SCHOOL DISTRICT

OF

LAVALLETTE

LAVALLETTE BOARD OF EDUCATION
LAVALLETTE, NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

LAVALLETTE BOARD OF EDUCATION

LAVALLETTE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

PREPARED BY

LAVALLETTE BOARD OF EDUCATION
FINANCE DEPARTMENT

LAVALLETTE SCHOOL DISTRICT

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INTRODUCTORY SECTION

Lavallette Board of Education
105 Brooklyn Avenue
Lavallette, NJ 08735
732-793-7722

Lisa J. Gleason, Ed.D.
Superintendent

Loretta Hill
Business Administrator

lhill@lavallettek12.org

January 10, 2025

Honorable President and Members
Board of Education of the Borough of Lavallette
105 Brooklyn Avenue
Lavallette, NJ 08735

Dear Board Members:

The annual comprehensive financial report of the Lavallette School District (District) for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical sectionincludes 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 the Title 2 U.S. Code of Federal regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Lavallette School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Lavallette Board of Education and its single school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8, and has a sending-receiving relationship with the Point Pleasant Board of Education for grades 9 through 12. Classes offered are regular, vocational, and special education for disabled youngsters. The District completed the 2024 fiscal year with an enrollment of 156 students, an increase of 1 students from June 2023. During the 2017/2018 school year, Lavallette became a receiving district for students from Seaside Park in grades K-6. In September 2023 Lavallette School opened the first Montessori Public Preschool in the state. The following details the changes in the student enrollment over the last ten years:

Average Daily Enrollment, K-8

Fiscal Year	Student Enrollment	Percent Change
2023-2024	157.7	2.3%
2022-2023	153.3	10.8%
2021-2022	138.4	-11.5%
2020-2021	157.6	2.7%
2019-2020	153.4	5.9%
2018-2019	144.8	0.8%
2017-2018	143.6	-2.4%
2016-2017	147.1	4.5%
2015-2016	140.7	1.7%
2014-2015	138.3	1.6%

2. ECONOMIC CONDITIONS AND OUTLOOK: Less than one mile square, twenty-seven blocks long and four blocks wide, Lavallette is a charming, residential seashore resort community. Enjoyed by many thousands of visitors in the summertime, Lavallette has a year-round population of under 3,000 residents, approximately one-third of whom may be classified as senior citizens. Employment is largely associated with the summer tourist industry (i.e., motels, restaurants, gift shops, clothing stores, etc.), although a number of the businesses maintain year-round operations. Many of Lavallette's residents are employed either directly or indirectly in this service industry. As part of a barrier island, Lavallette is landlocked between two sections of Dover Township on the north and south, and is bordered by the Atlantic Ocean and Barnegat Bay on the east and west. Consequently, its opportunities for business and residential expansion are limited.

3. MAJOR INITIATIVES: Students continue to be provided a focused action plan for meeting and/or exceeding performance growth targets set forth by the New Jersey Department of Education. This action plan includes, but is not limited to staff professional development grounded in brain-based math retention strategies, effective co-teaching strategies, and reading workshop model. Lavallette Elementary School continues to use multiple measures of data for student performance including state standardized assessments and district assessments. Programming during the 2024-25 school year focused on goals aligned with the district's five year strategic plan, with the Board of Education's emphasis on Response To Intervention, programming for Gifted and Talented, and expansion of World Languages. Additionally, social emotional learning continues to be integrated throughout all curriculum.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally

accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2024.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The allocation of expenditures reflects the Board's and Superintendent's objective to provide the best education possible at the least cost, a factor in maintaining the Borough of Lavallette's enviable position as one of the state's lowest school taxpaying districts.

8. DEBT ADMINISTRATION: On March 8, 2005 the District sold $1,187,000 of school bonds at a net interest rate of 4.109% for the purpose of renovations at the Lavallette Elementary School. In May 2020 the District sold $2,200,000 of schools bonds at a net interest rate of 1.5% for the purpose of HVAC and security upgrades. At June 30, 2024 the District's outstanding debt was $1,895,000.

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

from loss under the provisions of the Governmental 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. The Board's cash position is adequate, with a balance of $3,059,869 cash and temporary investments at June 30, 2024.

The school food service fund typically receives a small amount of federal funding. The food services staff is proud of the nutritious lunches served daily to the students and they have taken steps to hold down expenses in an effort to reach financial goals to limiting the financial support that the school service fund receives from the Board.

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, comprehensive/collision, flood, student and volunteer accident, hazard and theft insurance on property and contents, and fidelity bonds. The Board worked with the New Jersey School Boards Association Insurance Group to review insurance requirements in order to secure the most appropriate coverage at the least possible cost.

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Title 2 U.S. Code of Federal regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment." The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Lavallette Board of Education for their continued concern in providing fiscal accountability to the taxpayers and citizens of the Borough of Lavallette, thereby contributing their full support to the development and maintenance of the District's financial operation.

Lisa J. Gleason, Ed.D.
Superintendent

Loretta Hill
School Business Administrator/Board Secretary

LAVALLETTE BOARD OF EDUCATION

LAVALLETTE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2024

Members of the Board of Education:	Term Expires:
Michael Valeri, President	2024
Alison Zylinski, Vice President	2026
Lisa Connor, Board Member	2024
Jarrod Grasso, Board Member	2025
Steve Shohfi, Board Member	2026
June Korzeneski, Seaside Park Representative Board Member	

Other Officials:

Dr. Lisa J. Gleason, Superintendent

Loretta Hill, Interim School Business Administrator/Board Secretary

Lillian Brendel, Treasurer

LAVALLETTE BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm:

Robert A. Hulsart and Company
Certified Public Accountants
2807 Hurley Pond Road
Wall, New Jersey 07719

Official Depository:

Ocean First Bank
Hooper Avenue
Toms River, NJ 08735

LAVALLETTE BOARD OF EDUCATION
ORGANIZATION CHART
(UNIT CONTROL)

BOARD OF EDUCATION

SUPERINTENDENT

School Business Administrator

Board Secretary/Bookeeper

Facilities Manager

Custodial Staff

Food Service Staff

Attendance Officer

Treasurer

School Secretary

Teaching Staff:

K-8

School Nurse

Foreign Language

Physical Education

Resource

Basic Skills

Guidance

Speech

Media Center

Music

Art

Student Resources

Paraprofessionals

FINANCIAL SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR.,C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Lavallette School District
County of Ocean
Lavallette, New Jersey

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 Lavallette Board of Education, as of and for the year ended June 30, 2024, 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 Lavallette Board of Education, as of June 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of the Lavallette 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 know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards, we:*

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States 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 inquires, 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 Lavallette Board of Education's basic financial statements. The combining and individual non-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 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.

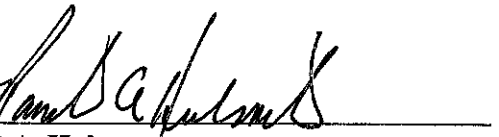
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 January 10, 2025, on our consideration of the District's internal control over financial reporting and 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.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

January 10, 2025

REQUIRED SUPPLEMENTARY INFORMATION
PART I

LAVALLETTE SCHOOL DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2024

This section of the School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net position (A-1) presents information on all of the assets and liabilities of the District, including deferred outflow and inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

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

The District maintains three individual government funds: the general fund, special revenue fund and capital projects fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds – The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. Included in the enterprise fund is the Food Service operation. The basic proprietary fund statements can be found as Exhibits B-4 through B-6.

Fiduciary Funds – are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The District uses trust and agency funds to account for resources held for payroll transactions.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The local tax levy increased from 2022-2023 by $161,743 to $4,291,370 due primarily to the overall increase in the District's general fund budget.

- Total spending for all programs was $6,576,599 general revenues (primarily local tax levy and state aid) were adequate to provide for the balance of these programs.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position:

	2024	2023
Current and Other Assets	$ 3,178,619	3,746,340
Capital Assets, Net	3,551,288	3,932,498
Total	6,729,907	7,678,838
Deferred Outflows	28,606	108,709
Deferred Inflows	51,929	81,316
Other Liabilities	265,095	802,373
Long-Term Liabilities	1,989,129	2,449,123
Total	2,254,224	3,251,496
Invest in Capital Assets, Net	1,656,288	1,824,479
Restricted	2,512,752	2,768,027
Unrestricted	283,320	(137,771)
Total Net Position	$ 4,452,360	4,454,735

The District's investment in capital assets is shown net of any related debt used to acquire those assets.

The unrestricted net position shows a negative balance. The negative balance is attributable to the liability for compensated absences and the unfunded pension liability. These are direct liabilities with no corresponding assets, therefore creating a negative net asset.

The following table provides a summary of revenues and expenses for the District's governmental fund and business-type activities and the change in net assets from the prior year:

	2024	2023
Revenues:		
Program Revenues		
Charges for Services	$ 520,438	490,057
Operating Grants and Contributions	437,872	431,325
General Revenues		
Property Taxes	4,113,460	3,955,230
Taxes Levied for Debt Service	177,910	174,407
Federal and State Aid	1,142,737	1,101,799
Miscellaneous & Investment Income	181,807	21,743
Total Revenues	6,574,224	6,174,561
Expenses:		
Instructional Services	1,959,829	1,801,563
Support Services/Undistributed Costs	4,572,620	4,217,706
Food Service	44,150	61,635
Total Expenses	6,576,599	6,080,904
Change in Net Position	$ (2,375)	93,657

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget is comprised mainly of the June 30, 2023 encumbrances, which "roll-over" into the subsequent year's budget (2023-2024) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to re-align the 2023-2024 budget.

Economic Factors and Next Year's Budget

Due to the economic condition in the State of New Jersey funding from the State for the current year decreased for the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst districts, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the taxpayers of Lavallette Borough.

Contacting the District's Financial Management

The District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to the School Business Administrator.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

LAVALLETTE SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 559,513	7,918	567,431
Receivables, Net	97,812	324	98,136
Inventory		300	300
Restricted Assets:			
Cash and Cash Equivalents	2,512,752		2,512,752
Capital Assets, Net	3,550,595	693	3,551,288
Total Assets	6,720,672	9,235	6,729,907
Deferred Outflow of Resources			
Contribution to Pension Plan	28,606		28,606
Deferred Inflow of Resources			
Pension Deferrals	51,929		51,929
Liabilities			
Accounts Payable & Accrued Interest	33,143		33,143
Deferred Revenue	23,815		23,815
Noncurrent Liabilities:			
Due Within One Year	208,140		208,140
Due Beyond One Year	1,989,126		1,989,126
Total Liabilities	2,254,224	-	2,254,224
Net Position			
Invested in Capital Assets, Net of Related Debt	1,655,595	693	1,656,288
Restricted For:			
Other Purposes	2,512,752		2,512,752
Unrestricted	274,778	8,542	283,320
Total Net Position	$ 4,443,125	9,235	4,452,360

The accompanying notes to financial statements are an integral part of this statement.

