maintenance of Facilities	853,768	853,768	1,115,652	1,115,652
Pupil Transportation	1,120,023	1,120,023	1,338,275	1,338,275
Employee Benefits	2,413,024	1,368,845	2,590,395	1,442,874
Interest and Fiscal Charges	117,387	117,387	151,354	151,354
Other	857,196	857,196	731,828	731,828
Total Expenses	$ 15,890,655	$ 12,958,572	$ 16,193,420	$ 12,461,282

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District. Other includes unallocated depreciation and amortization.

Business-Type Activities

Revenues for the District's business-type activities (food service program and extended day program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by $26,653.
- ❖ The General Fund did not subsidize the food service operation in 2024-2025.
- ❖ Charges for services in the food service fund were $23,919 of revenue. This represents amount paid by patrons for daily food services or 4.6% of the revenue in the food service fund. There were no service charges in the Extended Day program for the year.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were $469,631, which represents 95.4% of the revenue.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of $18,271,238 and expenditures of $172,90,246. The net positive change in fund balance for the year was $898,845, there were no prior period adjustment relating to GASB #84. The School District was able to meet current operating costs during the current fiscal year.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (including capital projects fund expenditures) for the fiscal year ended June 30, 2025, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 4

Revenue	Amount	Percent of Total	Increase/ (Decrease) from 2024	Percent Increase (Decrease)
Local Sources	$ 3,012,951	16.5%	$ 447,882	17.5%
State Sources	13,764,317	75.3%	1,594,581	13.1%
Federal Sources	1,493,970	8.2%	(2,008,294)	-57.3%
Total	$ 18,271,238	100.0%	$ 34,169	0.2%

The School District's Funds (Continued)

The increase in Local Sources is attributed to increases in local tax levy of $70,565, rent revenue of $814, transportation fees of $596, interest revenue of $2,191, sale of property of $300,000 and miscellaneous local sources of $73,716.

The net increase in State Sources is attributed to various general fund state aid and various other grants totaling $1,594,581.

The decrease in Federal Sources is attributed to net decreases in various grant awards totaling $2,008,294.

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2025.

Table 5

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2024	Percent Increase (Decrease)
Current:				
Instruction	$ 4,201,257	24.3%	$ (328,888)	-7.3%
Undistributed Expenditures	11,892,387	68.8%	100,196	0.8%
Capital Outlay	964,889	5.6%	(1,766,393)	-64.7%
Debt Service:				
Principal	120,000	0.7%	(100,000)	-45.5%
Interest	111,713	0.6%	(7,702)	-6.4%
Total	$ 17,290,246	100.0%	$ (2,102,787)	-10.8%

The decrease in Current – Instruction is attributed to decreases in regular instruction of $530,532 and other instruction of $4,275, offset by increases in other special education instruction of $13,887 and special education instruction of $192,032.

The increase in Current – Undistributed Expenditures is attributed to increases in various line items totaling $100,196.

The decrease in capital outlay is attributed to decreases in capital projects and construction service costs of $1,766,393.

The decrease in debt service is attributed to decreased interest of $7,702 and principal of $100,000.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2025, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- Staffing changes based on student needs.
- Additional costs for student transportation both in regular education and special education.
- Accounting changes in maintenance and operations
- Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual increase in fund balance of $1,119,938.

- Actual revenues were $590,561 more than expected, excluding On-Behalf pension and social security state aid of $1,880,450, due primarily to miscellaneous revenue.

- The actual expenditures were $2,067,339 less than expected, which excluded the effects of state On-Behalf pension and social security aid of $1,880,450, partially offset by favorable variances in various budget appropriations.

Capital Assets

At the end of the fiscal year 2025, the School District had $9,479,295 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

	2025	2024
Land	$ 14,877	$ 14,877
Land Improvements	1,517,525	1,571,279
Building and Improvements	6,315,040	6,773,100
Equipment	1,611,021	987,560
Right-to-Use Lease Assets	20,832	31,131
Totals	$ 9,479,295	$ 9,377,947

Overall capital assets increased $101,348 from fiscal year 2024 to fiscal year 2025. Increases in capital assets of $961,173 were offset by depreciation expense of $859,825

Debt Administration

At June 30, 2025, the School District had $5,196,956 as outstanding debt. Of this amount, $881,409 is for compensated absences and the balance of $2,720,000 is for refunding bonds dated April 28, 2022. The District also reported a Net Pension Liability of $1,568,179 in accordance with GASB #68 and Right-to-Use Liability of $27,368.

At June 30, 2025, the School District's overall legal debt margin was $9,161,857 and the unvoted debt margin was $6,441,857 or 70% of the total amount permitted by statute.

For the Future

Commercial Township School District's future is positive and bright. Over the past three years, the Commercial Township School District has identified multiple students out of district in special education programs that may benefit from the provision of programming within their resident schools. With the cost savings from decreased tuition expenditures and special transportation services, we are able to meet the needs of our most exceptional children in a less restrictive environment. These programs not only meet the needs of our students, but offer a cost effective option for special education placements to other local school districts, while serving as a revenue source for Commercial Township Schools.

During the budget process, it was a concern to the Administration and Board of Education how future budgets would be financed. Therefore, the Board of Education and Administration are constantly looking at ways to decrease spending while continuing to provide the best possible education for our students. With a declining enrollment the District closed the Port Norris Middle School and opened the Commercial Township School (formerly Haleyville-Mauricetown Elementary School) as a Pre-k through 8 facility. The consolidation of the schools has led to some significant financial savings and these savings were used to address some facilities projects at the Commercial Township School.

Commercial Township is primarily a residential community, with very few ratables and the burden is, therefore, focused on homeowners to absorb the cost through higher taxes. With a free and reduced population of 75%, our students need to be afforded the same opportunities as their peers throughout the state.

In conclusion, the Commercial Township School District has committed itself to responsible fiscal management and plans to continue to meet the challenges of the future. In addition, the School District's system for financial planning, budgeting, and internal financial controls are maintained in accordance with state statutes.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Administrator at Commercial Township Board of Education, Port Norris, N.J.

BASIC FINANCIAL STATEMENTS

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 3,809,406	$ 205,492	$ 4,014,898
Receivables, Net	641,789	39,644	681,433
Inventory		10,002	10,002
Restricted Cash and Cash Equivalents	1,206,303		1,206,303
Capital Assets, Net (Note 5):	9,455,887	23,408	9,479,295
Total Assets	15,113,385	278,546	15,391,931
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	232,333		232,333
LIABILITIES			
Accounts Payable	490,987		490,987
Accrued Interest	34,000		34,000
Unearned Revenue	994,761	5,514	1,000,275
Non-current Liabilities (Note 6):			
Due Within One Year	137,053		137,053
Due Beyond One Year	5,059,903		5,059,903
Total Liabilities	6,716,704	5,514	6,722,218
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	301,543		301,543
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,863,748	23,408	7,887,156
Restricted for:			
Unemployment Compensation	127,261		127,261
Scholarships	23,335		23,335
Student Activities	12,385		12,385
Other Purposes	3,392,298		3,392,298
Unrestricted (Deficit)	(3,091,556)	249,624	(2,841,932)
Total Net Position	$ 8,327,471	$ 273,032	$ 8,600,503

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

EXHIBIT A-2

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program 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	Total
Governmental Activities:						
Instruction:						
Regular	$ 3,410,993	$	$ 1,388,967	$ (2,022,026)	$	$ (2,022,026)
Special Education	585,788			(585,788)		(585,788)
Other Special Instruction	200,463			(200,463)		(200,463)
Other Instruction	4,013			(4,013)		(4,013)
Support Services:						
Tuition	4,298,252			(4,298,252)		(4,298,252)
Student & Instruction Related Services	1,248,106	-	498,937	(749,169)		(749,169)
General and Business Administrative Services	381,048			(381,048)		(381,048)
School Administrative Services	136,634			(136,634)		(136,634)
Central Services	163,205			(163,205)		(163,205)
Admin Info Tech	100,755			(100,755)		(100,755)
Plant Operations and Maintenance	853,768			(853,768)		(853,768)
Pupil Transportation	1,120,023			(1,120,023)		(1,120,023)
Employee Benefits	2,413,024		1,044,179	(1,368,845)		(1,368,845)
Interest on Long-term Debt	117,387			(117,387)		(117,387)
Unallocated Depreciation	857,196			(857,196)		(857,196)
Total Governmental Activities	15,890,655	-	2,932,083	(12,958,572)		(12,958,572)
Business-type Activities:						
Food Service	466,897	23,919	469,631		26,653	26,653
Extended Day						
Total Business-type Activities	466,897	23,919	469,631		26,653	26,653
Total Primary Government	$16,357,552	$ 23,919	$ 3,401,714	$ (12,958,572)	$ 26,653	$ (12,931,919)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				$ 2,331,775	$	$ 2,331,775
Taxes Levied for Debt Service				96,687		96,687
Federal, State and Local Aid not Restricted				11,285,054		11,285,054
Rents				168,481		168,481
Investment Earnings				10,416	165	10,581
Transfer to Charter Schools				(82,547)		(82,547)
Miscellaneous Income				405,592		405,592
Special Items:						
Total General Revenues, Special Items, Extraordinary Items and Transfers				14,215,458	165	14,215,623
Change in Net Position				1,256,886	26,818	1,283,704
Net Position—Beginning				7,070,585	246,214	7,316,799
Net Position—Ending				$ 8,327,471	$ 273,032	$ 8,600,503

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

EXHIBIT B-1

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 3,199,893	$ 534,270	$ 99,705	$ 344	$ 3,834,212
Restricted Cash and Cash Equivalents	1,079,042				1,079,042
Due from Other Funds	92,915				92,915
State Aid Receivable	233,414				233,414
Federal Aid Receivable		404,112			404,112
Other Accounts Receivable	4,263				4,263
Total Assets	$ 4,609,527	$ 938,382	$ 99,705	$ 344	$ 5,647,958
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 47,065	$ 127,758	$ 6,790	$	$ 181,613
Payroll Deductions Payable	309,374				309,374
Due to Other Funds			92,915		92,915
Unearned Revenue		892,306			892,306
Total Liabilities	356,439	1,020,064	99,705		1,476,208
Fund Balances:					
Restricted For:					
Excess Surplus	2,022,305				2,022,305
Excess Surplus - Designated for Subsequent Year's Expenditures	930,836				930,836
Unemployment Compensation	127,261				127,261
Scholarships		23,335			23,335
Student Activity		12,385			12,385
Capital Reserve	640,229				640,229
Maintenance Reserve	397,399				397,399
Emergency Reserve	41,414				41,414
Assigned:					
Year-end Encumbrances	77,763				77,763
Capital Rserve - Designated for Subsequent Year's Expenditures	515,000				515,000
Unassigned, Reported in:					
General Fund (Deficit)	(499,119)				(499,119)
Special Revenue Fund (Deficit)		(117,402)			(117,402)
Debt Service Fund				344	344
Total Fund Balances (Deficit)	4,253,088	(81,682)		344	4,171,750
Total Liabilities and Fund Balances	$ 4,609,527	$ 938,382	$ 99,705	$ 344	

Amounts reported for *governmental activities* in the Statement of Net Position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $19,539,585 and the accumulated depreciation is $10,083,698 (See Note 5)	9,455,887
Long Term Net Pension Liability	(1,568,179)
Deferred Pension Outflows	232,333
Deferred Pension Inflows	(301,543)
Long-term liabilities, representing accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(34,000)
Long-term liabilities, including bonds payable , are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(3,628,777)
Net Position of Governmental Activities	$ 8,327,471

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

EXHIBIT B-2

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE 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	$ 2,331,775	$	$	$ 96,687	$ 2,428,462
Transportation Fees from Other LREA'S	596				596
Interest Earned on Investments	10,416				10,416
Rents	168,481				168,481
Sale of Property	300,000				300,000
Miscellaneous Local Sources	92,859	12,137			104,996
Total - Local Sources	2,904,127	12,137		96,687	3,012,951
State Sources	12,131,026	1,497,921		135,370	13,764,317
Federal Sources	5,974	1,487,996			1,493,970
Total Revenues	15,041,127	2,998,054		232,057	18,271,238
EXPENDITURES					
Current:					
Regular Instruction	2,022,026	1,388,967			3,410,993
Special Education Instruction	585,788				585,788
Other Special Instruction	200,463				200,463
Other Instruction	4,013				4,013
Support Services:					
Tuition	4,298,252				4,298,252
Student & Instruction Related Services	759,913	498,937			1,258,850
General Administrative Services	381,048				381,048
School Administrative Services	136,634				136,634
Central Services	163,205				163,205
Admin Info Tech	100,755				100,755
Plant Operations and Maintenance	853,768				853,768
Pupil Transportation	1,120,023				1,120,023
Employee Benefits	3,180,170	399,682			3,579,852
Debt Service:					
Interest and Other Charges				111,713	111,713
Principal				120,000	120,000
Capital Outlay	9,270	879,735	75,884		964,889
Total Expenditures	13,815,328	3,167,321	75,884	231,713	17,290,246
Excess (Deficiency) of Revenues over Expenditures	1,225,799	(169,267)	(75,884)	344	980,992
OTHER FINANCING SOURCES (USES)					
Transfer to Charter Schools	(82,547)				(82,547)
Transfer to Preschool Program	(163,471)	163,471			
Total Other Financing Sources and Uses	(246,018)	163,471			(82,547)
Net Change in Fund Balances	979,781	(5,796)	(75,884)	344	898,445
Fund Balance - July 1	3,273,307	(75,886)	75,884		3,273,305
Fund Balance - June 30 (Deficit)	$ 4,253,088	$ (81,682)	$ -	$ 344	$ 4,171,750

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

EXHIBIT B-3

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2)		$ 898,445
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	$ (857,196)	
Capital outlays	1,075,619	
Fixed Asset Adjustment	-	
		218,423
In the statement of activities, interest on long-term debt is accrued regardless of when it is due. In the governmental funds, interest is reported when due.		3,596
Repayment of right-to-use lease principal 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.		10,744
Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.		214,864
In the statement of activities, certain operating expenses, e.g. compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		(89,186)
Change in Net Position of Governmental Activities (A-2)		$ 1,256,886

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

EXHIBIT B-4

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities - Enterprise Funds			Shared Services Fund
	Food Service	Extended Day	Totals	
ASSETS				
Current Assets:				
Cash	$ 139,139	$ 66,353	$ 205,492	$ 102,455
Accounts Receivable	39,644		39,644	
Interfund Receivable				
Inventories	10,002		10,002	
Total Current Assets	188,785	66,353	255,138	102,455
Fixed Assets:				
Equipment	205,289		205,289	
Accumulated Depreciation	(181,881)		(181,881)	
Total Fixed Assets	23,408		23,408	
Total Assets	212,193	66,353	278,546	102,455
LIABILITIES:				
Current Liabilities:				
Unearned Revenue	5,514		5,514	102,455
Total Current Liabilities	5,514		5,514	102,455
NET POSITION				
Invested in Capital Assets Net of Related Debt	23,408		23,408	
Unrestricted	183,271	66,353	249,624	
Total Net Position	$ 206,679	$ 66,353	$ 273,032	$

