LAFAYETTE TOWNSHIP

SCHOOL DISTRICT

Lafayette Township School District
Board of Education
Lafayette, Sussex County
New Jersey

Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2025

Annual Comprehensive

Financial Report

of the

Lafayette Township School District
Board of Education
Lafayette, New Jersey
For the Fiscal Year Ending June 30, 2025

Prepared by
Lafayette Township School District
Board of Education
Finance Department

OUTLINE OF ACFR

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Introductory Section

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Lafayette Township School District

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The Honorable President and Members
of the Board of Education
Lafayette Township School District
County of Sussex, New Jersey

Dear Honorable President and Board Members:

The annual comprehensive financial report of the Lafayette Township School District (the "District") for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). 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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Lafayette Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Lafayette Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PreK through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2024-2025 fiscal year with an average daily enrollment of 232 students, which is up 30 students from the previous year's ending enrollment.

2) ECONOMIC CONDITION AND OUTLOOK:

The Lafayette area is experiencing minimal development and expansion. The ratable base underwent a reassessment in 2012 which was effective for 2013. The ratable base for 2024 totaled $335,809,200. For 2025, the base increased by over $593,200 to $336,402,400.

3) MAJOR INITIATIVES:

Develop the Social and Emotional Awareness of staff and students to promote resiliency and student success. The Lafayette Township School District will empower all students and staff to reach their potential by creating an environment that fosters social and emotional growth and development.

Assimilate PreK expenses to provide students ages 3-4 with a comprehensive education at no cost to the local taxpayers.

Analyze grading practices, progress reports, and report cards to determine how they are supporting student achievement and development at various grade levels. Effective communication between the school and home supports increased student achievement outcomes.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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 a vote of the Board of Education. 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 cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2025.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles (GAAP), 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 Basic Financial Statements", No. 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic 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.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents and fidelity bonds. The School Alliance Insurance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

9) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey's OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and Government Auditing Standards are included in the single audit section of this report.

10) ACKNOWLEDGEMENTS:

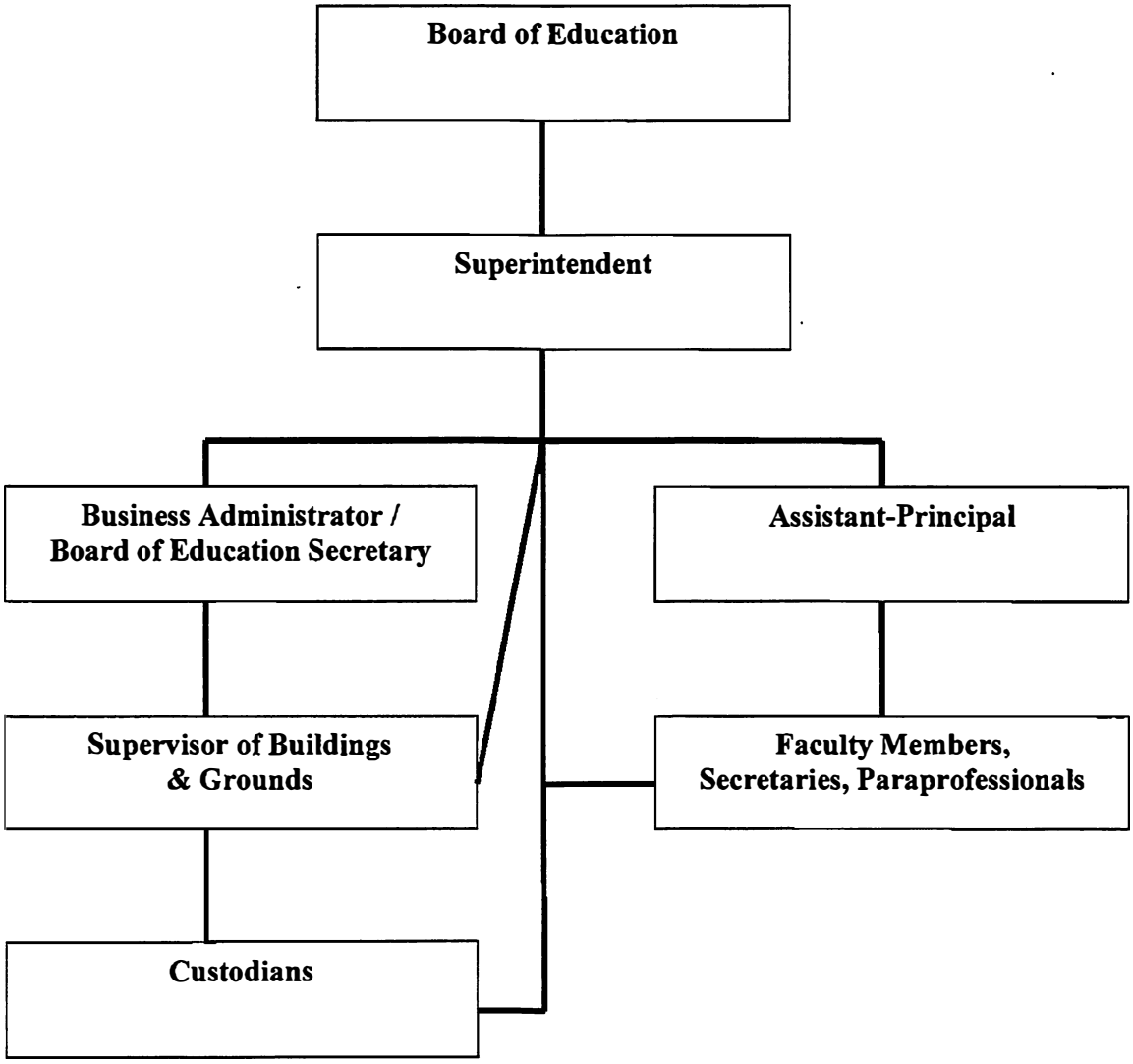
We would like to express our appreciation to the members of the School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Michael Gall, Superintendent

Melissa Kincaid, Business Administrator/
Board Secretary

Lafayette Board of Education

Organizational Chart
Unit Control



LAFAYETTE TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2025

Members of the Board of Education	Term Expires
William Dianella, President	2026
Gretchen Torres, Vice President	2025
Andrew DeKorte	2028
Deborah Fagan	2026
Glenn Hawkswell	2028
Suzanne Ross	2027
Kristin Tufano	2025

Other Officials

Michael Gall, Superintendent

Melissa Kincaid, Board Secretary/School Business Administrator

Toni Grisaffi, Treasurer

Marc Zitomer, Board Attorney

LAFAYETTE TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ATTORNEY

Schenck, Price, Smith & King, LLP
220 Park Avenue
Florhas Park, NJ 07932

AUDIT FIRM

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825

OFFICIAL DEPOSITORIES

Provident Bank

Financial Section

Independent Auditor's Report

ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Lafayette Township School District
County of Sussex
Lafayette, New Jersey 07848

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lafayette Township School District Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lafayette Township School District Board of Education, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lafayette Township School District Board of Education, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from 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 GAAS, ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted 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 Lafayette Township School District Board of Education's basic financial statements. The combining and individual non-

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major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated November 15, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
November 15, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
November 15, 2025

Required Supplementary Information - Part I

Management's Discussion and Analysis

The discussion and analysis of Lafayette Township 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:

- In total, Net Position increased $685,814 which represents a 12.7% increase from 2024.
- General revenues accounted for $4,897,553 in revenue or 67.7% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $1,891,917 or 32.3% of total revenues of $6,789,470.
- Total assets of governmental activities increased by $630,786, as cash and cash equivalents increased by $450,882, receivables increased by $320,008, and capital assets decreased by $165,770.
- The School District had $6,103,656 in expenses; only $1,891,917 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $4,897,553 were available to provide for these programs.
- Among major funds, the General Fund had $6,472,649 in revenues and $6,016,532 in expenditures. The General Fund's surplus balance increased $2,117 over 2024, which compares favorably to the budgeted decrease of $569,148.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Lafayette 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. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Lafayette 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 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 changes in those assets. 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. Nonfinancial 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 instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses 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 funds begins on page 24. 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, and Capital Projects Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps 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.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for 2025 compared to 2024.

Table 1
Net Position

	2025	2024
Assets		
Current and Other Assets	$ 3,457,684	$ 2,661,128
Capital Assets	3,491,454	3,657,224
Total Assets	6,949,138	6,318,352
Deferred Outflows of Resources	34,477	85,869
Liabilities		
Long-Term Liabilities	370,937	438,824
Other Liabilities	358,456	403,073
Total Liabilities	729,393	841,897
Deferred Inflows of Resources	181,279	175,195
Net Position		
Invested in Capital Assets, Net of Debt	3,491,454	3,657,224
Restricted	2,149,610	1,932,119
Unrestricted	431,879	(202,214)
Total Net Position	$ 6,072,943	$ 5,387,129

Total assets of governmental activities increased by $630,786, as cash and cash equivalents increased by $450,882, receivables increased by $320,008, and capital assets decreased by $165,770.

The cash increased due to efficiencies in budgeted operations expenditures and non-budget miscellaneous revenue. Receivables increased due to the SDA grant for the roof project, and capital asset decreased due to depreciation expense, net of capital additions.

Table 2 shows the changes in Net Position from fiscal year 2024.

Table 2
Changes in Net Position

	2025	2024
Revenues		
Program Revenues:		
Charges for Services	$ 103,255	$ 170,083
Operating Grants and Contributions	1,788,662	1,084,405
General Revenues:		
Property Taxes	4,454,000	4,241,799
Federal & State Aid on Capital Asset Projects	302,280	538,242
Investment Earnings	36,737	61,087
Other	104,536	44,480
Total Revenues	6,789,470	6,140,096
Program Expenses		
Instruction	3,470,456	3,810,922
Support Services:		
Tuition	48,473	107,064
Pupils and Instructional Staff	886,874	569,708
General Administration, School Administration, Business	588,953	515,121
Operations and Maintenance of Facilities	534,388	488,989
Pupil Transportation	407,246	353,828
Interest and Other Fiscal Charges	40,146	20,073
Business-Type Activities	127,120	161,757
Total Expenses	6,103,656	6,027,462
Increase in Net Position	$ 685,814	$ 112,634

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 65.6% percent of revenues for governmental activities for the Lafayette Township School District for the fiscal year 2025.

Instruction comprises 56.9% of district expenses. Support services expenses make up 41.1% of the expenses.

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 compared to 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Instruction	$ 3,470,456	$ 2,428,346	$ 3,810,922	$ 2,875,565
Support Services:				
Tuition	48,473	48,473	107,064	107,064
Pupils and Instructional Staff	886,874	382,356	569,708	515,001
General Admin., School Admin., Business	588,953	431,922	515,121	515,121
Operation and Maintenance of Facilities	534,388	475,090	488,989	488,989
Pupil Transportation	407,246	407,246	353,828	271,329
Interest and Other Fiscal Charges	40,146	40,146	20,073	20,073
Business-Type Activities	127,120	(1,840)	161,757	(20,168)
Total Expenses	$ 6,103,656	$ 4,211,739	$ 6,027,462	$ 4,772,974

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

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

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.

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.

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

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

The dependence upon tax revenues is apparent. Over 70.0% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 70.8%. The community, as a whole, is the primary support for the Lafayette Township School District.

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 had total revenues and other scources of $7,480,996 and expenditures of $6,722,904. The General Fund's surplus balance increased $2,117 over 2024, which compares favorably to the budgeted decrease of $569,148.

General Fund Budgeting Highlights

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

During the course of the fiscal 2025 year, 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.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was $5,472,333, $157,017 over original budgeted estimates of $5,315,316. This difference was due primarily to an increases in miscellaneous revenues of mainly interest earnings and extraordinary aid.

General fund revenues exceeded expenditures by $2,638. Again this surplus compares to a budgeted deficit of $569,148, which was due to the budgeted use of surplus needed to balance the 2024-2025 budget. The budgeted deficit was reduced due to revenue increases and cost savings in the areas of tuition, plant operations and maintenance, and benefits.

Overall general fund balance (budget basis) was $2,344,917, and amounts ear-marked and reserved for future purposes were $2,029,890, creating a surplus in unreserved statutory fund balance of $315,027. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

Capital Assets

At the end of the fiscal year 2025, the School District had $3,469,825 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	2025	2024
Land	$ 80,000	$ 80,000
Land Improvements	383,267	394,657
Buildings and Improvements	2,927,596	3,049,998
Machinery and Equipment	78,962	108,055
Totals	$ 3,469,825	$ 3,632,710

Overall capital assets decreased $162,885 from fiscal year 2024 to fiscal year 2025. The decrease in capital assets was due to depreciation expense for the year, net of capital additions.

Capital improvements of $1,350 were purchased during fiscal year 2025 and are mainly costs assiciated with initial roof replacement costs.

