

**LOPATCONG TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2024

**Responsibility of the Management of
Lopatcong Township School District
Warren County, New Jersey**



Certified Public Accountants, PC

**LOPATCONG TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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Board of Education of Lopatcong Township
321 Stonehenge Drive
Phillipsburg, New Jersey 08865
Telephone (908) 213-2995
Fax (908) 213-3675

Dr. Israel Marmolejos
Superintendent

Tina M. Palecek, M.Ed., QPA
School Business Administrator

December 20, 2024

Honorable President and Members of the Board of Education
Lopatcong Township School District
321 Stonehenge Drive
Phillipsburg, NJ 08865

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Lopatcong Township School District for the fiscal year ending June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present, fairly, the financial position and results of the 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, Introduction, Financial, Statistical and Single audit. The Introduction Section also includes the Letter of Transmittal, the District's Organizational Chart, Roster of Officials, and Consultants and Advisors. The Financial Section includes the Basic Financial Statements and schedules, as well as the auditors' report, therein. The Statistical Section includes 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, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to the single audit, including the auditors' reports on internal control structure and compliance with applicable law and regulations and findings are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Lopatcong Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as stated by Statement No. 14. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels preschool to twelve as well as special education. The District completed the 2023-2024 fiscal year with an average daily enrollment of 734 students, which is a -0.01% decrease from the previous year's enrollment. The following details the change in the student enrollment of the over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	828.8	-3.00%
2015-2016	846.0	2.08%
2016-2017	802.3	-5.17%
2017-2018	760.8	-5.17%
2018-2019	732.6	-3.71%
2019-2020	732.0	-0.08%
2020-2021	695.8	-4.95%
2021-2022	708.9	1.88%
2022-2023	730.2	3.01%
2023-2024	721.5	-1.20%

2. ECONOMIC CONDITION AND OUTLOOK:

The Lopatcong Township School District continues to recognize the ever-changing environment in the financing of education in the State of New Jersey. The School Funding Reform Act of 2008, reduction of State Aid and the potential for failed budgets, do present a challenge now and for future years. The Lopatcong Township Board of Education, along with the staff, will continue to provide a comprehensive education for all students. Exceptional instructional programs continue to be offered and reviewed on a regular basis for improvement. Students in grades three through eight scored comparably with the District factor group and State averages on the New Jersey State Assessment program in Language Arts and Mathematics.

3. MAJOR INITIATIVES:

The main initiative for the 2023-2024 school year was to continue working toward developing a positive environment for students and staff. New and/or enhanced clubs and groups were provided to students to assist in identified or perceived gaps in learning as a result of the pandemic. The District is continually working to maintain the integrity of its buildings. This school year the District completed work on roof renovations, upgrading classroom IT equipment, and bathroom upgrades in the Elementary School. The District also received multiple ROD grant approvals this year which include major roof renovation, uninvent upgrades, and HVAC projects in both the Elementary and Middle Schools. The ongoing initiatives support the goal of the Board, Administrators, staff, and parents to provide the best and safest learning environment possible for our students.

The District continued to address student achievement through developing, improving and aligning assessments to the curriculum while meeting the NJ Student Learning Standards. Through the use of grant funding, literacy and math consultants worked with teachers to help improve instruction and data analysis to improve planning.

4. INTERNAL 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 is compiled to allow for the preparation of financial statements in the conformity with generally accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance 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 the costs and benefits requires estimates and judgements by Management.

As a recipient of Federal and State financial assistance, the District, is also responsible that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. The internal control structure is also subject to periodic evaluation by District Management.

As a part of the District's single audit described earlier, tests are made to determine the adequacy of the internal structure, including the 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 Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line by line basis.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds 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 Sections of this report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION:

As of June 30, 2024, the District's outstanding debt issue was \$7,113,000.

9. CASH MANAGEMENT:

The investment policy of the District is guided in a large part by the State as detailed in the Notes to the Financial Statements, Note 3. The District has adopted a cash management plan requiring it to deposit public funds in public depositories protected from loss under provisions of the Government Unit Deposit Protection Act (GUDPA). GUDPA was enacted 1970 to protect Government Units from a loss of funds in deposits with failed banking institutions in New Jersey. The law requires Government Units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The District selected the accounting firm of BKC, CPAs, PC. In addition to meeting the requirements set forth in the statute, the audit was also designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditors' report on the general-purpose financial statements and schedules are included in the Financial Section of the report. The auditors' reports related specifically to the single audit are included the Single Audit Section of this report.

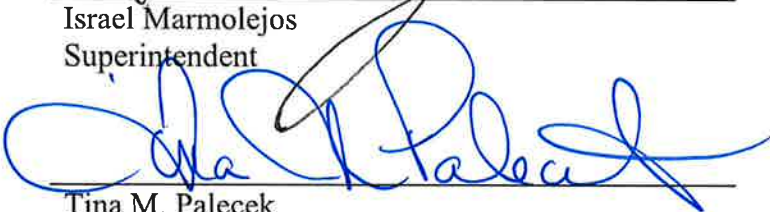
12. ACKNOWLEDGMENTS:

We would like to express our sincere appreciation to the members of the Lopatcong Township Board of Education for their dedication to providing fiscal accountability to the citizens and taxpayers of the District and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the District's Staff.