LAVALLETTE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 1,208,955			1,208,955		1,208,955
Special Education	595,082		270,226	324,856		324,856
Other Instruction	155,792			155,792		155,792
Support Services:						
Tuition	891,946	492,146		399,800		399,800
Student & Instruction Related Services	605,976		155,562	450,414		450,414
School Administrative Services	301,075			301,075		301,075
Plant Operations and Maintenance	491,345			491,345		491,345
Pupil Transportation	155,194			155,194		155,194
Unallocated Benefits	1,587,133			1,587,133		1,587,133
Capital Outlay	116,040			116,040		116,040
Interest on Long-Term Debt	42,855			42,855		42,855
Depreciation	381,056			381,056		381,056
Total Government Activities	6,532,449	492,146	425,788	5,614,515	-	5,614,515
Business-Type Activities:						
Food Service	44,150	28,292	12,084	-	3,774	3,774
Total Business-Type Activities	44,150	28,292	12,084	-	3,774	3,774
Total Primary Government	6,576,599	520,438	437,872	5,614,515	3,774	5,618,289

LAVALLETTE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				4,113,460		4,113,460
Taxes Levied for Debt Service				177,910		177,910
Federal and State Aid Not Restricted				1,142,737		1,142,737
Miscellaneous				151,807	30,000	181,807
Transfer to Food Service				(10,000)	10,000	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				5,575,914	40,000	5,615,914
Change in Net Position				(38,601)	36,226	(2,375)
Net Position - Beginning				4,481,726	(26,991)	4,454,735
Net Position - Ending				$ 4,443,125	9,235	4,452,360

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

FUND FINANCIAL STATEMENTS – B

LAVALLETTE SCHOOL DISTRICT **Exhibit B-1**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$2,714,621	33,346	324,298	3,072,265
Accounts Receivable	95,149	2,663		97,812
Total Assets	$2,809,770	36,009	324,298	3,170,077
Liabilities and Fund Balance				
Liabilities:				
Deferred Revenue	$ 4,060	19,755		23,815
Payroll Deductions and Withholdings Payable	14,963			14,963
Total Liabilities	19,023	19,755	-	38,778
Fund Balance:				
Committed To:				
Excess Surplus - Current Year	128,337			128,337
Maintenance Reserve	638,038			638,038
Maintenance Reserve - Designated for Subsequent Years Expenditures	165,000			165,000
Capital Reserve	1,414,411			1,414,411
Capital Reserve - Designated for Subsequent Years Expenditures	100,000			100,000
Designated for Subsequent Years by the BOE	18,417			18,417
Unemployment Compensation	72,140			72,140
Student Activities		16,254		16,254
Assigned To:				
Other Purposes	19,189			19,189
Unassigned:				
Debt Service			324,298	324,298
General Fund	235,215			235,215
Total Fund Balances	2,790,747	16,254	324,298	3,131,299
Total Liabilities and Fund Balance	$2,809,770	36,009	324,298	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $8,008,430 and the accumulated depreciation is $4,457,835.	3,550,595
Accrued Interest	(18,180)
Deferred outflow of resources - contributions to the pension plan	28,606
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(51,929)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds	(2,197,266)
Net position of governmental activities	$ 4,443,125

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

LAVALLETTE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues				
Local Sources:				
Local Tax Levy	$ 4,113,460		177,910	4,291,370
Tuition Charges	492,146			492,146
Interest Earned on Capital Reserve Funds	250			250
Miscellaneous - Unrestricted	88,110			88,110
Miscellaneous - Restricted	25,996	37,451		63,447
Total Local Sources	4,719,962	37,451	177,910	4,935,323
State Sources	1,081,477	6,574	61,260	1,149,311
Federal Sources		419,214		419,214
Total Revenues	5,801,439	463,239	239,170	6,503,848
Expenditures				
Current:				
Regular Instruction	1,208,955			1,208,955
Special Education Instruction	324,856	270,226		595,082
Other Instruction	155,792			155,792
Support Services and Undistributed Costs:				
Tuition	891,946			891,946
Student and Instruction Related Services	418,156	187,820		605,976
General and School Administration	301,075			301,075
Plant Operations and Maintenance	491,345			491,345
Pupil Transportation	155,194			155,194
Unallocated Benefits	1,579,242			1,579,242
Capital Outlay	135,458			135,458
Debt Service:				
Principal			200,000	200,000
Interest and Other Charges			45,170	45,170
Total Expenditures	5,662,019	458,046	245,170	6,365,235

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

LAVALLETTE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	139,420	5,193	(6,000)	138,613
Other Financing Sources (Uses):				
Transfer To Food Service	(10,000)			(10,000)
Total Other Financing Sources (Uses)	(10,000)	-	-	(10,000)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	129,420	5,193	(6,000)	128,613
Net Change in Fund Balances	129,420	5,193	(6,000)	128,613
Fund Balance - July 1	2,661,327	11,061	330,298	3,002,686
Fund Balance - June 30	$ 2,790,747	16,254	324,298	3,131,299

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

LAVALLETTE 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, 2024

Total Net Change in Fund Balances - Governmental Funds (From B-2)		$ 128,613
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	(381,056)	
		(381,056)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		200,000
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		9,032
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		11,927
Amortization of Right to Use Leased Assets		10,386
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		(80,103)
Pension related deferrals		29,387
Changes in net pension liability		30,898
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.		2,315
Change in Net Position of Governmental Activities		$ (38,601)

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

LAVALLETTE SCHOOL DISTRICT

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2024

	Business Type Activities Enterprise Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 7,918
Accounts Receivable:	
State	15
Federal	309
Inventories	300
Total Current Assets	8,542
Noncurrent Assets:	
Furniture Machinery and Equipment	19,709
Less: Accumulated Depreciation	(19,016)
Total Noncurrent Assets	693
Total Assets	$ 9,235
Net Position	
Investment in Capital Assets	$ 693
Unrestricted	8,542
Total Net Position	$ 9,235

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

LAVALLETTE SCHOOL DISTRICT **Exhibit B-5**

STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2024

	Business Type Activities Enterprise Funds
Operating Revenues:	
Changes for Services:	
Daily Sales-Reimbursable Programs	$ 28,292
Total Operating Revenue	28,292
Operating Expenses:	
Cost of Sales-Reimbursable Programs	20,904
Depreciation	154
Salaries	10,000
Management Fee	11,000
Miscellaneous	2,092
Total Operating Expenses	44,150
Operating Income (Loss)	(15,858)
Non-Operating Revenues (Expenses):	
State Sources:	
State School Lunch Program	467
Federal Sources:	
National School Lunch PB Program	468
National School Lunch Program	8,509
Food Distribution Program	2,537
Interest Revenue	103
Board Subsidy	10,000
Total Non-Operating Revenues (Expenses)	22,084
Change in Net Position	6,226
Cancel Accounts Payable	30,000
Total Net Position Beginning	(26,991)
Total Net Position Ending	$ 9,235

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

LAVALLETTE SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2024

	Business Type Activities Enterprise Funds
Cash Flows from Operating Activities:	
Receipts from Customers	$ 28,292
Payments to Suppliers & Employees	(40,651)
Net Cash Used by Operating Activities	(12,359)
Cash Flows from Noncapital Financing Activities:	
State Sources	467
Federal Sources	8,977
Board Subsidy	10,000
Net Cash Provided by Noncapital Financing Activities	19,444
Cash Flows from Investing Activities:	
Interest Revenue	103
Net Cash Providied by Investing Activities	103
Net Increase/(Decrease) in Cash and Cash Equivalents	7,188
Balances Beginning of Year	730
Balances End of Year	$ 7,918
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (15,858)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	154
Federal Commodities Consumed	2,537
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	300
(Increase)/Decrease in Inventories	508
Net Cash Used by Operating Activities	$ (12,359)

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION

LAVALLETTE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Lavallette 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.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary school located in Lavallette. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

B. Government-Wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

NOTE 1: **Summary of Significant Accounting Policies (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. **Fund Accounting**:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

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.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

E. 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 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; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2024 are shown on Exhibit C-1.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the 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 is 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.

F. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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.

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Adj.	Retirements	Balance June 30, 2024
Depreciable Assets:					
Buildings & Sites	$ 7,625,540				7,625,540
Equipment	382,890				382,890
Total	8,008,430				8,008,430
Less: Accumulated Depreciation:					
Buildings & Sites	(3,976,073)	(343,806)			(4,319,879)
Equipment	(100,706)	(37,250)			(137,956)
Total Accumulated Depreciation	(4,076,779)	(381,056)			(4,457,835)
Net Depreciable Assets	3,931,651	(381,056)			3,550,595
Governmental Activities Capital Assets, Net	$ 3,931,651	(381,056)			3,550,595
Business Type Activities:					
Equipment	$ 19,709				19,709
Less: Accumulated Depreciation:					
Equipment	(18,862)	(154)			(19,016)
Net Depreciable Assets	$ 847	(154)			693

Depreciation expense was charged to governmental functions as follows:

Unallocated	$ 381,056

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

K. Deferred Revenue

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 10).

M. Net Position

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

Assigned – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to e used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

a. Bonds or other obligations of the United States or obligations guaranteed by the United States.

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.

c. Bonds or other obligations of the school district.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

Investments (Continued)

As of June 30, 2024, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking, Money Market Accounts	$ 3,080,183

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2024 was $3,080,183 and the bank balance was $3,317,229. Of the bank balance, $250,000 was covered by federal depository insurance and $3,067,229 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	$ 250,000
GUPDA	3,067,229
	$ 3,317,229

As of June 30, 2024, the District did not hold any long-term investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Long-Term Portion	2024-25 Payment
Pension Liability	$ 283,949		(30,898)	253,051	253,051	
Capital Leases	12,172		(9,032)	3,140		3,140
Compensated Absences Payable	58,002		(11,927)	46,075	46,075	
Bonds Payable	2,095,000		(200,000)	1,895,000	1,690,000	205,000
	$ 2,449,123		(251,857)	2,197,266	1,989,126	208,140

NOTE 3: General Long-Term Debt (Continued)

A. Bonds Payable

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 of general obligation bonds, and the interest rates vary from 4.00% to 4.20% for the 2005 issue and the interest rates vary from 1.00% to 2.25% for the 2020 issue.

Principal and interest due on serial bonds outstanding is as follows:

	Principal	Interest	Total
Year Ending June 30,			
2025	$ 205,000	39,895	244,895
2026	150,000	34,475	184,475
2027	155,000	31,475	186,475
2028	155,000	28,375	183,375
2029	165,000	25,275	190,275
2030-2035	1,065,000	79,025	1,144,025
	$ 1,895,000	238,520	2,133,520

B. Capital Leases Payable:

On September 9, 2019, the District entered into a lease payment for a copier MPC6503 for five years from 11/28/2019 maturing 10/28/2024 with a balance of $1,595 at June 30, 2024. A $5,000 down payment was made at lease inception.

On September 9, 2019, the District entered into a lease payment for a copier IMC2000 for five years from 11/28/2019 maturing 10/28/2024 with a balance of $576 at June 30, 2024.

On September 9, 2019, the District entered into a lease payment for a copier IMC4500 for five years from 11/28/2019 maturing 10/28/2024 with a balance of $969 at June 30, 2024. A $5,000 down payment was made at lease inception.