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

EXHIBIT B-5

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Fund			Shared Services Fund
	Food Service	Extended Day	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	$	$	$	$
Daily Sales - Non-reimbursable Programs	23,919		23,919	
Child Study Fees				522
Total Operating Revenue:	23,919		23,919	522
Operating Expenses:				
Salaries	131,393		131,393	
Employee Benefits	30,890		30,890	
Supplies and Materials	20,121		20,121	
Depreciation	2,629		2,629	
Cost of Sales - Reimbursable Programs	214,410		214,410	
Cost of Sales - Non Reimbursable Programs	10,103		10,103	
Management Fee	35,875		35,875	
Repairs and Other Expenses	21,476		21,476	
Total Operating Expenses	466,897		466,897	
Operating Income (Loss)	(442,978)		(442,978)	522
Non-operating Revenues (Expenses):				
State Sources:				
State School Breakfast Program	5,793		5,793	
State School Lunch Program	4,737		4,737	
Summer-EBT Administrative Cost	301		301	
Federal Sources:				
National School Breakfast Program	138,644		138,644	
National School Lunch Program	264,630		264,630	
National School Snack Program	5,038		5,038	
Summer-EBT Administrative Cost	301		301	
Food Distribution Program	32,070		32,070	
Fruit and Vegetable Grant	18,117		18,117	
Interest		165	165	
Total Non-operating Revenues (Expenses)	469,631	165	469,796	
Income (Loss) before Contributions & Transfers	26,653	165	26,818	522
Transfer to Unearned Revenue				(522)
Change in Net Position	26,653	165	26,818	
Total Net Position—Beginning	180,026	66,188	246,214	
Total Net Position—Ending	$ 206,679	$ 66,353	$ 273,032	$

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

EXHIBIT B-6

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities Enterprise Funds			Shared Services Fund
	Food Service	Extended Day	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 23,919	$	$ 23,919	$ 1,044
Payments to Employees	(131,393)		(131,393)	
Payments for Employee Benefits	(30,890)		(30,890)	
Payments to Suppliers	(322,353)		(322,353)	
Net Cash Provided by (used for) Operating Activities	(460,717)		(460,717)	1,044
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	10,831		10,831	
Federal Sources	458,800		458,800	
Operating Subsidies and Transfers to Other Funds				(522)
Net Cash Provided by (used for) Non-capital Financing Activities	469,631		469,631	(522)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	(5,554)		(5,554)	
Net Cash Provided by (used for) Capital and Related Financing Activities	(5,554)		(5,554)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends		165	165	
Net Cash Provided by (used for) Investing Activities		165	165	
Net Increase (Decrease) in Cash and Cash Equivalents	3,360	165	3,525	522
Balances—Beginning of Year	135,779	66,188	201,967	101,933
Balances—End of Year	$ 139,139	$ 66,353	$ 205,492	$ 102,455
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Operating Income (Loss)	$ (442,978)	$	$ (442,978)	$ 522
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities				
Depreciation and Net Amortization	2,629		2,629	
(Increase) Decrease in Accounts Receivable, Net	(18,773)		(18,773)	
(Increase) Decrease in Interfund Receivable	653		653	
(Increase) Decrease in Inventories	(5,226)		(5,226)	
Increase (Decrease) in Accounts Payable				
Increase (Decrease) in Due to General				
Increase (Decrease) in Unearned Revenue	2,978		2,978	522
Total Adjustments	(17,739)		(17,739)	522
Net Cash Provided by (used for) Operating Activities	$ (460,717)	$	$ (460,717)	$ 1,044

Noncash Investing, Capital, and Financing Activities:
During the year, the District received $30,570 of food commodities from the U.S. Department of Agriculture.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Commercial Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of thirty-four square miles. It is located in Cumberland County and provides education for all of Commercial Township's grades K through 8. The District currently operates two instructional buildings and an administrative building. The Commercial Township School District had an approximate enrollment at June 30, 2025 of 501 students.

A. Reporting Entity:

The Commercial Township School District is a Type II district as provided by statute of the State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8.

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

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

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB Statement No. 101 - Compensated Absences: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The adoption of GASB 101 did not impact the financial statements of the School District.

- GASB Statement No. 102 - Certain Risk Disclosures: This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The adoption of GASB 102 did not impact the financial statements of the School District.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards: Continued

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 103 - Financial Reporting Model Improvements: This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Management is evaluating the potential impact of the adoption of GASB 103 on the School District's financial statements.

- GASB Statement No. 104 - Disclosure of Certain Capital Assets: The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management is evaluating the potential impact of the adoption of GASB 104 on the School District's financial statements.

A. Basis of Presentation:

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

District-wide Statements: The statement of net position and the statement of activities display information about 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange 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 activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different 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. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.

- Program revenues include (a) 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 requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: Continued

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School 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, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary,* and *fiduciary* – 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. The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available.

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUND TYPE

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

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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: Continued

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (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.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund and Extended Day Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	7 – 20 Years

Internal Service Fund - The Commercial Township School District maintains an Internal Service Fund, whereby Child Study Team services would be provided on a cost-reimbursement basis.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: Continued

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

C. Basis of Accounting and Measurement Focus:

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board(FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. 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 reservations of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as 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.

F. Tuition Receivable:

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Tuition Payable:

Tuition charges for the fiscal years 2024-2025, 2023-2024 and 2022-2023 were based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Basis of Accounting and Measurement Focus:

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

On District-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

I. Short -Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2025.

K. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. This includes $4,443 in federal commodities on hand at June 30, 2025. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

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

Food	$	7,348
Supplies		2,654
Total	$	10,002

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) 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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Assets, Liabilities and Equity: Continued

Capital Assets – The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance 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 financial statements using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
School Building	40-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10

L. Compensated Absences:

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

Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the General Long-Term Debt.

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

M. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

N. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

O. 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 not 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 that 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. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

P. Extraordinary and Special Items:

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

Q. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

R. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

S. Management Estimates:

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

T. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

U. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

V. Net Position:

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

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The school district applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

W. Fund balances - Governmental Funds

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

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

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

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

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Fund balances - Governmental Funds: Continued

When an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When 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.

X. 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.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income 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 income taxes is recognized in the period in which the income 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 for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School 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 yearend: property taxes available as an advance, interest, and tuition.

Y. Tax assessments and property taxes:

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Y. Tax assessments and property taxes: Continued

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School District's.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 3 requires the disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Deposits:

New Jersey statutes require that School Districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

> The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Investments:

New Jersey statutes (N.J.S.A.18A:20-37) permits the Board to purchase the following types of securities:

a. Bonds or other obligations of the Unites States or obligations guaranteed by the United States.
b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
c. Bonds of other obligations of the School District.

As of June 30, 2025, cash and cash equivalents in the fund financial statements of the District consisted of the following:

		Cash and Cash Equivalents
Checking Accounts	$	5,221,201
Certificates of Deposit		
Total	$	5,221,201

Unrestricted Cash:		
Governmental funds, Balance Sheet	B-1	$3,834,212
Enterprise funds, Statement of Net Position	B-4	205,492
Internal Service funds, Statement of Net Position	B-4	102,455
Restricted Cash:		
Governmental funds, Balance Sheet	B-1	1,079,042
Total Cash:		$5,221,201

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first $250,000 of governmental deposits in each insured depository is protected by FDIC.

Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2025, the District's bank balance of $5,576,804 was insured or collateralized as follows:

Insured	$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		5,326,804
	$	5,576,804

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to losses in fair value arising in interest rate fluctuations.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

Concentration of Credit Risk - The District does not place a limit on the amount that may be invested in any one issuer. At June 30, 2025, investments are limited to Certificate of Deposit, in the amount of $13,492.

The investments recorded in the basic financial statements have been recorded at the carrying amount of which the difference between the carrying amount and market value is not material.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2025, the District had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Commercial Township Board of Education by inclusion of $21,520 in the original 1998-99 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2025.

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

Beginning Balance, July 1, 2024	$655,129
Interest Earnings	100
Deposits	500,000
Withdrawals	
Ending Balance, June 30, 2025	$1,155,229

Of this amount, $515,000 has been appropriated as revenue to fund the 2025-2026 operating budget.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2025. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan, reflecting a maximum amount of $4,560,423.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 5. CAPITAL ASSETS

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

	Beginning Balance 7/1/2024	Additions	Adjustments/ Retirements	Ending Balance 6/30/2025
Governmental activities:				
Capital Assets that are not being Depreciated:				
Land	$ 14,877	$	$	$ 14,877
Total capital assets not being depreciated	14,877			14,877
Capital Assets being Depreciated and Amortized				
Land Improvements	2,414,540	100,130		2,514,670
Building and building improvements	13,757,609	75,884		13,833,493
Machinery and equipment	2,342,641	779,605		3,122,246
Right-to-Use Lease Assets	54,299			54,299
Totals at historical cost	18,569,089	955,619	-	19,524,708
Less Accum. Depreciation and Amortization				
Land Improvements	(843,261)	(153,884)		(997,145)
Building and improvements	(6,984,509)	(533,944)		(7,518,453)
Equipment	(1,375,564)	(159,069)		(1,534,633)
Right-to-Use Lease Assets	(23,168)	(10,299)		(33,467)
Total Accum. Depreciation and Amortization	(9,226,502)	(857,196)	-	(10,083,698)
Total Capital Assets being Depr. and Amortized, Net of Accum. Depr. and Amortization	9,342,587	98,423		9,441,010
Government Activities Capital Assets, Net	$ 9,357,464	$ 98,423	$ -	$ 9,455,887
	To A-1			**To A-1**
Business-type activities - Equipment	$ 199,735	$ 5,554		$ 205,289
Less accumulated depreciation	(179,252)	(2,629)		(181,881)
Business-type Activities Capital Assets, Net	$ 20,483	$ (2,629)	$	$ 23,408

Depreciation expense was charged to governmental functions as follows:

Unallocated	$ 857,196

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 6. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2025, the following changes occurred in long-term obligations:

	Beginning Balance 7/1/2024	Additions	Reductions	Ending Balance 6/30/2025	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	$ 2,840,000		$ 120,000	$ 2,720,000	$ 125,000	$ 2,595,000
Total bonds payable	2,840,000		120,000	2,720,000	125,000	2,595,000
Other Liabilities:						
Right-to-Use Lease Liability	38,112		10,744	27,368	10,688	16,680
Compensated absences payable	792,223	89,186		881,409	1,365	880,044
Net Pension Liability	1,625,425		57,246	1,568,179		1,568,179
Total Long-term Obligations	$ 5,295,760	$ 89,186	$ 187,990	$ 5,196,956	$ 137,053	$ 5,059,903

To A-1

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The Refunding Bonds Series of 2009 was paid off during the 2022 school year.

On April 28, 2022, the Board of Education issued Serial Bonds in the amount of $3,060,000 for the purpose of financing various renovations, alterations, improvements, and upgrades at the Commercial Township Elementary School. Principal payments are due beginning in the 2023-24 fiscal year.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 6. LONG-TERM OBLIGATIONS (CONT'D)

A. Bonds Payable (Continued)

Principal and interest due on bonds outstanding at June 30, 2025 are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 125,000	$ 107,512	$ 232,512
2027	125,000	102,825	227,825
2028	130,000	98,138	228,138
2029	135,000	93,262	228,262
2030	140,000	88,200	228,200
2031	145,000	82,600	227,600
2032	150,000	76,800	226,800
2033	155,000	70,800	225,800
2034	160,000	64,600	224,600
2035	165,000	58,200	223,200
2036	170,000	51,600	221,600
2037	170,000	44,800	214,800
2038	175,000	38,000	213,000
2039	185,000	31,000	216,000
2040	190,000	23,600	213,600
2041	200,000	16,000	216,000
2042	200,000	8,000	208,000
	$ 2,720,000	$ 1,055,937	$ 3,775,937

B. Bonds Authorized But Not Issued - As of June 30, 2025 - None

C. Capital Leases

The District had no capital leases as of June 30, 2025.

NOTE 7. OPERATING LEASES

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 7. OPERATING LEASES (CONT'D)

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2025, total future minimum lease payments under right-to-use lease agreements are as follows:

Year Ending June 30,		Amount
2026	$	11,675
2027		11,675
2028		5,837
	$	29,187

NOTE 8. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at https://www.state.nj.us/treasury/pensions/annual-reports.shtml.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2024 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2025 were $77,922. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2025 is 17.11% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2025, and 2024, were $157,041 and $149,984 respectively.

The total payroll for the year ended June 30, 2025 was $5,378,148. Payroll covered by PERS was $1,038,961 for fiscal year 2025.

Components of Net Pension Liability - At June 30, 2025, the District's proportionate share of the PERS net pension liability was $1,568,179. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The District's proportion measured as of June 30, 2024 was 0.011541% which was an increase of 0.00032% from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2025 PERS pension expense, with respect to GASB 68, was $(50,767). The District's 2025 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 31,414	$ 4,175
Changes of assumptions	1,948	17,842
Net difference between projected and actual earnings on pension plan investments		72,712
Changes in proportion	41,930	206,814
Contributions subsequent to the measurement date	157,041	
Total	$ 232,333	$ 301,543

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

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

Year		PERS
2025	$	(169,877)
2026		(8,322)
2027		(36,724)
2028		(12,111)
2029		783
Thereafter		
Total	$	(226,251)

Additional Information - Collective Balances at June 30, 2025 and 2024 are as follows:

Year		2025		2024
Collective deferred outflows of resources	$	232,333	$	208,663
Collective deferred inflows of resources	$	301,543	$	435,491
Collective Net Pension Liability	$	1,568,179	$	1,625,425
District's Proportion		0.011541%		0.011222%

Actuarial Assumptions - The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	PERS
Investment Rate of Return	7.00%
Salary Increases: (Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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.

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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8. PENSION PLANS (CONT'D)

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

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

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 to determine the total pension liability.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Continued)

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	$ 2,110,972	$ 1,568,179	$ 1,144,222

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. 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.

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

The following represents the membership tiers for TPAF:

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

Special Funding Situation - 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, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2024. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024 the State's pension contribution was more than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2025 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2025, the State of New Jersey contributed $1,235,531 to the TPAF for pension contributions, $361,023 for post-retirement benefits on behalf of the School, and $422 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $283,474 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2025, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2025, the District recognized pension expense of $(54,412) and revenue of $(54,412) for support provided by the State.