Respectfully Submitted,

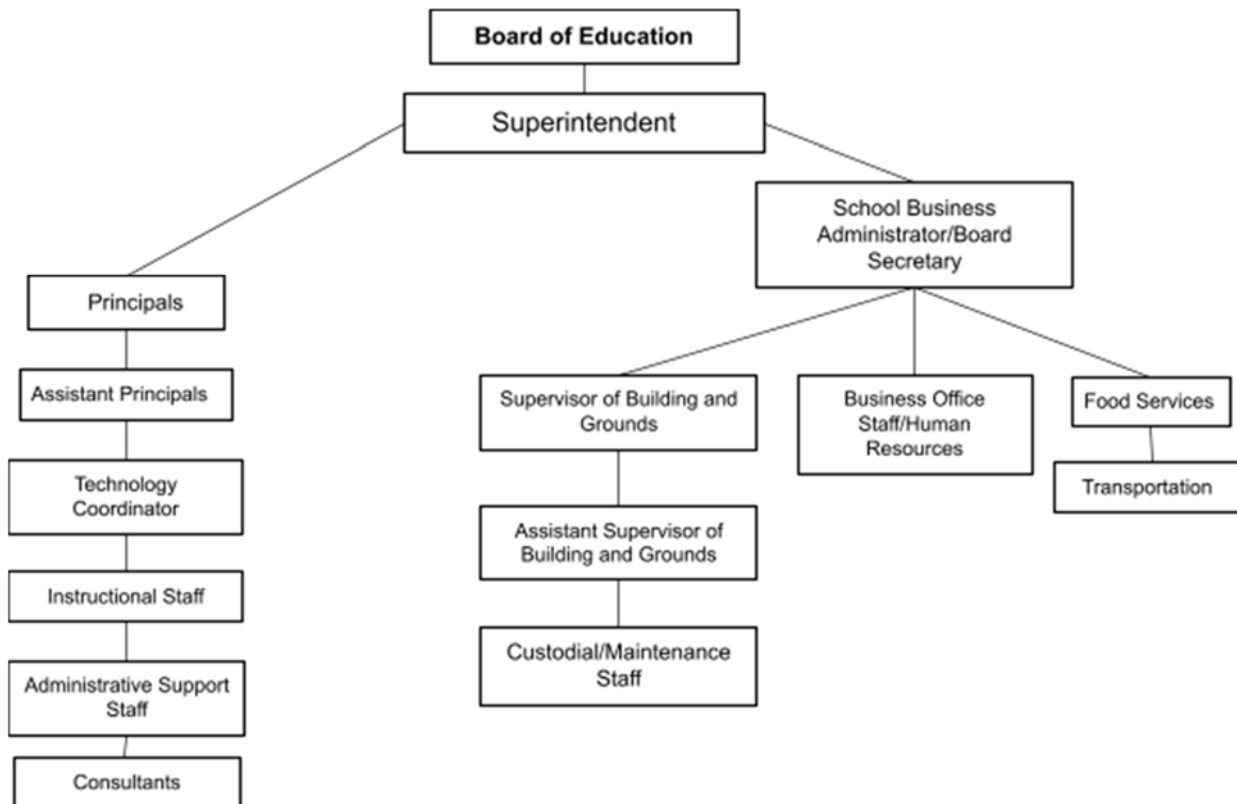


Israel Marmolejos
Superintendent



Tina M. Palecek
School Business Administrator/Board Secretary

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Organizational Chart



LOPATCONG TOWNSHIP SCHOOL DISTRICT
Roster of Officials
June 30, 2024

Members of the Board of Education	Title	Term Expires
David Schaible	President	2025
Pamela Thomas	Vice President	2024
Latiesha Carter		2024
Judy Liptak		2024
Breanne Sweeney		2025
Alayne Torretta		2025
Megan Flynn		2026
Ernest Gallant		2026
Julia Jones-Jasper		2026

Other Officials	Title
Israel Marmolejos, Jr.	Superintendent of Schools
Tina M. Palecek	Board Secretary/School Business Administrator
Cindy Hanics	School Treasurer

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors
June 30, 2024

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

ATTORNEY

John Comegno
521 Pleasant Valley Avenue
Moorestown, NJ 08057

ARCHITECT

Gianforcaro Architects, Engineers & Planners
555 East Main Street
Chester, New Jersey 07930

OFFICIAL DEPOSITORY

Citizens Savings Bank



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Lopatcong Township School District
Phillipsburg, New Jersey

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lopatcong Township School District (the District) in the County of Warren, 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 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 District, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of 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, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion on the Basic Financial Statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

December 20, 2024
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of Lopatcong Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the Basic Financial Statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position increased \$3,054,311 which represents a 22.49% increase from fiscal year 2023.
- General revenues accounted for \$25,083,448 in revenue or 95.96% of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,054,879 or 4.04% to total revenues of \$26,138,327.
- Total assets of governmental activities increased by \$1,437,753 as cash and cash equivalents increased by \$1,727,693, receivables decreased by \$55,251 and capital assets decreased by \$234,689.
- The School District had \$23,084,016 in expenses; only \$1,054,879 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$25,083,448 were adequate to provide for these programs.
- Among major funds, the general fund had \$23,000,197 in revenues, \$20,916,433 in expenditures. The general fund's balance increased \$2,083,764 from 2023.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Lopatcong Township School District, the general fund is by far the most significant fund.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these Fund Financial Statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provided.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2024 compared to June 30, 2023.