NOTE 3: General Long-Term Debt (Continued)

Schedule of Capital Leases

2019 Lease (MPC6503)	Principal	Interest	Total
2024-2025	$ 1,595	21	1,616

2019 Lease (IMC2000)	Principal	Interest	Total
2024-2025	$ 577	8	585

2019 Lease (IMC4500)	Principal	Interest	Total
2024-2025	$ 968	13	981

NOTE 4: 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 Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

Public Employees' Retirement System (PERS) – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the 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.

NOTE 4: Pension Plans (Continued)

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. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision 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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required 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 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional $500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

NOTE 4: Pension Plans (Continued)

During the year ended June 30, 2024, the State of New Jersey contributed $778,704 to the TPAF for post-retirement medical 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 $134,249 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/24	$ 37,491	100%	0
6/30/23	79,873	100%	0
6/30/22	46,176	100%	0

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
6/30/24	$ 778,704	100%	0
6/30/23	726,988	100%	0
6/30/22	764,929	100%	0

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's annual financial statements, which can be found at https://www.state.nj.us/treasury/pensions/annual-reports.shtml.

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

The following represents the membership tiers for PERS:

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

NOTE 4: Pension Plans (Continued)

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

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension,* requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

NOTE 4: Pension Plans (Continued)

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2023 State special funding situation net pension liability amount of $122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of $55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was less than the actuarial determined amount.

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

NOTE 4: Pension Plans (Continued)

For the year ended June 30, 2024, the District recognized pension expense of $ 23,550. At June 30, 2024, 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
Difference Between Expected and Actual Experience	$ 2,419	1,034
Changes of Assumptions	556	15,336
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,165	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	916	35,559
District Contributions Subsequent to the Measurement Date	23,550	
Total	$ 28,606	51,929

$23,550 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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 Ending June 30,	
2024	$ (13,248)
2025	(7,395)
2026	10,334
2027	(1,849)
2028	31
	$ (12,127)

Additional Information

Collective balances at June 30, 2023 and 2022 are as follows:

	June 30, 2023	June 30, 2022
Collective Deferred Outflows of Resources	$ 28,606	108,709
Collective Deferred Inflows of Resources	51,929	81,316
Collective Net Pension Liability	253,051	283,949
District's Proportion	.00173%	.00187%

NOTE 4: Pension Plans (Continued)

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2023 were as follows:

	State	Local	Total
Total Pension Liability	$ 29,889,262,049	42,006,927,506	71,896,189,555
Plan Fiduciary Net Position	7,431,214,496	27,400,438,440	34,831,652,936
Net Pension Liability	$ 22,458,047,553	14,606,489,066	37,064,536,619
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.86%	65.23%	48.45%

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
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-Medial 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4: Pension Plans (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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.

NOTE 4: Pension Plans (Continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share Of the Net Pension Liability	$ 329,419	253,051	188,052

Teachers Pensions and Annuity Fund (TPAF)

Plan Description

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

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

The following represents the membership tiers for TPAF:

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

NOTE 4: Pension Plans (Continued)

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ration of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do no contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2023 and 2022 are as follows:

	2023	2022
Total Pension Liability	$ 78,240,143,092	76,317,117,835
Plan Fiduciary Net Position	27,130,181,268	24,640,530,532
Net Pension Liability	$ 51,109,961,824	51,676,587,303
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%

State Proportionate Share of Net Pension Liability Attributable to District

	2023	2022
District's Liability	$ 7,086,982	7,660,891
District's Proportion	.01387%	.01482%

NOTE 4: Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense (benefit) as follows:

Year Ending June 30:	
2024	$ (543,369)
2025	(477,830)
2026	(222,453)
2027	(241,637)
2028	(231,954)
Thereafter	7,849
Total	$ (1,709,394)

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4: **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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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 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 4: Pension Plans (Continued)

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

The following presents the net pension liability of the State as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share Of the Net Pension Liability	$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	8,356,838	7,086,982	6,017,462
	$ 8,356,838	7,086,982	6,017,462

NOTE 5: Post-Retirement Benefits

General Information about the OPEB Plan

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 OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pension.* The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

NOTE 5: Post-Retirement Benefits (Continued)

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.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 20, 2022, with was rolled forward to June 30, 2023. 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 OPEB Liability $52,361,668,239

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75% – 4.25% based on years of service	2.75% - 6.55% based on years of service	3.25% - 16.25% based on years of service

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

NOTE 5: Post-Retirement Benefits (Continued)

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the total OPEB Liability reported by the State of New Jersey:

	Total OPEB Liability
Balances at June 30, 2022	$ 50,646,462,966
Changes for the Year:	
Service Cost	2,136,235,476
Interest	1,844,113,951
Change of Benefit Terms	
Difference Between Expected and Actual Experience	(980,424,863)
Changes in Assumptions or Other Inputs	105,539,463
Member Contributions	47,258,104
Benefit Payments	(1,437,516,858)
Balance at June 30, 2023	$ 52,361,668,239

There were no changes in benefit terms between the June 30, 2022 measurement date and the June 30, 2023 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% percent in 2022 to 3.65% percent in 2023.

NOTE 5: Post-Retirement Benefits (Continued)

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:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	$ 61,385,066,712	52,361,668,239	45,116,926,835

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	$ 43,468,257,358	52,361,668,239	63,998,719,320

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2023, the Board of Education recognized OPEB expense of $115,424 determined by the State as the total OBEB 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 Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2023, 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 of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 7,639,717,639	13,791,541,217
Assumption Changes	7,445,895,322	14,449,948,556
Changes in Proportion	2,262,198,933	2,262,198,933
Total	$ 17,347,811,894	30,503,688,706

NOTE 5: Post-Retirement Benefits (Continued)

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:	
2024	$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	(4,052,000,302)
	$ (13,155,876,812)

NOTE 6: Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the 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.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

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, 2024 no liability existed for compensated absences in the Food Service Fund.

NOTE 7: Capital Reserve Account

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

Fund 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. 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.* 6:23A-5.1(d) 7, 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, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	$ 1,514,161
Increased by:	
Interest Earnings	250
Ending Balance, June 30, 2024	$ 1,514,411

NOTE 8: Contingent Liabilities

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

Negligence and other types of liability suits, of which the Board is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

NOTE 9: 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 administrators are as follows:

Vanguard Group
AXA Equitable
Valic

NOTE 10: Equity Balance

At June 30, 2024, the General Fund equity balance is as follows:

Capital Reserve – Designated for Subsequent Years Expenditures	$ 100,000
Maintenance Reserve – Designated for Subsequent Years Expenditures	165,000
Excess Surplus – Designated for Subsequent Years Expenditures	18,417
Excess Surplus – Current Year	128,337
Maintenance Reserve	638,038
Capital Reserve	1,414,411
Unemployment Compensation	72,140
Reserved for Encumbrances	19,189
Unrestricted	251,820
	$ 2,807,352

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2024-2025 budget and expended therefrom.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute, which must be restricted for use in the next succeeding, budget. Designated for subsequent year's represents the amount appropriated in the 2024-2025 budget.

2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures Per the ACFR	$ 5,672,078
Decreased by:	
On-Behalf TPAF Pension & Social Security	(912,953)
Adjusted 2023-24 General Fund Expenditures	$ 4,759,125
2% of Adjusted 2023-24 General Fund Expenditures	$ 95,183
Enter Greater of Above or $250,000	$ 250,000
Increased by Allowable Adjustment	1,820
Maximum Unassigned Fund Balance	$ 251,820

Section 2

Total General Fund – Fund Balance @ 6-30-24	$ 2,807,352
Decreased by:	
Reserve for Encumbrances	(19,189)
Reserve for Unemployment	(72,140)
Excess Surplus – Designated for Subsequent Years Expenditures	(18,417)
Designated for Subsequent Years Expenditures – Capital Reserve	(100,000)
Designated for Subsequent Years Expenditures – Maintenance Reserve	(165,000)
Other Reserves	(2,052,449)
Total Unassigned Fund Balance	$ 380,157

NOTE 10: Equity Balance (Continued)

Restricted Fund Balance – Excess Surplus	$ 128,337
Section 3	
Excess Surplus – Current Year	$ 128,337
Reserved Fund Balance – Excess Surplus – Designated for Subsequent Expenditures	18,417
Total Excess Surplus	$ 146,754
Detail of Allowable Adjustments	
Non-Public Transportation Aid	$ 1,820
Extraordinary Aid	
	$ 1,820
Detail of Other Restricted Fund Balance	
Maintenance Reserve	$ 638,038
Capital Reserve	1,414,411
Total Other Restricted Fund Balance	$ 2,052,449

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 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 three years:

Fiscal Year	Employer Contributions	Employee Contributions	Reimbursed	Balance
2023-2024	$	25,996		72,140
2022-2023		698	7,052	46,144
2021-2022	126			52,498

NOTE 12: Right to Use Leased Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term less any lease incentives. The right to use leased assets are amortized on a straight line basis of terms of the related leases.

	Activity of the Year Ended June 30, 2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Right to Use Leased Assets:				
Copiers	$ 51,930			51,930
Total Right to Use Leased Assets	51,930			51,930
Accumulated Amortization:				
Copiers	(41,544)	(10,386)		(51,930)
Total Accumulated Amortization	(41,544)	(10,386)		(51,930)
Right to Use Leased Assets, Net	$ 10,386	(10,386)		

NOTE 13: Subsequent Events

Subsequent events have been evaluated through January 10, 2025, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES – C

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 4,113,460		4,113,460	4,113,460	-
Tuition From Individuals	333,850		333,850	318,401	(15,449)
Tuition From Other LEA's	146,880		146,880	173,745	26,865
Interest Earned Capital Reserve Fund	250		250	250	-
Interest Earned Maintenance Reserve Fund	120		120	120	-
Unrestricted Miscellaneous Revenue	5,000		5,000	87,990	82,990
Other Restricted Miscellaneous Revenues			-	25,996	25,996
Total Local Sources	4,599,560	-	4,599,560	4,719,962	120,402
State Sources:					
Special Education Aid	94,293		94,293	94,293	-
Security Aid	15,724		15,724	15,724	-
Transportation Aid	56,079		56,079	56,079	-
Extraordinary Aid	2,500		2,500		(2,500)
Non-Public Transportation Aid			-	1,820	1,820
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	166,539	166,539
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	611,908	611,908
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	257	257
TPAF Social Security (Reimbursed - Non-Budgeted)			-	134,249	134,249
Total State Sources	168,596	-	168,596	1,080,869	912,273
Total Revenues	4,768,156	-	4,768,156	5,800,831	1,032,675

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	69,586	(4,000)	65,586	65,135	451
Kindergarten - Salaries of Teachers	92,245	325	92,570	92,565	5
Grades 1-5 - Salaries of Teachers	478,466		478,466	473,845	4,621
Grades 6-8 - Salaries of Teachers	311,143	9,161	320,304	318,676	1,628
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	99,050	3,354	102,404	92,493	9,911
Purchased Professional-Educational Services	500	(119)	381	377	4
Other Purchased Services	5,000		5,000	3,777	1,223
Instruction General Supplies	52,974	(19,051)	33,923	33,567	356
Textbooks	3,000	1,468	4,468	2,382	2,086
Other Objects	12,000	3,000	15,000	12,806	2,194
Home Instruction	52,750	60,772	113,522	113,332	190
Total Regular Programs - Instruction	1,176,714	54,910	1,231,624	1,208,955	22,669
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	365,038	(38,188)	326,850	323,113	3,737
Purchased Educational Services	2,500	(2,500)	-		-
General Supplies	1,000	749	1,749	1,743	6
Total Resource Room/Resource Center	368,538	(39,939)	328,599	324,856	3,743
Total Special Education - Instruction	368,538	(39,939)	328,599	324,856	3,743