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:

	TPAF
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

NOTE 8. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - 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:

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

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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Continued)

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	$ 18,188,627	$ 14,916,308	$ 13,096,983
State's Share of the Net Pension Liability	$ 58,828,334,396	$ 49,492,072,325	$ 41,629,174,739

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility
1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least $5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least $5,000 annually

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2025, employee contributions totaled $2,834 and the District's employer contribution, recognized in pension expense, was $1,656. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2024 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is $75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of $6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed $1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from $1.8 billion in Fiscal Year 2021. The State has appropriated $2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The 7 State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is $88.9 billion, a decrease of $12.7 billion, or 12.5 percent from the $101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

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

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

General Information about the OPEB Plan (Continued)

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

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

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2024, was $59,650,630,530. Of this amount, the total OPEB liability attributable to the School District was $21,011,347. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03522%. The total OPEB liability for the School District measured as of June 30, 2024 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2024 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Total Nonemployer OPEB Liability

The total nonemployer 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 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
Salary Increases:	2.75% to 5.65% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

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.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% 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 nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Changes in the Total OPEB Liability

State of New Jersey		Total OPEB Liability
Balance as of June 30, 2023 Measurement Date	$	52,361,668,240
Changes for the year:		
Service Cost		2,152,062,729
Interest		1,963,557,443
Changes of Benefit Terms		0
Differences between Expected and Actual		158,934,425
Changes of Assumptions		4,462,660,491
Benefit Payments		(1,499,600,607)
Contributions from Members		51,347,810
Net Changes		7,288,962,290
Balance as of June 30, 2024 Measurement Date	$	59,650,630,530

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

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

	June 30, 2024		
	At 1.00% Decrease 2.93%	At Discount Rate 3.93%	At 1.00% Increase 4.93%
$	69,863,663,542	59,650,630,530	51,437,232,141

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

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

	June 30, 2024		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
$	49,689,409,509	59,650,630,530	72,625,778,279

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

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

For the year ended June 30, 2025, the School District recognized OPEB expense of $609,816. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 2,246,916	$ (3,923,852)
Changes of Assumptions	3,524,155	(4,108,039)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	364,323	(753,819)
Contributions Subsequent to the Measurement Date		
Total	$ 6,135,394	$ (8,785,710)

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

Measurement Period Ending June 30,	OPEB
2025	$ 2,044,873
2026	2,182,531
2027	2,513,985
2028	2,912,761
2029	2,358,312
Thereafter	2,908,641
Total	$ 14,921,104

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated 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 agreement with the various employee unions.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 10. COMPENSATED ABSENCES – (CONT'D)

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, a liability existed for compensated absences in the governmental activities in the amount of $881,409.

NOTE 11. DEFERRED COMPENSATION

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

Travelers	Aflac	Lincoln Investment Planning, Inc.
Franklin	Midland National	American Express Financial

NOTE 12. 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. The District has chosen to purchase insurance to transfer risk to outside parties.

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and prior two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2024-2025	$	$	$ 30	$ 126,261
2023-2024	317		653	126,291
2022-2023	325			126,627

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

Fiscal Year	Interfund Receivable	Interfund Payable
General Fund	$ 92,915	$
Special Revenue fund		
Capital Projects		92,915
Food Service Fund		
Total	$ 92,215	$ 92,215

NOTE 14. FUND BALANCE APPROPRIATED

General Fund - Of the $4,253,088 General Fund balance at June 30, 2025, $1,155,229 has been restricted in the Capital Reserve Account, of which $515,000 has been withdrawn and appropriated and included as anticipated revenue for the year ended June 30, 2026; $397,399 has been restricted in a Maintenance Account, of which $0 has been appropriated and included as anticipated revenue for the year ending June 30, 2026; $41,414 has been restricted in an Emergency Reserve; $127,261 has been restricted for Unemployment Compensation; $2,953,141 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; $930,836 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026; $77,763 has been assigned for encumbrances; None of the unassigned fund balance has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2026; and there is a deficit in unassigned fund balance of $(499,119).

Debt Service Fund –The fund balance in the Debt Service Fund at June 30, 2025 is $344.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey School Districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is $2,953,141 of which $930,836 was budgeted in the 2025-2026 budget and $2,022,305 must be budgeted in the 2026-2027 budget.

NOTE 16. LITIGATION

The District is sometimes involved in claims and lawsuits incidental to operations. Per the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 17. MAINTENANCE RESERVE

The District has a maintenance reserve with a balance of $397,399 at June 30, 2025, none of which was anticipated as revenue in the 2025-2026 budget. There were interest earnings of $100.

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance July 1, 2024	$	674,299
Withdrawn		(277,000)
Added by Interest Earnings		100
Ending Balance June 30, 2025	$	397,399

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Maintenance Reserve Account by Board Resolution in June 2025 and reduced the reserve by $277,000 to arrive at a balance within the Maximum amount of $399,576.

NOTE 18. EMERGENCY RESERVE

The District also has an emergency reserve in the amount of $41,414 at June 30, 2025, of which none was anticipated as revenue in the 2025-2026 budget, Including $15 in interest earned in 2024-25.

NOTE 19. CAPITAL PROJECT

On April 28, 2022, the District issued $3,060,040 in Serial Bonds for the purpose of construction renovations, alterations, improvements and upgrades at Commercial Township Elementary School. The is no unspent balance as of June 30, 2025.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit in Unassigned Fund Balance of ($499,119) in the General Fund and ($117,402) of unassigned in the Special Revenue Fund. P.L. 2004, c.97 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, for budgeted purposes only, in the current school budget year. The bill 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, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes as 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 state aid payment 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 General and Special Revenue Fund balances do not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a 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 general fund deficit is less than the last state aid payments of $951,760. The special revenue fund deficit of ($117,402) is equal to the last state aid payments.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 21. RECEIVABLES

Receivables at June 30, 2025 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	$ 233,414	$ 404,112	$ 39,582	$ 677,108
Other	4,263		62	4,325
Totals	$ 237,677	$ 404,112	$ 39,644	$ 681,433

NOTE 22. TAX ABATEMENT

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 or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 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 NJSA 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 23. SUBSEQUENT EVENTS

There were no events between year-end and December 1, 2025, the date of the audit that require additional disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

EXHIBIT C-1
(1)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 2,331,775	$ -	$ 2,331,775	$ 2,331,775	$ -
Rents	168,481		168,481	168,481	
Transportation Fees from Other LEA'S				596	596
Sale of Property				300,000	300,000
Interest on Investments				10,201	10,201
Interest on Investments - Emergency Reserve	15		15	15	0
Interest on Investments - Maintenance Reserve	25		25	100	75
Interest on Investments - Capital Reserve	25		25	100	75
Miscellaneous	10,000		10,000	92,859	82,859
Total - Local Sources	2,510,321		2,510,321	2,904,127	393,806
State Sources:					
Equalization Aid	8,748,736		8,748,736	8,748,736	
Categorical Special Education Aid	632,153		632,153	632,153	
Categorical Transportation Aid	525,199		525,199	525,199	
Categorical Security Aid	280,152		280,152	280,152	
Extraordinary Aid				199,372	199,372
Non-Public Transportation Aid				3,269	3,269
Homeless Tuition				1,781	1,781
Menstral Reimbursement				71	71
On-behalf TPAF Pension Contribution				1,235,531	1,235,531
On-behalf TPAF Post Retirement Medical Contribution				361,023	361,023
On-behalf TPAF Long-term Disability Contribution				422	422
Reimbursement TPAF Social Security				283,474	283,474
Total - State Sources	10,186,240		10,186,240	12,271,183	2,084,943
Federal Sources:					
Medicaid Assistance (SEMI)	13,712		13,712	5,974	(7,738)
Total - Federal Sources	13,712		13,712	5,974	(7,738)
TOTAL REVENUES	$ 12,710,273	$	$ 12,710,273	$ 15,181,284	$ 2,471,011
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	$ 235,556	$ (14,009)	$ 221,547	$ 220,444	$ 1,103
Grades 1-5	939,487	112,261	1,051,748	1,051,741	7
Grades 6-8	670,910	(52,161)	618,749	617,638	1,111
Home Instruction:					
Salaries of Teachers	3,000	(460)	2,540	2,433	107
Purchased Professional Educational Services	7,600	12,270	19,870	19,390	480
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	12,000	58,370	70,370	31,962	38,408
Purchased Technical Services	12,000		12,000	7,913	4,087
Other Purchased Services	73,000	(16,308)	56,692	23,294	33,398
General Supplies	81,000	(8,840)	72,160	22,382	49,778
Textbooks	1,000	19,689	20,689	20,681	8
Other Objects		6,000	6,000	4,148	1,852
Total Regular Programs	$ 2,035,553	$ 116,812	$ 2,152,365	$ 2,022,026	$ 130,339

EXHIBIT C-1
(2)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Special Education					
Learning/Language Disabled:					
Instruction					
Salaries of Teachers	$ 158,495	$ -	$ 158,495	$ 150,850	$ 7,645
Other Salaries for Instruction	60,970		60,970	56,990	3,980
General Supplies	500		500	380	120
Total Learning/Language Disabled	219,965		219,965	208,220	11,745
Multiple Disabilities:					
Salaries of Teachers	151,780		151,780	149,655	2,125
Other Salaries for Instruction	61,320		61,320	58,720	2,600
General Supplies	500		500		500
Total Multiple Disabilities	213,600		213,600	208,375	5,225
Resource Room:					
Salaries of Teachers	260,298	(89,963)	170,335	169,193	1,142
Other Salariesfor Instruction	500		500		500
Total Resource Room	260,798	(89,963)	170,835	169,193	1,642
Autism:					
Salaries of Teachers					
General Supplies					
Total Autism					
TOTAL SPECIAL EDUCATION	694,363	(89,963)	604,400	585,788	18,612
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	184,710	5,131	189,841	189,840	1
General Supplies	2,500	(500)	2,000	623	1,377
Total Basic Skills/Remedial Instruction	187,210	4,631	191,841	190,463	1,378
Bilingual Education - Instruction:					
Salaries of Teachers	59,050	(14,131)	44,919		44,919
General Supplies	500	9,500	10,000	10,000	
Total Bilingual Instruction	59,550	(4,631)	54,919	10,000	44,919
School Sponsored Co-curricular Activities:					
Salaries	2,000		2,000	104	1,896
Total School Sponsored Co-curricular Activities	2,000		2,000	104	1,896
School Sponsored Athletics:					
Salaries	7,500		7,500	3,429	4,071
Purchased Services	500		500	480	20
Supplies and Materials	1,000		1,000		1,000
Total School Sponsored Athletics	9,000		9,000	3,909	5,091
Total Instruction	2,987,676	26,849	3,014,525	2,812,290	202,235
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	2,637,464	1	2,637,465	2,637,464	1
Tuition - Other LEAs Within the State - Special	520,094	(22,760)	497,334	426,575	70,759
Tuition - County Voc Sch Dist Regular	170	22,760	22,930	22,930	
Tuition - County Voc Sch Dist Special	23,500	17,000	40,500	40,360	140
Tuition - Co Spec Serv and Regional Day Schools	949,642	(106,000)	843,642	715,707	127,935
Tuition to Private Schools for the Disabled Within State	238,080	89,000	327,080	287,628	39,452
Tuition - State Facilities	167,588		167,588	167,588	
Total Undistributed Expenditures - Instruction	$ 4,536,538	$ 1	$ 4,536,539	$ 4,298,252	$ 238,287

EXHIBIT C-1
(3)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENDITURES: (Continued)					
Attendance and Social Work Services:					
Salaries	$ 25,010	$	$ 25,010	$ 24,409	$ 601
Total Attendance and Social Work Services	25,010		25,010	24,409	601
Health Services:					
Salaries	76,124	(20,570)	55,554	50,281	5,273
Purch Prof/ Tech Services	3,000	5,784	8,784	8,784	
Other Purchased Services	2,000	(1,833)	167	105	62
Supplies and Materials	5,000	(452)	4,548	4,106	442
Supplies - Menstrual Productrs		71	71	71	
Total Health Services	86,124	(17,000)	69,124	63,347	5,777
Speech, OT, PT & Related Services:					
Salaries	165,190	(57)	165,133	162,403	2,730
Purchased Prof - Education Services	50,000	(9,133)	40,867	34,320	6,547
Supplies and Materials	2,000	7,190	9,190	9,189	1
Total Speech, OT, PT & Related Services	217,190	(2,000)	215,190	205,912	9,278
Other Support Services - Extraordinary Services:					
Salaries	112,055		112,055	90,687	21,368
Purchased Prof - Education Services	50,000	2,000	52,000	51,963	37
Total Other Support Services - Extraordinary Services	162,055	2,000	164,055	142,650	21,405
Other Support Services - Students-Regular Guidance:					
Salaries Other Professionals	74,095	62,000	136,095	128,261	7,834
Supplies and Materials	500		500	436	64
Total Other Support Services - Students-Regular Guidance	74,595	62,000	136,595	128,697	7,898
Other Support Services - Students- Child Study Teams:					
Salaries of Other Professional Staff	205,095	(710)	204,385	169,343	35,042
Salaries of Secretarial and Clerical Ass	20,000	(19,700)	300		300
Purchased Professional - Educational Services	15,000	6,935	21,935	21,588	347
Supplies and Materials	500	3,375	3,875	3,874	1
Total Other Support Services - Students- Child Study Teams	240,595	(10,100)	230,495	194,805	35,690
Improvement of Instructional Services:					
Other Purchased Services		100	100	93	7
Supplies and Materials	1,000		1,000		1,000
Total Improvement of Instructional Services	1,000	100	1,100	93	1,007
Educational Media Services/School Library:					
Other Purchased Services					
Total Educational Media Services/School Library					

EXHIBIT C-1
(4)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Purchased Professional and Educational Services	$ 1,750	$	$ 1,750		$ 1,750
Other Purchased Services	3,000		3,000		3,000
Supplies and Materials	500		500		500
Other Objects	500		500		500
Total Inst. Staff Training Services	5,750		5,750		5,750
Support Services General Administration:					
Salaries	197,051	8,629	205,680	205,680	
Legal Services	31,500	23,800	55,300	44,153	11,147
Audit Fees	26,000	750	26,750	26,750	
Architectural/Engineering Services	15,000	(5,750)	9,250	7,808	1,442
Other Purchased Professional Services	15,000	(12,000)	3,000	2,725	275
Purchased Technical Services	1,600		1,600	1,530	70
Communication/Telephone	65,000	(7,452)	57,548	55,963	1,585
BOE Other Purchased Services	9,500	(6,977)	2,523	2,522	1
Miscellaneous Purchased Services	25,000	4,500	29,500	27,467	2,033
General Supplies	2,500	(80)	2,420	442	1,978
Miscellaneous Expenditures	200	80	280	279	1
BOE Membership Dues and Fees	8,500		8,500	5,729	2,771
Total Support Services General Administration	396,851	5,500	402,351	381,048	21,303
Support Services School Administration:					
Salaries of Principals/Assistant Principals	81,480		81,480	79,152	2,328
Salaries of Secretarial and Clerical Assistants	50,752		50,752	48,677	2,075
Other Salaries	1,000		1,000	490	510
Purchased Professional and Technical Services	1,000		1,000		1,000
Other Purchased Services	2,500		2,500	2,375	125
Supplies and Materials	5,000		5,000	2,196	2,804
Other Objects	4,200		4,200	3,744	456
Total Support Services School Administration	145,932		145,932	136,634	9,298
Central Services:					
Salaries	56,160	840	57,000	57,000	
Purchased Professional Services	96,000	1	96,001	95,993	8
Purchased Technical Services	7,500	222	7,722	7,722	
Miscellaneous Purchased Services	2,500	(222)	2,278	1,675	603
Supplies and Materials	4,000	(842)	3,158	815	2,343
Total Central Services	166,160	(1)	166,159	163,205	2,954
Admin. Info. Technology:					
Purchased Technical Services	105,000		105,000	100,755	4,245
Total Admin. Info. Technology	105,000		105,000	100,755	4,245
Required Maintenance for School Facilities:					
Salaries	119,014	107,339	226,353	102,283	124,070
Cleaning, Repair and Maintenance Services	245,137	155,041	400,178	75,701	324,477
General Supplies	17,000	25,000	42,000	9,958	32,042
Required Maintenance for School Facilities:	381,151	287,380	668,531	187,942	480,589