Table 1
Net Position

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 10,873,761	\$ 9,176,707	\$ 1,697,054	18.49%
Capital assets	15,639,806	15,876,953	(237,147)	-1.49%
Total assets	26,513,567	25,053,660	1,459,907	5.83%
Deferred pension activity				
Total deferred outflow of resources	261,130	306,054	(44,924)	-14.68%
Liabilities				
Long-term liabilities	9,156,006	10,060,442	(904,436)	-8.99%
Other liabilities	493,986	931,859	(437,873)	-46.99%
Total liabilities	9,649,992	10,992,301	(1,342,309)	-12.21%
Deferred pension activity				
Total deferred inflow of resources	490,327	787,346	(297,019)	-37.72%
Net position				
Net investment in capital assets	8,526,806	7,893,953	632,853	8.02%
Restricted	8,557,339	7,606,205	951,134	12.50%
Unrestricted	(449,767)	(1,920,091)	1,470,324	76.58%
Total net position	\$ 16,634,378	\$ 13,580,067	\$ 3,054,311	22.49%

Total assets increased \$1,459,907. Cash and cash equivalents increased by \$1,733,787, receivables and other assets decreased by \$36,733, and capital assets decreased by \$237,147. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District, increased by \$1,470,324.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 2
Changes in Net Position

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Changes for services	\$ 306,723	\$ 409,377	\$ (102,654)	-25.08%
Operating grants	748,156	674,253	67,092	9.85%
General revenues				
Property taxes	16,108,060	15,539,613	568,447	3.66%
Unrestricted grants	8,693,344	7,740,238	953,106	12.31%
Other	282,044	109,369	172,675	157.88%
Total revenues	<u>26,138,327</u>	<u>24,472,850</u>	<u>1,658,666</u>	6.78%
Program expenses				
Instruction				
Regular	7,671,944	7,196,789	475,155	6.60%
Special	2,761,506	2,900,922	(139,416)	-4.81%
Other Special	348,335	187,836	160,499	85.45%
Other	34,040	38,186	(4,146)	-10.86%
Support services				
Tuition	6,341,983	6,377,321	(35,338)	-0.55%
Student & instructional related services	2,044,082	1,676,194	367,888	21.95%
General & business administration	838,819	711,466	127,353	17.90%
School administration	584,882	599,325	(14,443)	-2.41%
Plant operations & maintenance	1,198,506	1,251,512	(53,006)	-4.24%
Transportation	821,768	906,342	(84,574)	-9.33%
Food service	314,269	299,939	7,519	2.45%
Childcare program	-	25,295	(25,295)	-100.00%
Interest on long term debt	123,882	95,755	28,127	29.37%
Total expenses	<u>23,084,016</u>	<u>22,266,882</u>	<u>810,323</u>	3.64%
Change in net position	<u>\$ 3,054,311</u>	<u>\$ 2,205,968</u>	<u>\$ 848,343</u>	38.46%

LOPATCONG TOWNSHIP SCHOOL DISTRICT
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Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 62.42% of revenues for governmental activities for the Lopatcong Township School District for fiscal year 2024.

Instruction comprises 46.85% of the District's expenses. Support service expenses and interest on debt make up 53.15% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 show the total cost of services and the net cost of services for 2024 and 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2024 compared to June 30, 2023.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Instruction	\$ 10,815,825	\$ 10,323,733	\$ 10,368,765	\$ 9,916,150
Support services				
Tuition	6,341,983	6,377,321	6,163,367	6,222,447
Student & instructional staff	2,044,082	1,676,194	1,944,936	1,539,186
General & business administration	838,819	711,466	838,819	711,466
School administration	584,882	599,325	584,882	599,325
Plant operations & maintenance	1,198,506	1,251,512	1,198,506	1,251,512
Pupil transportation	821,768	906,342	821,768	906,342
Food services	314,269	299,939	(14,470)	(48,300)
Childcare program	-	25,295	(1,318)	(10,631)
Interest on long-term debt	123,882	95,755	123,882	95,755
Total expenses	<u>\$ 23,084,016</u>	<u>\$ 22,266,882</u>	<u>\$ 22,029,137</u>	<u>\$ 21,183,252</u>

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

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

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

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

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

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

The dependence upon tax revenues is apparent. For all activities general revenue support is 95.96%. The community, as a whole, is the primary support or funding source for the Lopatcong Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$24,750,633 and expenditures of \$22,641,633. The net positive change in fund balance for the year was most significant in the general fund, reflecting an increase of \$2,083,764.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2024, the School District amended its general fund budget as needed.

The School District uses program-based budgeting. The budgeting systems are designed to tightly control total program budgets but provide the flexibility for program management.

For the general fund, budgetary basis revenues and other financing sources were \$20,196,312, \$589,689 over original budgeted estimates of \$19,606,623.

The general fund revenues of the School District exceeded expenditures by \$2,149,218. The financial position of the School District highlights the dependency on the tax levy as well as the limitations of the 2% cap.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Capital Assets

At the end of the fiscal year 2024, the School District had \$15,639,806 invested in land, building, furniture and equipment. Table 4 provides a summary of the School District's capital assets net of depreciation for the fiscal year ended June 30, 2024 compared to June 30, 2023.