Debt Administration

At June 30, 2025, the School District had $81,375 as outstanding long term debt. Of this amount, $81,375 is for compensated absences.

At June 30, 2025, the School District's overall legal debt margin was $13,450,693 and the unvoted debt margin was the same.

For the Future

The Lafayette Township School District is in very good financial condition presently. A major concern is the increased reliance on local property taxes with future possible decreases in state funding.

In conclusion, the Lafayette Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

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 School Business Administrator/Board Secretary at Lafayette Township School District, 178 Beaver Run Road, Lafayette, NJ 07848.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets 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.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 1,028,491	$ 60,221	$ 1,088,712
Receivables, Net	459,585	12,991	472,576
Interfund Receivables		23,867	23,867
Inventory		4,580	4,580
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,867,949		1,867,949
Capital Assets, Net (Note 5):	3,469,825	21,629	3,491,454
Total Assets	6,825,850	123,288	6,949,138
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows (Note 8)	34,477		34,477
LIABILITIES			
Accounts Payable	101,314	7,043	108,357
Payroll Deductions and Withholdings Payable	14,363		14,363
Payable to Federal Government	21,159		21,159
Interfund Payables	23,867		23,867
Unearned Revenue	189,838	872	190,710
Net Pension Liability (Note 8)	289,562		289,562
Noncurrent Liabilities (Note 6):			
Due Beyond One Year	81,375		81,375
Total Liabilities	721,478	7,915	729,393
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows (Note 8)	181,279		181,279
NET POSITION			
Invested in Capital Assets, Net of Related Debt	3,469,825	21,629	3,491,454
Restricted for:			
Emergency Reserve Account	4,372		4,372
Capital Reserve Account	1,640,610		1,640,610
Maintenance Reserve Account	196,257		196,257
Other Purposes	308,371		308,371
Unrestricted	338,135	93,744	431,879
Total Net Position	**$ 5,957,570**	**$ 115,373**	**$ 6,072,943**

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

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		
Functions/Programs	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS AND CONTRIBUTIONS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**GOVERNMENTAL ACTIVITIES**	**BUSINESS-TYPE ACTIVITIES**	**TOTAL**
Governmental Activities:							
Instruction:							
Regular	$ 2,801,790		$ 878,491		$ (1,923,299)		$ (1,923,299)
Special Education	560,978		163,619		(397,359)		(397,359)
Other Special Instruction	107,688				(107,688)		(107,688)
School-Sponsored/Other Instruction	-				-		-
Support Services:							
Tuition	48,473		-		(48,473)		(48,473)
Student & Instruction Related Services	886,874		504,518		(382,356)		(382,356)
School Administrative Services	249,118		94,438		(154,680)		(154,680)
General and Business Admin. Services	339,835		62,593		(277,242)		(277,242)
Plant Operations and Maintenance	534,388		59,298		(475,090)		(475,090)
Pupil Transportation	407,246				(407,246)		(407,246)
Other Fiscal Charges	40,146				(40,146)		(40,146)
Total Governmental Activities	5,976,536	-	1,762,957		(4,213,579)		(4,213,579)
Business-Type Activities:							
Food Service	127,120	$ 103,255	25,705			$ 1,840	1,840
Total Business-Type Activities	127,120	103,255	25,705	-	-	1,840	1,840
Total Primary Government	**$ 6,103,656**	**$ 103,255**	**$ 1,788,662**		**$ (4,213,579)**	**$ 1,840**	**$ (4,211,739)**
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes,Net					$ 4,454,000		$ 4,454,000
Federal and State Aid for Capital Projects					302,280		302,280
Investment Earnings					33,881	2,856	36,737
Miscellaneous Income					104,536		104,536
State Aid for Capital Asset Projects							-
Transfers					-	-	-
Total General Revenues, Special Items, Extraordinary Items and Transfers					4,894,697	2,856	4,897,553
Change in Net Position					681,118	4,696	685,814
Net Position—Beginning					5,276,452	110,677	5,387,129
Net Position—Ending					**$ 5,957,570**	**$ 115,373**	**$ 6,072,943**

The accompanying Notes to Basic 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 type.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	$ 2,380,517	$ 35,213	$ 454,000	$ 2,869,730
Interfund Receivables		44,359		44,359
Other Accounts Receivable	202			202
Receivables from Other Governments	65,708	91,395	302,280	459,383
Restricted Cash and Cash Equivalents		26,710	-	26,710
TOTAL ASSETS	$ 2,446,427	$ 197,677	$ 756,280	$ 3,400,384
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 101,314			$ 101,314
Payroll Deductions and Withholdings Payable	14,363			14,363
Payable to Federal Government		$ 21,159		21,159
Interfund Payable	68,226			68,226
Unearned Revenue	-	189,838		189,838
Total Liabilities	183,903	210,997	-	394,900
Fund Balances:				
Restricted for:				
Capital Reserve Account	$ 1,640,610			$ 1,640,610
Emergency Reserve	4,372			4,372
Maintenance Reserve	196,257			196,257
Unemployment Compensation	107,198			107,198
Student Activities		26,710		26,710
Assigned to:				
General Fund - Designated for Subsequent Year's Expenditures	42,183			42,183
Year-End Encumbrances	39,270		$ 624,000	663,270
Capital Projects Fund			132,280	132,280
Unassigned:				
General Fund	232,634	(40,030)		192,604
Total Fund Balances	2,262,524	(13,320)	756,280	3,005,484
TOTAL LIABILITIES AND FUND BALANCE	$ 2,446,427	$ 197,677	$ 756,280	$ 3,400,384

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $9,065,356 and the accumulated depreciation is $5,174,662.	$3,469,825
Deferred Outflows related to pension contributions subsequent to the Net Pension Liablity measurement date are not current financial resources and therefore are not report in the fund statements. (See Note 7)	34,477
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns are not reported as liabilities in the fund statements. (See Note 7)	(181,279)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 7)	(289,562)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(81,375)
Net Position of governmental activities	$ 5,957,570

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

Exhibit B-2

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	Total Governmental Funds
REVENUES				
Local sources:				
Local Tax Levy	$ 4,454,000			$ 4,454,000
Tuition	-			-
Miscellaneous	97,190	$ 41,227		138,417
Total - Local Sources	4,551,190	41,227	-	4,592,417
State Sources	1,921,459	457,088	$ 302,280	2,680,827
Federal Sources		207,752		207,752
Total Revenues	6,472,649	706,067	302,280	7,480,996
EXPENDITURES				
Current:				
Regular Instruction	1,888,224	365,473		2,253,697
Special Education Instruction	419,895			419,895
Other Special Instruction	107,688			107,688
School Sponsored Other Instruction				-
Support services and undistributed costs:				
Tuition	48,473			48,473
Student and Instruction Related Services	401,114	340,899		742,013
School Administrative Services	172,680			172,680
Other Administrative Services	283,856			283,856
Plant Operations and Maintenance	466,894			466,894
Pupil Transportation	407,246			407,246
Unallocated Benefits	1,778,966			1,778,966
Transfer to Charter School	-			-
Capital Outlay	41,496	-	-	41,496
Total Expenditures	6,016,532	706,372	-	6,722,904
Excess (Deficiency) of Revenues Over Expenditures	456,117	(305)	302,280	758,092
OTHER FINANCING SOURCES (USES)				
Transfers - Capital Fund	(454,000)		454,000	-
Total Other Financing Sources and Uses	(454,000)	-	454,000	-
Net Change in Fund Balances	2,117	(305)	756,280	758,092
Fund Balance—July 1	2,260,407	(13,015)		2,247,392
Fund Balance—June 30	$ 2,262,524	$ (13,320)	$ 756,280	$ 3,005,484

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

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

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)		$ 758,092
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	$ (164,235)	
Capital Outlays	1,350	(162,885)
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, administravtive 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.		112,526
In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This amount is the amount by which the current year's compensated absence payments exceed the current year's amount earned.		(26,615)
Change in Net Position of Governmental Activities		$ 681,118

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

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2025

	Business-Type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and Cash Equivalents	$ 60,221	$ 60,221
Accounts Receivable-Federal and State Subsidies	1,276	1,276
Other Accounts Receivable	11,715	11,715
Interfund Receivables	23,867	23,867
Inventories	4,580	4,580
Total Current Assets	101,659	101,659
Noncurrent Assets:		
Furniture, Machinery and Equipment	115,397	115,397
Less Accumulated Depreciation	(93,768)	(93,768)
Total Noncurrent Assets	21,629	21,629
Total Assets	**123,288**	**123,288**
LIABILITIES		
Current liabilities:		
Interfund Payable:		
Unearned Revenue - Donated Commodities	872	872
Accounts Payable - Vendors	7,043	7,043
Total Current Liabilities	7,915	7,915
Total Liabilities	**7,915**	**7,915**
NET POSITION		
Invested in Capital Assets Net of Related Debt	21,629	21,629
Unrestricted	93,744	93,744
Total Net Position	$ 115,373	$ 115,373

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

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

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

	Business-type Activities - Enterprise Fund	
	Food Service	**Total Enterprise**
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	$ 44,059	$ 44,059
Daily Sales - Non-Reimb. Programs	59,196	59,196
Miscelleaneous	2,856	2,856
Total Operating Revenues	106,111	106,111
Operating Expenses:		
Cost of Sales - Reimbursable Programs	31,598	31,598
Cost of Sales - Non-reimbursable Programs	2,427	2,427
Salaries	45,829	45,829
Employee Benefits	8,903	8,903
Supplies	8,373	8,373
Other Purchased Professional Services	14,500	14,500
Miscellaneous	12,605	12,605
Depreciation	2,885	2,885
Total Operating Expenses	127,120	127,120
Operating Income (Loss)	(21,009)	(21,009)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,012	2,012
Federal Sources:		
National School Lunch Program	20,623	20,623
P-EBT Administrative Cost Reimbursement	643	643
Food Distribution Program	2,427	2,427
Total Nonoperating Revenues (Expenses)	25,705	25,705
Income (Loss) Before Contributions and Transfers	4,696	4,696
Transfers In (Out)	-	-
Change in Net Position	4,696	4,696
Total Net Position—Beginning	110,677	110,677
Total Net Position—Ending	$ 115,373	$ 115,373

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

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 106,111	$ 106,111
Payments to Employees	(45,829)	(45,829)
Payments for Employee Benefits	(8,903)	(8,903)
Payments to Suppliers	(69,667)	(69,667)
Net Cash Provided by (used for) Operating Activities	(18,288)	(18,288)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,221	2,221
Federal Sources	23,165	23,165
Transfers From/(to) Other Funds	(25,385)	(25,385)
Net Cash Provided by (used for) Non-Capital Financing Activities	1	1
Net Increase (Decrease) in Cash and Cash Equivalents	(18,287)	(18,287)
Balances—Beginning of Year	78,508	78,508
Balances—End of Year	$ 60,221	$ 60,221
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	$ (21,009)	$ (21,009)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	2,885	2,885
Federal Commodities	2,427	2,427
(Increase) Decrease in Accounts Receivable, Net	-	-
(Increase) Decrease in Inventories	(1,800)	(1,800)
Increase (Decrease) in Accounts Payable	(791)	(791)
Total Adjustments	2,721	2,721
Net Cash Provided by (used for) Operating Activities	$ (18,288)	$ (18,288)

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

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liablities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions, GASB 98, Annual Comprehensive Financial Report, GASB 100, Accounting Changes and Error Corrections, and GASB 101, Compensated Absences. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2024.

A. Reporting Entity:

The Lafayette Township School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Lafayette Township School District had an approximate enrollment at June 30, 2025, of 236 students.

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 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. 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 activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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 models.

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable financial resources, except those required to be accounted for in another fund, including payroll agency and unemployment compensation accounts. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

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

Special Revenue Fund - The Special Revenue Fund is used to account for 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. The special revenue fund also accounts for student activities.

PROPRIETARY FUNDS

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the 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.

BASIS OF ACCOUNTING

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

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

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is $2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Compensated Absences:

The District accounts for compensated absencesas directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Compensated Absences-(Continued):

The liability for compensated absences was accrued and determined based on 1.) leave that has not been used, and 2.) leave that has been used but not yet paid in cash or settled through noncash means. For leave that has not been used, a liability is recognized if, 1.) the leave is attributable to services already rendered, 2.) the leave accumulates (no-use-it-or-lose-it), and, the leave is more likely to than not to be used for time off or otherwise paid in cash or settled through noncash means. For leave that has been used, a liability should be recognized when leave has been used for time off but has not been paid in cash or settled through noncash means.

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance subsequent fiscal year operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues—Exchange and Nonexchange 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.

Nonexchange 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 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 nonexchange transactions must also be available before it can be recognized.

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

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.

Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management Estimates:

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

NOTE 2: CASH AND CASH EQUIVALENTS

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.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollarteralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2025, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents (A-1)
Checking	$ 2,956,661
	$ 2,956,661

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was $2,956,661 and the bank balance was $3,054,392. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, $250,000 was covered by federal depository insurances and $2,804,392 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2025, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	$ 437,988	$ 438,092
Federal Aid	21,395	22,567
Local - Food Service Fund	-	11,715
Local - Governmental Funds	202	202
Gross Receivable	$ 459,585	$ 472,576
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	$ 459,585	$ 472,576

NOTE 4: INVENTORY

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

Food	$ 2,848
Supplies	1,732
	$ 4,580

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, 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 nonoperating revenue in the financial statements.

NOTE 5: CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Land	$ 80,000			$ 80,000
Land Improvements	658,484			658,484
Buildings and Building Improvements	8,615,119	$ 1,350		8,616,469
Machinery and Equipment	894,840			894,840
Total at Historical Cost	10,248,443	1,350	-	10,249,793
Less Accumulated Depreciation for:				
Land Improvements	(263,827)	(11,390)		(275,217)
Building and Improvements	(5,565,121)	(123,752)		(5,688,873)
Equipment	(786,785)	(29,093)		(815,878)
Total Accumulated Depreciation	(6,615,733)	(164,235)		(6,779,968)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	3,632,710	(162,885)		3,469,825
Government Activity Capital Assets, Net	**$ 3,632,710**	**$ (162,885)**		**$ 3,469,825**

NOTE 5: CAPITAL ASSETS (Continued)

Business Type Activities:				
Food Service Equipment	115,397			115,397
Total at Historical Cost	115,397	-	-	115,397
Less Accumulated Depreciation for:				
Food Service Equipment	(90,883)	(2,885)		(93,768)
Total Accumulated Depreciation	(90,883)	(2,885)	-	(93,768)
Business Type Activity Capital Assets, Net	**$ 24,514**	**$ (2,885)**	**-**	**$ 21,629**

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to $2,000. The previous threshold was $500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than $500 but not greater than $2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular & Special Education	$ 120,385
Student Related Services	15,274
General & School Administration	8,047
Plant and Operations	20,529
Total	$ 164,235

NOTE 6: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Balance 7/1/24	Increases	Decreases	Balance 6/30/25	Amounts Due Within One Year
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	$ 54,760	$ 26,615		$ 81,375	
Total Other Liabilities	$ 54,760	$ 26,615	-	$ 81,375	-

Compensated absences have been liquidated in the General Fund.

The district had no bonds outstanding as of June, 30, 2025.

The district had no bonds authorized but not issued as of June, 30, 2025.

The district had no capital lease liabilities as of June, 30, 2025.

NOTE 7: DEFERRED COMPENSATION

The Board offers its employees a choice of the following 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 administrator is Equitable Life Assurance.

NOTE 8: PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of 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.

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was $6,839,015 as measured on June 30, 2024 and $8,043,391 measured on June 30, 2023.

NOTE 8: PENSION PLANS (Continued)

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of ($24,948) and revenue of ($24,948) for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2025 is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2023 and June 30, 2024.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	6/30/2024	6/30/2025
Collective deferred outflows of resources	$2,498,730,891	$1,176,934,477
Collective deferred inflows of resources	$14,719,080,314	$10,530,833,639
Collective net pension liability (Nonemployer-State of New Jersey)	$51,032,669,551	$49,425,106,602
State's portion of the net pension liability that was associated with the district	$8,043,391	$6,839,015
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.015761%	0.013837%

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

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

NOTE 8: PENSION PLANS (Continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	***Target Allocation***	***Long-Term Expected Real Rate of Return***
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	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 Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

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.

NOTE 8: PENSION PLANS (Continued)

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2024, calculated using the discount rate shown above, as well as what the State's 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 Rate (7.00%)	1% Increase (8.00%)
State's Collective Net Pension Liability	$ 58,828,334,396	$ 49,492,072,325	$ 41,629,174,739

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml. The plan fudiciary net position as of June 30, 2024 was $30,316,295,787.

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amoounts) related to pensions will be recognized in the state's pension expense as follows:

	Year Ended June 30:
2025	($3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
Total	($9,436,989,313)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	$1,395,143,002
Interest on total pension liability	5,402,862,412
Member contributions	(968,116,740)
Administrative expense	23,998,868
Expected investment return net of investment expenses	(1,880,215,821)
Pension expense related to specific liabilities of individual employers	(521,718)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	163,003,839
Changes in assumptions	(4,175,839,758)
Difference between projected and actual investment earnings on pension plan investments	(140,853,575)
Total pension expense/(benefit)	($180,539,491)

NOTE 8: PENSION PLANS (Continued)

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

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability of $289,562 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2022 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the District's proportion was 0.00213% which was an decrease of 0.00052% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of ($55,776). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,800	$ 771
Changes of assumptions	360	3,295
Net difference between projected and actual earnings on pension plan investments	-	13,426
Changes in proportion and differences between District contributions and proportionate share of contributions	562	163,787
District contributions subsequent to the measurement date	27,755	
Total	$ 34,477	$ 181,279

NOTE 8: PENSION PLANS (Continued)

$27,755 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability measured as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2025	($189,397)
2026	146,550
2027	(84,313)
2028	(48,663)
2029	1,267
Total	($174,557)

	6/30/2024	6/30/2025
Collective deferred outflows of resources	$1,080,204,730	$289,074,215
Collective deferred inflows of resources	1,780,216,457	820,816,333
Collective net pension liability	$14,484,374,047	$13,588,045,796
District's portion of net pension liability	$384,064	$289,562
District's proportion %	0.00265157%	0.00213101%

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75%-6.55% based on years of service
Investment Rate of Return:	7.00%

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

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

NOTE 8: PENSION PLANS (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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major · asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	***Target Allocation***	***Long-Term Expected Real Rate of Return***
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	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 Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

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.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2024, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the 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 Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 384,757	$289,562	$ 208,552

NOTE 8: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	($123,706)
Interest on total Pension liability	(462,076)
Member contributions	101,313
Administrative expense	(3,578)
Other - Chaper 19 Adjustment	3,725
Expected investment return net of investment expenses	279,128
Pension expense related to specific liabilities of individual employers	3,562
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	(14,078)
Changes in assumptions	112,928
Difference between projected and actual investment earnings on pension plan investments	47,006
Total pension expense/(benefit)	($55,776)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml.

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 8: PENSION PLANS (Continued)

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

 New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

 The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78'sceffective date with a minimum contribution required to becat least 1.5% of salary. In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2025	$27,755	100 %	-0-
6/30/2024	$35,439	100	-0-
6/30/2023	$35,389	100	-0-

NOTE 8: PENSION PLANS (Continued)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2025	$646,992	100 %	-0-
6/30/2024	$596,641	100	-0-
6/30/2023	$653,489	100	-0-

During the fiscal year ended June 30, 2025, the State of New Jersey did contribute $835,942 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $164,895 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. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or countycollege 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. 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.

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

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.

Actuarial assumptions and other imputes. The June 30, 2025 GASB 75 reporting is based on a measurement date of June 30, 2024. The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS anf PFRS. 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:

Total Nonemployer OPEB Liability: $ 59,650,630,530

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75% to 5.65%	2.75% to 6.55%	3.25% to 16.25%
		Based on service years	

(a) 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%.

(b) Discount Rate

The discount rate used to measure the total OPEB liability wa 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.

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using 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.

Changes in the Total OPEB Liability reported by the State of New Jersey

	Total OPEB Liability
The State's Total OPEB Liability Balance at 6/30/2023	**$52,361,668,239**
Changes for the year:	
Service Cost	2,152,062,729
Interest on the Total OPEB Liability	1,963,557,443
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Gross Benefit Payments	(1,499,600,607)
Contributions from Members/Employers	51,347,810
Net changes	7,288,962,291
The State's Total OPEB Liability Balance at 6/30/2024	**$59,650,630,530**
The State's total OPEB liability attributable to the District:	**$10,483,392**

Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2024		
	At 1% Decrease 2.93%	At Discount Rate 3.93%	At 1% Increase 4.93%
Total OPEB Liability (School	$69,863,663,542	$59,650,630,530	$51,437,232,141

	June 30, 2023		
	At 1% Decrease 2.65%	At Discount Rate 3.65%	At 1% Increase 4.65%
Total OPEB Liability (School	$61,385,066,712	$52,361,668,239	$45,116,926,835

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

	June 30, 2024		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	$49,689,409,509	$59,650,630,530	$72,625,778,279

	June 30, 2023		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	$43,468,257,358	$52,361,668,239	$63,998,719,320

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

For the year ended June 30, 2024, the board of education recognized OPEB expense and related revenue of $37,548 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

	Deferred Outflows	Deferred Inflows
Differences Between Expected and Actual Experience	$6,378,932,312	$11,139,706,892
Changes of assumptions or other inputs	10,004,978,073	11,662,607,882
Total	$16,383,910,385	$22,802,314,774

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

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

NOTE 10: COMPENSATED ABSENCES

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

In the district-wide *Statement of Assets*, 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 of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the proprietary fund types.

NOTE 11: RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, 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 expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Cash Ending Balance
2024-2025	$3,591	$0	$4,583	$107,198
2023-2024	$0	$9,856	$20,201	$108,190
2022-2023	$0	$8,278	$3,147	$118,535

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

LITIGATION

The Board is not involved in claims or lawsuits incidental to its operations.

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the $2,262,524 General Fund fund balance at June 30, 2025, $39,270 is reserved for encumbrances; $1,640,610 has been reserved in the Capital Reserve Account; $196,257 has been reserved in the Maintenance Reserve Account; $4,372 has been reserved in the Emergency Reserve Account; $107,198 has been reserved in the unemployment compensation reserve account; $42,183 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2025, and, $232,634 is unreserved and undesignated.

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Lafayette Board of Education by inclusion in the FY 2000-2001 budget 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 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:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2024	$ 1,601,763
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/11/2025	460,965
Interest	31,882
Budgeted Withdrawal	(454,000)
Ending Balance, June 30, 2025	$ 1,640,610

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2021, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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	$ 192,536
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/11/2025	71,000
Budgeted Withdrawal	(71,000)
Interest	3,721
Ending balance June 30, 2025	$ 196,257

NOTE 16: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the School District Board of Education in fiscal year 2008, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2024	$ 4,372
Ending balance June 30, 2025	$ 4,372

NOTE 17: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is zero.

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2025:

	Interfund Receivable	Interfund Payable
General Fund	-	$ 68,226
Special Revenue Fund	$ 44,359	-
Enterprise Fund	23,867	
Total	$ 68,226	$ 68,226

The general fund owes the food service fund for State and Federal lunch subsidies received but not yet paid over the the enterprise fund. The general fund owes the special revenue fund for preschool state aid payments received but not yet paid over the the special revenue fund.

NOTE 19: DEFICIT FUND BALANCES

The District has a deficit fund balance (Exhibit B-1) of $13,320 in the Special Revenue Fund as of June 30, 2025, as reported in the fund statements (modified accrual basis). P.L.2003, 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 budget 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 an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not 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 Special Revenue Fund balance deficits do not alone indicate that the district is facing financial difficulties.