EXHIBIT C-1
(5)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Custodial Services:					
Purchased Professional and Technical Services	$ 300,000	$ (16,500)	$ 283,500	$ 278,119	$ 5,381
Cleaning, Repair, and Maintenance Services	35,000	18,940	53,940	53,906	34
Insurance	82,000		82,000	55,607	26,393
Miscellaneous Purchased Services	8,500		8,500	5,395	3,105
General Supplies	8,500		8,500		8,500
Energy (Natural Gas)	21,000	(4,300)	16,700	255	16,445
Energy (Electricity)	210,000	4,300	214,300	214,243	57
Total Custodial Services	665,000	2,440	667,440	607,525	59,915
Security:					
Purchased Professional and Technical Services	59,000		59,000	58,015	985
General Supplies	3,000		3,000	286	2,714
Total Security	62,000		62,000	58,301	3,699
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	15,000		15,000		15,000
Total Care and Upkeep of Grounds	15,000		15,000		15,000
Total Operation and Maintenance of Plant Services	1,123,151	289,820	1,412,971	853,768	559,203
Undistributed Expenditures - Student Transportation Services:					
Salaries - Between Home & School - Regular	226,945	82,000	308,945	301,928	7,017
Management Fee - ESC & CTSA Trans. Program	2,500	453	2,953	2,953	
Other Purchased Prof. and Technical Serv	20,600	1,187	21,787	14,131	7,656
Cleaning, Repair and Maintenance Services	3,000	3,783	6,783	956	5,827
Lease Purchase Payments	222,201	7,500	229,701	224,374	5,327
Contracted Services - Aid in Lieu of Payments - Nonpublic	8,000		8,000		8,000
Contracted Services - Aid in Lieu of Payments - Choice Sch	40,000		40,000	34,375	5,625
Contracted Services (Home/School) - Vendor	165,516	(99,500)	66,016		66,016
Contracted Services (Bet. Home &Sch) - Joint Agr	18,685		18,685	15,171	3,514
Contracted Services (Special Ed. Students) - Vendors	8,888	7,000	15,888	14,560	1,328
Contracted Services (Special Ed. Students) - ECS	683,317	(1,483)	681,834	469,514	212,320
Misc. Purchased Services - Transportation	1,000		1,000		1,000
General Supplies	2,500	100	2,600	2,552	48
Transportation Supplies	40,000	(30)	39,970	38,711	1,259
Other Objects	170	630	800	798	2
Total Student Transportation Services	1,443,322	1,640	1,444,962	1,120,023	324,939
Allocated Benefits:					
Social Security Contributions					
Unallocated Benefits:					
Social Security Contributions	91,000	17,500	108,500	106,326	2,174
Other Retirement Contributions - PERS	165,200		165,200	158,697	6,503
Unemployment Compensation	60,000	(16,000)	44,000	8,932	35,068
Workers Compensation	77,000	1,500	78,500	78,031	469
Health Benefits	1,091,560	(93,000)	998,560	825,854	172,706
Tuition Reimbursement	15,000		15,000	5,000	10,000
Other Employee Benefits	85,000	(4,000)	81,000	69,062	11,938
Unused Vac Pay - Mass Severance		19,000	19,000	18,507	493
Unused Sick Pay to Term/ Retired Staff		30,000	30,000	29,311	689
Total Unallocated Benefits	1,584,760	(45,000)	1,539,760	1,299,720	240,040
On-behalf TPAF Pension Contributions				1,235,531	
On-behalf TPAF Post Retirement Medical Contribution				361,023	
On-behalf TPAF Long-term Disability Contribution				422	
Reimbursement TPAF Social Security				283,474	(283,474)
Total Personal Services - Employee Benefits	1,584,760	(45,000)	1,539,760	3,180,170	(1,640,410)
Total Undistributed Expenditures	10,314,033	286,960	10,600,993	10,993,768	(392,775)
Interest Earned on Maintenance Reserve	25		25		25
Interest Earned on Emergengy Reserve	15		15		15
TOTAL EXPENDITURES - CURRENT EXPENSE	$ 13,301,749	$ 313,809	$ 13,615,558	$ 13,806,058	$ (190,500)

EXHIBIT C-1
(6)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	$	$	$	$	$
Equipment:					
Undistributed Expenditures Instruction					
Total Equipment					
Facilities Acquisition and Construction Services:					
Architectural/ Engineering Services	27,349		27,349		27,349
Construction Services	77,040		77,040		77,040
Land Improvements	273,000		273,000		273,000
Assessment for Debt Service on SDA Funding	9,270		9,270	9,270	
Total Facilities Acquisition and Construction Services	386,659		386,659	9,270	377,389
TOTAL CAPITAL OUTLAY	386,659		386,659	9,270	377,389
TOTAL EXPENDITURES	$ 13,688,408	$ 313,809	14,002,217	13,815,328	$ 186,889
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	$ (978,135)	$ (313,809)	$ (1,291,944)	$ 1,365,956	$ 2,657,900
Other financing sources (uses):					
Operating Transfer Out - Charter Schools	(93,228)	1	(93,227)	(82,547)	10,680
Interest in Capital Projects Fund	(25)		(25)		25
Capital Reserve - Transfer to Capital Projects					
Transfer to Preschool Program	(163,471)		(163,471)	(163,471)	
Total Other Financing Sources	(256,724)	1	(256,723)	(246,018)	10,705
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,234,859)	(313,808)	(1,548,667)	1,119,938	2,668,605
Fund Balances, July 1	4,084,910		4,084,910	4,084,910	
Fund Balances, June 30	$ 2,850,051	$ (313,808)	$ 2,536,243	$ 5,204,848	$ 2,668,605

RECAPITULATION :

Reserved:	
Restricted Fund Balance:	
Excess Surplus	$ 2,022,305
Excess Surplus - Designated for Subsequent Year's Expenditures	930,836
Unemployment Compensation	127,261
Capital Reserve	640,229
Maintenance Reserve	397,399
Emergency Reserve	41,414
Assigned:	
Encumbrances	77,763
Capital Reserve - Designated for Subsequent Year's Expenditures	515,000
Designated for Subsequent Year's Expenditures	
Unassigned Fund Balance	452,641
	5,204,848
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not Recognized on GAAP Basis	(951,760)
Fund Balance per Governmental Funds (GAAP)	$ 4,253,088

EXHIBIT C-2

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	$ 683,164	$ 463,139	$ 1,146,303	$ 955,337	$ 190,966
State Sources	1,788,599	-	1,788,599	1,502,963	285,636
Local Sources	3,000	9,900	12,900	12,137	763
Total Revenues	2,474,763	473,039	2,947,802	2,470,437	477,365
EXPENDITURES:					
Instruction					
Salaries of Teachers	747,920	(31,093)	716,827	657,910	58,917
Salaries - Other Instruction	227,893	102,240	330,133	328,242	1,891
Purchased Professional Tech. Services		6,289	6,289	3,270	3,019
Other Purchased Services	60,000		60,000	24,762	35,238
Tuition		198,934	198,934	198,934	
Supplies and Materials	16,500	50,475	66,975	53,305	13,670
General Supplies		19,354	19,354	16,486	2,868
Total Instruction	1,052,313	346,199	1,398,512	1,282,909	115,603
Support Services					
Salaries		14,175	14,175	39,730	(25,555)
Salaries - Supervisor Inst	21,499		21,499		21,499
Salaries - Principal,Assist.	20,370		20,370	20,370	
Salaries - Other Professional	45,497		45,497	38,184	7,313
Clerical Salaries	10,004	1	10,005	10,004	1
Salaries - Family Parent Laisonfor Instruction	18,649		18,649	18,649	
Salaries - Fac/ Math/ Lit/ Mst	55,946		55,946	55,946	
Other Salaries for Instruction	285,303	(251,596)	33,707	16,717	16,990
Personal Services-Employee Benefits	276,698	161,911	438,609	399,682	38,927
Other Purchases Prof/ Educ	10,000	54,007	64,007	58,298	5,709
Purchased Professional Technical Services		31,074	31,074	16,275	14,799
Other Purchased Professional Services	2,500		2,500	2,436	64
Rentals	168,481		168,481	168,481	
Other Purchased Services		32,148	32,148	2,156	29,992
Transportation - Field Trips	10,000		10,000	4,200	5,800
Travel	5,000		5,000		5,000
Scholarships Awarded	1,000		1,000	1,000	
Student Activity	2,000	9,900	11,900	11,891	9
Supplies and Materials	60,000	24,000	84,000	38,585	45,415
Other Objects	5,000		5,000		5,000
Total Support Services	997,947	75,620	1,073,567	902,604	170,963
Facilities Acquisition and Construction Services:					
Instructional Equipment	424,503	51,220	475,723	449,149	26,574
Total Facilities Acquisition and Construction Services	424,503	51,220	475,723	449,149	26,574
Total Expenditures	2,474,763	473,039	2,947,802	2,634,662	313,140
Other Financing Sources (Uses)					
Total Outflows	2,474,763	473,039	2,947,802	2,634,662	313,140
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	$	$	$	$ (164,225)	$ (164,225)
Transfer from General Fund				163,471	163,471
Fund Balance, July 1				36,474	36,474
Fund Balance, June 30				$ 35,720	$ 35,720

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

EXHIBIT C-3

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note A - Explanation of Differences 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	[C-1]	$ 15,181,284	[E-1]	$ 2,470,437
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. Prior Year				823,308
Current Year				(290,649)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.		811,603		112,360
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(951,760)		(117,402)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	$ 15,041,127	[B-2]	$ 2,998,054
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	$ 13,815,328	[C-2]	$ 2,634,662
Differences - budget to GAAP				
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.				532,659
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) to general fund				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	$ 13,815,328	[B-2]	$ 3,167,321

REQUIRED SUPPLEMENTARY INFORMATION - PART III

EXHIBIT L-1

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.011541%	0.011222%	0.011578%	0.013733%	0.013670%	0.014369%	0.011482%	0.010584%	0.011195%	0.009752%
District's Proportionate Share of the Net Pension Liability	$ 1,568,179	$ 1,625,425	$ 1,747,350	$ 1,626,926	$ 2,229,266	$ 2,589,130	$ 2,260,673	$ 2,463,800	$ 3,315,645	$ 2,189,127
District's Covered-Employee Payroll	$ 1,038,961	$ 916,713	$ 808,246	$ 849,111	$ 882,970	$ 928,493	$ 963,278	$ 898,346	$ 688,588	$ 726,259
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	150.94%	177.31%	216.19%	191.60%	252.47%	278.85%	234.69%	274.26%	481.51%	301.43%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

EXHIBIT L-2

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 157,041	$ 149,984	$ 146,010	$ 160,834	$ 149,546	$ 141,244	$ 115,521	$ 100,051	$ 99,993	$ 83,841
Contributions in relation to the Contractually Required Contribution	(157,041)	(149,984)	(146,010)	(160,834)	(149,546)	(141,244)	(115,521)	(100,051)	(99,993)	(83,841)
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
District's Covered-Employee Payroll	$ 1,038,961	$ 916,713	$ 808,246	$ 849,111	$ 882,970	$ 928,493	$ 963,278	$ 898,346	$ 688,588	$ 726,259
Contributions as a Percentage of Covered-Employee Payroll	15.12%	16.36%	18.07%	18.94%	16.94%	15.21%	11.99%	11.14%	14.52%	11.54%

EXHIBIT L-3

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.030180%	0.030039%	0.033505%	0.033995%	0.039535%	0.036567%	0.034568%	0.036384%	0.033106%	0.033840%
District's Proportionate Share of the Net Pension Liability	$ 14,916,308	$ 15,329,517	$ 17,286,888	$ 16,343,151	$ 26,033,233	$ 22,441,303	$ 21,991,636	$ 24,531,414	$ 26,043,054	$ 21,388,041
District's Covered-Employee Payroll	$ 3,741,963	$ 3,792,035	$ 3,549,382	$ 3,478,287	$ 3,450,001	$ 3,562,595	$ 3,618,513	$ 4,153,556	$ 3,751,844	$ 3,436,632
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	398.62%	404.26%	487.04%	469.86%	754.59%	629.91%	607.75%	590.61%	694.14%	622.35%
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%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

EXHIBIT M-1

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	$ 774,066	$ 773,096	$ 1,129,522	$ 1,398,161	$ 871,681	$ 789,988	$ 739,005	$ 893,343
Interest Cost	691,644	643,526	466,518	550,125	561,000	677,692	725,198	628,014
Changes of Benefit Terms				(22,572)				
Differences Between Expected and Actual Experiences	211,593	(299,790)	(29,397)	(4,109,873)	3,056,720	(2,831,237)	(1,868,613)	
Changes of Assumptions	1,571,928	36,829	(4,722,360)	20,922	4,345,478	228,959	(1,944,865)	(2,707,163)
Member Contributions	18,087	16,491	14,824	14,064	12,553	13,973	15,663	16,832
Gross Benefit Payments	(528,220)	(501,639)	(462,100)	(433,344)	(414,151)	(471,382)	(453,183)	(457,099)
Net Change in Total OPEB Liability	2,739,098	668,513	(3,602,993)	(2,582,517)	8,433,281	(1,592,007)	(2,786,795)	(1,626,073)
Total OPEB Liability - Beginning	18,272,249	17,603,736	21,206,729	23,789,246	15,355,965	16,947,972	19,734,767	21,360,840
Total OPEB Liability - Ending	$ 21,011,347	$ 18,272,249	$ 17,603,736	$ 21,206,729	$ 23,789,246	$ 15,355,965	$ 16,947,972	$ 19,734,767
Covered-Employee Payroll	$ 4,780,924	$ 4,708,748	$ 4,357,628	$ 4,327,398	$ 4,332,971	$ 4,491,088	$ 4,581,791	$ 5,051,902
Total OPEB Liability as a Percentage of Covered-Employee Payroll	439.48%	388.05%	403.98%	490.06%	549.03%	341.92%	369.90%	390.64%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