Table 4
Capital Assets at Year-end (Net of Depreciation)

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
Land	\$ 140,755	\$ 140,755	\$ -	0.00%
Construction in progress	1,261,363	1,000,471	260,892	26.08%
Land improvements	11,800	13,582	(1,782)	-13.12%
Building & improvements	14,048,964	14,608,106	(559,142)	-3.83%
Furniture & equipment	176,924	114,039	62,885	55.14%
	<u>\$ 15,639,806</u>	<u>\$ 15,876,953</u>	<u>\$ (237,147)</u>	-1.49%

Overall capital assets decreased by \$237,147 from fiscal year 2023 to fiscal year 2024. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2024, the School District had \$9,156,006 in long-term liabilities. This amount is detailed in Table 5 below for June 30, 2024 compared to June 30, 2023.

Table 5
Long-term Liabilities

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
General obligation and refunding bonds	\$ 7,113,000	\$ 7,983,000	\$ (870,000)	-10.90%
Unamortized bond premiums	167,269	191,165	(23,896)	-12.50%
Compensated absences liability	448,093	462,141	(14,048)	-3.04%
Net pension liability	1,427,644	1,424,136	3,508	0.25%
	<u>\$ 9,156,006</u>	<u>\$ 10,060,442</u>	<u>\$ (904,436)</u>	-8.99%

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

For the Future

Lopatcong Township is a sending district to Phillipsburg High School for grades 9-12. The continued challenge for the district is the tuition charged for its high school students attending Phillipsburg High School. The tuition rate is not negotiated which creates a significant stress on the district's finances. In effort to have more control and enhance the district's ability to manage this challenge, the district is looking into a formal send/receive contract with Phillipsburg. This action is still in the development stage, however, if it can be negotiated and agreed upon, it is believed to be a valuable addition to the district's financial stability for the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Tina Palecek, School Business Administrator/Board Secretary at Lopatcong Township Board of Education, 321 Stonehenge Drive, Phillipsburg, NJ 08865 or via phone at (908) 213-2995.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,487,425	\$ 233,180	\$ 3,720,605
Due from other funds	3,577	-	3,577
Inventory	-	14,413	14,413
Receivables, net	589,746	27,642	617,388
Restricted assets			
Capital reserve account - cash	5,374,819	-	5,374,819
Emergency reserve - cash	180,000	-	180,000
Maintenance reserve - cash	893,693	-	893,693
Student activities - cash	45,028	-	45,028
Unemployment claims - cash	24,238	-	24,238
Capital assets, net			
Land	140,755	-	140,755
Construction in progress	1,261,363	-	1,261,363
Other capital assets, net of depreciation	14,222,397	15,291	14,237,688
Total assets	<u>26,223,041</u>	<u>290,526</u>	<u>26,513,567</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>261,130</u>	<u>-</u>	<u>261,130</u>
Liabilities			
Accounts payable	75,109	-	75,109
Due to other funds	-	3,577	3,577
Accrued interest	43,034	-	43,034
Payroll deductions and withholdings payable	359,582	-	359,582
Unearned revenue	450	12,234	12,684
Long-term liabilities			
Due within one year	907,896	-	907,896
Due beyond one year	8,248,110	-	8,248,110
Total liabilities	<u>9,634,181</u>	<u>15,811</u>	<u>9,649,992</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>490,327</u>	<u>-</u>	<u>490,327</u>

See accompanying notes to the financial statements.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 8,511,515	\$ 15,291	\$ 8,526,806
Restricted for			
Capital reserve	5,374,819	-	5,374,819
Emergency reserve	180,000	-	180,000
Maintenance reserve	893,693	-	893,693
Tuition reserve	2,000,000	-	2,000,000
Student Activities	45,028	-	45,028
Debt service	39,561	-	39,561
Unemployment claims	24,238	-	24,238
Unrestricted	(709,191)	259,424	(449,767)
Total net position	<u>\$ 16,359,663</u>	<u>\$ 274,715</u>	<u>\$ 16,634,378</u>

See accompanying notes to the financial statements.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business- Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 4,178,526	\$ 3,493,418	\$ 27,988	\$ 332,876	\$ -	\$ (7,311,080)	\$ -	\$ (7,311,080)
Special education	1,546,193	1,215,313	-	6,128	-	(2,755,378)	-	(2,755,378)
Other special education	236,339	111,996	-	80,068	-	(268,267)	-	(268,267)
Other instruction	31,755	2,285	-	-	-	(34,040)	-	(34,040)
Support services								
Tuition	6,341,983	-	-	178,616	-	(6,163,367)	-	(6,163,367)
Students and instruction related services	1,241,804	802,278	73,329	25,817	-	(1,944,936)	-	(1,944,936)
General and business administration services	551,137	287,682	-	-	-	(838,819)	-	(838,819)
School administration services	359,683	225,199	-	-	-	(584,882)	-	(584,882)
Plant operations and maintenance	1,026,511	171,995	-	-	-	(1,198,506)	-	(1,198,506)
Pupil transportation	821,768	-	-	-	-	(821,768)	-	(821,768)
Interest on long-term debt	123,882	-	-	-	-	(123,882)	-	(123,882)
Total governmental activities	<u>16,459,581</u>	<u>6,310,166</u>	<u>101,317</u>	<u>623,505</u>	<u>-</u>	<u>(22,044,925)</u>	<u>-</u>	<u>(22,044,925)</u>
Business-type activities								
Food service	314,269	-	204,088	124,651	-	-	14,470	14,470
Child care program	-	-	1,318	-	-	-	1,318	1,318
Total business-type activities	<u>314,269</u>	<u>-</u>	<u>205,406</u>	<u>124,651</u>	<u>-</u>	<u>-</u>	<u>15,788</u>	<u>15,788</u>
Total primary government	<u>\$ 16,773,850</u>	<u>\$ 6,310,166</u>	<u>\$ 306,723</u>	<u>\$ 748,156</u>	<u>\$ -</u>	<u>(22,044,925)</u>	<u>15,788</u>	<u>(22,029,137)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						15,240,786	-	15,240,786
Property taxes levied for debt service						867,274	-	867,274
Federal and state aid not restricted						8,693,344	-	8,693,344
Investment earnings						123,851	2,380	126,231
Miscellaneous income						155,775	38	155,813
Total general revenues, special items and transfers						<u>25,081,030</u>	<u>2,418</u>	<u>25,083,448</u>
Change in net position						3,036,105	18,206	3,054,311
Net position - beginning						13,323,558	256,509	13,580,067
Net position - ending						<u>\$ 16,359,663</u>	<u>\$ 274,715</u>	<u>\$ 16,634,378</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