NOTE 20: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 4,454,000		$ 4,454,000	$ 4,454,000	-
Miscellaneous	5,200		5,200	97,190	$ 91,990
Total - Local Sources	4,459,200		4,459,200	4,551,190	91,990
State Sources:					
Equalization Aid	47,971		47,971	47,971	
School Choice Aid	493,284		493,284	493,284	
Transportation Aid	107,714		107,714	107,714	
Special Education Aid	176,574		176,574	176,574	
Security Aid	17,295		17,295	17,295	
Adjustment Aid	13,278		13,278	13,278	
Other State Aid				65,027	65,027
TPAF Pension (On-Behalf - Non-Budgeted)				646,642	646,642
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				188,950	188,950
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				350	350
TPAF Social Security (Reimbursed - Non-Budgeted)				164,895	164,895
Total State Sources	856,116		856,116	1,921,980	1,065,864
TOTAL REVENUES	**5,315,316**		**5,315,316**	**6,473,170**	**1,157,854**

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	211,667	-	211,667	211,667	-
Grades 1-5 - Salaries of Teachers	600,902	(3,744)	597,158	597,158	-
Grades 6-8 - Salaries of Teachers	676,353	8,295	684,648	684,108	540
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	-	2,000	-	2,000
Purchased Professional-Educational Services	-	2,520	2,520	2,520	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	218,535	4,021	222,556	222,296	
Purchased Professional-Educational Services	49,000	-	49,000	45,873	3,127
Purchased Professional-Technical Services	58,000	(2,832)	55,168	54,910	258
General Supplies	23,254	51,091	74,345	65,533	8,812
Textbooks	50,000	(45,841)	4,159	4,159	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	**1,889,711**	**13,510**	**1,903,221**	**1,888,224**	**14,737**
SPECIAL EDUCATION - INSTRUCTION					
Special Education Instruction - Multiple Disabilities:					
Salaries of Teachers	63,014	-	63,014	60,473	2,541
General Supplies	1,000	-	1,000	799	201
Total Special Education Instruction - Multiple Disabilities	64,014	-	64,014	61,272	2,742
Resource Room:					
Salaries of Teachers	357,887	-	357,887	357,887	-
General Supplies	4,000	37	4,037	736	3,301
Total Resource Room	361,887	37	361,924	358,623	3,301
TOTAL SPECIAL EDUCATION - INSTRUCTION	**425,901**	**37**	**425,938**	**419,895**	**6,043**

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Basic Skills/Remedial - Instruction					
Salaries	39,980	-	39,980	39,980	-
General Supplies	1,000	8,604	9,604	9,137	467
Total Basic Skills/Remedial - Instruction	40,980	8,604	49,584	49,117	467
School-Spon. Cocurricular & Extracurricular Actvts - Inst.:					
Salaries	21,576	-	21,576	19,634	1,942
Total School-Spon. Cocurricular & Extracurricular Actvts - Inst.	21,576	-	21,576	19,634	1,942
School-Sponsored Athletics - Instruction					
Salaries	24,805	-	24,805	21,271	3,534
Purchased Services (300-500 series)	12,800	-	12,800	11,695	1,105
Supplies and Materials	2,500	343	2,843	2,811	32
Total School-Sponsored Athletics - Instruction	40,105	343	40,448	35,777	4,671
Other Instructional Programs - Instruction:					
Supplies and Materials	1,000	-	1,000	687	313
Other Objects	7,000	-	7,000	2,473	4,527
Total Other Instructional Programs - Instruction	8,000	-	8,000	3,160	4,840
TOTAL INSTRUCTION	**2,426,273**	**22,494**	**2,448,767**	**2,415,807**	**32,700**
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State - Special	93,031	-	93,031	48,473	44,558
Total Instruction	93,031	-	93,031	48,473	44,558
Health Services:					
Salaries	68,132	8,873	77,005	77,005	-
Purchased Professional and Technical Services	3,500	-	3,500	3,000	500
Supplies and Materials	1,500	-	1,500	803	697
Total Health Services	73,132	8,873	82,005	80,808	1,197

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Related Services:					
Salaries	92,180	(2,826)	89,354	88,440	914
Purchased Professional - Educational Services	61,000	17,726	78,726	67,408	11,318
Supplies and Materials	1,000	180	1,180	1,180	-
Total Other Supp. Services Students-Related Services	154,180	15,080	169,260	157,028	12,232
Undist. Expend. - Child Study Team					
Purchased Professional Services	153,010	(25,476)	127,534	108,648	18,886
Supplies and Materials	1,500	1,038	2,538	2,538	-
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	154,510	(24,438)	130,072	111,186	18,886
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Other Salaries	10,000	-	10,000	1,000	9,000
Salaries	47,184	-	47,184	46,058	1,126
Supplies and Materials	2,600	-	2,600	2,044	556
Total Undist. Expend. - Edu. Media Serv./Sch. Library:	59,784	-	59,784	49,102	10,682
Instructional Staff Training Services:					
Purchased Professional and Technical Services	-	1,154	1,154	1,154	-
Other Purchased Services (400-500 series)	3,750	-	3,750	1,836	1,914
Total Instructional Staff Training Services	3,750	1,154	4,904	2,990	1,914
Supp. Services - General Administration:					
Legal Services	21,200	(2,035)	19,165	10,957	8,208
Audit Fees	24,500	-	24,500	24,500	-
Other Purchased Professional Services	81,000	(1,075)	79,925	76,129	3,796
Communications/Telephone	6,100	-	6,100	4,743	1,357
Other Purchased Services (400-500)	24,000	-	24,000	23,091	909
General Supplies	1,000	-	1,000	974	26
Miscellaneous Expenses	5,600	1,075	6,675	2,845	3,830
BOE Membership Dues and Fees	3,100	-	3,100	3,100	-
Total Supp. Services - General Administration	166,500	(2,035)	164,465	146,339	18,126

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	100,698	(1,204)	99,494	96,190	3,304
Salaries of Secretarial and Clerical Assistants	73,786	1,204	74,990	74,990	-
Supplies and Materials	1,000	-	1,000	1,000	-
Other Objects	500	-	500	500	-
Total Support Services - School Administration	175,984	-	175,984	172,680	3,304
Central Services:					
Salaries	180,471	(19,990)	160,481	129,061	31,420
Purchased Professional Services	16,700	-	16,700	6,385	10,315
Other Purchased Services (400-500)	1,500	-	1,500	1,304	196
Supplies and Materials	500	-	500	442	58
Other Objects	800	-	800	325	475
Total Central Services	199,971	(19,990)	179,981	137,517	42,464
Required Maintenance for School Facilities:					
Salaries	28,965	(3,405)	25,560	25,560	-
Cleaning, Repair and Maintenance Services	42,035	19,460	61,495	58,966	2,529
Total Required Maintenance for School Facilities	71,000	16,055	87,055	84,526	2,529
Other Operations and Maintenance of Plant:					
Salaries	133,105	-	133,105	105,171	27,934
Employee Benefits	-	8,000	8,000	8,000	-
Cleaning, Repair and Maintenance Services	40,000	2,831	42,831	38,509	4,322
Insurance	45,200	10,802	56,002	56,002	-
Misellaneous Purchased Services	1,000	45	1,045	1,045	-
General Supplies	25,200	15,829	41,029	26,788	14,241
Energy (Electricity)	90,000	1,841	91,841	91,841	-
Energy (Oil)	67,000	(18,138)	48,862	48,862	-
Other Objects	1,500	-	1,500	1,250	250
Total Other Operations and Maintenance of Plant	403,005	21,210	424,215	377,468	46,747

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Security:					
Security Salaries	3,220	-	3,220	490	2,730
Purchased Professional and Technical Services	1,000	14,228	15,228	4,177	11,051
General Supplies	500	-	500	233	267
Total Security	4,720	14,228	18,948	4,900	14,048
Student Transportation Services					
Sal. For Pupil Transp. (Bet Home & Sch) - Reg.	-	-	-	-	-
Contr Serv. - Aid in Lieu Payments - Nonpublic Students	14,000	3,965	17,965	17,965	-
Contracted Services (Other than Bet.Home & School)-Vendors	20,000	476	20,476	19,421	1,055
Contracted Services (Between Home and School)-Joint Agrmts.	17,000	1,000	18,000	17,765	235
Contracted Services (Reg. Students)-ESCs & CTSAs	266,000	2,169	268,169	268,169	-
Contracted Services (Spec. Ed. Students)-ESCs & CTSAs	150,000	(17,661)	132,339	83,926	48,413
Total Student Transportation Services	467,000	(10,051)	456,949	407,246	49,703
UNALLOCATED BENEFITS					
Emergency Reserve	200	-	200	-	200
Social Security Contributions	85,000	-	85,000	79,467	5,533
Other Retirement Contributions-Regular	75,500	13,135	88,635	39,971	48,664
Unemployment Compensation	-	-	-	992	(992)
Workmen's Compensation	53,300	-	53,300	51,884	1,416
Health Benefits	608,467	20,504	628,971	540,013	88,958
Tuition Reimbursement	8,500	-	8,500	3,422	5,078
Other Benefits	65,000	(2,616)	62,384	62,380	4
TOTAL UNALLOCATED BENEFITS	895,967	31,023	926,990	778,129	148,861
On-behalf TPAF pension Contrib. (non-budgeted)			-	646,642	(646,642)
On-behalf TPAF PRM Contrib. (non-budgeted)			-	188,950	(188,950)
On-behalf TPAF pension LTD Ins. (non-budgeted)			-	350	(350)
Reimbursed TPAF Social Security Contrib. (non-budgeted)	-	-	-	164,895	(164,895)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,000,837	(1,000,837)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	895,967	31,023	926,990	1,778,966	(851,976)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL UNDISTRIBUTED EXPENDITURES	**2,922,534**	**51,109**	**2,973,643**	**3,559,229**	**(585,586)**
TOTAL GENERAL CURRENT EXPENSE	**5,348,807**	**73,603**	**5,422,410**	**5,975,036**	**(552,626)**
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	27,450	27,450	1,350	26,100
Assessment for Debt Service on SDA Funding	20,073	-	20,073	40,146	(20,073)
Total Facilities Acquisition and Construction Services	20,073	27,450	47,523	41,496	6,027
TOTAL CAPITAL OUTLAY	**20,073**	**27,450**	**47,523**	**41,496**	**6,027**
Transfer to Charter School	-	-	-	-	-
TOTAL EXPENDITURES	**5,368,880**	**101,053**	**5,469,933**	**6,016,532**	**(546,599)**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,564)	(101,053)	(154,617)	456,638	611,255
Other Financing Sources:					
Operating Transfer In/(Out):					
Transfer to Capital Project	(454,000)	-	(454,000)	(454,000)	-
Local Contribution - Transfer to Special Revenue	(61,584)	-	(61,584)	-	61,584
Total Other Financing Sources:	(515,584)	-	(515,584)	(454,000)	61,584

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(569,148)	(101,053)	(670,201)	2,638	672,839
Fund Balance, July 1	2,342,279		2,342,279	2,342,279	-
Fund Balance, June 30	$ 1,773,131	$ (101,053)	$ 1,672,078	$ 2,344,917	$ 672,839

Recapitulation:	
Restricted for:	
Capital Reserve	$ 1,640,610
Maintenance Reserve	196,257
Emergency Reserve	4,372
Unemployment Compensation	107,198
Assigned to:	
Designated for Subsequent Year's Expenditures	42,183
Year-End Encumbrances	39,270
Unassigned:	
Unrestricted Fund Balance	315,027
Fund Balance per Governmental Funds(Budgetary Basis)	$ 2,344,917
Reconciliation to Governmental Funds Statement(GAAP Basis):	
Current Year Last State Aid Payment not recognized on GAAP basis until received	(82,393)
Fund Balance per Governmental Funds(GAAP Basis)	$ 2,262,524

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

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 Favorable/ (Unfavorable)
REVENUES:					
Local Sources		$ 56,544	$ 56,544	$ 41,227	$ (15,317)
State Sources	$ 400,296	142,272	542,568	491,118	(51,450)
Federal Sources	101,300	124,571	225,871	222,327	(3,544)
Total Revenues	**501,596**	**323,387**	**824,983**	**754,672**	**(70,311)**
EXPENDITURES:					
Instruction					
Salaries of Teachers	182,427	278	182,705	178,533	4,172
Other Salaries for Instruction	53,560	4,213	57,773	56,820	953
Purchased Prof. -Ed. Services	5,000	(924)	4,076	532	3,544
Other Purchased Services	4,600	(2,126)	2,474	2,474	
Tuition	53,000	13,262	66,262	66,262	
General Supplies	27,500	67,831	95,331	75,427	19,904
Total Instruction	326,087	82,534	408,621	380,048	28,573
Support Services					
Salaries of Program Directors	16,500	1,202	17,702	17,701	1
Salaries of Other Professional Staff	7,546	-	7,546	7,546	-
Other Salaries	71,320	13,572	84,892	84,892	-
Salaries of Community Parent Involvement Spec.	12,560	-	12,560	12,560	-
Salaries of Master Teachers	15,000	(1,202)	13,798	13,798	-
Personal Services - Employee Benefits	107,085	72,272	179,357	107,085	72,272
Purchased Prof. -Ed. Services	-	2,097	2,097	2,097	-
Purchased Prof. -Other	500	34,907	35,407	35,407	-
Contr Serv-Trans. (Field Trips)	1,000	(39)	961	-	961
Other Purchased Services	-	580	580	580	-
Supplies & Materials	5,582	12,917	18,499	16,876	1,623
Student Activities		40,053	40,053	40,053	-
Total Support Services	237,093	176,359	413,452	338,595	74,857
Facilities Acq. & Contruction Services:					
Non-Instructional Equipment	-	63,320	63,320	34,855	28,465
Total Facilities Acq. & Contruction Services	-	63,320	63,320	34,855	28,465
Total Expenditures	563,180	322,213	885,393	753,498	131,895
Total Outflows	**$ 563,180**	**$ 322,213**	**$ 885,393**	**$ 753,498**	**$ 131,895**
Other Financing Sources (Uses):					
Transfers from Other Funds	61,584		61,584	-	61,584
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		1,174	1,174	1,174	
Fund Balance Beginning				25,536	
Fund Balance Ending				$ 26,710	
Recapitulation:					
Restricted:					
Student Activities				26,710	
Fund Balance per Governmental Funds(Budgetary Basis)				$ 26,710	
Reconciliation to Governmental Funds Statement (GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(40,030)	
Fund Balance per Governmental Funds (GAAP Basis)				$ (13,320)	