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	80,601	(9,187)	71,414	71,266	148
Total Basic Skills/Remedial - Instruction	80,601	(9,187)	71,414	71,266	148
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	29,250	(6,500)	22,750	21,361	1,389
School Sponsored Athletics - Instruction					
Salaries	42,000		42,000	39,271	2,729
Purchased Services (300-500 Series)	4,500		4,500	3,778	722
Supplies and Materials	6,500		6,500	5,398	1,102
Other Objects	1,000	3,000	4,000	3,673	327
Total School Sponsored Athletics - Instruction	54,000	3,000	57,000	52,120	4,880
Community Services Program/Operations - Instruction:					
Salaries	5,745	2,322	8,067	8,065	2
Supplies and Materials		50	50	50	-
Other Objects	1,200	1,730	2,930	2,930	-
Total Community Services	6,945	4,102	11,047	11,045	2
Total Instruction	1,716,048	6,386	1,722,434	1,689,603	32,831
Undistributed Expenditures-Instruction:					
Tuition to Other LEAs Within the State - Regular	817,782	(10,500)	807,282	807,282	-
Tuition to Other LEAs Within the State - Special	91,000	(5,586)	85,414	84,664	750
Tuition to County Vocational - Regular	4,000	(4,000)	-		-
Total Undistributed Expenditures-Instruction	912,782	(20,086)	892,696	891,946	750

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Attendance and Social Work - Undistributed Services:					
Salaries	3,846	321	4,167	4,166	1
Purchased Professional Services	2,500	3,000	5,500	5,487	13
Other Purchased Services (400-500 Series)	-	283	283	282	1
Total Attendance and Social Work - Undistributed Services	6,346	3,604	9,950	9,935	15
Health Services - Undistributed Expenditures:					
Salaries	92,835	(3,000)	89,835	89,835	-
Purchased Professional and Technical Services	3,000	(1,500)	1,500	1,215	285
Other Purchased Services (400-500 Series)	450	(450)	-		-
Supplies and Materials	1,000		1,000	803	197
Total Health Services	97,285	(4,950)	92,335	91,853	482
Other Support Services - Students - Related Services:					
Purchased Professional-Educational Services	52,000	(23,326)	28,674	26,284	2,390
Total Other Support Services - Students - Related Services	52,000	(23,326)	28,674	26,284	2,390
Other Support Services - Students - Regular:					
Salaries-Guidance	50,410	(9,991)	40,419	40,419	-
Salaries of Secretarial and Clerical Assistants	7,691	(2,000)	5,691	5,429	262
Other Purchased Professional and Technical Services	2,000	(600)	1,400	888	512
Supplies and Materials	300		300	52	248
Total Other Support Services - Students - Regular	60,401	(12,591)	47,810	46,788	1,022
Other Support Services - Students - Special:					
Salaries of Other Professional Staff	28,000		28,000	28,000	-
Salaries of Secretarial and Clerical Assistants	15,479	397	15,876	14,876	1,000
Purchased Professional Educational Services	22,000	(10,940)	11,060	11,060	-
Total Other Support Services - Students - Special	65,479	(10,543)	54,936	53,936	1,000

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instructional Services:					
Salaries of Supervisors	30,520	(5,159)	25,361	24,380	981
Salaries of Secretarial and Clerical Assistants	13,941	(49)	13,892	13,842	50
Supplies and Materials	9,159	159	9,318	9,318	-
Total Improvement of Instructional Services	53,620	(5,049)	48,571	47,540	1,031
Educational Media Services/School Library:					
Salaries	6,595	(6,595)	-		-
Salaries of Technology Coordinators	22,367	(14,000)	8,367	8,250	117
Purchased Professional and Technical Services	45,000	(4,701)	40,299	38,709	1,590
Other Purchased Services (400-500 Series)	25,000		25,000	22,909	2,091
Supplies and Materials		1,501	1,501	1,380	121
Other Objects	500		500	92	408
Total Educational Media Services/School Library	99,462	(23,795)	75,667	71,340	4,327
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	24,770	2,845	27,615	27,614	1
Salaries of Secretarial and Clerical Assistants	26,978	(10,000)	16,978	16,810	168
Purchased Professional and Technical Services	16,000	(508)	15,492	15,492	-
Other Purchased Services (400-500 Series)	2,500		2,500	2,207	293
Supplies and Materials	500		500	492	8
Other Objects	500	8,000	8,500	7,865	635
Total Instructional Staff Training Services	71,248	337	71,585	70,480	1,105

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Salaries	60,495		60,495	59,852	643
Legal Services	15,000	17,250	32,250	29,546	2,704
Audit Fees	6,500		6,500	6,500	-
Purchased Technical Services	400	(59)	341	176	165
Communications/Telephone	3,000	(1,900)	1,100	1,097	3
Other Purchased Services (400-500 Series)	850	284	1,134	1,133	1
Supplies and Materials		59	59	59	-
BOE In-House Training/Meeting Supplies	500	(14)	486	131	355
Membership Dues and Fees	3,400	(1,156)	2,244	2,146	98
Total Support Services - General Administration	90,145	14,464	104,609	100,640	3,969
Support Services - School Administration:					
Salaries of Principal/Assistant Principals	57,495	(1,500)	55,995	55,612	383
Total Support Services - School Administration	57,495	(1,500)	55,995	55,612	383
Central Services:					
Salaries	118,000	4,530	122,530	122,459	71
Other Purchased Services	8,500	6,494	14,994	14,994	-
Total Central Services	126,500	11,024	137,524	137,453	71

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administration Information Technical:					
Purchased Technical Services	10,000	(1,867)	8,133	7,370	763
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	80,000	32,603	112,603	112,602	1
General Supplies	8,000	3,715	11,715	5,363	6,352
Total Required Maintenance for School Facilities	88,000	36,318	124,318	117,965	6,353
Other Operations & Maintenance of Plant:					
Salaries	86,839	(3,339)	83,500	81,739	1,761
Salaries of Non-Instructional Aides	26,647	8,800	35,447	35,427	20
Purchased Professional and Technical Services	2,500	(700)	1,800	1,737	63
Cleaning, Repair and Maintenance Services	12,500	7,323	19,823	19,639	184
Other Purchased Property Services	3,500		3,500	3,416	84
Insurance	60,000	4,861	64,861	64,858	3
Miscellaneous Purchased Services	150		150		150
General Supplies	4,500	3,932	8,432	6,025	2,407
Energy (Heat & Electricity)	56,000	(500)	55,500	44,917	10,583
Energy (Natural Gas)	9,400	(1,400)	8,000	6,956	1,044
Total Other Operations & Maintenance of Plant	262,036	18,977	281,013	264,714	16,299
Care and Upkeep of Grounds					
Salaries	6,247	(3,835)	2,412	1,863	549
Cleaning, Repair and Maintenance Services	7,500	(3,309)	4,191	3,799	392
Purchased Professional and Technical Services		2,740	2,740	2,740	-
Supplies	250		250	119	131
Total Upkeep and Care of Grounds	13,997	(4,404)	9,593	8,521	1,072

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Security					
Salaries	88,397	9,269	97,666	97,099	567
Purchased Professional and Technical Services	2,000	(750)	1,250	685	565
General Supplies	1,200	1,200	2,400	2,361	39
Total Undistributed Expenditures - Security	91,597	9,719	101,316	100,145	1,171
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) Regular	8,000	5,746	13,746	13,734	12
Salaries for Pupil Transportation (Between Home and School) Special Education	3,710		3,710	3,452	258
Salaries for Pupil Transportation (Other Than Between Home and School) Regular	18,000	(18,000)	-	-	-
Contr. Serv. (Between Home & School)-Vendors	5,760	(5,760)	-		-
Contr. Serv. (Other Than Between Home & School)-Vendors	18,100	(2,950)	15,150	13,295	1,855
Contr. Serv. (Between Home & School) - Jointures	79,283	27,668	106,951	106,948	3
Contr. Serv. (Special Education) - ESC's and CTSA's	36,734	(23,481)	13,253	13,105	148
Aid in Lieu of Transportation - Non-Public School	5,000	(340)	4,660	4,660	-
Other Purchased Services	250	(250)	-		-
Total Student Transportation Services	174,837	(17,367)	157,470	155,194	2,276
Unallocated Benefits:					
Social Security Contributions	42,060	(3,499)	38,561	38,544	17
Other Retirement Contributions - PERS	38,000	(120)	37,880	37,492	388
Workmen's Compensation	23,000	118	23,118	22,749	369
Health Benefits	498,895	(571)	498,324	485,489	12,835
Other Employee Benefits	42,000	41,917	83,917	82,015	1,902
Total Unallocated Benefits	643,955	37,845	681,800	666,289	15,511

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	166,539	(166,539)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	611,908	(611,908)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	257	(257)
Reimbursed TPAF Social Security Contributions)Non-Budgeted)			-	134,249	(134,249)
Total On-Behalf Contributions	-	-	-	912,953	(912,953)
Total Undistributed Expenditures	2,977,185	6,810	2,983,995	3,836,958	(852,963)
Total Current Expense	4,693,233	13,196	4,706,429	5,526,561	(820,132)
Capital Outlay:					
Equipment:					
Instructional Equipment	15,000		15,000	500	14,500
Required Maintenance School Facilities	32,000	117,903	149,903	134,905	14,998
Equipment Care of Grounds		312	312		312
Facilities Acquisition and Construction Services:					
Other Objects - SDA Assessment	53		53	53	-
Total Capital Outlay	47,053	118,215	165,268	135,458	29,810
Total Expenditures	4,740,286	131,411	4,871,697	5,662,019	(790,322)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	27,870	(131,411)	(103,541)	138,812	242,353

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Transfer to Food Service Fund	(10,000)		(10,000)	(10,000)	-
Total Other Financing Sources/(Uses)	(10,000)	-	(10,000)	(10,000)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	17,870	(131,411)	(113,541)	128,812	242,353
Fund Balance, July 1	2,678,540		2,678,540	2,678,540	
Fund Balance, June 30	$ 2,696,410	(131,411)	2,564,999	2,807,352	242,353
Recapitulation:					
Assigned To:					
Reserve for Encumbrances				$ 19,189	
Unemployment Compensation				72,140	
Committed To:					
Maintenance Reserve				638,038	
Maintenance Reserve - Designated for Subsequent Years Expenditures				165,000	
Capital Reserve				1,414,411	
Capital Reserve - Designated for Subsequent Years Expenditures				100,000	
Excess Surplus - Designated for Subsequent Years Expenditures				18,417	
Excess Surplus - Current Year				128,337	
Unassigned Fund Balance				251,820	
				2,807,352	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments Not Recognized On GAAP Basis				(16,605)	
Fund Balance Per Governmental Funds (GAAP)				$ 2,790,747	