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

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,447,864	\$ -	\$ -	\$ 39,561	\$ 3,487,425
Due from other funds	205,082	-	-	-	205,082
Receivables from other governments					
State	366,830	-	-	-	366,830
Federal	-	222,590	-	-	222,590
Other accounts receivable	326	-	-	-	326
Restricted cash and cash equivalents	6,472,750	45,028	-	-	6,517,778
Total assets	\$ 10,492,852	\$ 267,618	\$ -	\$ 39,561	\$ 10,800,031
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 201,505	\$ -	\$ -	\$ 201,505
Accounts payable	54,024	21,085	-	-	75,109
Payroll deductions and withholdings payable	359,582	-	-	-	359,582
Due to state	450	-	-	-	450
Total liabilities	414,056	222,590	-	-	636,646

See accompanying notes to the financial statements.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2024

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for					
subsequent year's expenditures	\$ 141,714	\$ -	\$ -	\$ -	\$ 141,714
Excess surplus - current year	991,290	-	-	-	991,290
Capital reserve	5,374,819	-	-	-	5,374,819
Emergency reserve	180,000	-	-	-	180,000
Maintenance reserve	893,693	-	-	-	893,693
Student activities	-	45,028	-	-	45,028
Tuition reserve	2,000,000	-	-	-	2,000,000
Unemployment claims	24,238	-	-	-	24,238
Committed fund balance					
Year-end encumbrances	250	-	-	-	250
Assigned fund balance					
Designated for subsequent					
year's expenditures	196,623	-	-	39,561	236,184
Unassigned fund balance	276,169	-	-	-	276,169
Total fund balances	<u>10,078,796</u>	<u>45,028</u>	<u>-</u>	<u>39,561</u>	<u>10,163,385</u>
Total liabilities and fund balances	<u>\$ 10,492,852</u>	<u>\$ 267,618</u>	<u>\$ -</u>	<u>\$ 39,561</u>	

Amounts reported for governmental activities in the
Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources
and therefore are not reported in the funds. The cost of the assets
is \$28,133,802 and the accumulated depreciation is \$12,509,287. 15,624,515

Deferred outflows and inflows of resources related to pensions are
applicable to future periods and, therefore, are not reported in the funds. (229,197)

Long-term liabilities, including bonds payable and compensated absences
are not due and payable in the current period and therefore are not reported
as liabilities in the funds. (9,156,006)

Interest on long-term debt is not accrued in governmental funds, but rather
is recognized as an expenditure when due. (43,034)

Total net position of governmental activities \$ 16,359,663

See accompanying notes to the financial statements.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 15,240,786	\$ -	\$ -	\$ 867,274	\$ 16,108,060
Tuition					
Individuals	27,988	-	-	-	27,988
Interest on investments	123,851	-	-	-	123,851
Miscellaneous	155,775	73,329	-	-	229,104
Total local sources	15,548,400	73,329	-	867,274	16,489,003
Federal sources	-	623,505	-	-	623,505
State sources	7,451,797	-	-	186,328	7,638,125
Total revenues	23,000,197	696,834	-	1,053,602	24,750,633
Expenditures					
Current					
Instructional					
Regular instruction	3,845,650	332,876	-	-	4,178,526
Special education instruction	1,540,065	6,128	-	-	1,546,193
Other special instruction	156,271	80,068	-	-	236,339
Other instruction	31,755	-	-	-	31,755
Support service and undistributed costs					
Tuition	6,163,367	178,616	-	-	6,341,983
Student and instruction related services	1,137,202	104,602	-	-	1,241,804
General and business administrative services	551,137	-	-	-	551,137
School administrative services	359,683	-	-	-	359,683
Plant operations and maintenance	1,026,511	-	-	-	1,026,511
Pupil transportation	821,768	-	-	-	821,768
Unallocated benefits	4,919,926	-	-	-	4,919,926

See accompanying notes to the financial statements.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 362,967	\$ -	\$ -	\$ -	\$ 362,967
Debt service					
Principal	-	-	-	870,000	870,000
Interest & other charges	131	-	-	152,910	153,041
Total expenditures	<u>20,916,433</u>	<u>702,290</u>	<u>-</u>	<u>1,022,910</u>	<u>22,641,633</u>
Excess (deficit) of revenues over (under) expenditures	2,083,764	(5,456)	-	30,692	2,109,000
Fund balances, July 1	<u>7,995,032</u>	<u>50,484</u>	<u>-</u>	<u>8,869</u>	<u>8,054,385</u>
Fund balances, June 30	<u><u>\$ 10,078,796</u></u>	<u><u>\$ 45,028</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,561</u></u>	<u><u>\$ 10,163,385</u></u>

See accompanying notes to the financial statements.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net changes in fund balances - governmental fund (from B-2)	\$	2,109,000
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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 expenses. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$	362,967	
Depreciation expense		<u>(597,656)</u>	(234,689)

Repayment of debt principal and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Debt principal payments		870,000
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Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium		23,896
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In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.