EXHIBIT E-1
(1)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	ESEA				IDEA					Totals	
	Title I Part A		Title II Part A						Sub-Total		
	Title I 2024-2025	SIA 2024-2025	2024-2025	Title V 2024-2025	I.D.E.A. Part B Basic	I.D.E.A. Pre-School	Summer Learning	Beyond School Day	Per E-1 (2)	2025	2024
REVENUES:											
Federal Sources	$ 500,439	$ 120,077	$ 10,631	$ 31,041	$186,177	$12,757	$ 23,170	$ 4,183	$ 66,862	$ 955,337	$ 2,833,730
State Sources									1,502,963	1,502,963	952,409
Local Sources									12,137	12,137	21,652
Total Revenues	500,439	120,077	10,631	31,041	186,177	12,757	23,170	4,183	1,581,962	2,470,437	3,807,791
EXPENDITURES:											
Instruction:											
Salaries of Teachers	224,627	38,121							395,162	657,910	836,562
Salaries - Other Instruction	102,241						3,170	4,178	218,653	328,242	422,904
Purchased Professional Tech. Serv.	270	3,000								3,270	
Other Purchased Services							20,000		4,762	24,762	385,680
Tuition					186,177	12,757				198,934	201,167
Supplies and Materials	17,373	19,478		14,104					2,350	53,305	175,156
General Supplies									16,486	16,486	4,228
Total Instruction	344,511	60,599		14,104	186,177	12,757	23,170	4,178	637,413	1,282,909	2,025,697
Support Services:											
Salaries				9,137					30,593	39,730	82,479
Salaries - Principal,Assist.									20,370	20,370	36,990
Salaries - Other Professional								5	38,179	38,184	22,543
Clerical Salaries									10,004	10,004	4,704
Salaries - Family Parent Laison									18,649	18,649	
Salaries - Fac/ Math/ Lit/ Mst									55,946	55,946	
Other Salaries for Instruction									16,717	16,717	12,495
Personal Services-Employee Benefits	124,468								275,214	399,682	508,371
Other Purchases Prof/ Educ		48,572							9,726	58,298	
Purchased Professional Tech. Serv.			8,475	7,800						16,275	66,288
Purchased Property Services									2,436	2,436	43,659
Other Purchased Services			2,156							2,156	91,099
Rentals									168,481	168,481	167,667
Contracted Services - Field Trips									4,200	4,200	5,000
Travel											240
Scholarships Awarded									1,000	1,000	2,000
Student Activity									11,891	11,891	23,309
Supplies and Materials									38,585	38,585	73,393
Total Support Services	124,468	48,572	10,631	16,937				5	701,991	902,604	1,140,237
Facilities Acquisition/Construction:											
Buildings											
Instructional Equipment	31,460	10,906							406,783	449,149	
Non-Instructional Equipment											785,964
Total Facilities Acquisition/Construction									406,783	449,149	785,964
Total Expenditures	$ 500,439	$ 120,077	$ 10,631	$ 31,041	$186,177	$12,757	$ 23,170	$ 4,183	$ 1,746,187	$ 2,634,662	$ 3,951,898
Excess (Deficiency) of Revenues Over (Under) Expenditures									(164,225)	(164,225)	(144,107)
Transfer from General Fund									163,471	163,471	140,450
Fund Balance, July 1									36,474	36,474	40,131
Fund Balance, June 30									$ 35,720	$ 35,720	$ 36,474

EXHIBIT E-1
(2)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	21ST CENTURY					
	PN		Scholarship	Student Activity	Preschool Education	Totals
	2024-25	HMS	Fund	Fund	2024-25	2,025
REVENUES:						
Federal Sources	$ 54,648	$12,214				$ 66,862
State Sources					$ 1,502,963	1,502,963
Local Sources			$ 29	$ 12,108		12,137
Total Revenues	54,648	12,214	29	12,108	1,502,963	1,581,962
EXPENDITURES:						
Instruction:						
Salaries of Teachers	18,200	11,664			365,298	395,162
Salaries - Other Instructional					218,653	218,653
Other Purchased Services					4,762	4,762
Supplies & Materials	1,800	550				2,350
General Supplies					16,486	16,486
Total Instruction	20,000	12,214			605,199	637,413
Support Services:						
Salaries - Supervisor of Instruction	14,175				16,418	30,593
Salaries - Principal,Assist.					20,370	20,370
Salaries - Other Professional					38,179	38,179
Salaries - Clerical					10,004	10,004
Salaries - Family Parent Laison					18,649	18,649
Salaries - Fac/ Math/ Lit/ Mst					55,946	55,946
Other Salaries for Instruction	16,717					16,717
Personal Services-Employee Benefits	3,756				271,458	275,214
Other Purchases Prof/ Educ					9,726	9,726
Purchased Professional Tech. Serv.						
Other Purchased Services					2,436	2,436
Purchased Property Services						
Rentals					168,481	168,481
Contracted Services - Field Trips					4,200	4,200
Travel						
Scholarships Awarded			1,000			1,000
Student Activity				11,891		11,891
Materials and Supplies					38,585	38,585
Total Support Services	34,648		1,000	11,891	654,452	701,991
Facilities Acquisition/Construction:						
Instructional Equipment					406,783	406,783
Non-Instructional Equipment						
Total Facilities Acquisition/Construction					406,783	406,783
Total Expenditures	$ 54,648	$12,214	$ 1,000	$ 11,891	$ 1,666,434	$ 1,746,187
Excess (Deficiency) of Revenues Over (Under) Expenditures			(971)	217	(163,471)	(164,225)
Transfer from General Fund					163,471	163,471
Fund Balance, July 1			24,306	12,168		36,474
Fund Balance, June 30			$ 23,335	$ 12,385	$	$ 35,720

EXHIBIT E-2

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 373,480	$ 365,298	$ 8,182
Other Salaries for Instruction	227,893	218,653	9,240
Purchased Prof/ Educ Services	40,000		40,000
Other Purchased Services		4,762	(4,762)
Supplies & Materials	16,500	16,486	14
Total Instruction	657,873	605,199	52,674
Support Services:			
Salaries - Supervisors of Instruction	21,499	16,418	5,081
Salaries - Principals/Asst.	20,370	20,370	
Salaries - Other Professional	45,497	38,179	7,318
Salaries - Secretary/ Clerical	10,005	10,004	1
Salaries - Family/Parent Laison	18,649	18,649	
Salaries - Family/Parent Laison	55,946	55,946	
Personal Services - Employee Benefits	273,276	271,458	1,818
Other Purchases Prof/ Educ	10,000	9,726	274
Purchased Professional Services	2,500	2,436	64
Rentals	168,481	168,481	
Contracted Transportation - Field Trips	10,000	4,200	5,800
Travel	5,000		5,000
Supplies & Materials	60,000	38,585	21,415
Other Objects	5,000		5,000
Total Support Services	706,223	654,452	51,771
Facilities Acquisition and Const. Services:			
Instructional Equipment	424,503	406,783	17,720
Non Instructional Equipment			
Total Facilities Acquisition and Const. Services	424,503	406,783	17,720
Contribution to Charter Schools			
Total Expenditures	$ 1,788,599	$ 1,666,434	$ 122,165

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2024-2025 Preschool Education Aid Allocation	$ 1,174,019	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2024)	863,509	(2)
Add: Budgeted Transfer from the General Fund 2024-2025	163,471	(3)
Total Preschool Education Aid Funds Available for 2024-2025 Budget	2,200,999	(4)
Less: 2022-2023 Budgeted Preschool Education Aid (including prior year budget carryover)	(1,788,599)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2025	412,400	(6)
Add: June 30, 2025 Unexpended Preschool Education Aid	122,165	(7)
Less: 2024-2025 Commissioner-approved Transfer to the General Fund		(8)
2024-2025 Carryover - Preschool Education Aid Programs	$ 534,565	(9)
2024-2025 Preschool Education Aid Carryover Budgeted for Preschool Programs 2025-2026	$ 412,400	(10)

The Board should consider appropriating this additional carry-over into the 2025-2026 budget $ 122,165

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

Exhibit F-1

COMMERCIAL TOWNSHIP BOARD OF EDUCATIONS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Title/Issue	DOE Project No.	Original Date	Appropriations	Expenditures to Date		Unexpended Balances	
				Prior Years	Current Year	June 30, 2025	June 30, 2024
Various Renovations, Alterations, Improvements and Upgrades at Commercial Township Elementary School	N/A	4/28/22	$ 3,060,040	$ 2,984,156	$ 75,884	$ -	$ 75,884
			$ 3,060,040	$ 2,984,156	$ 75,884	$ -	$ 75,884

Unencumbered Balance	$ -
Encumbrances	
Fund Balance	$ -

EXHIBIT F-2

COMMERCIAL TOWNSHIP 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 - SDA Grant	$	
Bond Proceeds		
Interest		
Total Revenues		
Expenditures and Other Financing Uses		
Purchased Professional/Tech. Services		
Construction Services		75,884
Total Expenditures		75,884
Excess (Deficiency) of Revenues Over (Under) Expenditures		(75,884)
Transfer of Interest Earned to General Fund		
Fund Balance - Beginning		75,884
Fund Balance - Ending	$	

EXHIBIT F-2A

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
VARIOUS RENOVATIONS, ALTERATIONS, IMPROVEMENTS AND UPGRADES AT
COMMERCIAL TOWNSHIPELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	$	$	$	$
Bond Proceeds	3,060,000		3,060,000	3,060,000
Miscellaneous	40		40	40
Total Revenues	3,060,040		3,060,040	3,060,040
Expenditures and Other Financing Uses				
Purchased Professional/Tech. Services	270,717		270,717	
Construction Services	2,713,439	75,884	2,789,323	3,060,040
Total Expenditures	2,984,156	75,884	3,060,040	3,060,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 2,212,361	$ (75,884)	$ 0	$

Additional Project Information:

Project Number	0950-050-14-GINP
Grant Date/ Letter of Notification	April 28, 2022
Original Authorization Cost	$3,060,040
Additional Authorized Cost	$0.00
Revised Authorized Cost	
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	94.0%
Original Target Completion Date	June 30, 2024
Revised Target Completion Date	June 30, 2024

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 in all schools within the school district.

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

EXHIBIT G-1

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2025 AND 2024

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals 2025	Totals 2024
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	$ 139,139	$ 66,353	$ 205,492	$ 201,967
Accounts Receivable:				
State	1,187		1,187	847
Federal	38,395		38,395	19,962
Other	62		62	62
Interfund Accounts Receivable				653
Inventories	10,002		10,002	4,776
Total Current Assets	188,785	66,353	255,138	228,267
Fixed Assets:				
Equipment	205,289		205,289	199,735
Accumulated Depreciation	(181,881)		(181,881)	(179,252)
Total Fixed Assets	23,408		23,408	20,483
Total Assets	212,193	66,353	278,546	248,750
LIABILITIES:				
Current Liabilities:				
Accounts Payable				
Unearned Revenue	5,514		5,514	2,536
Total Current Liabilities	5,514		5,514	2,536
NET POSITION:				
Invested in Capital Assets Net of Related Debt	23,408		23,408	20,483
Unrestricted	183,271	66,353	249,624	225,731
Total Net Position	$ 206,679	$ 66,353	$ 273,032	$ 246,214

EXHIBIT G-2

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals 2025	Totals 2024
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	$	$	$ -	$
Total Daily Sales - Reimbursable Programs				
Daily Sales Non-Reimbursable Programs	23,919		23,919	12,494
Total Operating Revenue	23,919		23,919	12,494
OPERATING EXPENSES:				
Salaries	131,393		131,393	151,863
Employee Benefits	30,890		30,890	8,897
Supplies and Materials	20,121		20,121	19,555
Depreciation	2,629		2,629	2,864
Cost of Sales - Reimbursable Programs	214,410		214,410	207,939
Cost of Sales - Non Reimbursable Programs	10,103		10,103	
Management Fee	35,875		35,875	26,599
Repairs and Other Expenses	21,476		21,476	12,965
Total Operating Expenses	466,897		466,897	430,682
Operating Income (Loss)	(442,978)		(442,978)	(418,188)
Non-Operating Revenues:				
State Sources:				
State School Breakfast Program	5,793		5,793	4,691
State School Lunch Program	4,737		4,737	4,413
Summer-EBT Administrative Cost	301		301	321
Federal Sources:				
School Breakfast Program	138,644		138,644	107,953
National School Lunch Program	264,630		264,630	236,148
National School Snack Program	5,038		5,038	3,794
Supply Chain Assistance Funding				15,456
Summer-EBT Administrative Cost	301		301	322
Food Distribution Program	32,070		32,070	29,372
Fruit and Vegetable Grant	18,117		18,117	23,418
Interest		165	165	166
Total Non-Operating Revenues	469,631	165	469,796	426,054
Net Income before Operating Transfers	26,653	165	26,818	7,866
Net Income	26,653	165	26,818	7,866
Net Position - July 1	180,026	66,188	246,214	238,348
Net Position - June 30	$ 206,679	$ 66,353	$ 273,032	$ 246,214

EXHIBIT G-3

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals 2025	Totals 2024
Cash Flows from Operating Activities:				
Receipts from Customers	$ 23,919	$	$ 23,919	$ 12,494
Payments to Employees and Employee Benefits	(162,283)		(162,283)	(160,760)
Payments to Suppliers	(322,353)		(322,353)	(175,050)
Net Cash Provided by Noncapital Financing Activities	(460,717)		(460,717)	(323,316)
Cash Flows from Noncapital Financing Activities:				
Cash Received from State and Federal Reimbursements	469,631		469,631	425,888
Operating Transfer from General Fund				
Net Cash Provided by Noncapital Financing Activities	469,631		469,631	425,888
Cash Flows from Capital & Related Financing Activities				
Purchase of Capital Assets	(5,554)		(5,554)	(5,940)
Net Cash Provided by Capital and Related Financing Activities	(5,554)		(5,554)	(5,940)
Cash Flows From Investing Activities				
Interest and Dividends		165	165	166
Net Cash Provided by Investing Activities		165	165	166
Net Decrease in Cash and Cash Equivalents	3,360	165	3,525	96,798
Cash and Cash Equivalents, July 1	135,779	66,188	201,967	105,169
Cash and Cash Equivalents, June 30	$ 139,139	$ 66,353	$ 205,492	$ 201,967
Operating Income (Loss)	$ (442,978)	$	$ (442,978)	$ (418,188)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	2,629		2,629	2,864
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	(18,773)		(18,773)	94,900
(Increase)/Decrease in Interfund Receivable	653		653	(653)
(Increase)/Decrease in Inventory	(5,226)		(5,226)	4,783
Increase/(Decrease) in Accounts Payable	-			(5,549)
Increase/(Decrease) in Due to General				
Increase/(Decrease) in Unearned Revenue	2,978		2,978	(1,473)
Net Cash Used by Operating Activities	$ (460,717)	$	$ (460,717)	$ (323,316)

EXHIBIT G-4

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2025 AND 2024

	June 30, 2025
ASSETS:	
Cash	$ 102,455
Total Assets	$ 102,455
LIABILITIES AND NET POSITION:	
Liabilities:	
Accounts Payable	$
Unearned Revenue	102,455
Total Liabilities	102,455
Net Position:	
Unreserved	
Total Net Position	
Total Liabilities and Net Position	$

EXHIBIT G-5

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED 2025 AND 2024

	June 30, 2025
OPERATING REVENUES:	
Child Study Team Fees	$ 522
Total Operating Revenue	522
OPERATING EXPENSES:	
Salaries	
Employee Benefits	
Purchased Professional Services	
Total Expenses	-
Increase in Net Position Before Transfers	522
Transfer to Unearned Revenue	(522)
Change in Net Position	
Net Position - July 1	
Net Position - June 30	$

EXHIBIT G-6

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025 AND 2024

		June 30, 2025
Cash Flows from Operating Activities:		
Receipts from Customers	$	1,044
Payments to Employees		-
Payments for Employee Benefits		
Payments to Suppliers		
Net Cash Provided by (used for) Operating Activities		1,044
Cash Flows from Non-capital Financing Activities:		
Operating subsidies and transfers to other funds		(522)
Net Cash Provided by Non-capital Financing Activities		(522)
Cash Flows from Capital and Related Financing Activities		
Net Cash Provided by Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Net Cash Provided by Investing Activities		
Net Increase in Cash		522
Cash and Cash Equivalents, July 1		101,933
Cash and Cash Equivalents, June 30	$	102,455
Operating Income (Loss)	$	522
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable		
(Increase) Decrease in Interfund Receivable		
Increase (Decrease) in Unearned Revenue		522
Increase (Decrease) in Accounts Payable		
Total Adjustments		522
Net Cash Used by Operating Activities	$	1,044