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources	$ 37,451		37,451	37,451	-
State Sources		6,574	6,574	6,574	-
Federal Sources:					
Title I, Part A	62,955		62,955	62,955	-
Title IIA, Part A	3,483	-	3,483	3,483	-
Title IV, Part A	10,000	-	10,000	10,000	-
IDEA Part B, Basic	49,045	-	49,045	49,045	-
IDEA Part B, Preschool	1,332	-	1,332	1,332	-
High Impact Tutoring	35,621	-	35,621	35,621	-
ARP ESSER	161,010	-	161,010	161,010	-
ARP Accelerated Learning	19,919	-	19,919	19,919	-
ARP Mental Health	14,569	-	14,569	14,569	-
ARP Summer	21,497	-	21,497	21,497	-
ARP Beyond School	22,944	-	22,944	22,944	-
Total Federal Sources	402,375	-	402,375	402,375	-
Total Revenues	439,826	6,574	446,400	446,400	-
Expenditures:					
Instruction:					
Salaries of Teachers	149,276	-	149,276	149,276	-
Purchased Professional Services	27,240	-	27,240	27,240	-
Other Purchased Services	60,377	-	60,377	60,377	-
General Supplies	5,494	-	5,494	5,494	-
Other Objects	11,000	-	11,000	11,000	-
Total Instruction	253,387	-	253,387	253,387	-

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services:					
Other Salaries for Instruction	20,940	-	20,940	20,940	-
Employee Benefits	54,555	-	54,555	54,555	-
Purchased Professional Services	22,044	-	22,044	22,044	-
Other Purchased Services	46,564	-	46,564	46,564	-
General Supplies	3,247	-	3,247	3,247	-
Other Objects	8,212	-	8,212	8,212	-
Student Activities	32,258		32,258	32,258	-
Total Support Services	187,820	-	187,820	187,820	-
Total Expenditures	441,207	-	441,207	441,207	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,381)	6,574	5,193	5,193	-
Fund Balance, July 1				11,061	
Fund Balance, June 30				$ 16,254	
Recapitulation:					
Restricted:					
Student Activities				$ 16,254	
Total Fund Balance				$ 16,254	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

LAVALLETTE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP RECONCILIATION

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenues" from the Budgetary Comparison Schedule	$ 5,800,831	446,400
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
State aid recognized for GAAP statements in the current year previously recognized for budgetary purposes.	17,213	16,839
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33)	(16,605)	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 5,801,439	463,239
Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 5,662,019	441,207
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the supplies are received for financial reporting purposes.		16,839
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 5,662,019	458,046

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

LAST TEN FISCAL YEARS

Exhibit L-1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.00173%	0.00187%	0.00188%	0.00195%	0.00213%	0.00205%	0.00236%	0.00268%	0.00247%	0.00265%
District's Proportionate Share of the Net Pension Liability	$ 253,051	$ 283,949	225,476	320,960	387,339	403,518	550,253	793,273	555,082	496,715
District's Covered-Employee Payroll	$ 144,328	$ 134,468	138,667	139,487	155,118	152,732	143,921	164,345	172,126	170,571
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	57.04%	47.36%	61.50%	43.46%	40.05%	37.85%	26.16%	20.72%	31.01%	34.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.45%	46.41%	42.90%	42.90%	42.04%	40.45%	36.78%	31.02%	38.21%	42.74%

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

LAST TEN FISCAL YEARS

Exhibit L-2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 79,873	46,176	31,494	31,041	27,576	25,774	23,850	23,850	22,888	27,069
Contributions in Relation to the Contractually Required Contribution	79,873	46,176	31,494	31,041	27,576	25,774	23,850	23,850	22,888	27,069
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	144,328	134,468	138,667	139,487	155,118	152,732	143,921	164,345	172,126	170,571
Contributions as a Percentage of Covered-Employee Payroll	55.34%	34.34%	22.71%	22.25%	17.78%	16.88%	16.57%	14.51%	13.30%	15.87%

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

LAST TEN FISCAL YEARS

Exhibit L-3

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability	$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	7,086,982	7,660,891	7,119,822	10,608,133	9,705,687	9,654,836	9,342,457	11,787,560	9,380,978	7,756,905
Total	$ 7,086,982	7,660,891	7,119,822	10,608,133	9,705,687	9,654,836	9,342,457	11,787,560	9,380,978	7,756,905
District's Covered-Employee Payroll	$ 1,747,191	1,611,460	1,601,346	1,661,922	1,607,123	1,728,100	1,630,999	1,596,604	1,447,121	1,466,800
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	24.65%	21.03%	22.49%	15.67%	16.56%	17.90%	17.46%	13.54%	15.43%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

LAVALLETTE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

L-4

SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS

TEACHER'S PENSION AND ANNUITY FUND (TPAF)

LAST TEN FISCAL YEARS

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

LAVALLETTE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Public Employee's Retirement System (PERS)

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate remained at 7.00% as of June 30, 2022, and as of June 30, 2023, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate remained at 7.00% as of June 30, 2022, and as of June 30, 2023, in accordance with Paragraph 44 of GASB Statement No. 67.

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OPEB (GASB 75) - M

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Exhibit M-1

LAST EIGHT FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	$ -	-	-	-	-	-	-	-
State's OPEB Liability Attributable to the District								
Service Cost	$ 239,750	326,631	373,262	211,613	204,555	237,052	283,931	*
Interest	252,436	174,806	197,116	177,515	215,763	234,936	201,170	*
Change of Benefit Terms			(8,088)					*
Benefit Payments	(196,778)	(173,150)	(155,272)	(152,674)	(151,447)	(145,557)	(148,123)	*
Member Contributions	6,469	5,555	5,039	4,628	4,489	5,031	5,454	*
Difference between Expected and Actual Experience	255,178	433,198	(1,590,700)	1,993,120	(856,795)	(658,348)		*
Change of Assumptions	14,447	(1,769,480)	7,497	1,601,932	73,561	(624,668)	(792,875)	*
Net Change in Total OPEB Liability	571,502	(1,002,440)	(1,171,146)	3,836,134	(509,874)	(951,554)	(450,443)	*
Total Attributable OPEB Liability - Beginning	6,596,165	7,598,605	8,769,751	4,933,617	5,443,491	6,395,045	6,845,488	*
Total Attributable OPEB Liability - Ending	$ 7,167,667	6,596,165	7,598,605	8,769,751	4,933,617	5,443,491	6,395,045	6,845,488
District's Covered Payroll	$ 1,891,519	1,745,928	1,740,013	1,801,409	1,762,241	1,870,030	1,774,920	1,760,949
District's Contribution	None	None	None	None	None	None	None	None
District's Proportionate Share of 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%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	378.94%	377.80%	436.70%	486.83%	279.96%	291.09%	360.30%	388.74%

* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

LAVALLETTE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit M-2

Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements.

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2022 to June 30, 2023 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

LAVALLETTE SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR FISCAL YEAR ENDED JUNE 30, 2024

	High Impact Tutoring	IDEA Preschool	IDEA Basic	Title I	Title IIA	Title IV
Revenues:						
Federal Sources	$ 35,621	1,332	49,045	62,955	3,483	10,000
State Sources						
Local Sources						
Total Revenues	35,621	1,332	49,045	62,955	3,483	10,000
Expenditures:						
Instruction:						
Salaries of Teachers	862			10,000		
Other Salaries for Instruction				20,000		
Purchased Professional Services	27,240					
Other Purchased Services		1,332	49,045			10,000
General Supplies	2,453			1,407		
Other Objects						
Total Instruction	30,555	1,332	49,045	31,407	-	10,000
Support Services:						
Salaries						
Employee Benefits	66			11,105		
Purchased Professional Services	5,000					
Other Purchased Services				17,736	3,483	
General Supplies				2,707		
Other Objects						
Student Activities						
Total Support Services	5,066	-	-	31,548	3,483	-
Total Expenditures	35,621	1,332	49,045	62,955	3,483	10,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Fund Balance, July 1						
Fund Balance, June 30	$ -	-	-	-	-	-

LAVALLETTE SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR FISCAL YEAR ENDED JUNE 30, 2024

	SDA Emergent	ARP ESSER	ARP Accelerated Learning	ARP Mental Health	ARP Summer	ARP Beyond School	Student Activities	Total
Revenues:								
Federal Sources		161,010	19,919	14,569	21,497	22,944		402,375
State Sources	6,574							6,574
Local Sources							37,451	37,451
Total Revenues	6,574	161,010	19,919	14,569	21,497	22,944	37,451	446,400
Expenditures:								
Instruction:								
Salaries of Teachers		70,000	10,000		18,414	20,000		129,276
Other Salaries for Instruction								20,000
Purchased Professional Services								27,240
Other Purchased Services								60,377
General Supplies				1,510	124			5,494
Other Objects		11,000						11,000
Total Instruction	-	81,000	10,000	1,510	18,538	20,000	-	253,387
Support Services:								
Salaries		10,000	1,000	8,500	1,440			20,940
Employee Benefits		31,000	5,000	2,921	1,519	2,944		54,555
Purchased Professional Services		13,125	3,919					22,044
Other Purchased Services		25,345						46,564
General Supplies		540						3,247
Other Objects	6,574			1,638				8,212
Student Activities							32,258	32,258
Total Support Services	6,574	80,010	9,919	13,059	2,959	2,944	32,258	187,820
Total Expenditures	6,574	161,010	19,919	14,569	21,497	22,944	32,258	441,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	5,193	5,193
Fund Balance, July 1					-		11,061	11,061
Fund Balance, June 30	-	-	-	-	-	-	16,254	16,254

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

LAVALLETTE SCHOOL DISTRICT

GENERAL LONG-TERM DEBT GROUP

Exhibit I-1

STATEMENT OF SERIAL BONDS

JUNE 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2023	Retired	Balance June 30, 2024
Various School Projects	3/8/2005	$ 1,187,000	2/1/2025	$ 60,000	4.20%	$ 120,000	60,000	60,000
Various School Projects	5/14/2020	2,200,000	1/15/2025	145,000	2.00%	1,975,000	140,000	1,835,000
			1/15/2026	150,000	2.00%			
			1/15/2027-28	155,000	2.00%			
			1/15/2029	165,000	2.00%			
			1/15/2030	170,000	2.00%			
			1/15/2031	175,000	2.00%			
			1/15/2032-35	180,000	2.00%-2/50%			
						$ 2,095,000	200,000	1,895,000

LAVALLETTE SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2024

Series	Interest Rate	Amount of Original Issue	Amount Outstanding June 30, 2023	Retired	Amount Outstanding June 30, 2024
Copier 2019 (MPC6503)*	5%	$ 20,736	$ 6,183	4,588	1,595
Copier 2019 (IMC2000)	5%	7,495	2,235	1,658	577
Copier 2019 (IMC4500)*	5%	12,589	3,754	2,786	968
			$ 12,172	9,032	3,140

* $5,000 Down Payment.