		5,263
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LOPATCONG TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2024

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

	\$ 248,587
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In the Statement of Activities, compensated absences and early retirement benefits 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). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

	<u>14,048</u>
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Change in net position of governmental activities	<u><u>\$ 3,036,105</u></u>
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LOPATCONG TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2024

	Food Service Fund	Childcare Program	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 233,180	\$ -	\$ 233,180
Receivables from other governments			
State	1,034	-	1,034
Federal	19,382	-	19,382
Other receivables	7,226	-	7,226
Inventory	14,413	-	14,413
Total current assets	<u>275,235</u>	<u>-</u>	<u>275,235</u>
Noncurrent assets			
Capital assets	269,934	-	269,934
Less: accumulated depreciation	254,643	-	254,643
Total noncurrent assets	<u>15,291</u>	<u>-</u>	<u>15,291</u>
Total assets	<u>290,526</u>	<u>-</u>	<u>290,526</u>
Liabilities			
Current liabilities			
Unearned revenues - commodities	7,400	-	7,400
Unearned revenues - prepaid sales	4,834	-	4,834
Due to other funds	-	3,577	3,577
Total liabilities	<u>12,234</u>	<u>3,577</u>	<u>15,811</u>
Net position			
Net investment in capital assets	15,291	-	15,291
Unrestricted	263,001	(3,577)	259,424
Total net position	<u>\$ 278,292</u>	<u>\$ (3,577)</u>	<u>\$ 274,715</u>

See accompanying notes to the financial statements.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

	Food Service Fund	Childcare Program	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 130,032	\$ -	\$ 130,032
Daily sales - non-reimbursable programs	74,056	-	74,056
Childcare fees	-	1,318	1,318
Total operating revenues	<u>204,088</u>	<u>1,318</u>	<u>205,406</u>
Operating expenses			
Cost of sales - reimbursable programs	98,135	-	98,135
Cost of sales - nonreimbursable programs	36,981	-	36,981
Commodity food costs	27,613	-	27,613
Salaries	98,580	-	98,580
Supports services - employee benefits	14,815	-	14,815
Purchased professional / technical services	1,715	-	1,715
Purchased property services	4,373	-	4,373
Other purchased services			
Insurance	15,509	-	15,509
Management fee	10,509	-	10,509
Supplies and materials	2,034	-	2,034
Depreciation	2,458	-	2,458
Miscellaneous expenditures	1,547	-	1,547
Total operating expenses	<u>314,269</u>	<u>-</u>	<u>314,269</u>
Operating income (loss)	<u>(110,181)</u>	<u>1,318</u>	<u>(108,863)</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	4,397	-	4,397
NJEIE	389	-	389
Federal sources			
National school lunch program			
Cash assistance	70,953	-	70,953
Non-cash assistance (commodities)	27,613	-	27,613
P-EBT	653	-	653
Supply chain assistance	20,646	-	20,646
Other sources			
Miscellaneous	38	-	38
Interest earned on investments	2,380	-	2,380
Total non-operating revenues (expenses)	<u>127,069</u>	<u>-</u>	<u>127,069</u>
Other financing sources (uses)			
Operating transfer in (out)	<u>114,956</u>	<u>(114,956)</u>	<u>-</u>
Change in net position	131,844	(113,638)	18,206
Net position, beginning	<u>146,448</u>	<u>110,061</u>	<u>256,509</u>
Net position, ending	<u>\$ 278,292</u>	<u>\$ (3,577)</u>	<u>\$ 274,715</u>

See accompanying notes to the financial statements.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024

	Food Service Fund	Childcare Program	Total
Cash flows from operating activities			
Receipts from customers	\$ 200,219	\$ 1,318	\$ 201,537
Payments to Food Service Management Company	(277,456)	-	(277,456)
Payments to vendors (net)	(7,088)	-	(7,088)
Net cash provided by (used for) operating activities	<u>(84,325)</u>	<u>1,318</u>	<u>(83,007)</u>
Cash flows from non-capital financing activities			
State sources	4,206	-	4,206
Federal sources	82,477	-	82,477
Miscellaneous	38	-	38
Operating transfer in (out)	<u>114,956</u>	<u>(114,956)</u>	<u>-</u>
Net cash provided by (used for) non-capital financing activities	<u>201,677</u>	<u>(114,956)</u>	<u>86,721</u>
Cash flows from investing activities			
Interest earned on investments	<u>2,380</u>	<u>-</u>	<u>2,380</u>
Net increase (decrease) in cash and cash equivalents	119,732	(113,638)	6,094
Cash and cash equivalents, beginning	<u>113,448</u>	<u>113,638</u>	<u>227,086</u>
Cash and cash equivalents, ending	<u><u>\$ 233,180</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 233,180</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating activities			
Operating income (loss)	\$ (110,181)	\$ 1,318	\$ (108,863)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	2,458	-	2,458
Federal food donation program	27,613	-	27,613
(Increase) decrease in inventory	(937)	-	(937)
Increase (decrease) in unearned revenue	<u>(3,278)</u>	<u>-</u>	<u>(3,278)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (84,325)</u></u>	<u><u>\$ 1,318</u></u>	<u><u>\$ (83,007)</u></u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Lopatcong Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The Basic Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic Financial Statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District also has a sending/receiving relationship with Phillipsburg school district for Grades 9-12. The District had an approximate enrollment at June 30, 2024 of 734 students.