EXHIBIT I-1

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
LOANS PAYABLE
JUNE 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2024	Issued	Retired	Balance June 30, 2025
Serial Bonds for Various renovations, alterations, improvements, and upgrades	4/28/2022	$ 3,060,000	2/15/26	$ 125,000	3.750%	$ 2,840,000	$	$ 120,000	$ 2,720,000
			2/15/27	125,000	3.750%				
			2/15/28	130,000	3.750%				
			2/15/29	135,000	3.750%				
			2/15/30	140,000	4.000%				
			2/15/31	145,000	4.000%				
			2/15/32	150,000	4.000%				
			2/15/33	155,000	4.000%				
			2/15/34	160,000	4.000%				
			2/15/35	165,000	4.000%				
			2/15/36	170,000	4.000%				
			2/15/37	170,000	4.000%				
			2/15/38	175,000	4.000%				
			2/15/39	185,000	4.000%				
			2/15/40	190,000	4.000%				
			2/15/41	200,000	4.000%				
			2/15/42	200,000	4.000%				
Totals						$ 2,840,000	$	$ 120,000	$ 2,720,000

EXHIBIT I-3

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 96,343	$	$ 96,343	$ 96,687	$ 344
State Sources:					
Debt Service Aid Type II	135,370		135,370	135,370	
TOTAL REVENUES	231,713		231,713	232,057	344
EXPENDITURES:					
Regular Debt Service					
Interest	111,713		111,713	111,713	
Redemption of Principal	120,000		120,000	120,000	
Total Regular Debt Service	231,713		231,713	231,713	
Excess (Deficiency) of Revenues Over (Under) Expenditures				344	344
Other Financing Sources (Uses)					
Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources				344	344
Fund Balance, July 1					
Fund Balance, June 30	$	$	$	$ 344	$ 344

STATISTICAL SECTION

EXHIBIT J-1

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	$ 3,033,507	$ 2,971,526	$ 2,952,525	$ 2,962,291	$ 3,342,655	$ 4,277,076	$ 3,528,139	$ 4,913,697	$ 7,134,481	$ 7,863,748
Restricted	684,041	426,409	857,006	1,260,603	1,908,376	2,542,330	5,335,582	4,164,309	3,120,042	3,555,279
Unrestricted (Deficit)	(3,264,548)	(3,547,631)	(3,760,715)	(3,559,303)	(3,751,698)	(3,529,110)	(3,372,111)	(2,996,444)	(3,183,938)	(3,091,556)
Total Governmental Activities Net Position	$ 453,000	$ (149,696)	$ 48,816	$ 663,591	$ 1,499,333	$ 3,290,296	$ 5,491,610	$ 6,081,562	$ 7,070,585	$ 8,327,471
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	$ 5,579	$ 4,842	$ 32,142	$ 28,947	$ 26,062	$ 23,177	$ 20,292	$ 17,407	$ 20,483	$ 23,408
Restricted										
Unrestricted	54,931	71,701	63,868	79,369	92,881	90,105	171,165	220,941	225,731	249,624
Total Business-Type Activities Net Position	$ 60,510	$ 76,543	$ 96,010	$ 108,316	$ 118,943	$ 113,282	$ 191,457	$ 238,348	$ 246,214	$ 273,032
District-Wide										
Invested in Capital Assets, Net of Related Debt	$ 3,039,086	$ 2,976,368	$ 2,984,667	$ 2,991,238	$ 3,368,717	$ 4,300,253	$ 3,548,431	$ 4,931,104	$ 7,154,964	$ 7,887,156
Restricted	684,041	426,409	857,006	1,260,603	1,908,376	2,542,330	5,335,582	4,164,309	3,120,042	3,555,279
Unrestricted (Deficit)	(3,209,617)	(3,475,930)	(3,696,847)	(3,479,934)	(3,658,817)	(3,439,005)	(3,200,946)	(2,775,503)	(2,958,207)	(2,841,932)
Total District-Wide Net Position (Deficit)	$ 513,510	$ (73,153)	$ 144,826	$ 771,907	$ 1,618,276	$ 3,403,578	$ 5,683,067	$ 6,319,910	$ 7,316,799	$ 8,600,503

Source: ACFR Schedule A-1

EXHIBIT J-2

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities										
Instruction										
Regular	$ 3,022,514	2,926,584	3,169,459	3,330,579	2,888,015	2,927,998	3,111,367	3,629,615	3,941,525	3,410,993
Special Education	748,881	753,564	784,927	486,594	797,622	682,440	705,805	566,499	571,901	585,788
Other Special Education	38,498	62,650	68,317	94,024	93,444	173,553	162,583	25,141	8,431	200,463
Other Instruction	3,659	4,110	12,234	4,865	6,085	4,012	6,980	12,359	8,288	4,013
Support Services										
Tuition	4,415,211	4,868,287	3,942,053	4,463,869	3,616,766	3,186,067	3,202,622	3,242,440	3,613,147	4,298,252
Student and Instruction Related Services	914,259	1,134,241	1,216,846	1,101,070	1,293,201	1,022,609	1,242,715	1,342,906	1,369,989	1,248,106
General and Business Administrative Services	284,983	330,818	338,703	280,206	301,126	356,692	353,533	356,683	356,266	381,048
School Administrative Services	207,643	319,895	300,793	271,668	284,213	251,992	189,683	178,722	138,327	136,634
Central Services	142,631	152,448	141,143	150,042	139,147	137,385	142,918	150,320	157,840	163,205
Administrative Information Technology	68,157	52,373	75,766	61,613	45,248	92,860	100,175	100,434	100,202	100,755
Plant Operations and Maintenance	722,482	749,379	743,947	824,073	993,991	885,630	(132,889)	1,007,017	1,115,652	853,768
Pupil Transportation	955,269	869,962	755,234	765,550	644,136	481,413	956,821	1,111,297	1,338,275	1,120,023
Business and Other Support Services	3,409,017	4,481,458	5,395,286	4,123,027	3,850,292	4,660,179	3,203,766	2,581,929	2,590,395	2,413,024
Interest on Long-Term Debt	60,983	54,664	45,639	38,282	30,818	20,503	26,622	96,231	151,354	117,387
Principal										
Unallocated Depreciation	307,727	293,333	292,097	265,991	273,021	247,525	377,952	540,695	731,828	857,196
Total Governmental Activities Expenses	15,301,914	17,053,766	17,282,444	16,261,453	15,257,125	15,130,858	13,650,653	14,942,288	16,193,420	15,890,655
Business-Type Activities										
Food Service	453,151	427,617	472,920	443,391	410,077	309,291	401,088	487,613	430,682	466,897
Extended Day	14,824	15,177	17,108							
Total Business-Type Activities Expense	467,975	442,794	490,028	443,391	410,077	309,291	401,088	487,613	430,682	466,897
Total District Expenses	$ 15,769,889	17,496,560	17,772,472	16,704,844	15,667,202	15,440,149	14,051,741	15,429,901	16,624,102	16,357,552
Program Revenues										
Governmental Activities										
Charges for Services						52418	13,069	12,782	15,575	
Operating Grants and Contributions	$ 1,791,626	1,740,000	1,804,785	1,917,893	1,764,724	1,886,880	2,352,960	3,084,724	3,716,563	2,932,083
Total Governmental Activities Program Revenues	1,791,626	1,740,000	1,804,785	1,917,893	1,764,724	1,939,298	2,366,029	3,097,506	3,732,138	2,932,083
Business-Type Activities										
Charges for Services										
Food Service	18,089	14,660	20,214	24,463	16,873	5,214	30,406	27,220	12,494	23,919
Extended Day	31,769	26,293	18,758	1,187						
Shared Services					48,792					
Operating Grants and Contributions	438,093	417,848	429,626	429,970	403,192	298,380	448,810	507,116	425,888	469,631
Total Business-Type Activities Program Revenues	487,951	458,801	468,598	455,620	468,857	303,594	479,216	534,336	438,382	493,550
Total District Program Revenues	$ 2,279,577	2,198,801	2,273,383	2,373,513	2,233,581	2,242,892	2,845,245	3,631,842	4,170,520	3,425,633
Net (Expense)/Revenue										
Governmental Activities	$ (13,510,288)	(15,313,766)	(15,477,659)	(14,343,560)	(13,492,401)	(13,191,560)	(11,284,624)	(11,844,782)	(12,461,282)	(12,958,572)
Business-Type Activities	19,976	16,007	(21,430)	12,229	58,780	(5,697)	78,128	46,723	7,700	26,653
Total District-Wide Net Expense	$ (13,490,312)	(15,297,759)	(15,499,089)	(14,331,331)	(13,433,621)	(13,197,257)	(11,206,496)	(11,798,059)	(12,453,582)	(12,931,919)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	$ 1,802,791	1,838,847	1,875,624	1,961,219	2,020,978	2,133,285	2,175,951	2,219,470	2,268,513	2,331,775
Taxes Levied for Debt Service	111,343	106,324	103,163	110,108	104,992	103,332	96,957	88,564	89,384	96,687
Unrestricted Grants and Contributions	11,598,553	12,297,191	13,042,311	12,269,625	11,826,648	12,247,167	11,179,832	10,067,324	11,049,098	11,285,054
Investment Earnings	750	848	972	817	16,482	1,529	3,313	15,583	8,225	10,416
Miscellaneous Income	220,318	467,860	718,393	694,123	350,520	315,551	33,666	105,299	31,280	405,592
Other Adjustments			22,090			(39,554)	(9,000)	293	325	
Transfers			(86,382)	(77,557)	(40,269)	(13,820)		(61,799)	3,480	85,934
Right-to-Use Lease Adjustment							5,219			
Total Governmental Activities	13,733,755	14,711,070	15,676,171	14,958,335	14,279,351	14,747,490	13,485,938	12,434,734	13,450,305	14,215,458
Business-Type Activities										
Investment Earnings	20	26	31	77	639	36	47	168	166	165
Other Adjustments			30,305							
Transfers			10,561							
Total Business-Type Activities	20	26	40,897	77	639	36	47	168	166	165
Total District-Wide	$ 13,733,775	14,711,096	15,717,068	14,958,412	14,279,990	14,747,526	13,485,985	12,434,902	13,450,471	14,215,623
Change in Net Position										
Governmental Activities	$ 223,467	(602,696)	198,512	614,775	786,950	1,555,930	2,201,314	589,952	989,023	1,256,886
Business-Type Activities	19,996	16,033	19,467	12,306	59,419	(5,661)	78,175	46,891	7,866	26,818
Total District-Wide	$ 243,463	(586,663)	217,979	627,081	846,369	1,550,269	2,279,489	636,843	996,889	1,283,704

Source: ACFR Schedule A-2

EXHIBIT J-3

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	$ 635,742	$ 406,954	$ 808,719	$ 1,212,331	$ 2,118,751	$ 3,520,651	$ 3,258,739	$ 3,564,446	$ 3,662,813	$ 4,159,444
Assigned						76,075	426,597	231,615	36,808	592,763
Unassigned (Deficit)	(694,608)	(773,028)	(751,851)	(595,073)	(608,024)	(430,491)	(357,418)	(371,355)	(426,314)	(499,119)
Total General Fund	$ (58,866)	$ (366,074)	$ 56,868	$ 617,258	$ 1,510,727	$ 3,166,235	$ 3,327,918	$ 3,424,706	$ 3,273,307	$ 4,253,088
All Other Governmental Funds										
Restricted	$	$	$	$	$	$ 73,807	$ 75,165	$ 40,131	$ 36,474	$ 35,720
Committed to Capital Projects Fund	48,554	48,554	48,554	48,554	48,554	9,000	2,656,807	1,214,861	75,884	
Unassigned, Reported in:										
Special Revenue Fund (Deficit)	(32,116)	(35,035)	(27,006)	(30,377)	(30,816)	(29,812)	(70,303)	(86,242)	(112,360)	(117,402)
Debt Service Fund	6,191	6,191				-				344
Total All Other Governmental Funds	$ 22,629	$ 19,710	$ 21,548	$ 18,177	$ 17,738	$ 52,995	$ 2,661,669	$ 1,168,750	$ (2)	$ (81,338)

Source: ACFR Schedule B-1

EXHIBIT J-4

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	$ 1,914,134	$ 1,945,171	$ 1,978,787	$ 2,071,327	$ 2,125,970	$ 2,236,617	$ 2,272,908	$ 2,308,034	$ 2,357,897	$ 2,428,462
Tuition		58,151	268,264	323,539	163,531	80,401	925	200		
Child Study Team		249,410	305,501	283,005	28,300					
Interest Earnings	750	848	972	139	16,482	1,529	3,313	15,583	8,225	10,416
Miscellaneous	220,318	160,299	144,628	88,257	158,689	235,150	32,741	105,099	198,947	574,073
State Sources	11,536,340	11,707,490	11,822,303	12,212,408	12,122,038	11,510,577	11,889,933	11,654,262	12,169,736	13,764,317
Federal Sources	812,964	782,197	946,052	978,097	837,486	1,032,176	1,623,803	2,026,875	3,502,264	1,493,970
Total Revenues	14,484,506	14,903,566	15,466,507	15,956,772	15,452,496	15,096,450	15,823,623	16,110,053	18,237,069	18,271,238
Expenditures										
Instruction										
Regular Instruction	3,022,514	2,926,584	3,169,459	3,330,579	2,888,015	2,927,998	3,111,367	3,629,615	3,941,525	3,410,993
Special Education Instruction	748,881	753,564	784,927	486,594	797,622	682,440	705,805	566,499	571,901	585,788
Other Special Instruction	38,498	62,650	68,317	94,024	93,444	173,553	162,583	25,141	8,431	200,463
Other instruction	3,659	4,110	12,234	4,865	6,085	4,012	6,980	12,359	8,288	4,013
Support Services										
Tuition	4,415,211	4,868,287	3,942,053	4,463,869	3,616,766	3,186,067	3,202,622	3,242,440	3,613,147	4,298,252
Student and Instruction Related Services	914,259	1,134,241	1,216,846	1,101,070	1,244,409	970,191	1,229,646	1,367,953	1,364,689	1,258,850
School Administrative Services	207,643	319,895	300,793	271,668	284,213	251,992	189,683	178,722	138,327	136,634
General Administrative Services	284,983	330,818	338,703	280,206	301,126	356,692	353,533	356,683	356,266	381,048
Central Services & Info. Techn.	210,788	204,821	216,909	211,655	184,395	230,245	243,093	250,754	258,042	263,960
Plant Operations and Maintenance	722,482	749,379	743,947	824,073	993,991	885,630	855,616	1,007,017	1,115,652	853,768
Pupil Transportation	955,269	869,962	755,234	765,550	644,136	481,413	956,821	1,111,297	1,338,275	1,120,023
Employee Benefits	2,491,955	2,700,866	3,105,415	3,170,959	3,027,692	2,980,272	3,386,051	3,364,796	3,607,793	3,579,852
Capital Outlay	14,626	30,622	35,264	50,012	182,640	206,201	1,465,331	2,242,545	2,731,282	964,889
Debt Service										
Principal	200,000	210,000	225,000	235,000	230,000	235,000	230,000		220,000	120,000
Interest and Other Charges	55,047	47,894	40,244	32,072	24,663	15,638	5,175	88,564	119,415	111,713
Total Expenditures	14,285,815	15,213,693	14,955,345	15,322,196	14,519,197	13,587,344	16,104,306	17,444,385	19,393,033	17,290,246
Excess (Deficiency) of Revenues Over (Under) Expenditures	198,691	(310,127)	511,162	634,576	933,299	1,509,106	(280,683)	(1,334,332)	(1,155,964)	980,992
Other Financing Sources (Uses)										
Transfers, Net			(86,382)	(77,557)	(40,269)	(53,374)	3,051,040	(61,799)	(164,187)	(82,547)
Total Other Financing Sources (Uses)			(86,382)	(77,557)	(40,269)	(53,374)	3,051,040	(61,799)	(164,187)	(82,547)
Net Change in Fund Balances	$ 198,691	$ (310,127)	$ 424,780	$ 557,019	$ 893,030	$ 1,455,732	$ 2,770,357	$ (1,396,131)	$ (1,320,151)	$ 898,445
Debt Service as a Percentage of Noncapital Expenditures	1.8%	1.7%	1.8%	1.7%	1.8%	1.9%	1.6%	0.6%	2.0%	1.4%