LAVALLETTE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 177,910		177,910	177,910	-
Debt Service Aid	61,260		61,260	61,260	
Total Revenues	239,170	-	239,170	239,170	-
Expenditures:					
Regular Debt Service:					
Interest	45,170		45,170	45,170	-
Redemption of Principal	200,000		200,000	200,000	
Total Expenditures	245,170	-	245,170	245,170	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,000)	-	(6,000)	(6,000)	-
Fund Balance July 1	330,298		330,298	330,298	
Fund Balance June 30	$ 324,298	-	324,298	324,298	-

STATISTICAL SECTION

(Unaudited)

Lavallette Borough Board of Education
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

J-1

	Fiscal Year Ending June 30,									
	2015	2016	2015	2017	2018	2019	2020	2022	2023	2024
Governmental activities										
Invested in capital assets, net of related debt	$ 2,848,956	$ 2,101,303	$2,101,303	$ 2,609,477	$ 2,493,347	$ 2,455,824	$ 1,944,157	$ 1,885,350	$ 1,885,350	$ 1,655,595
Restricted	1,747,978	1,863,693	1,863,693	1,409,750	1,375,684	1,552,614	2,154,416	2,569,905	2,569,905	2,512,752
Unrestricted	(343,195)	168,976	168,976	(37,758)	(115,421)	(123,943)	(95,827)	(94,177)	(94,177)	274,778
Total governmental activities net assets	$ 4,253,739	$ 4,133,972	$4,133,972	$ 3,981,469	$ 3,753,610	$ 3,884,495	$ 4,150,178	$ 4,361,078	$ 4,361,078	$ 4,443,125
Business-type activities										
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ -	$ 1,463	$ 1,309	$ 1,001	$ 1,001	$ 693
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(36,334)	(36,658)	(36,658)	(33,989)	(35,033)	(34,990)	(32,917)	(29,879)	(29,879)	8,542
Total business-type activities net assets	$ (36,334)	$ (36,658)	$ (36,658)	$ (33,989)	$ (35,033)	$ (33,527)	$ (31,608)	$ (28,878)	$ (28,878)	$ 9,235
District-wide										
Invested in capital assets, net of related debt	$ 2,848,956	$ 2,101,303	$2,101,303	$ 2,609,477	$ 2,493,347	$ 2,457,287	$ 2,091,589	$ 1,886,351	$ 1,886,351	$ 1,656,288
Restricted	1,747,978	1,863,693	1,863,693	1,409,750	1,375,684	1,552,614	2,154,416	2,569,905	2,569,905	2,512,752
Unrestricted	(379,529)	132,318	132,318	(71,747)	(150,454)	(158,933)	(127,435)	(124,056)	(124,056)	283,320
Total district net assets	$ 4,217,405	$ 4,097,314	$4,097,314	$ 3,947,480	$ 3,718,577	$ 3,850,968	$ 4,118,570	$ 4,332,200	$ 4,332,200	$ 4,452,360

Source: ACFR Schdule A-1

Lavallette Borough Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

J-2

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	$ 1,087,849	$ 1,164,551	$ 1,149,861	$ 1,090,657	$ 1,163,622	$ 1,091,663	$ 1,165,679	$ 1,081,224	$ 1,081,224	$ 1,208,955
Special education	214,237	196,617	274,042	330,241	240,521	260,322	291,520	544,517	544,517	595,082
Other instruction	182,149	157,486	137,177	116,929	106,397	95,243	192,588	111,444	111,444	155,792
Support Services:										
Tuition	719,961	819,542	820,617	1,019,650	783,402	866,059	797,050	864,232	864,232	891,946
Student & instruction related services	335,164	389,586	470,114	425,157	421,416	382,359	412,512	473,658	473,658	605,976
School administrative services	221,413	200,769	179,834	224,236	205,753	201,900	199,897	226,185	226,185	301,075
Plant operations and maintenance	263,967	244,431	322,360	313,052	307,557	237,456	367,136	379,549	379,549	607,385
Pupil transportation	134,997	175,888	130,045	203,128	153,649	159,160	106,546	127,892	127,892	155,194
Unallocated benefits	812,176	887,936	959,821	1,068,966	1,206,756	1,172,351	1,242,734	1,344,075	1,344,075	1,587,133
Interest on long-term debt	26,282	23,650	22,215	18,730	16,270	14,835	12,375	69,563	69,563	42,855
Depreciation	362,890	242,544	244,121	208,850	211,273	203,178	356,105	365,444	365,444	381,056
Total governmental activities expenses	4,361,085	4,503,000	4,710,207	5,019,596	4,816,616	4,684,526	5,144,142	5,587,783	5,587,783	6,532,449
Business-type activities:										
Food service	45,292	42,947	41,346	42,539	68,793	33,592	15,671	47,176	47,176	44,150
Total business-type activities expense	45,292	42,947	42,947	42,539	68,793	33,592	15,671	47,176	47,176	44,150
Total district expenses	$ 4,396,377	$ 4,545,947	$ 4,545,947	$ 5,062,135	$ 4,885,409	$ 4,718,118	$ 5,159,813	$ 5,634,959	$ 5,634,959	$ 6,576,599
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	$ 193,281	$ 173,243	$ 285,591	$ 356,957	$ 269,829	$ 296,554	$ 268,779	$ 303,697	$ 303,697	$ 492,146
Student & instruction related services										
Business and other support services										
Operating grants and contributions	73,553	86,702	86,702	85,279	107,166	114,613	147,038	300,039	300,039	425,788
Total governmental activities program revenues	266,834	259,945	259,945	442,236	376,995	411,167	415,817	603,736	603,736	917,934
Business-type activities:										
Charges for services										
Food service	27,334	22,284	22,863	22,760	26,725	16,673	4,711	23,175	23,175	28,292
Operating grants and contributions	11,528	10,334	11,147	8,725	7,447	8,838	4,801	12,659	12,659	12,084
Total business type activities program revenues	38,862	32,618	24,010	31,485	34,172	25,511	9,512	35,834	35,834	40,376
Total district program revenues	$ 305,696	$ 292,563	$ 283,955	$ 473,721	$ 411,167	$ 436,678	$ 425,329	$ 639,570	$ 639,570	$ 958,310
Net (Expense)/Revenue										
Governmental activities	$ (4,084,251)	$(4,243,055)	$ (4,337,914)	$ (4,577,360)	$(4,439,621)	$(4,273,359)	$(4,728,325)	$ (4,984,047)	$ (4,984,047)	$ (5,614,515)
Business-type activities	(6,430)	(10,329)	(9,235)	(11,405)	(27,448)	1,919	4,801	(11,342)	(11,342)	(3,774)
Total district-wide net expense	$ (4,090,681)	$(4,253,384)	$ (4,253,384)	$ (4,588,765)	$(4,467,069)	$(4,271,440)	$(4,723,524)	$ (4,995,389)	$ (4,995,389)	$ (5,618,289)
General Revenues and Other Changes In Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	$ 3,600,931	$ 3,462,572	$ 3,503,823	$ 3,573,899	$ 3,761,102	$ 3,836,324	$ 3,913,050	$ 3,991,311	$ 3,991,311	$ 4,113,460
Taxes levied for debt service	115,860	84,675	82,215	79,775	29,782	23,065	20,855	34,183	34,183	177,910
Unrestricted grants and contributions	521,611	562,421	684,451	688,345	768,186	895,525	873,462	1,100,823	1,100,823	1,142,737
Investment earnings	2,247	2,547	2,780	4,568	1,348	1,014	640	904	904	-
Miscellaneous income	32,852	20,556	40,337	54,039	17,088	14,368	31,006	39,571	39,571	151,807
Transfers	(6,500)	(9,483)	(10,000)	(44,068)	(7,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Total governmental activities	4,267,001	4,123,288	4,303,606	4,356,558	4,570,506	4,760,296	4,829,013	5,156,792	5,156,792	5,575,914
Business-type activities:										
Investment earnings		5	6	10	13	-	6			
Miscellaneous income										30,000
Cancel payable										
Transfers	6,500	10,000	10,000	10,000	7,000	10,000	10,000	10,000	10,000	10,000
Total business-type activities	6,500	10,005	10,005	10,010	7,013	10,000	10,006	10,000	10,000	40,000
Total district-wide	$ 4,273,501	$ 4,133,293	$ 4,133,293	$ 4,366,568	$ 4,577,519	$ 4,770,296	$ 4,839,019	$ 5,166,792	$ 5,166,792	$ 5,615,914
Change in Net Assets										
Governmental activities	$ 182,750	$ (119,767)	$ (43,543)	$ (227,859)	$ 130,885	$ 265,683	$ 105,489	$ 172,745	$ 172,745	$ (38,601)
Business-type activities	70	(324)	771	(1,044)	1,506	1,919	3,847	(1,342)	(1,342)	36,226
Total district	$ 182,820	$ (120,091)	$ (42,772)	$ (228,903)	$ 132,391	$ 267,602	$ 109,336	$ 171,403	$ 171,403	$ (2,375)

Source: ACFR Schedule A-2 Does not include restatement for pension

Lavallette Borough Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

J-3

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2019	2020	2022	2023	2024
General Fund										
Reserved	$ 1,452,488	$ 1,417,085	$ 1,417,085	$ 1,375,684	$ 1,355,844	$ 1,355,844	$ 1,677,809	$ 2,388,716	$ 2,388,716	$ 2,555,532
Unreserved	242,448	254,611	254,611	239,295	242,511	242,511	240,030	235,032	235,032	235,215
Total general fund	$ 1,694,936	$ 1,671,696	$ 1,671,696	$ 1,614,979	$ 1,598,355	$ 1,598,355	$ 1,917,839	$ 2,623,748	$ 2,623,748	$ 2,790,747
All Other Governmental Funds										
Reserved	$ 367,201	$ 367,201	$ 367,201	$ 47,513		$ 367,201	$ 205,193	$ 25,805	$ 25,805	$ 16,254
Unreserved, reported in:										
Special revenue fund	-	-	-	-		-				
Capital projects fund	-	-	-		200,000	200,000	32,307	-	-	-
Debt service fund	-	-	-	285,100	285,350	285,350	533,818	340,298	340,298	324,298
Total all other governmental funds	$ 367,201	$ 367,201	$ 367,201	$ 332,613	$ 485,350	$ 852,551	$ 771,318	$ 366,103	$ 366,103	$ 340,552

Source: ACFR Schedule B-1

Lavallette Borough Board of Education
Changes in Fund Balances, Governmental Funds, **J-4**
Last Three Fiscal Years