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

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's Board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the Organization on the District.

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

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the Fund Financial Statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary fund types (continued)

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

The District's enterprise fund is comprised of the food service fund and the childcare program.

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

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

Equipment	12 years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. 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, if necessary, are voted upon at the annual school election in November. 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. 6:20-2A.2(m)1. All budget amendments must be approved by School Board Resolution.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. 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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. 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 unearned revenues at fiscal year-end.

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2023-2024 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 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 rights to the benefits.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. 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 Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

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

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's Fund Financial Statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension Contributions, reimbursed TPAF Social Security Contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

Note 2 - Tax assessments and property taxes

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

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes (continued)

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

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

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

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash, and certificates of deposit in banks. As of June 30, 2024, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	<u>11,556,322</u>
Total bank balances	<u>\$ 11,806,322</u>

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	\$ 3,487,425
Enterprise funds, Statement of Net Position	B-4	233,180
Restricted cash and cash equivalents		
Governmental funds, Balance Sheet	B-1	<u>6,517,778</u>
Total cash and cash equivalents		<u>\$ 10,238,383</u>

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 140,755	\$ -	\$ -	\$ 140,755
Construction in progress	1,000,471	260,892	-	1,261,363
Total	<u>1,141,226</u>	<u>260,892</u>	<u>-</u>	<u>1,402,118</u>
Capital assets, being depreciated				
Land improvements	351,942	-	-	351,942
Building & improvements	25,644,168	14,226	-	25,658,394
Furniture & equipment	633,499	87,849	-	721,348
Total	<u>26,629,609</u>	<u>102,075</u>	<u>-</u>	<u>26,731,684</u>
Accumulated depreciation				
Land improvements	338,361	1,782	-	340,143
Building & improvements	11,036,060	573,369	-	11,609,429
Furniture & equipment	537,210	22,505	-	559,715
Total	<u>11,911,631</u>	<u>597,656</u>	<u>-</u>	<u>12,509,287</u>
Total capital assets, being depreciated, net	<u>14,717,978</u>	<u>(495,581)</u>	<u>-</u>	<u>14,222,397</u>
Governmental activities capital assets, net	<u>\$ 15,859,204</u>	<u>\$ (234,689)</u>	<u>\$ -</u>	<u>\$ 15,624,515</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 269,934	\$ -	\$ -	\$ 269,934
Less: accumulated depreciation	252,185	2,458	-	254,643
Business type activities capital assets, net	<u>\$ 17,749</u>	<u>\$ (2,458)</u>	<u>\$ -</u>	<u>\$ 15,291</u>

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	\$ 300,621
Special education	111,239
Other special instruction	17,003
Other instruction	2,285
Support services	
Student & instruction	89,341
General & business administration	39,650
School administration	25,877
Plant maintenance	11,640
Total depreciation expense, governmental activities	<u>\$ 597,656</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 7,983,000	\$ -	\$ 870,000	\$ 7,113,000	\$ 884,000
Bond premium	191,165	-	23,896	167,269	23,896
Compensated absences payable	462,141	-	14,048	448,093	-
PERS net pension liability	1,424,136	3,508	-	1,427,644	-
Total governmental activities long-term liabilities	<u>\$ 10,060,442</u>	<u>\$ 3,508</u>	<u>\$ 907,944</u>	<u>\$ 9,156,006</u>	<u>\$ 907,896</u>

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2024, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 884,000	\$ 88,057	\$ 972,057
2026	897,000	76,303	973,303
2027	902,000	64,429	966,429
2028	1,086,000	51,308	1,137,308
2029	1,102,000	36,868	1,138,868
2030 - 2031	2,242,000	29,674	2,271,674
Total	<u>\$ 7,113,000</u>	<u>\$ 346,639</u>	<u>\$ 7,459,639</u>

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2024, with their outstanding balances are comprised of the following individual issues:

\$3,526,000 - 2021 refunding school bonds, interest at 1.32%, due in annual installments beginning July 15, 2022, through July 15, 2026.	\$ 2,587,000
\$4,635,000 - 2021 refunding school bonds, interest at 1.32%, due in annual installments beginning July 15, 2022, through July 15, 2030.	4,526,000
	<u>\$ 7,113,000</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2024 is \$32,504,257. General obligation debt at June 30, 2024 is \$7,113,000, resulting in a legal debt margin of \$25,391,257.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. The TPAF retirement system is considered a 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 Board and the system's other related non-contributing employers.

A. 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 Division's annual financial statements which can be found at 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 pension benefits vest after 10 years of service.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
A. Public Employees' Retirement System (PERS) (continued)
Plan description (continued)

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years 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.

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, 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 and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are 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 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. 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 actuarial 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 excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the Plan.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

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 Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2023 measurement date 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 measurement date.

Contributions

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 non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

The employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for 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.