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2025

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 (Exhibits C-1 and C-2, respectively)	$ 6,473,170	$ 754,672
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	N/A	10,816
Current Year	N/A	(57,942)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	81,872	38,551
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(82,393)	(40,030)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	$ 6,472,649	$ 706,067
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	$ 6,016,532	$ 753,498
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.		
Prior Year	N/A	10,816
Current Year	N/A	(57,942)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	N/A	N/A
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	$ 6,016,532	$ 706,372

Lafayette School District **Exhibit L-3**
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	$ 6,839,015	$ 8,043,391	$ 7,732,704	$ 7,626,255	$ 11,266,556	$ 11,654,061	$ 11,064,143	$ 13,134,780	$ 15,203,501	$ 13,161,638
District's covered employee payroll	$ 2,254,194	$ 1,733,874	$ 1,676,641	$ 1,827,000	$ 1,685,223	$ 1,792,934	$ 1,931,310	$ 1,908,536	$ 2,005,456	$ 1,961,081
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Exhibit L-1

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.00213%	0.00265%	0.00281%	0.00383%	0.00395%	0.00387%	0.00400%	0.00358%	0.00475%	0.00499%
District's proportionate share of the net pension liability (asset)	$ 289,562	$ 384,064	$ 423,512	$ 453,622	$ 644,514	$ 697,599	$ 786,727	$ 832,892	$ 1,406,170	$ 1,119,721
District's covered employee payroll	$ 209,296	$ 176,830	$ 173,158	$ 204,347	$ 270,368	$ 285,882	$ 274,671	$ 276,388	$ 313,720	$ 344,766
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	138.35%	217.19%	244.58%	221.99%	238.38%	244.02%	286.43%	301.35%	448.22%	324.78%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	46.41%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

Lafayette School District **Exhibit L-2**
Required Supplementary Information - Part III
Schedule of District Contributions
Last Ten Fiscal Years

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	$ 2,254,194	$ 2,088,526	$ 1,733,874	$ 1,676,641	$ 1,827,000	$ 1,685,223	$ 1,792,934	$ 1,931,310	$ 1,908,536	$ 2,005,456
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 27,755	$ 35,439	$ 35,389	$ 59,983	$ 54,110	$ 37,659	$ 39,745	$ 33,146	$ 42,179	$ 42,884
Contributions in relation to the contractually required contribution	(27,755)	(35,439)	(35,389)	(59,983)	(54,110)	(37,659)	(39,745)	(33,146)	(42,179)	(42,884)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	$ 209,296	$ 168,864	$ 176,830	$ 173,158	$ 204,347	$ 270,368	$ 285,882	$ 274,671	$ 276,388	$ 313,720
Contributions as a percentage of covered-employee payroll	13.26%	20.99%	20.01%	34.64%	26.48%	13.93%	13.90%	12.07%	15.26%	13.67%

Layfayette Township School District **Exhibit M-1**
Required Supplementary Information - Part III
Schedule of Changes in the State's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years *

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

The State of New Jesrsey's Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service Cost	$ 2,152,062,729	$ 2,136,235,476	$ 2,770,618,025	$ 3,217,184,264	$ 1,790,973,822	$ 1,734,404,850	$ 1,984,642,729	$ 2,391,878,884	$ 1,723,999,319	
Interest	1,963,557,443	1,844,113,951	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792	
Change in Benefit Terms	-	-	-	(63,870,842)						
Differences Between Expected and Actual Experience	158,934,425	(980,424,863)	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-5002065740			
Benefit Payments	(1,499,600,607)	-	(13,586,368,097)	59,202,405	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)	
Contributions from Members	51,347,810	(1,390,258,754)	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747	
Changes of Assumptions or other inputs	4,462,660,491	105,539,463	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521	
Net change in total OPEB liability	7,288,962,291	1,715,205,273	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360	
Total OPEB Liability - Beginning	$ 52,361,668,239	$ 50,646,462,966	$ 60,007,650,970	$ 67,809,962,608	$ 41,729,081,045	$ 46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	$ 46,849,651,824	
Total OPEB Liability - Ending	$ 59,650,630,530	$ 52,361,668,239	$ 50,646,462,966	$ 60,007,650,970	$ 67,809,962,608	$ 41,729,081,045	$ 46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	
The State of New Jersey's total OPEB liability **	$ 59,650,630,530	$ 52,361,668,239	$ 50,646,462,966	$ 60,007,650,970	$ 67,809,962,608	$ 41,729,081,045	$ 46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	
The State of New Jersey's OPEB liability attributable to the District **	$ 10,483,392	$ 9,690,139	$ 9,505,779	$ 12,315,858	$ 13,600,883	$ 8,560,293	$ 9,562,009	$ 11,015,372	$ 11,911,723	
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	
District's covered employee payroll	$ 2,463,490	$ 2,257,390	$ 1,910,704	$ 1,849,799	$ 2,031,347	$ 1,955,591	$ 2,078,816	# $ 2,205,981	$ 2,184,924	
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
District's contribution	None	None	None	None	None	None	None	None	None	
State's covered employee payroll ***	$ 15,845,935,573	$ 15,314,749,297	$ 14,753,355,408	$ 14,425,669,769	$ 14,267,738,657	$ 13,929,083,479	$ 13,640,275,833	$ 13,493,400,208	$ 13,493,400,208	
Total State's OPEB liability as a percentage of its covered-employee payroll	376.44%	341.90%	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%	

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Covered payroll for the Measurement Period ending June 30, 2023 and June 30, 2024 is based on the payroll on the June 30, 2022 and June 30, 2023 census data, respectively

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules

For the Fiscal Year Ended June 30, 2025

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

Public Employees' Retirement System (PERS)

Pension Schedules

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

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.

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2025

	Title I	Title II	Title IV	IDEA Basic	IDEA Preschool	ARP ESSER III	ARP Accel Learn	ARP Summer	ARP Mental	REAP	Preschool Education State Aid	DCA Recreation Grant	Student Activity	Totals
REVENUES														
Local Sources													$ 41,227	$ 41,227
State Sources											$ 454,170	$ 36,948		491,118
Federal Sources	$ 19,945	$ 3,532	$ 10,000	$ 66,262	$ 3,120	$ 17,946	$ 3,184	$ 28,598	$ 25,147	$ 44,593				222,327
TOTAL REVENUES	**19,945**	**3,532**	**10,000**	**66,262**	**3,120**	**17,946**	**3,184**	**28,598**	**25,147**	**44,593**	**454,170**	**36,948**	**41,227**	**754,672**
EXPENDITURES:														
Instruction:														
Salaries of Teachers								21,478			157,055			178,533
Other Salaries for Instruction											56,820			56,820
Purchased Prof. -Ed. Services											532			532
Other Purchased Services		1,435									1,039			2,474
Tuition				66,262										66,262
General Supplies						17,946		7,120		44,593	4,255	1,513		75,427
Total Instruction		1,435		66,262		17,946		28,598		44,593	219,701	1,513		380,048
Support Services:														
Salaries of Program Directors											17,701			17,701
Salaries of Other Professional Staff											7,546			7,546
Other Salaries	13,572										71,320			84,892
Salaries of Comm. Parent Involv.											12,560			12,560
Salaries of Master Teachers											13,798			13,798
Personal Services - Employee Benefits											107,085			107,085
Purchased Prof. -Ed. Services		2,097												2,097
Purchased Prof. -Other			7,452		3,120				24,335		500			35,407
Other Purchased Services												580		580
Supplies & Materials	6,373		2,548				3,184		812		3,959			16,876
Student Activities													40,053	40,053
Total Support Services	19,945	2,097	10,000		3,120		3,184		25,147		234,469	580	40,053	338,595
Facilities Acq. & Contruction Services:														
Non-Instructional Equipment												34,855		34,855
Total Facilities Acq. & Contruction Services	-	-	-	-	-	-	-	-	-	-	-	34,855	-	34,855
TOTAL EXPENDITURES	19,945	3,532	10,000	66,262	3,120	17,946	3,184	28,598	25,147	44,593	454,170	36,948	40,053	753,498
Total Outflows	**$ 19,945**	**$ 3,532**	**$ 10,000**	**$ 66,262**	**$ 3,120**	**$ 17,946**	**$ 3,184**	**$ 28,598**	**$ 25,147**	**$ 44,593**	**$ 454,170**	**$ 36,948**	**$ 40,053**	**$ 753,498**
Other Financing Sources (Uses):														
Transfers from Other Funds											-			-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	1,174	1,174
Fund Balance Beginning	-	-		-	-	-	-	-	-	-	-	-	25,536	25,536
Fund Balance Ending	-	-		-	-	-	-	-	-	-	-	-	$ 26,710	$ 26,710

LAFAYETTE TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	$ 161,227	-	$ 161,227	$ 157,055	$ 4,172
Other Salaries for Instruction	53,560	$ 4,213	57,773	56,820	953
Purchased Prof. -Ed. Services	5,000	(4,468)	532	532	-
Other Purchased Services	1,000	39	1,039	1,039	-
General Supplies	4,000	255	4,255	4,255	-
Total instruction	224,787	39	224,826	219,701	5,125
Support services:					
Salaries of Program Directors	16,500	1,202	17,702	17,701	1
Salaries of Other Professional Staff	7,546	-	7,546	7,546	-
Other Salaries	71,320	-	71,320	71,320	-
Salaries of Comm. Parent Involv. Spec.	12,560	-	12,560	12,560	-
Salaries of Master Teachers	15,000	(1,202)	13,798	13,798	-
Personal Services - Employee Benefits	107,085	-	107,085	107,085	-
Purchased Prof. -Other	500	-	500	500	-
Contr Serv-Trans. (Field Trips)	1,000	(39)	961	-	961
Supplies & Materials	5,582	-	5,582	3,959	1,623
Total support services	237,093	(39)	237,054	234,469	2,585
Total Expenditures	$ 461,880	-	$ 461,880	$ 454,170	$ 7,710

'ALCULATION OF BUDGET & CARRYOVE

Total 2024-2025 PreK Aid Allocation	$ 400,296
Add: Actual ECPA Carryover June 30, 2024	133,856
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2024-2025 Budget	534,152
Less: 2024-2025 Budgeted PreK & ECPA (Including prior year budgeted carryover)	(461,880)
Available & Unbudgeted Funds as of June 30, 2025	72,272
Add: June 30, 2025 Unexpended PreK Aid	7,710
2024-2025 Actual Carryover - PreK Aid	79,982
2024-2025 PreK Carryover Budgeted in 2025-2026	$ 133,856

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.

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit F-1

CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the Fiscal Year Ended June 30, 2025

	Original		Revised		Expenditures to Date		Unexpended
					Prior	Current	Balance
	Date	Appropriations	Date	Appropriations	Years	Year	June 30, 2025
Roof Project	6/4/24	$ 755,700	N/A	$ 756,280	-	-	$ 756,280
		755,700		756,280	-	-	756,280
Totals		$ 755,700		$ 756,280	-	-	756,280
						Interest Earnings	-
						Fund Balance, June 30, 2025	$ 756,280

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2

CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2025

Revenues and Other Financing Sources	
Transfer from capital reserve	$ 454,000
NJ SDA Grant	302,280
Total Revenues	756,280
Expenditures and Other Financing Uses	
Professional Services	-
Construction Services	-
Total Expenditures	-
Excess(deficiency) of revenues over(under) expenditures	756,280
Fund Balance - Beginning	-
Fund Balance - Ending	$ 756,280

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
Roof Project

From Inception and for the Fiscal Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and Other Financing Sources				
Transfer from Capital Reserve		$ 454,000	$ 454,000	$ 454,000
NJ SDA Grant		302,280	302,280	302,280
Total Revenues	-	756,280	756,280	756,280
Expenditures and Other Financing Sources				
Professional Services			-	50,000
Construction Services			-	706,280
Total Expenditures	-	-	-	$ 756,280
Excess(deficiency) of revenues over(under) expenditures	-	$ 756,280	$ 756,280	
		Project Fund Balance, 6/30/2025	$ 756,280	

Additional project information:	
DOE Project Number	2490-050-23-R501
SDA Project Number	2490-050-23-G5KF
Grant Date	4/25/24
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$756,280
Additional Authorized Cost	
Revised Authorized Cost	$756,280
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	
Original Target Completion Date	2026
Revised Target Completion Date	2026

Recapitulation:	
Encumbrances	624,000
Unreserved (Available)	132,280
	$ 756,280

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.