	2022	2023	2024
Revenues			
Tax levy	$ 4,025,494	$ 4,025,494	$ 4,291,370
Tuition charges	303,697	303,697	492,146
Interest earnings	904	904	250
Miscellaneous	39,571	39,571	151,557
State sources	1,123,800	1,123,800	1,149,311
Federal sources	277,062	277,062	419,214
Total revenue	5,770,528	5,770,528	6,503,848
Expenditures			
Instruction			
Regular Instruction	1,133,424	1,133,424	1,208,955
Special education instruction	544,517	544,517	595,082
Other instruction	111,444	111,444	155,792
Support Services:			
Tuition	864,232	864,232	891,946
Student & instruction related services	473,658	473,658	605,976
Support services School Administration	226,185	226,185	301,075
Plant operations and maintenance	379,549	379,549	491,345
Pupil Transportation	127,892	127,892	155,194
Unallocated employee benefits	1,430,112	1,430,112	1,579,242
Capital outlay	125,025	125,025	135,458
Debt service:			
Principal	150,000	150,000	200,000
Interest and other charges	80,926	80,926	45,170
Total expenditures	5,646,964	5,646,964	6,365,235
Excess (Deficiency) of revenues over (under) expenditures	123,564	123,564	138,613
Other Financing sources (uses)			
Bond proceeds			
Transfers in			
Transfers out	(10,000)	(10,000)	(10,000)
Total other financing sources (uses)	(10,000)	(10,000)	(10,000)
Net change in fund balances	$ 113,564	$ 113,564	$ 128,613

Source: ACFR Schedule B-2

LAVALLETTE BOROUGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Misc.	Total
2015	2,247	193,231	32,077	$ 227,555
2016	2,547	173,243	22,318	$ 198,108
2017	2,780	285,591	40,337	$ 328,708
2018	4,568	308,682	98,805	$ 412,055
2019	1,348	269,829	19,158	$ 290,335
2020	1,014	289,923	14,368	$ 305,305
2021	390	268,779	11,670	$ 280,839
2022	904	303,697	39,571	$ 344,172
2023	250	471,884	46,165	$ 518,299
2024	250	492,146	151,557	$ 643,953

Source: District Records

Lavallette Borough Board of Education
Assessed Value and Actual Value of Taxable Property,
Last Ten Years

Year Ended	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2014	21,925,500	1,777,897,250		37,956,060		4,843,100	1,842,621,910	40,629,200		1,883,251,110	0.202	2,076,248,298
2015	19,257,200	1,790,789,750		37,959,760		4,843,100	1,852,849,810	40,629,200		1,893,479,010	0.191	2,008,291,578
2016	35,699,700	1,789,981,650		37,439,960		4,843,100	1,834,268,410	39,557,100		1,873,825,510	0.192	2,059,847,514
2017	33,675,800	1,798,905,774		37,497,160		4,843,100	1,874,921,634	39,557,100		1,914,478,734	0.195	2,163,791,174
2018	37,751,000	1,818,255,074		37,765,460		4,843,100	1,864,638,734	40,070,700		1,904,709,434	0.199	2,145,867,686
2019	46,057,500	1,826,796,724		37,728,060		4,843,100	1,915,425,384	38,850,400		1,954,275,784	0.201	2,182,583,426
2020	30,493,500	2,293,130,900		49,432,600		2,443,100	2,375,500,100	67,125,000		2,442,625,100	0.166	2,354,632,279
2021	36,646,500	2,291,445,500		49,432,600		1,839,700	2,379,364,300	68,505,000		2,447,869,300	0.169	2,415,918,473
2022	37,464,100	2,303,523,700		49,432,600		1,839,700	2,392,260,100	67,140,400		2,459,400,500	0.173	2,691,372,834
2023	38,141,600	2,318,376,700		49,710,500		1,839,700	2,408,068,500	66,708,600		2,474,777,100	0.018	3,176,615,176

Sources: Ocean County Abstract of Ratables

Lavallette Borough Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per $100 of assessed value)

Year Ended	Lavallette Borough Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Lavallette Borough	Ocean County	
2014	0.195	0.007	0.201	0.267	0.453	0.921
2015	0.195	0.006	0.201	0.272	0.460	0.933
2016	0.187	0.004	0.191	0.286	0.452	0.929
2017	0.188	0.004	0.192	0.296	0.372	0.860
2018	0.191	0.004	0.195	0.306	0.480	0.981
2019	0.195	0.004	0.199	0.306	0.466	0.971
2020	0.200	0.001	0.201	0.311	0.467	0.979
2021	0.165	0.001	0.166	0.262	0.400	0.828
2022	0.168	0.001	0.169	0.255	0.402	0.826
2023	0.165	0.007	0.173	0.255	0.426	0.854
2024	0.171	0.007	0.178	0.265	0.475	0.918

Source: District Records and Ocean County Abstract of Ratables

Lavallette BoroughBoard of Education
Principal Property Tax Payers,
Current & Ten years ago

	2023			2014		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
LITTLE GIANT, LLC	5801400	1	0.24%			
CONTE, SALVATORE & ALLISON	5476500	2	0.23%			
CHIAPPETTA, GINO & LAURA MORONE	4482900	3	0.19%			
LAVALLETTE YACHT CLUB	4244600	4	0.18%			
ZORZI, KENNETH & CHRISTINE	4163200	5	0.17%			
ROWLANDS, JEHAN	3877700	6	0.16%			
DONATO, MICHELE	3796000	7	0.16%			
MELA COURT LLC	3615200	8	0.15%			
FRITSCH, ARTHUR e JR & GAIL ANN	3594600	9	0.15%			
GIANT REALTY LLC	3580300	10	0.15%			
MINKS, HERBERT A&GEORGIANA T				5,808,900	1	0.25%
LITTLE GIANT, LLC				4,635,700	2	0.19%
LAVALLETTE YACHT CLUB				3,484,900	3	0.18%
MELLA COURT, LLC % TROPEANO				3,371,400	4	0.17%
VANDERBEEK, JEFFREY				3,209,100	5	0.17%
GIANT REALTY LLC				3,121,900	6	0.17%
DINALLO, DONALD N				3,115,100	7	0.17%
DONATO, MICHELE				3,094,400	8	0.16%
SUSINNO, BARBARA FAMILY TRUST				3,053,500	9	0.15%
LOUISE-C INC				2,852,400	10	0.15%
Total	$ 42,632,400		1.78%	$ 35,747,300		1.84%
Total Net Assessment	$ 2,379,364,300			$ 1,938,685,334		

Source: District ACFR, Municipal Tax Assessor, Ocean County Abstract of Ratables

Lavallette Borough Board of Education **J-9**
Property Tax Levies and Collections,
Last Ten Years
Unaudited

Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	3,700,738	3,700,738	100.00%	
2015	3,716,791	3,716,791	100.00%	
2016	3,547,247	3,547,247	100.00%	
2017	3,586,038	3,586,038	100.00%	
2018	3,653,674	3,653,674	100.00%	
2019	3,790,884	3,790,884	100.00%	
2020	3,859,389	3,859,389	100.00%	
2021	3,933,655	3,933,655	100.00%	
2022	4,025,494	4,025,494	100.00%	
2023	4,129,637	4,129,637	100.00%	

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

Lavallette Borough Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Exhibit J-10

	Governmental Activities				Business-Type Activities	
Year Ended	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District
2014	700,000	-	3,920	-	-	703,920
2015	600,000	-	31,243	-	-	631,243
2016	540,000	-	24,121	-	-	564,121
2017	480,000		17,022			497,022
2018	420,000		9,457			429,457
2019	360,000		1,394			361,394
2020	2,500,000		12,752			2,512,752
2021	2,440,000		26,868			2,466,868
2022	2,290,000		20,652			2,310,652
2023	2,200,000					2,200,000

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

* Source-Ocean County Department of Planning

Lavallette Borough Board of Education **Exhibit J-11**
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

	General Bonded Debt Outstanding				
Year Ended	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2014	700,000		700,000	0.04%	$ 262.66
2015	600,000		600,000	0.03%	$ 225.14
2016	540,000		540,000	0.03%	$ 298.84
2017	480,000		480,000	0.03%	$ 262.01
2018	420,000		420,000	0.02%	$ 229.26
2019	360,000		360,000	0.02%	$ 196.51
2020	2,500,000		2,500,000	0.10%	$ 1,364.63
2021	2,440,000		2,440,000	0.10%	$ 1,331.88
2022	2,290,000		2,290,000	0.09%	$ 1,207.81
2023	2,095,000		2,095,000	0.09%	$ 1,207.81

Lavallette Borough Board of Education
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2023

Exhibit J-12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lavallette Borough	6,123,577	100.00%	$ 6,123,577
Lavallette Borough School District Direct Debt			2,095,000
Total direct and overlapping debt			$ 8,218,577

Lavallette Borough Board of Education
Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Year 2023

		Equalized valuation basis	
		2023	3,176,615,176
		2022	2,691,372,834
		2021 #	2,415,918,473
		[A]	$ 8,283,906,483
Average equalized valuation of taxable property		[A/3]	$ 2,761,302,161
Debt limit (3 % of average equalization		[B]	82,839,065 a
Net bonded school debt		[C]	2,095,000
Legal debt margin		[B-C]	$ 80,744,065

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Debt limit	64,760,056	62,147,943	62,147,943	61,043,252	63,695,064	62,639,346	64,547,757	67,248,265	74,619,236	82,839,065
Total net debt applicable to limit	700,000	600,000	540,000	480,000	420,000	360,000	2,500,000	2,440,000	2,290,000	2,095,000
Legal debt margin	$ 64,060,056	$ 61,547,943	$ 61,607,943	$ 60,563,252	$ 63,275,064	$ 62,279,346	$ 62,047,757	$ 72,179,236	$ 80,549,065	$ 80,744,065
Total net debt applicable to the limit as a percentage of debt limit	1.08%	0.97%	0.87%	0.79%	0.66%	0.57%	3.87%	3.27%	2.76%	2.53%

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

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

Lavallette Borough Board of Education
Demographic and Economic Statistics
Ten Years

Exhibit J-14

Year	Population	County Per Capita Personal Income	State of NJ Unemployment Rate
2014	1,796	$ 45,197	n/a
2015	1,803	$ 47,267	n/a
2016	1,828	$ 48,826	n/a
2017	1,840	$ 50,356	n/a
2018	1,852	$ 51,725	n/a
2019	1,867	$ 53,517	n/a
2020	1,903	$ 57,344	n/a
2021	1,821	$ 60,823	5.5%
2022	1,846	$ 59,332	4.0%
2023	1,843	n/a	4.0%

Source: Borough of Lavallette

n/a - Information not available

Lavallette Borough Board of Education
Principal Employers,

J-15

Information Not Available

Lavallette Borough Board of Education J-16
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	13.0	13.0	13.0	13.0	13.0	13.0	14.0	14.0	14.0	14.0
Special education	6.1	6.1	6.1	6.1	6	6	4.5	4.5	4.5	4.5
Support Services:										
Student & instruction related services	6.1	6.1	6.1	6.1	6.2	6.2	4.8	4.8	5.6	5.6
General adminsitrative services	1.2	1.2	1.2	1.2	1.2	1.2	1.5	1.5	1.5	1.5
School administrative services	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.3	1.3	1.3
Business adminsitrative services	1.4	1.4	1.4	1.4	1.4	1.4	1.2	1.2	1.2	1.2
Plant operations and maintenance	1.7	1.7	1.7	1.7	1.7	1.7	2	2	2	2
Food Service	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total	31.0	31.0	31.0	31.0	31.0	31.0	29.7	29.7	30.5	30.5

Source: District Personnel Records

Lavallette Borough Board of Education
School Building Information
Last Ten Fiscal Years