Source: ACFR Schedule B-2

EXHIBIT J-5

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Interest on Investments	CST Agreement	Transportation and Tuition Revenue	Prior Years Tuition	Prior Year Order Adjustments	E-Rate	Sale Of Property	Misc.	Total
2025	$ 10,416	$	$ 596	$	$	$	$ 300,000	261,340	$ 572,352
2024	7,477							177,295	184,772
2023	9,989				425	75,659		17,073	103,146
2022	2,481		925		16,872			1,109	21,387
2021	9,280		80,401		20,012	71,996		126,709	308,398
2020	1,765	28,300	163,531	32,463	20,012	32,596		46,340	325,007
2019	743	283,005	323,539	365		41,508		5,746	654,906
2018	946	305,501	268,264	2,006	22,469	43,292		35,066	677,544
2017	822		58,151	23,919	6,124	57,448		20,801	167,265
2016	723			33,078	1,136	85,795			120,732

Source: District Records

EXHIBIT J-6

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual County Equalized Value
2025	$ 16,787,500	$ 229,002,500	$ 1,993,400	$ 654,800	$ 15,697,800	$ 12,345,200	$	$ 276,481,200	$	$ 276,481,200	$ 0.906	$ 350,464,191
2024	16,919,500	228,019,000	2,304,500	1,190,200	10,589,900	12,281,100		271,304,200	$	271,304,200	0.893	293,175,059
2023	17,584,700	227,867,800	2,304,500	465,000	10,589,100	12,281,100		271,092,200		271,092,200	0.866	279,303,730
2022	17,628,800	227,884,600	2,307,300	434,400	10,589,100	12,281,100		271,125,300		271,125,300	0.849	253,564,472
2021	17,858,200	229,484,000	2,308,100	470,700	10,598,700	12,240,200		272,959,900		272,959,900	0.831	244,215,711
2020	17,838,900	231,755,700	2,375,400	488,800	11,291,500	12,417,400		276,167,700		276,167,700	0.808	242,061,267
2019	17,908,000	234,565,500	2,385,300	464,300	11,758,000	12,417,400		279,498,500		279,498,500	0.759	222,530,653
2018	17,764,100	237,641,200	2,090,000	401,000	11,897,500	12,628,700		282,422,500		283,114,700	0.732	240,564,310
2017	17,469,800	237,857,000	2,480,100	444,300	12,052,600	12,810,900		283,114,700		283,114,700	0.697	232,619,624
2016	17,806,100	238,291,700	2,529,300	463,500	12,289,700	12,810,900		284,191,200		284,191,200	0.683	224,015,848

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per $100

EXHIBIT J-7

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

(Rate Per $100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Commercial Township Board of Education			Overlapping Rates		
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Commercial Township	Cumberland County	Total
2025	$ 0.870	$ 0.036	$ 0.906	$ 0.705	$ 1.147	$ 2.758
2024	0.859	0.034	0.893	0.684	1.034	2.611
2023	0.833	0.033	0.866	0.639	1.071	2.576
2022	0.813	0.036	0.849	0.617	1.092	2.558
2021	0.793	0.038	0.831	0.587	1.101	2.519
2020	0.768	0.040	0.808	0.567	1.085	2.460
2019	0.719	0.040	0.759	0.568	0.953	2.280
2018	0.692	0.040	0.732	0.567	1.003	2.302
2017	0.656	0.041	0.697	0.567	0.951	2.215
2016	0.630	0.068	0.683	0.568	0.882	2.133

Source: District Records and Municipal Tax Collector

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

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

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

EXHIBIT J-8

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2025		2016	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	$ 7,912,500	2.86%	$ 4,992,300	1.71%
U.S. Silica Co.	3,344,700	1.21%	2,690,700	0.92%
Exelon Generation Co. LLC	2,682,900	0.97%	2,575,400	0.88%
Silvi Concrete of Chester County	1,547,900	0.56%		
Taxpayer # 1	1,280,700	0.46%	986,000	0.34%
Taxpayer # 2	1,190,900	0.43%	606,200	0.21%
Mourvedre LLC	1,169,800	0.42%		
Bryan & Cobourne LLC	1,173,000	0.42%		
Doris Levari INC	1,073,100	0.39%		
Taxpayer #3	1,305,800	0.47%		
Ricci Bros Sand Co.			1,187,000	0.41%
Wilbco Inc. (Ackley)			1,388,400	0.48%
Verizon Dist. 3			886,882	0.30%
Surfside Products LLC			733,600	0.25%
Port Norris Marina Inc.			646,200	0.22%
Total	$ 22,681,300	8.20%	$ 16,692,682	5.71%

Source: District ACFR & Municipal Tax Assessor

EXHIBIT J-9

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2025	$ 2,428,462	$ 2,428,462	100.00%	$
2024	2,357,897	2,357,897	100.00%	
2023	2,308,034	2,308,034	100.00%	
2022	2,272,908	2,272,908	100.00%	
2021	2,236,617	2,236,617	100.00%	
2020	2,125,970	2,125,970	100.00%	
2019	2,071,327	2,071,327	100.00%	
2018	1,978,787	1,978,787	100.00%	
2017	1,945,171	1,945,171	100.00%	
2016	1,914,134	1,914,134	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, the amount voted upon or certified prior to the end of the school year.

EXHIBIT J-10

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds [b]	Governmental Activities: Capital Leases	Governmental Activities: Bond Anticipation Notes (BANs)	Business-Type Activities: Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2025	$ 2,720,000	$	$	$	$ 2,720,000	1.15%	$ 570
2024	2,840,000				2,840,000	1.22%	601
2023	3,060,000				3,060,000	1.34%	659
2022	3,060,000				3,060,000	1.38%	660
2021	230,000				230,000	0.10%	49
2020	465,000				465,000	0.22%	96
2019	695,000				695,000	0.35%	142
2018	930,000				930,000	0.50%	188
2017	1,155,000				1,155,000	0.63%	232
2016	1,365,000				1,365,000	0.76%	272

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

EXHIBIT J-11

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(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	$ 2,720,000		$ 2,720,000	0.98%	570
2024	2,840,000		2,840,000	1.05%	601
2023	3,060,000		3,060,000	1.13%	659
2022	3,060,000		3,060,000	1.13%	660
2021	230,000		230,000	0.08%	49
2020	465,000		465,000	0.17%	96
2019	695,000		695,000	0.25%	142
2018	930,000		930,000	0.33%	188
2017	1,155,000		1,155,000	0.41%	232
2016	1,365,000		1,365,000	0.48%	272

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

a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

EXHIBIT J-12

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Commercial Township	$ 1,249,735	100%	$ 1,249,735
Other Debt			
County of Cumberland - Township share	84,929,400	2.77%	2,350,827
Subtotal, Overlapping Debt			3,600,562
Commercial Township School District Direct Debt			2,720,000
Total Direct and Overlapping Debt			$ 6,320,562

Sources: Commercial Township Chief Financial Officer and Cumberland County Finance Office

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

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

EXHIBIT J-13

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2025

		Equalized Valuation Basis
	2024	$ 343,901,889
	2023	292,945,969
	2022	279,337,832
	[A]	$ 916,185,690
Average Equalized Valuation of Taxable Property	**[A/3]**	$ 305,395,230
Debt Limit (3% of Average Equalization Value)	**[B]**	$ 9,161,857 **a**
Net Bonded School Debt	**[C]**	2,720,000
Legal Debt Margin	**[B-C]**	$ 6,441,857

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 7,049,170	$ 6,885,642	$ 6,977,432	$ 6,980,622	$ 7,231,324	$ 7,169,251	$ 7,459,354	$ 7,802,925	$ 8,261,528	$ 9,161,857
Total Net Debt Applicable to Limit	1,365,000	1,155,000	930,000	695,000	465,000	230,000	3,060,000	3,060,000	2,840,000	2,720,000
Legal Debt Margin	$ 5,684,170	$ 5,730,642	$ 6,047,432	$ 6,285,622	$ 6,766,324	$ 6,939,251	$ 4,399,354	$ 4,742,925	$ 5,421,528	$ 6,441,857
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19%	17%	13%	10%	6%	3%	41%	39%	34%	30%

Source: Abstract of Ratables and District Records

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

EXHIBIT J-14

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year		Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c (1)]	Unemployment Rate [d]
2025	*	4,771	$ 236,013,124	$ 49,466	9.21%
2024	*	4,724	233,442,918	49,416	9.20%
2023		4,643	229,210,981	49,367	8.10%
2022		4,633	221,526,895	47,815	7.30%
2021		4,701	227,467,287	48,387	10.80%
2020		4,857	212,964,879	43,847	13.60%
2019		4,905	196,445,250	40,050	7.20%
2018		4,953	187,223,400	37,800	9.10%
2017		4,974	183,734,586	36,939	9.40%
2016		5,013	179,244,828	35,756	10.90%

* Estimate
(1) Information for Cumberland County

Source:

[a] Population information provided by the NJ Dept of Labor and Workforce Development
[b] Personal income
[c] Per Capita
[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development
N/A - Not Available at time of Audit

EXHIBIT J-15

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2025		2016	
Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Inspira Health Network	3,874	5.89%	2,911	4.49%
F & S Produce/Pipcp Transportation	1,201	1.83%	684	1.05%
Wal-Mart	791	1.20%	916	1.41%
Wawa	777	1.18%	605	0.93%
Durand Glass Manufacturing Co./ARC Interr	580	0.88%	1,000	1.54%
ShopRite	751	1.14%		
Sheppard Bus Service	575	0.87%	650	1.00%
Elwyn New Jersey	236	0.36%	458	0.71%
AJM Packaging	481	0.73%	229	0.35%
Northeast Precasg	436	0.66%		
Ardagh Group	366	0.56%		
Seabrook Brothers & Sons, Inc	271	0.41%	571	0.88%
Americold	300	0.46%	363	0.56%
Complete Care	305	0.46%	345	0.53%
South State, Inc	345	0.52%	298	0.46%
Corning Glass	245	0.37%	200	0.31%
Nipro PharmaPackaging Americas Corp	274	0.42%	277	0.43%
Gerresheimer Glass	174	0.26%	300	0.46%
	11,982	18.22%	9,807	15.12%

Source:

This information is for the County of Cumberland.

EXHIBIT J-16

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	49	49	51	55	51	34	37	37	48	29
Special Education	15	18	16	9	21	18	22	22	13	12
Support Services:										
Tuition										
Student & Instruction Related Services	6	13	12	10	5	5	5	5	5	21
General Administrative Services	1	4	4	2	2	2	2	2	3	4
School Administrative Services	3	3	3	3	3	3	3	3	3	3
Business Administrative Services	2	2	2	1	1	1	1	1	1	1
Plant Operations and Maintenance	1	1	1	1	1	1	1	1	1	2
Food Service										
Transportation			7	9	6	6	7	5	6	10
Nursing			2	2	2	1	1	1	1	1
Total	77	90	98	92	92	71	79	77	81	83

Source: District Personnel Records

EXHIBIT J-17

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/ Teacher Ratio Elementary	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2025	501	$ 17,290,246	$ 18,691	0.0%	41	12.2:1	438.9	429.2	-5.18%	97.79%
2024	471	19,393,033	18,691	29.1%	44	10.7:1	462.9	430.1	-5.47%	92.91%
2023	462	17,444,385	14,475	2.5%	37	12.5: 1	489.7	441.74	7.88%	90.21%
2022	468	16,104,306	14,123	-52.6%	37	12.7: 1	453.9	411.3	2.88%	90.61%
2021	456	13,587,344	29,797	4.0%	34	13.4: 1	441.2	387.7	-10.54%	87.87%
2020	507	14,519,197	28,637	1.1%	51	9.9 : 1	493.2	459.9	-8.78%	93.25%
2019	541	15,322,196	28,322	0.4%	55	9.8 : 1	540.7	532.9	-0.11%	98.56%
2018	530	14,955,345	28,218	3.5%	51	10.4 : 1	541.3	504.7	-2.63%	93.24%
2017	558	15,213,693	27,265	11.3%	49	11.4 : 1	555.9	519.0	-2.73%	93.36%
2016	572	14,016,142	24,504	-3.5%	47	12.2 : 1	571.5	537.5	0.88%	94.05%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Building										
Elementary										
Haleyville-Mauricetown (1968)										
Square Feet	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975
Capacity (students)	430	430	430	430	430	430	430	430	430	430
Enrollment	404	399	374	373	357	456	468	468	471	501
Middle School										
Port Norris School (1916)										
Square Feet	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875
Capacity (students)	248	248	248	248	248	248	248	248	248	248
Enrollment	168	159	155	168	150					
Other										
Central Administration (1998)										
Square Feet	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900

Number of Schools at June 30, 2025
Elementary = 1
Middle = 1
High School = 0
Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.
*** Pory Norris Middle School Closed as of 7/1/2020

EXHIBIT J-19

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

School Facilities	Gross Square Footage	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Haleyville-Mauricetown		$	$	$	$	$ 267,883	$ 177,288	$ 154,419	$ 97,833	$ 92,422	$ 71,017
Port Norris Middle						15,350	128,497	120,103	98,578	83,522	63,163
Commercial Township Sch	65,975	187,942	433,564	308,380	244,168						
Total School Facilities		187,942	433,564	308,380	244,168	283,233	305,785	274,522	196,411	175,944	134,180
Other Facilities	1,900					8,285	3,493	11,438	5,120	11,418	12,553
Grand Total		$ 187,942	$ 433,564	$ 308,380	$ 244,168	$ 291,518	$ 309,278	$ 285,960	$ 201,531	$ 187,362	$ 146,733

EXHIBIT J-20

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey Schools Insurance Group	Real and Personal Property	$ 350,000,000	$ 5,000
	Extra Expense	50,000,000	5,000
	Valuable Papers and Records	10,000,000	5,000
	Demolition and Increased Cost of Construction	25,000,000	
	Limited Builders Risk	10,000,000	
	Fire Department Service Charge	10,000	
	Arson Reward	10,000	
	Pollutant Cleanup and Removal	250,000	
	Sublimits: Spec Flood Haz. Area Flood Zones	25,000,000	500,000
	Accounts Receivable	250,000	
	All Flood Zones	75,000,000	10,000
	Earthquake	50,000,000	
	Terrorism	1,000,000	
	Hardware/Software	350,000,000	
	Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	5,000 per accident
	Public Employee Dishonesty with Faithful Performance	50,000	1,000
	Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	50,000	500
	Money Orders & Counterfeit Paper Currency	50,000	500
	Forgery or Alteration	50,000	500
	Computer Fraud	50,000	500
	Bodily Injury and Property Damage	16,000,000	
	Products and Completed Operations	16,000,000	
	Sexual Abuse	15,000,000	
	Personal Injury and Advertising Injury	16,000,000	
	Employee Benefits Liability	16,000,000	1,000
	Premises Medical Payments	10,000	5,000
The Hartford	Public Official Bond - Business Administrator/Board Secretary	100,000	
N.J. School Boards Insurance Group	Workers' Compensation	3,000,000	
American International	Student Accident	1,000,000	