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

FIDUCIARY FUND
DETAIL STATEMENTS

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

N/A

Contents **Page**

Financial Trends (J-1 thru J-5) 87-92
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity (J-6 thru J-9) 93-96
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity (J-10 thru J-13) 97-100
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information (J-14 and J-15) 101-102
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information (J-16 thru J-20) 103-107
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

Lafayette Township School District **Exhibit J-1**
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	$ 2,014,445	$ 2,273,215	$ 2,486,949	$ 2,917,632	$ 3,358,859	$ 3,475,944	$ 3,281,577	$ 3,698,716	$ 3,632,710	$ 3,469,825
Restricted	979,354	1,135,753	1,028,522	1,064,280	1,561,535	1,801,464	2,052,209	1,817,077	1,932,119	2,149,610
Unrestricted	(800,310)	(862,156)	(555,555)	(577,837)	(815,871)	(684,380)	(499,388)	(330,437)	(288,377)	338,135
Total governmental activities net assets	$ 2,193,489	$ 2,546,812	$ 2,959,916	$ 3,404,075	$ 4,104,523	$ 4,593,028	$ 4,834,398	$ 5,185,356	$ 5,276,452	$ 5,957,570
Business-type activities										
Invested in capital assets, net of related debt	$ 8,501	$ 16,929	$ 15,184	$ 15,663	$ 31,782	$ 26,757	$ 21,732	$ 24,063	$ 24,514	$ 21,629
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	31,702	36,010	36,668	29,904	6,755	9,350	43,875	79,064	86,163	93,744
Total business-type activities net assets	$ 40,203	$ 52,939	$ 51,852	$ 45,567	$ 38,537	$ 36,107	$ 65,607	$ 103,127	$ 110,677	$ 115,373
District-wide										
Invested in capital assets, net of related debt	$ 2,022,946	$ 2,290,144	$ 2,502,133	$ 2,933,295	$ 3,390,641	$ 3,502,701	$ 3,303,309	$ 3,722,779	$ 3,657,224	$ 3,491,454
Restricted	979,354	1,135,753	1,028,522	1,064,280	1,561,535	1,801,464	2,052,209	1,817,077	1,932,119	2,149,610
Unrestricted	(768,608)	(826,146)	(518,887)	(547,933)	(809,116)	(675,030)	(455,513)	(251,373)	(202,214)	431,879
Total district net assets	$ 2,233,692	$ 2,599,751	$ 3,011,768	$ 3,449,642	$ 4,143,060	$ 4,629,135	$ 4,900,005	$ 5,288,483	$ 5,387,129	$ 6,072,943

Source: ACFR Scehdule A-1

Lafayette Township School District **Exhibit J-2**
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 2,828,963	$ 3,141,261	$ 3,065,871	$ 2,669,737	$ 2,627,034	$ 2,876,565	$ 2,832,748	$ 2,922,916	$ 3,063,496	$ 2,801,790
Special education	520,063	560,359	580,434	692,613	579,560	517,622	574,927	367,998	633,421	560,978
Other special education	37,085	35,144	163,168	69,814	44,472	21,813	19,968	16,991	47,290	107,688
School Sponsored Other Instruction	68,690	79,560	86,239	109,344	91,128	76,932	66,632	63,740	66,715	
Support Services:										
Tuition	252,737	212,079	125,527	92,492	92,587	199,121	215,676	203,066	107,064	48,473
Student & instruction related services	715,931	777,242	783,971	719,017	652,902	593,533	542,199	545,606	569,708	886,874
General and Business administrative services	338,235	305,665	300,630	305,359	201,083	237,317	323,263	266,485	276,237	339,835
School administrative services	312,760	372,118	380,468	335,878	354,168	328,741	254,462	194,732	238,884	249,118
Plant operations and maintenance	419,028	502,410	483,081	529,396	455,601	382,050	449,587	403,540	488,989	534,388
Pupil transportation	335,722	279,325	305,988	266,979	242,914	259,739	320,816	377,797	353,828	407,246
Other Support Services										
Charter Schools	99,063	88,477	75,113	55,322	181,906	81,433	75,162	38,901	-	-
Interest on long-term debt	82,805	71,756	59,272	45,856	29,805	12,556				
Other Fiscal Charges	54,629		56,440	37,434	9,472	49,406	28,255	20,073	20,073	40,146
Total governmental activities expenses	6,065,711	6,425,396	6,466,202	5,929,241	5,562,632	5,636,828	5,703,695	5,421,845	5,865,705	5,976,536
Business-type activities:										
Food service	151,799	136,573	70,927	70,151	83,702	80,891	106,330	128,565	161,757	127,120
Total business-type activities expense	151,799	136,573	70,927	70,151	83,702	80,891	106,330	128,565	161,757	127,120
Total district expenses	$ 6,217,510	$ 6,561,969	$ 6,537,129	$ 5,999,392	$ 5,646,334	$ 5,717,719	$ 5,810,025	$ 5,550,410	$ 6,027,462	$ 6,103,656
Program Revenues										
Governmental activities:										
Tuition	$ 53,538	$ 42,742	$ 46,980	$ 40,350	$ 21,420	$ 35,010	$ 33,615	$ 38,150		
Operating grants and contributions	1,532,418	1,875,802	2,035,259	1,527,356	1,330,349	1,380,347	1,264,900	945,482	1,028,313	$ 1,762,957
Charges for Services					-	7,631	24,035	33,803	44,250	-
Total governmental activities program revenues	1,585,956	1,918,544	2,082,239	1,567,706	1,351,769	1,422,988	1,322,550	1,017,435	1,072,563	1,762,957
Business-type activities:										
Charges for services										
Food service	125,972	122,674	47,400	45,771	60,044	31,306	41,146	106,847	125,833	103,255
Operating grants and contributions	35,065	26,531	22,161	17,500	16,455	47,139	94,656	39,607	56,092	25,705
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	161,037	149,205	- 69,561	- 63,271	- 76,499	- 78,445	- 135,802	- 146,454	- 181,925	128,960
Total district program revenues	$ 1,746,993	$ 2,067,749	$ 2,151,800	$ 1,630,977	$ 1,428,268	$ 1,501,433	$ 1,458,352	$ 1,163,889	$ 1,254,488	$ 1,891,917

Continued

Lafayette Township School District **Exhibit J-2**
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	$ (4,479,755)	$ (4,506,852)	$ (4,383,963)	$ (4,361,535)	$ (4,210,863)	$ (4,213,840)	$ (4,381,145)	$ (4,404,410)	$ (4,793,142)	$ (4,213,579)
Business-type activities	9,238	12,632	(1,366)	(6,880)	(7,203)	(2,446)	29,472	17,889	20,168	1,840
Total district-wide net expense	$ (4,470,517)	$ (4,494,220)	$ (4,385,329)	$ (4,368,415)	$ (4,218,066)	$ (4,216,286)	$ (4,351,673)	$ (4,386,521)	$ (4,772,974)	$ (4,211,739)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	$ 3,780,000	$ 3,770,000	$ 3,760,000	$ 3,760,000	$ 3,750,000	$ 3,825,000	$ 4,049,608	$ 4,128,676	$ 4,241,799	$ 4,454,000
Property taxes levied for debt service	423,875	418,500	416,100	408,450	398,500	320,250	-	-	-	-
Unrestricted grants and contributions	598,292	600,982	596,265	589,429	546,946	536,430	553,635	528,452	538,242	302,280
Investment earnings	2,526	4,091	8,895	14,419	7,635	4,580	4,078	-	59,717	33,881
Miscellaneous income	3,388	66,602	15,807	33,396	75,946	16,085	15,194	98,240	44,480	104,536
Total governmental activities	4,808,081	4,860,175	4,797,067	4,805,694	4,779,027	4,702,345	4,622,515	4,755,368	4,884,238	4,894,697
Business-type activities:										
Transfers in/(out)								5,102		-
Investment earnings	76	104	279	595	173	16	28	541	1,370	2,856
Total business-type activities	76	104	- 279	- 595	- 173	- 16	- 28	- 5,643	- 1,370	2,856
Total district-wide	$ 4,808,157	$ 4,860,279	$ 4,797,346	$ 4,806,289	$ 4,779,200	$ 4,702,361	$ 4,622,543	$ 4,761,011	$ 4,885,608	$ 4,897,553
Change in Net Position										
Governmental activities	$ 328,326	$ 353,323	$ 413,104	$ 444,159	$ 568,164	$ 488,505	$ 241,370	$ 350,958	$ 91,096	$ 681,118
Business-type activities	9,314	12,736	(1,087)	(6,285)	(7,030)	(2,430)	29,500	23,532	21,538	4,696
Total district	$ 337,640	$ 366,059	$ 412,017	$ 437,874	$ 561,134	$ 486,075	$ 270,870	$ 374,490	$ 112,634	$ 685,814

Source: ACFR Schedule A-2

Lafayette Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved	$ 1,132,003	$ 979,354	$ 1,135,753	$ 1,028,522	$ 1,535,870	$ 1,778,765	$ 2,031,873	$ 1,791,467	$ 1,906,583	$ 1,948,437
Assigned	47,563	178,841	202,562	445,540	88,182	70,279	71,233	124,615	143,513	81,453
Unreserved	206,911	213,722	210,154	198,733	178,391	213,347	228,761	227,283	210,311	232,634
Total general fund	$ 1,386,477	$ 1,371,917	$ 1,548,469	$ 1,672,795	$ 1,802,443	$ 2,062,391	$ 2,331,867	$ 2,143,365	$ 2,260,407	$ 2,262,524
All Other Governmental Funds										
Reserved					$ 25,665	$ 22,699	$ 20,336	$ 25,610	$ 25,536	$ 782,990
Unreserved/(Deficit)									(38,551)	(40,030)
Total all other governmental funds	-	-	-	-	$ 25,665	$ 22,699	$ 20,336	$ 25,610	$ (13,015)	$ 742,960

Source: ACFR Schedule B-1

Lafayette Township School District **Exhibit J-4**
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 4,203,875	$ 4,188,500	$ 4,176,100	$ 4,168,450	$ 4,148,500	$ 4,145,250	$ 4,049,608	$ 4,128,676	$ 4,241,799	$ 4,454,000
Tuition	53,538	42,742	46,980	40,350	21,420	35,010	33,615	38,150	-	-
Miscellaneous	5,914	70,693	42,875	48,514	129,908	28,296	43,307	132,043	148,447	138,417
State sources	1,363,646	1,438,917	1,438,980	1,550,989	1,441,750	1,570,746	1,746,410	1,776,270	1,939,653	2,680,827
Federal sources	118,165	106,996	130,019	121,197	107,081	142,058	153,977	245,339	174,582	207,752
Total revenue	5,745,138	5,847,848	5,834,954	5,929,500	5,848,659	5,921,360	6,026,917	6,320,478	6,504,481	7,480,996
Expenditures										
Instruction										
Regular Instruction	1,625,604	1,651,697	1,661,025	1,540,368	1,586,501	1,723,062	1,809,620	1,928,701	2,263,317	2,253,697
Special education instruction	311,986	312,580	324,236	404,389	357,621	319,765	389,673	368,864	447,620	419,895
Other special instruction	20,451	20,803	84,011	39,941	26,575	12,813	13,670	11,944	33,390	107,688
Other instruction	43,404	46,806	49,567	76,756	58,551	46,390	45,009	49,322	51,222	-
Support Services:										
Tuition	252,737	212,079	125,527	92,492	92,587	199,121	215,676	203,066	107,064	48,473
Student & instruction related services	471,277	468,767	452,850	462,538	453,842	415,510	420,538	453,406	482,829	742,013
General and Business admin. services	249,928	251,372	240,476	241,507	182,607	219,889	311,770	266,533	272,981	283,856
School Administrative services	177,547	198899	190,775	193,571	213,623	181,615	152,317	142,842	180,039	172,680
Plant operations and maintenance	330,046	373,076	368,755	420,605	365,040	326,994	405,207	426,309	461,426	466,894
Pupil transportation	328,116	269,723	294,107	257,886	231,678	248,633	316,556	377,797	353,537	407,246
Unallocated employee benefits	1,185,199	1,205,533	1,302,203	1,383,186	1,319,147	1,458,429	1,576,351	1,631,014	1,676,531	1,778,966
Other Support Services										
Charter Schools	99,063	88,477	75,113	55,322	181,906	81,433	75,162	38,901	-	-
Capital outlay	240,465	152,984	125,883	371,404	338,537	110,474	28,255	605,007	96,108	41,496
Debt service:										
Principal	340,000	345,000	355,000	360,000	365,000	305,000	-	-	-	-
Interest and other charges	83,875	73,500	61,100	48,450	33,500	15,250	-	-	-	-
Total expenditures	5,759,698	5,671,296	5,710,628	5,948,415	5,806,715	5,664,378	5,759,804	6,503,706	6,426,064	6,722,904
Excess (Deficiency) of revenues over (under) expenditures	(14,560)	176,552	124,326	(18,915)	41,944	256,982	267,113	(183,228)	78,417	758,092
Other Financing Sources (uses)										
Capital Leases										
Proceeds of Refunding Bonds										
Payment to Refunded Bond Escrow										
Transfers in	-	-	-	-	-	-	-	-	72,755	-
Transfers out	-	-	-	-	-	-	-	-	(72,755)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ (14,560)	$ 176,552	$ 124,326	$ (18,915)	$ 41,944	$ 256,982	$ 267,113	$ (183,228)	$ 78,417	$ 758,092
Debt service as a percentage of noncapital expenditures	7.68%	7.58%	7.45%	7.32%	7.29%	0.0577%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Miscellaneous	Total
2016	$ 2,526	$ 53,538	$ 3,388	$ 59,452
2017	4,091	42,742	66,602	113,435
2018	8,895	46,980	15,807	71,682
2019	21,164	40,350	26,651	88,165
2020	7,635	21,420	75,946	105,001
2021	4,580	35,010	14,405	53,995
2022	3,814	33,615	13,208	50,637
2023	61,826	38,150	36,414	136,390
2024	59,717	-	44,480	104,197
2025	33,881	-	63,309	97,190