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Lavallette Elementary School (19856, 1982)										
Square Feet	20900	20900	20900	20900	20900	20900	20900	20900	20900	20900
Capacity (students)	217	217	217	217	217	217	217	217	217	217
Enrollment	138	140.7	149.1	143.9	149	158	157	138	156	156

F

LAVALLETTE BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST FIVE YEARS CALCULATIONS
UNAUDITED

J-19

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

Gross Building Area	30,645
Required annual maintenance	$8,764

School Facilities	2020	2021	2022	2023	2024
Lavallette Elementary	$ 8,764	$ 8,764	$ 8,764	$ 8,764	$ 117,965
Total School Facilities	$ 8,764	$ 8,764	$ 8,764	$ 8,764	$ 117,965

J-20

LAVALLETTE SCHOOL DISTRICT

Insurance Schedule

	Coverage	Deductible
School Package Policy - NJSBAIG		
Property - Blanket Building and Contents	$8,149,744	$1,000
Comprehensive General Liability	$11,000,000	
Commercial Auto Liability	$11,000,000	
Boiler and Machinery	$100,000,000	$ 1,000/PD
Crime: Faithful Performance	$25,000	500
Commercial Umbrella Liability - NJSBAIG	$11,000,000	$10,000
Flood Insurance-Selective Insurance Company		
Building	$500,000	$10,000
Contents	$500,000	$10,000
Workers' Compensation Policy – NJSBAIG	$3,000,000	
Supplemental Worker's Compensation –Life Insurance Co of NA	up tp $2,500 per week	
School Leaders' Errors and Omissions - NJSBAIG	$10,000,000	$ 5,000/claim
Student and Athletic Accident Insurance – Peoples Benefit Life	$1,000,000	
Bond - Public Official (Treasurer of School Monies) - NJSBAIG	$155,380	$1,000
Bond- Public Official (Board Secretary) - NJSBAIG	$155,380	$1,000

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

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

K-1

Honorable President and Members
of the Board of Education
Lavallette School District
County of Ocean
Lavallette, New Jersey

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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lavallette Board of Education, County of Ocean, State of New Jersey as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Lavallette Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated January 10, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lavallette Board of Education, County of Ocean, State of New Jersey'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 of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lavallette Board of Education, County of Ocean, State of New Jersey's internal control. Accordingly, we do no express an opinion on the effectiveness of the Lavallette Board of Education, County of Ocean, and State of New Jersey'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lavallette Board of Education, County of Ocean, State of New Jersey's financial statements are free from material misstatement, we performed tests of it 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*.

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

January 10, 2025

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND NEW JERSEY OMB'S CIRCULAR 15-08

K-2

Honorable President and Members
of the Board of Education
Lavallette School District
County of Ocean
Lavallette, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Lavallette Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Lavallette Board of Education's major state programs for the year ended June 30, 2024. The Lavallette 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 Lavallette 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, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit in accordance with the 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Lavallette 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 opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Lavallette Board of Education's compliance with the 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 its State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the Lavallette Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Lavallette Board of Education'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 the Uniform Guidance, 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 Lavallette Board of Education'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 Lavallette Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Lavallette Board of Education'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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been identified.

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

January 10, 2025

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Schedule A
K-3

Federal Grantor/Pass-Through Grantor/Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance at June 30, 2024		
					From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education Passed-Through State Department of Education															
Special Revenue Fund:															
I.D.E.A.:										49,045	(49,045)				
Basic	84.027	H027A210100	N/A	$ 49,045	07/01/2023	09/30/2024	$ -			1,332	(1,332)				
Preschool	84.173	H173A210114	N/A	1,332	07/01/2023	09/30/2024									
No Child Left Behind:															
Title I	84.010A	S010A210030	N/A	62,955	07/01/2023	09/30/2024				62,955	(62,955)				
Title IIA	84.367	S367A210029	N/A	3,483	07/01/2023	09/30/2024				3,483	(3,483)				
Title IV	84.424	S424A210031	N/A	10,000	07/01/2023	09/30/2024				10,000	(10,000)				
High Impact Tutoring	84.425V	S425V210031	N/A	35,936	10/11/2023	09/30/2024				35,936	(35,621)			315	
CRRSA ESSER II	84.425D	S425D210027	N/A	123,050	03/13/2020	08/31/2024	(16,753)			16,753					
ARP ESSER	84.425U	S425U210027	N/A	295,216	03/13/2020	09/30/2024	(120,832)			281,842	(161,010)				
ARP Summer	84.425U	S425U210027	N/A	40,000	03/13/2020	09/30/2024	(578)			22,075	(21,497)				
ARP Accelerated Learning	84.425U	S425U210027	N/A	50,000	03/13/2020	09/30/2024	(17,420)			37,339	(19,919)				
ARP Mental Health	84.425U	S425U210027	N/A	45,000	03/13/2020	09/30/2024	(26,995)			41,564	(14,569)				
ARP Beyond School	84.425U	S425U210027	N/A	40,000	03/13/2020	09/30/2024	(14,168)			34,449	(22,944)		(2,663)		
Total Special Revenue							(196,746)	-	-	596,773	(402,375)	-	(2,663)	315	-
U.S. Department of Agriculture Passed Through State Department of Education															
National School Lunch Program	10.555	221NJ304N1099	N/A	10,873	07/01/2022	06/30/2023	(579)			579					
School Lunch Program - PB	10.555	221NJ304N1099	N/A	451	07/01/2022	06/30/2023	(23)			23					
School Lunch Program - PB	10.555	231NJ304N1099	N/A	468	07/01/2023	06/30/2024				451	(468)		(17)		
National School Lunch Program	10.555	231NJ304N1099	N/A	8,509	07/01/2023	06/30/2024				8,217	(8,509)		(292)		
Food Distribution Program	10.550	231NJ304N1099	N/A	2,537	07/01/2023	06/30/2024				2,537	(2,537)				
Total Enterprise Fund							(602)	-	-	11,807	(11,514)	-	(309)	-	-
Total Federal Financial Assistance							$ (197,348)	-	-	608,580	(413,889)	-	(2,972)	315	-

See accompanying Notes to Schedules of Financial Assistance.

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR FISCAL YEAR ENDED JUNE 30, 2024

Schedule B
K-4

State Grantor/ Program Title / State Department of Education	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance at June 30, 2023 (Accounts Receivable)	Balance at June 30, 2023 Deferred Revenue	Balance at June 30, 2023 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
General Fund:															
Special Education Aid	24-495-034-5120-089	$ 94,293	07/01/2023	06/30/2024	$ -			80,199	(94,293)					(14,094)	94,293
Security Aid	24-495-034-5120-084	15,724	07/01/2023	06/30/2024				14,151	(15,724)					(1,573)	15,724
Transportation Aid	24-495-034-5120-014	56,079	07/01/2023	06/30/2024				55,141	(56,079)					(938)	56,079
Non-Public Transportation Aid	24-495-034-5120-014	1,820	07/01/2023	06/30/2024					(1,820)		(1,820)				1,820
Non-Public Transportation Aid	23-495-034-5120-014	1,872	07/01/2022	06/30/2023	(1,872)			1,872							
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	24-495-034-5094-001	166,539	07/01/2023	06/30/2024				166,539	(166,539)						166,539
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	24-495-034-5094-002	611,908	07/01/2023	06/30/2024				611,908	(611,908)						611,908
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	24-495-034-5094-004	257	07/01/2023	06/30/2024				257	(257)						257
Reimbursed TPAF Social Security	23-495-034-5095-003	136,506	07/01/2022	06/30/2023	(6,449)			6,449							
Reimbursed TPAF Social Security	24-495-034-5095-003	134,249	07/01/2023	06/30/2024				128,224	(134,249)		(6,025)				134,249
Total General Fund					(8,321)	-	-	1,064,740	(1,080,869)	-	(7,845)	-	-	(16,605)	1,080,869
Special Revenue Fund:															
SDA Emergent Needs	NA	6,574	07/01/2023	06/30/2024				6,574	(6,574)						6,574
State Department of Agriculture															
Enterprise Fund:															
School Lunch Program (State Share)	24-100-010-3360-023	416	07/01/2023	06/30/2024				401	(416)		(15)				416
NJEIE	24-100-010-3360-023	50	07/01/2023	06/30/2024				50	(50)						50
School Lunch Program (State Share)	23-100-010-3360-023	412	07/01/2022	06/30/2023	(21)			21							
					(21)	-	-	472	(466)	-	(15)	-	-	-	466
Total State Financial Assistance					$ (8,342)	-	-	1,071,786	(1,087,909)	-	(7,860)	-	-	(16,605)	1,087,909
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	24-495-034-5094-001	166,539	07/01/2023	06/30/2024					(166,539)						
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	24-495-034-5094-002	611,908	07/01/2023	06/30/2024					(611,908)						
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	24-495-034-5094-004	257	07/01/2023	06/30/2024					(257)						
Less On Behalf TPAF Pension System Contributions									(778,704)						
Total for State Financial Assistance - Major Program Determination									$ (309,205)						

See accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION

K-5

LAVALLETTE SCHOOL DISTRICT

NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

JUNE 30, 2024

NOTE 1: General

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Lavallette School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of 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. Programs recorded in the food service fund include the National School Lunch Program and the U.S.D.A Commodities Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

The general-purpose 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 P.L. 2003, c.97.(A3521). 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.

NOTE 3: **Relationship to General Purpose Financial Statements (Continued)**

	General Fund	Special Revenue Fund	Food Service	Total
State Assistance				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	$ 1,080,869	6,574	466	1,087,909
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	608			608
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 1,081,477	6,574	466	1,088,517

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	Special Revenue Fund	Food Service	Total
Federal Assistance			
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	$ 402,375	11,514	413,889
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	16,839		16,839
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	$ 419,214	11,514	430,728

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Part I - Summary of Auditor's Results

Financial Statement Section	**Description**
(A) Type of auditor's report issued on financial statements	Unmodified
(B) Internal control over financial reporting:	
1) Material weakness(es) identified?	___ Yes ___x___ No
2) Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes ___x___ None Reported
Noncompliance material to basic financial statements noted?	___ Yes ___x___ No

Federal Awards

NOT APPLICABLE

State Awards Section

(a) Dollar threshold used to determine Type A programs:	$750,000
(b) Auditee qualified as low-risk auditee?	___x___ Yes ___ No
(c) Type of auditor's report on compliance for major programs:	Unmodified
(d) Internal control over compliance:	
(1) Material weakness(es) identified?	___ Yes ___x___ No
(2) Were reportable condition(s) identified that were not considered to material weaknesses?	___ Yes ___x___ No
(e) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08?	___ Yes ___x___ No

GMIS Number(s)	**Name of State Program**
24-495-034-5120-089	Special Education Aid - Public Cluster
24-495-034-5120-084	Security Aid - Public Cluster
24-100-034-5095-003	Reimbursed TPAF Social Security Aid

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards.*

There are none.

LAVALLETTE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Part III - Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

Current Year Federal Awards

Not Applicable

State Awards

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

LAVALLETTE SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Requlations Part 200 and New Jersey OMB's Circular 15-08.

Status of Prior Year Findings

There were none.