* Blanket Bond Positions are excluded

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education of the Commercial Township School District's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commercial Township Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commercial Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commercial Township Board of Education's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commercial Township Board of Education's financial statements are free of 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 1, 2025

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

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs for the year ended June 30, 2025. The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey,* and New Jersey OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey 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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08, 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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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 Uniform Guidance and New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 1, 2025

Exhibit K-3

TOWNSHIP OF COMMERCIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment	Balance at June 30, 2025 Accounts Receivable	Balance at June 30, 2025 Unearned Revenue	Balance at June 30, 2025 Due to Grantor
U.S. Department of Health and Human Services:															
General Fund															
Medical Assistance Program (SEMI)	93.778	2005NJMAP	N/A	$ 5,974	7/1/24	6/30/25	$	$	$	$	$		$	$	$
U.S. Department of Agriculture															
Passed-through State Department of Agriculture:															
Enterprise Fund:															
Non-Cash Assistance:															
U.S.D.A. Food Distribution Program	10.565	Unknown	N/A	$30,780	7/1/23	6/30/24	1,408		(1,408)		(1,408)				
U.S.D.A. Food Distribution Program	10.565	Unknown	N/A	36,513	7/1/24	6/30/25		36,513	(32,070)		(32,070)			4,443	
Cash Assistance:															
Fresh Fruits and Vegetable Program	10.582	251NJ304L1603	N/A	18,117	7/1/24	6/30/25		14,509	(18,117)		(18,117)		(3,608)		
Child Nutrition Cluster:															
School Breakfast Program	10.553	251NJ304N1099	N/A	138,644	7/1/24	6/30/25		127,202	(138,644)		(138,644)		(11,442)		
School Breakfast Program	10.553	241NJ304N1099	N/A	107,953	7/1/23	6/30/24	(6,531)	6,531							
National School Lunch Program	10.555	251NJ304N1099	N/A	264,630	7/1/24	6/30/25		241,832	(264,630)		(264,630)		(22,798)		
National School Lunch Program	10.555	241NJ304N1099	N/A	236,148	7/1/23	6/30/24	(12,969)	12,969							
National School Snack Program	10.555	251NJ304N1099	N/A	5,038	7/1/24	6/30/25	(140)	4,932	(5,038)		(5,038)		(246)		
Supply Chain Assistance Funding	10.555	251NJ344N8903	N/A	15,456	7/1/24	6/30/25		15,456	(15,456)		(15,456)				
Summer-EBT Administrative Cost	10.646	251NJ344N8903	N/A	301	7/1/24	6/30/25			(301)		(301)		(301)		
Summer-EBT Administrative Cost	10.646	202524N180341	N/A	322	7/1/23	6/30/24	(322)	322							
Total U.S. Department of Agriculture							(18,554)	460,266	(475,664)		(475,664)		(38,395)	4,443	
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
IDEA Cluster:															
I.D.E.A. Part B Basic	84.027A	H027A250100	IDEA0950-25	186,177	7/1/24	9/30/25		148,944	(186,177)		(186,177)		(37,233)		
I.D.E.A. Part B Basic	84.027A	H027A240100	IDEA0950-24	194,633	7/1/23	9/30/24	(140,816)	140,816							
I.D.E.A. Part B, Pre-school	84.173	H173A250114	IDEA0950-25	6,223	7/1/24	9/30/25		12,757	(12,757)		(12,757)				
I.D.E.A. Part B, Pre-school	84.173	H173A240114	IDEA0950-24	12,485	7/1/23	9/30/24	(5,951)	5,951							
E.S.E.A:															
Title I	84.010	S010A250030	ESEA0950-25	498,718	7/1/24	9/30/25		205,336	(500,439)		(500,439)		(295,103)		
Title I	84.010	S010A240030	ESEA0950-24	523,317	7/1/23	9/30/24	(448,411)	448,411							
Title I - SIA Part A	84.010	S010A250030	ESEA0950-25	118,100	7/1/24	9/30/25		104,530	(120,077)		(120,077)		(15,547)		
Title I - SIA Part A	84.010	S010A240030	ESEA0950-24	110,300	7/1/23	9/30/24	(89,076)	89,075							
Title II A	84.367A	S367A250029	ESEA0950-25	46,757	7/1/24	9/30/25		3,791	(10,631)		(10,631)		(6,840)		
Title II A	84.367A	S367A240029	ESEA0950-24	46,062	7/1/23	9/30/24	(33,914)	33,914							
Title IV	84.358B	S358B250030	ESEA0950-25		7/1/24	9/30/25									
Title IV	84.358B	S358B240030	ESEA0950-24	46,062	7/1/23	9/30/24	(362)	362							
Title V RLIS	84.358B	S358B250030	ESEA0950-25	17,454	7/1/24	9/30/25		19,041	(31,041)		(31,041)		(12,000)		
Education Stabilization Fund:															
CRRSA Consolidated:															
ARP Consolidated:															
ARP ESSER III	84.425U	S425U240027	ARP 0950-24	3,356,200	3/13/20	9/30/24	(2,922,223)	2,922,222				1			
Accelerated Learning (Instruction)	84.425U	S425U240027	ARP 0950-24	67,638	3/13/20	9/30/24	(66,288)	66,288							
Summer Learning	84.425U	S425U240027	ARP 0950-24	40,000	3/13/20	9/30/24	(16,830)	40,000	(23,170)		(23,170)				
Beyond the School Day	84.425U	S425U240027	ARP 0950-24	40,000	3/13/20	9/30/24	(35,817)	40,000	(4,183)		(4,183)				
NJTSS Mental Health Staffing	84.425U	S425U240027	ARP 0950-24	45,000	3/13/20	9/30/24	(44,999)	45,000				(1)			
Homeless	84.425W	S425W240027	ARP 0950-24	9,831	3/13/20	9/30/24	(10,343)	10,343							
21st Century Prog - PN	84.287C	S287C250030	CENT0950-25		9/1/24	8/31/25		17,259	(54,648)		(54,648)		(37,389)		
21st Century Prog - PN	84.287C	S287C240030	CENT0950-24	27,909	9/1/23	8/31/24	(17,541)	18,779						1,238	
21st Century Prog - HMS	84.287C	S287C250030	CENT0950-25		9/1/24	8/31/25		215						215	
21st Century Prog - HMS	84.287C	S287C240030	CENT0950-24	24,004	9/1/23	8/31/24	28,103	43,325	(12,214)		(12,214)			59,214	
21st Century Prog - HMS	84.287C	S287C230030	CENT0950-23	32,097	9/1/22	8/31/23		(5,282)						(5,282)	
Total U.S. Department of Education							(3,804,467)	4,411,077	(955,337)		(955,337)		(404,112)	55,385	
Total Federal Financial Awards							$ (3,823,021)	$ 4,871,343	$ (1,431,001)	$	$ (1,431,001)		$ (442,507)	$ 59,828	$

(A) There were no awards passed through to subrecipients.

See accompanying notes to schedules of financial assistance
These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded $750,000.

Exhibit K-4

TOWNSHIP OF COMMERCIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024 (Accounts Receivable)	Balance at June 30, 2024 Unearned Revenue	Carry-over	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 (Accounts Receivable)	Balance at June 30, 2025 Unearned Revenue/ Interfund Payable		MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Equalization Aid	25-495-034-5120-078	$ 8,748,736	7/1/24	6/30/25				$ 7,931,290	$ (8,748,736)	$ (817,446)		*	$ (817,446)	$ (8,748,736)
Equalization Aid	24-495-034-5120-078	8,656,404	7/1/23	6/30/24	$ (794,206)			794,206						
Transportation Aid	25-495-034-5120-014	525,199	7/1/24	6/30/25				476,127	(525,199)	(49,072)		*	(49,072)	(525,199)
Special Education Categorical Aid	25-495-034-5120-089	632,153	7/1/24	6/30/25				573,087	(632,153)	(59,066)		*	(59,066)	(632,153)
Special Education Categorical Aid	24-495-034-5120-089	189,620	7/1/23	6/30/24	(17,397)			17,397						
Categorical Security Aid	25-495-034-5120-084	280,152	7/1/24	6/30/25				253,976	(280,152)	(26,176)		*	(26,176)	(280,152)
Extraordinary Aid	25-495-034-5120-044	199,372	7/1/24	6/30/25					(199,372)	(199,372)		*		(199,372)
Extraordinary Aid	24-495-034-5120-044	133,924	7/1/23	6/30/24	(133,924)			133,924						
Nonpublic Transportation	25-495-034-5120-014	3,269	7/1/24	6/30/25					(3,269)	(3,269)		*		(3,269)
Nonpublic Transportation	24-495-034-5120-014	1,365	7/1/23	6/30/24	(1,365)			1,365						
Homeless Tuition		1,781	7/1/24	6/30/25					(1,781)	(1,781)		*		(1,781)
Menstral Reimbursement		71	7/1/24	6/30/25					(71)	(71)		*		(71)
Reimbursed TPAF Social Security Contrib	25-495-034-5094-003	283,474	7/1/24	6/30/25				254,553	(283,474)	(28,921)		*		(283,474)
Reimbursed TPAF Social Security Contrib	24-495-034-5094-003	285,141	7/1/23	6/30/24	(27,669)			27,669						
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	1,235,531	7/1/24	6/30/25				1,235,531	(1,235,531)			*		(1,235,531)
On-Behalf TPAF Post Retirement Medical	25-495-034-5094-001	361,023	7/1/24	6/30/25				361,023	(361,023)			*		(361,023)
On-behalf TPAF Long-term Disability Contrib.	25-495-034-5094-004	422	7/1/24	6/30/25				422	(422)			*		(422)
Total General Fund					(974,561)			12,060,570	(12,271,183)	(1,185,174)			(951,760)	(12,271,183)
Special Revenue Fund:														
Preschool Education Aid	24-495-034-5120-086	1,264,050	7/1/23	6/30/24	(112,360)	$ 863,509	$ (863,509)	112,360						
Preschool Education Aid	25-495-034-5120-086	1,337,490	7/1/24	6/30/25			863,509	1,220,088	(1,666,434)	(117,402)	$ 534,565	*	(117,402)	(1,666,434)
Total Special Revenue Fund					(112,360)	863,509		1,332,448	(1,666,434)	(117,402)	534,565		(117,402)	(1,666,434)
Debt Service Fund:														
Debt Service Aid-Type II	25-495-034-5120-017	135,370	7/1/24	6/30/25				135,370	(135,370)			*		(135,370)
State Department of Agriculture:														
Enterprise Fund:														
State Breakfast Prog.	25-100-010-3350-023	5,793	7/1/24	6/30/25				5,315	(5,793)	(478)		*		(5,793)
State Breakfast Prog.	24-100-010-3350-023	5,963	7/1/23	6/30/24	(1,693)			1,693						
State School Lunch Prog.	25-100-010-3350-023	4,737	7/1/24	6/30/25				4,329	(4,737)	(408)		*		(4,737)
State School Lunch Prog.	24-100-010-3350-023	4,307	7/1/23	6/30/24	(1,198)			1,198						
Summer-EBT Administrative Cost	N/A	301	7/1/24	6/30/25					(301)	(301)		*		(301)
Summer-EBT Administrative Cost	N/A	321	7/1/24	6/30/25				321	(321)			*		(321)
Total Enterprise Fund					(2,891)			12,856	(11,152)	(1,187)				(11,152)
Total State Financial Assistance					$ (1,089,812)	$ 863,509		$ 13,541,244	$ (14,084,139)	$ (1,303,763)	$ 534,565		$ (1,069,162)	$ (14,084,139)
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	1,235,531	7/1/24	6/30/25				$ 1,235,531	$ (1,235,531)					
On-Behalf TPAF Post Retirement Medical	25-495-034-5094-001	361,023	7/1/24	6/30/25				361,023	(361,023)					
On-behalf TPAF Long-term Disability Contrib.	25-495-034-5094-004	422	7/1/24	6/30/25				422	(422)					
Total State Financial Assistance - Major Program Determination								$ 11,944,268	$ (12,487,163)					

See accompanying notes to schedules of financial assistance

EXHIBIT K-5

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Commercial 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 federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception 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 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under 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 schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $140,157 for the general fund and $527,617 for the special revenue fund. See Note 2 (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

EXHIBIT K-5

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025
(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	Federal	State	Total
General Fund	$ 5,974	$ 12,131,026	$ 12,137,000
Special Revenue Fund	1,487,996	1,497,921	2,985,917
Debt Service		135,370	135,370
Food Service Fund	458,800	10,831	469,631
Total Awards & Financial Assistance	$ 1,952,770	$ 13,775,148	$ 15,727,918

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Commercial had no outstanding loans as of June 30, 2025.

NOTE 6: OTHER

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

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no adjustments noted on Schedule A, Exhibit K-3, Schedule of Federal Awards and no adjustments noted on Schedule K-4, Schedule of State Financial Assistance.

EXHIBIT K-6

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
1) Material weakness (es) identified?	____ yes	___X___ no
2) Significant deficiencies identified?	____ yes	___X___ none reported
Noncompliance material to basic financial statements noted?	____ yes	___X___ no

Federal Awards

Internal control over major programs:		
1) Material weakness (es) identified?	____ yes	___X___ no
2) Significant deficiencies identified?	____ yes	___X___ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)?	____ yes	___X___ no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		Education Stabilization Fund:
84.425U	S425U240027	ARP ESSER III
84.425U	S425U240027	ARP Summer Learning
84.425U	S425U240027	ARP Beyond the School Day
84.425W	S425W240027	ARP Homeless
84.01	S010A250030	Title I

EXHIBIT K-6

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(continued)

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

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____X____ yes _____ no

State Awards

Dollar threshold used to distinguish between type A and type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____X____ yes _____ no

Internal control over major programs:

1) Material weakness (es) identified? _____ yes ____X____ no

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes ____X____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? _____ yes ____X____ no

Identification of major programs:

GMIS Number(s)	Name of State Program
	NJ State Aid – Public:
25-495-034-5120-078	Equalization Aid
25-495-034-5120-089	Special Education Categorical Aid
25-495-034-5120-086	Preschool Education Aid
25-495-034-5120-084	Categorical Security Aid
25-495-034-5120-014	Transportation Aid

EXHIBIT K-6

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(continued)

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

EXHIBIT K-6

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(continued)

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS

Finding: **None**
Information on the federal program:
Criteria or specific requirement:
Condition:
Questioned Costs: None
Context:
Effect:
Cause:
Recommendation:
Management's response:

STATE AWARDS

Finding: **None**
Information on the state program:
Criteria or specific requirement:
Condition:
Questioned Costs: None
Context:
Effect:
Cause:
Recommendation:
Management's response:

EXHIBIT K-7

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

There were no prior year findings.