SOURCE: District Records

Lafayette Township School District **Exhibit J-6**
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Calendar Year Ended Dec 31	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities **a**	Net Valuation Taxable	Total Direct School Tax Rate **b**	Estimated Actual (County Equalized Value)
2016	$6,404,000	$218,935,700	$46,091,800	$2,655,700	$35,992,900	$15,339,900	$325,420,000	$28,176,100	$ 494,830	$326,017,858	$1.211	$343,614,618
2017	6,715,300	220,130,800	45,754,700	2,201,200	39,293,100	14,459,900	328,555,000	27,031,900	588,015	329,143,015	1.335	335,506,466
2018	6,046,700	221,637,200	45,187,600	2,335,800	39,142,800	14,459,900	328,810,000	26,952,800	618,355	329,428,355	1.270	341,495,402
2019	5,724,800	223,146,500	44,239,200	2,188,500	39,980,400	14,459,900	329,739,300	27,115,200	639,396	329,378,696	1.266	343,097,932
2020	5,549,700	222,705,800	44,830,600	2,129,300	39,280,400	13,980,300	328,476,100	27,408,000	662,640	329,138,740	1.260	339,576,865
2021	5,402,500	223,578,000	45,100,000	2,129,100	39,131,000	13,980,300	329,320,900	27,214,900	-	329,320,900	1.259	361,084,199
2022	5,602,800	224,686,500	44,873,300	2,004,400	39,131,000	13,980,300	330,278,300	27,238,700	-	330,278,300	1.226	354,248,259
2023	5,476,000	225,418,100	43,779,200	1,983,900	38,848,500	13,980,300	329,486,000	29,301,300	-	329,486,000	1.253	357,184,177
2024	5,337,000	225,650,200	45,437,000	2,053,000	38,842,700	16,549,700	333,869,600	29,674,400	-	333,851,600	1.271	404,169,357
2025	4,541,600	225,908,400	46,988,000	2,059,000	39,762,500	16,549,700	366,540,900	30,731,700	-	335,809,200	1.295	456,116,343

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

Lafayette Township School District **Exhibit J-7**
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per $100 of assessed value)

Calendar Year Ended Dec 31	Lafayette Township School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Regional School District	Township	Sussex County	
2016	$ 1.143	$ 0.128	$ 1.271	$ 0.673	$ 0.274	$ 0.559	$ 2.777
2017	1.202	0.133	1.335	0.541	0.286	0.580	2.742
2018	1.143	0.127	1.270	0.527	0.285	0.585	2.667
2019	1.142	0.124	1.266	0.529	0.286	0.606	2.687
2020	1.139	0.121	1.260	0.559	0.291	0.596	2.706
2021	1.161	0.097	1.259	0.668	0.294	0.641	2.862
2022	1.226	-	1.226	0.738	0.299	0.628	2.891
2023	1.253	-	1.253	0.668	0.305	0.609	2.835
2024	1.271	-	1.271	0.645	0.313	0.625	2.854
2025	1.295	-	1.295	0.661	0.320	0.639	2.915

Source: District Records and Municipal Tax Collector

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

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

Lafayette Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago

Exhibit J-8

Lafayette Township

Taxpayer	2025 Taxable Assessed Value	2025 Rank [Optional]	2025 % of Total District Net Assessed Value	2016 Taxable Assessed Value	2016 Rank [Optional]	2016 % of Total District Net Assessed Value
SBRE Managements, LLC	4,639,400	1	1.38%			
205 Route 94, LLC	3,966,900	2	1.18%	3,966,900	1	1.22%
BHR Ringwood Real Estate LLC	3,342,900	3	1.00%	$ 3,342,900	3	1.03%
MDC Coast 23, LLC	2,200,000	4	0.66%			
Lafayette Village Associates, LLC	2,082,900	5	0.62%			
Green Vision, Inc.	1,800,000	6	0.54%			
34-38 Route 15 LAF C/O Leghigh Gas	1,785,600	7	0.53%	1,785,600	6	0.55%
94 Associates, c/o Carson Roberts	1,682,900	8	0.50%	1,682,900	8	0.52%
10 Millpond Drive, LLC	1,490,700	9	0.44%	1,533,100	9	0.47%
Lafayette Holdings, LLC	1,440,400	10	0.43%			
Durling Realty, LLC				3,423,900	2	1.05%
United Telephone Co. of NJ				2,279,600	4	0.70%
Carlwood Land Development				2,070,000	5	0.63%
FSB Properties				1,782,900	7	0.55%
All Leasing, Inc.				1,493,200	10	0.46%
Total	$ 24,431,700		7.28%	$ 23,361,000		7.18%

Source: District ACFR & Municipal Tax Assessor

Lafayette Township School District **Exhibit J-9**
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 4,203,875	$ 4,203,875	100.00%	-
2017	4,188,500	4,188,500	100.00%	-
2018	4,176,100	4,176,100	100.00%	-
2019	4,168,450	4,168,450	100.00%	-
2020	4,148,500	4,148,500	100.00%	-
2021	4,145,250	4,145,250	100.00%	-
2022	4,049,608	4,049,608	100.00%	-
2023	4,128,676	4,128,676	100.00%	-
2024	4,241,799	4,241,799	100.00%	-
2025	4,454,000	4,454,000	100.00%	-

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

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

Lafayette Township School District **Exhibit J-10**
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income [a]	Per Capita [a]
	General Obligation Bonds [b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2016	$ 1,730,000	-0-	-0-	-0-	-0-	$ 1,730,000	1.28%	$ 714.88
2017	1,385,000	-0-	-0-	-0-	-0-	1,385,000	1.01%	576.60
2018	1,030,000	-0-	-0-	-0-	-0-	1,030,000	0.73%	430.24
2019	670,000	-0-	-0-	-0-	-0-	670,000	0.46%	281.63
2020	305,000	-0-	-0-	-0-	-0-	305,000	0.20%	128.86
2021	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2023	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2024	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2025	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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

Lafayette Township School District **Exhibit J-11**
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

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]
2016	$ 1,730,000	-0-	$ 1,730,000	0.53%	$ 714.88
2017	1,385,000	-0-	1,385,000	0.42%	576.60
2018	1,030,000	-0-	1,030,000	0.31%	430.24
2019	670,000	-0-	670,000	0.20%	281.63
2020	305,000	-0-	305,000	0.09%	128.86
2021	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	N/A	N/A
2024	-0-	-0-	-0-	N/A	N/A
2025	-0-	-0-	-0-	N/A	N/A

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

Lafayette Township School District **Exhibit J-12**
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lafayette Township	None	100.000%	None
Other debt			
Sussex County	79,054,107	1.934%	$ 1,529,222
Subtotal, overlapping debt			1,529,222
Lafayette Township School District Direct Debt			-
Total direct and overlapping debt			$ 1,529,222

Sources: Constituent Townships Finance Officers, Sussex County Finance Office and Utility Authorities

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 the district. 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.

Lafayette Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2025

		Equalized valuation basis	
		2022	$ 397,258,259
		2023	451,639,069
		2024	496,171,986
	[A]		$ 1,345,069,314
Average equalized valuation of taxable property	**[A/3]**		$ 448,356,438
Debt limit (3.0% of average equalization value) **a**	**[B]**		13,450,693
Net bonded school debt	**[C]**		-
Legal debt margin	**[B-C]**		$ 13,450,693

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$10,734,765	$10,445,986	$10,188,123	$10,133,102	$10,369,118	$10,476,104	$10,665,378	$11,052,760	$12,053,384	$13,450,693
Total net debt applicable to limit	1,730,000	1,385,000	1,030,000	670,000	305,000	-	-	-	-	-
Legal debt margin	$9,004,765	$9,060,986	$9,158,123	$9,463,102	$10,064,118	$10,476,104	$10,665,378	$11,052,760	$12,053,384	$13,450,693
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

Lafayette Township School District **Exhibit J-14**
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]		Unemployment Rate [d]
2016	2,420	$137,699,454	$55,872	R	4.7%
2017	2,402	$141,590,736	$57,565	R	3.7%
2018	2,394	$146,382,249	$59,870	R	3.8%
2019	2,379	$152,160,228	$63,036	R	3.0%
2020	2,367	$159,498,528	$66,361	R	8.9%
2021	2,352	$169,191,479	$70,228	R	5.9%
2022	2,381	$170,935,335	$71,343	R	3.4%
2023	2,385	$172,010,400	$75,364	R	3.6%
2024	2,400	$172,010,400	$75,364	*	4.3%
2025	2,429	$183,059,156	$75,364	*	*

Source:

[a] Combined Population information provided by the NJ Dept of Labor and Workforce Development

[b] Personal Income provided by US Dept of Commerce

[c] Per Capita provided by NJ Dept of Labor

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

R =Revised
P =Projected
* Current figure unavailable

Lafayette Township School District
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15

	2025			2016		
Employer	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**
		N/A			N/A	
	-		0.00%	-		0.00%

Source:
Information not available at municipal or county level

Lafayette Township School District **Exhibit J-16**
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	21.5	21.5	21.0	21.9	20.9	23.1	21.0	21.6	21.6	21.6
Special education	4.6	4.6	6.0	4.9	3.8	5.4	4.8	4.6	4.6	4.6
Other Special Education										
Other Instruction	8.7	7.9	7.8	7.0	7.3	7.0	6.3	8.7	8.7	8.7
Support Services:										
Student & instruction related services	5.0	5.0	5.0	4.6	3.8	2.8	3.6	3.6	3.6	3.6
School administrative services	0.5	0.5	0.5	0.5	0.4	0.6	0.6	0.4	0.4	0.4
General and Business administrative services	5.3	5.2	5.2	5.2	4.5	3.7	3.5	4.3	4.3	3.5
Plant operations and maintenance	3.2	3.3	3.3	3.3	3.3	2.1	2.7	2.7	2.7	2.7
Total	48.8	48.0	48.8	47.4	44.0	44.7	42.5	45.8	45.8	45.1

Source: District Personnel Records

Lafayette Township School District **Exhibit J-17**
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	242.6	$ 5,095,358	$ 21,003	5.27%	34.00	1:7.1	242.6	232.5	-2.61%	95.84%
2017	232.0	5,099,812	21,982	4.66%	34.00	1:6.8	232.0	221.2	-4.37%	95.34%
2018	220.0	5,168,645	23,494	6.88%	32.00	1:6.9	228.4	219.1	-1.56%	95.95%
2019	195.0	5,168,561	26,505	12.82%	31.00	1:6.3	204.0	194.5	-10.70%	95.36%
2020	194.0	5,069,687	26,132	-1.41%	31.00	1:6.3	197.7	191.6	-3.09%	96.96%
2021	191.0	5,233,654	27,401	4.86%	30.00	1:6.4	192.7	185.3	-2.49%	96.14%
2022	200.0	5,731,549	28,658	4.59%	30.00	1:6.7	201.5	191.3	4.56%	94.95%
2023	202.0	5,898,699	29,201	1.90%	32.00	1:6.3	208.5	193.2	3.48%	92.64%
2024	217.0	6,329,956	29,170	-0.11%	32.00	1:6.8	225.2	212.0	7.99%	94.13%
2025	236.0	6,681,408	28,311	-2.94%	32.00	1:7.4	234.3	220.0	4.06%	93.86%

Sources: District records, ASSA and Schedules J-4.

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Lafayette Township School District **Exhibit J-18**
School Building Information
Last Ten Fiscal Years

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary										
Lafayette School										
Square Feet	68,434	68,434	68,434	68,434	68,434	68,434	68,434	68,434	68,434	68,434
Capacity (students)	435	435	435	435	435	435	435	435	435	435
Enrollment	242.6	232	220	195	194	191	200	202	217	236

Number of Schools at June 30, 2025
Elementary = 1

Source: District Facilities Office

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

Lafayette Township School District

GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2025

Exhibit J-19

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

School Facilities	Project #	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Elementary School	N/A	$ 61,007	$ 65,280	$ 59,365	$ 70,318	$ 62,603	$ 57,416	$ 70,586	$ 79,656	$ 69,610	$ 84,526	$ 680,367
Grand Total		**$ 61,007**	**$ 65,280**	**$ 59,365**	**$ 70,318**	**$ 62,603**	**$ 57,416**	**$ 70,586**	**$ 79,656**	**$ 69,610**	**$ 84,526**	**$ 680,367**

LAFAYETTE TOWNSHIP SCHOOL DISTRICT

Exhibit J-20

INSURANCE SCHEDULE
June 30, 2025
UNAUDITED

POLICY TYPE	COVERAGE	DEDUCTIBLE
School Alliance Insurance Fund (SAIF):		
Property - Blanket Building and Contents Including Boiler and		
Building and Personal Property	$ 500,000,000	$ 2,500
Inland Marine - Auto Physical Damage		1,000
General Liability including Auto, Employee Benefits		
Each Occurrence	5,000,000	
General Aggregate	10,000,000	
Product Completed Ops	10,000,000	
Personal Injury	10,000,000	
Fire Damage	2,500,000	
Medical Expenses	10,000	
Employee Benefits	5,000,000	1,000
Sexual Misconduct	10,000,000	
(Excluding Sutdents Taking Part in Athletics)		
Automobile Coverage Combined Single Limit	10,000,000	
Hired & Non-Owned Auto Liability	10,000,000	
Environmental Impairment Liability	1,000,000/10,000,000	300,000
		100,000
		50,000
Crime Coverage	50,000	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	2,500
School Board Legal	5,000,000/5,000,000	5,000
Excess SLPL	5,000,000/5,000,000	
Cyber Liability	2,000,000	50,000
Workers' Compensation	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Bond for Business Administrator	180,000	
Bond for Treasurer of School Monies	180,000	
Student Accident		
Base Policy	25,000	
Catastrophic Policy	6,000,000	25,000

Source: School District records

Single Audit Section

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Anthony Ardito, CPA, RMA, CMFO, PSA

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*

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Lafayette Township School District
County of Sussex
Lafayette, New Jersey 07848

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lafayette Township School District Board of Education in the County of Sussex, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Lafayette Township School District Board of Education's basic financial statements, and have issued our report thereon dated November 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

-Continued-

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 District'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under ***Government Auditing Standards*** or 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 for New Jersey Department of Education use, 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.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
November 15, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
November 15, 2025

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

Honorable President and
Members of the Board of Education
Lafayette Township School District
County of Sussex
Lafayette, New Jersey 07848

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

We are required to be independent of the Lafayette Township School District Board of Education, 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Lafayette Township School District Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

-Continued-

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, ***Government Auditing Standards***, and New Jersey OMB Circular 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 District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, ***Government Auditing Standards***, and New Jersey OMB Circular 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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.

-Continued-

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 New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
November 15, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
November 15, 2025

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2025

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance At June 30, 2024	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2025 Accounts Receivable	Balance at June 30, 2025 Deferred Revenue	Balance at June 30, 2025 Due to Grantor	Cumulative Total Expenditures
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I	84.010	S010A240030	N/A	24,251	7/1/24	6/30/25			$ 13,159	$ (19,945)			$ (6,786)			19,945
Title I	84.010	S010A230030	N/A	26,616	7/1/23	6/30/24	$ (19,363)		19,454			$ (91)				26,616
Title II (A)	84.367	S367B240027	N/A	4,020	7/1/24	6/30/25			7,076	(3,532)				$ 3,544		3,532
Title II (A)	84.367	S367B230027	N/A	6,418	7/1/23	6/30/24	(3,074)		3,074							6,418
Title IV	84.424A	S424B240027	N/A	10,000	7/1/24	6/30/25			10,000	(10,000)						10,000
Title IV	84.424A	S424B220027	N/A	8,811	7/1/22	6/30/23	3,596					(3,596)				5,215
Title IV	84.424A	S424B210027	N/A	11,027	7/1/21	6/30/22	15					(15)				11,012
Total ESEA							(18,826)	-	52,763	(33,477)	-	(3,702)	(6,786)	3,544	-	82,738
I.D.E.A. Part B, Basic Regular	84.027	H027A240100	N/A	66,262	7/1/24	6/30/25			66,262	(66,262)			-	-		66,262
I.D.E.A. Part B, Basic Regular	84.027	H027A230100	N/A	66,322	7/1/23	6/30/24	(13,417)		13,417							66,322
I.D.E.A. Part B, Preschool	84.173	H173A240114	N/A	3,120	7/1/24	6/30/25			3,120	(3,120)			-	-		3,120
I.D.E.A. Part B, Preschool	84.173	H173A230114	N/A	3,178	7/1/23	6/30/24			3,178				-	-	$ 3,178	-
I.D.E.A. Part B, Preschool	84.173	H173A220114	N/A	3,222	7/1/22	6/30/23	3,222					(3,222)				-
Total Special Education Cluster							(10,195)	-	85,977	(69,382)	-	(3,222)	-	-	3,178	135,704
Small Rural School Achievement	84.358A	S358B240030	S358A242709	42,271	7/1/24	9/30/25			29,984	(42,271)			(12,287)	-		42,271
Small Rural School Achievement	84.358A	S358B230030	S358A233332	26,359	7/1/23	9/30/24	(5,808)		5,808	(2,322)			(2,322)			26,359
Total SRSA (REAP)							(5,808)	-	35,792	(44,593)	-	-	(14,609)	-	-	68,630
American Rescue Plan-ESSER III	84.425U	S425U240027	ARP	130,072	3/13/20	9/30/24	-		41,330	(17,946)	$ (8,317)				15,067	115,005
American Rescue Plan-Accelerated Learning	84.425U	S425U240027	ARP	8,022	3/13/20	9/30/24	(4,804)		8,022	(3,184)					34	7,988
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(8,522)		40,000	(28,598)					2,880	40,000
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U240027	ARP	45,000	3/13/20	9/30/24	(19,852)		45,000	(25,147)	(1)					45,000
Total Education Stabilization Fund							(33,178)	-	134,352	(74,875)	(8,318)	-	-	-	17,981	207,993
Total Special Revenue Fund							(68,007)	-	308,884	(222,327)	(8,318)	(6,924)	(21,395)	3,544	21,159	495,065
U.S. Department of Agriculture																
Passed-through State Department of Agriculture:																
Enterprise Fund:																
Child Nutrition Cluster:																
National School Lunch Program (Food Distribution)	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	843			(843)						843
National School Lunch Program (Food Distribution)	10.555	251NJ304N1199	N/A	2,456	7/1/24	6/30/25			2,456	(1,584)				872		1,584
National School Lunch Program	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	(3,071)		3,071							
National School Lunch Program	10.555	251NJ304N1199	N/A	20,623	7/1/24	6/30/25			19,451	(20,623)			(1,172)			20,623
P-EBT Administrative Cost	10.646	251NJ304N1803	N/A	643	7/1/24	6/30/25			643	(643)			-			643
Total Enterprise Fund							(2,228)	-	25,621	(23,693)	-	-	(1,172)	872	-	23,693
TOTAL FEDERAL ASSISTANCE							**$ (70,235)**	-	**$ 334,505**	**$ (246,020)**	**$ (8,318)**	**$ (6,924)**	**$ (22,567)**	**$ 4,416**	**$ 21,159**	**$ 518,758**

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.
Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

Schedule of Expenditurs of State Financial Assistance
for the Fiscal Year Ended June 30, 2025

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2024	WALKOVER/ CARRY-OVER AMOUNT	CASH RECEIVED	BUDGETARY EXPEND.	ADJUST.	REPAY. OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2025 (ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPEND.
STATE DEPARTMENT OF EDUCATION														
General Fund:														
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	$ 47,971			$ 47,971	$ (47,971)						$ 4,689	$ 47,971
School Choice Aid	25-495-034-5120-068	7/1/24-6/30/25	493,284			493,284	(493,284)						48,222	493,284
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	107,714			107,714	(107,714)						10,530	107,714
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	176,574			176,574	(176,574)						17,261	176,574
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	17,295			17,295	(17,295)						1,691	17,295
Adjustment Aid	25-495-034-5125-085	7/1/24-6/30/25	13,278			13,278	(13,278)							13,278
Extra-ordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	31,718	$ (31,718)		31,718	-							31,718
Extra-ordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	51,984				(51,984)			$ (51,984)				51,984
Non-Public Transportation Aid	24-100-034-5120-068	7/1/23-6/30/24	10,465	(10,465)		10,465				-				10,465
Non-Public Transportation Aid	25-100-034-5120-068	7/1/24-6/30/25	13,043				(13,043)			(13,043)				13,043
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	646,642			646,642	(646,642)							646,642
On Behalf TPAF Pension PRM	25-495-034-5094-001	7/1/24-6/30/25	188,950			188,950	(188,950)							188,950
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	350			350	(350)							350
Reimbursed TPAF Soc. Secur. Contrib.	25-495-034-5094-003	7/1/24-6/30/25	164,895	(7,670)		171,884	(164,895)			(681)				164,895
Total General Fund				**(49,853)**		**1,906,125**	**(1,921,980)**			**(65,708)**			**82,393**	**1,964,163**
Special Revenue Fund														
Preschool Education Aid	25-495-034-5120-086	7/1/24-6/30/25	400,296	133,856		400,296	(454,170)	-			$ 79,982		40,030	454,170
STATE DEPARTMENT OF COMMUNITY AFFAIRS														
Special Revenue Fund														
Local Recreation Grant	2024-04960-00	7/1/24-6/30/25	70,000	-			(36,948)			(70,000)	33,052			36,948
Total Special Revenue Fund				**133,856**	**-**	**400,296**	**(491,118)**	**-**	**-**	**(70,000)**	**113,034**	**-**	**40,030**	**491,118**
STATE DEPARTMENT OF EDUCATION														
Capital Projects Fund:														
SDA Grant	2490-050-23-R501	7/1/24-6/30/25	302,280							(302,280)	302,280			-
Total Capital Projects Fund				-	-	-	-	-	-	**(302,280)**	**302,280**	-	-	-
Enterprise Fund:														
Nat. School Lunch Prog. (State Share)	24-100-010-3350-023	7/1/23-6/30/24		(221)		221								
State Extended Income Eligibility Lunch Prog.	24-100-010-3350-006	7/1/23-6/30/24		(92)		92								
Nat. School Lunch Prog. (State Share)	25-100-010-3350-023	7/1/24-6/30/25	1,334			1,262	(1,334)			(72)				1,334
State Extended Income Eligibility Lunch Prog.	25-100-010-3350-006	7/1/24-6/30/25	678			646	(678)			(32)				678
Total Enterprise Fund				(313)		2,221	(2,012)			(104)				2,012
TOTAL STATE FINANCIAL ASSISTANCE				**$ 83,690**	**-**	**$ 2,308,642**	**$ (2,415,110)**	**-**	**-**	**$ (438,092)**	**$ 415,314**	**-**	**$ 122,423**	**$ 2,457,293**
Less On-behalf TPAF Pension Amounts:														
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	646,642				646,642							
On Behalf TPAF Pension PRM	25-495-034-5094-001	7/1/24-6/30/25	188,950				188,950							
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	350				350							
Total State Expenditures Subject to Major Program Determination							**$ (1,579,168)**							

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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 last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($521) for the general fund and ($47,126) for the special revenue fund. See Exhibit C-3 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 on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 3. (Continued)

	Federal	State	Total
General Fund	-	$ 1,921,459	$ 1,921,459
Special Revenue Fund	$ 207,752	457,088	664,840
Capital Projects Fund	-	302,280	302,280
Food Service Fund	23,693	2,012	25,705
Total Financial Assistance	$ 231,445	$ 2,682,839	$ 2,914,284

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. 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 employer's share of social security contributions for TPAF members for the year ended June 30, 2025.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	___Yes_x_No
2) Were significant deficiencies identified that were not considered to be material weaknesses?	___Yes _x_None Reported
Noncompliance material to financial statements noted?	___Yes_x_No

Federal Awards **Not Applicable**

Internal control over major programs:	
1) Material weakness(es) identified?	___Yes__No
2) Were significant deficiencies identified that were not considered to be material weaknesses?	___Yes ___None
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ?	___Yes___No

Identification of major programs:

Assistance Listing	FAIN Number(s)	Name of Federal Program or Cluster
N/A		

Dollar threshold used to distinguish between Type A and Type B programs:	N/A
Auditee qualified as low-risk auditee?	___Yes___No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Financial Assistance Section

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) Were significant deficiencies identified that were not considered to be material weaknesses?	___Yes_x_No
Type of auditor's report on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable?	___Yes_x_No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
25-495-034-5120-086	Preschool Education Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, 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.

Financial Statement N/A

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 N/A

State Awards N/A

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

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.

N/A