The District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 18.75% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2023:

Net pension liability	\$ 1,427,644
Proportionate share	0.0098564394%
Plan fiduciary net position as a percentage of the total pension liability	65.23%

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 (based on years of service)	2.75 - 6.55%
Investment rate of return	7.00%

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective net pension liability and actuarial information (continued)

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

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 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets 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%

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 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 and the municipal bond rate was applied to all projected benefits payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, 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% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 1,427,644
At a 1% lower rate (6.00%)	1,874,157
At a 1% higher rate (8.00%)	1,069,882

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,650	\$ 5,836
Changes of assumptions	3,136	86,521
Net difference between projected and actual earnings on pension plan investments	6,574	-
Changes in proportion and differences between District contributions and proportionate share of contributions	106,036	397,970
District contributions subsequent to the measurement date	131,734	-
Total	<u>\$ 261,130</u>	<u>\$ 490,327</u>

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2024, the Plan measurement date is June 30, 2023) of \$131,374 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2023 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 10,279	\$ 3,371	\$ 13,650
Changes of assumptions	4,412	(1,276)	3,136
Differences between expected and actual experience	58,944	(52,370)	6,574
Deferred inflows of resources			
Differences between expected and actual experience	(9,064)	3,228	(5,836)
Changes of assumptions	(213,250)	126,729	(86,521)
Differences between projected and actual earnings on pension plan investments	-	-	-
Net Changes	<u>\$ (148,679)</u>	<u>\$ 79,682</u>	<u>\$ (68,997)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal Year Ended June 30,

2024	\$ (75,375)
2025	(42,071)
2026	58,792
2027	(10,521)
2028	178
Total	<u>\$ (68,997)</u>

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Pension expense (benefit)

For the year ended June 30, 2024, the District recognized net pension expense (benefit) of (\$116,855), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$14,390), plus the net amortization of deferred amounts from changes in proportion of (\$89,733), and plus other adjustments to the net pension liability of (\$12,732). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 119,430
Interest on total pension liability	451,027
Benefit changes	-
Member contributions	(96,321)
Administrative expense	2,108
Expected investment return net of investment expense	(265,858)
Pension expense related to specific liabilities of individual employers	(1,775)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	7,786
Changes of assumptions	(217,791)
Difference between projected and actual investment earnings on pension plan investments	(12,996)
Pension expense (benefit)	<u>\$ (14,390)</u>

B. Teacher's Pension and Annuity Fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, 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 Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Member Eligibility</u>
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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 before age 65 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.

Contributions

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 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. For the fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (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 non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer 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 non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ended June 30, 2023, the State of New Jersey contributed \$1,773,588 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2023 measurement date is as follows:

District proportionate share of net pension liability	\$ 33,253,717
Less: State proportionate share of net pension liability	11,530,901
Net pension liability	<u>\$ 21,722,816</u>
Proportionate share	0.0425664896%
Plan fiduciary net position as a percentage of the total pension liability	34.68%

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions

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 (based on years of service)	2.75 - 4.25%

Investment rate of return	7.00%
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Preretirement 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.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Long-term expected rate of return

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets 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 after that date in determining the total pension liability.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, 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% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 21,722,816
At a 1% lower rate (6.00%)	25,615,142
At a 1% higher rate (8.00%)	18,444,552

Pension expense (benefit)

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 579,847
Interest on total pension liability	2,239,423
Benefit changes	-
Member contributions	(396,559)
Administrative expense	5,773
Expected investment return net of investment expense	(724,230)
Pension expense related to specific liabilities of individual employers	(191)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	83,203
Changes of assumptions	(1,295,876)
Difference between projected and actual investment earnings on pension plan investments	42,276
Pension expense (benefit)	<u>\$ 533,666</u>

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,300 in 2024) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2024 was \$20,645.

D. Other pension plan information

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$523,770 to the TPAF for postretirement medical benefits, \$21,700 for non-contributory insurance premiums, \$524 for long-term disability insurance, and \$1,902,767 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$420,578 during the fiscal year ended June 30, 2024 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notice.shtml>.

Total OPEB liability

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

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 52,361,668,239
District's proportionate share of the State's OPEB liability	26,613,695
Employer OPEB expense and related revenue	517,101
Allocable proportionate percentage	0.0508266751%

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2022	\$ 25,193,163
Service cost	886,933
Interest cost	937,302
Change of benefit terms	-
Differences between expected and actual experiences	249,277
Changes of assumptions	53,642
Member contributions	24,020
Gross benefit payments	(730,642)
Total OPEB liability at June 30, 2023	\$ 26,613,695

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which 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:

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

Preretirement mortality rates were based on the Pub-2010 Healthy Teachers (TPAF/ABP) and General (PERS) 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 disabled 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.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF and PERS.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% 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%.

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.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2023 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.65%)	\$	26,613,695
At a 1% lower rate (2.65%)		31,199,988
At a 1% higher rate (4.65%)		22,931,434

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer 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:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$	26,613,695
At a 1% lower rate (1% decrease)		22,093,470
At a 1% higher rate (1% increase)		32,528,421

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

OPEB expense and deferred outflows and inflows of resources related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$517,101 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan Administrators are as follows:

Equitable
Ameriprise Financial
Lincoln Investments

Note 9 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2024 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 205,082	\$ -
Special Revenue fund	-	201,505
Cafeteria fund	-	3,577
	<u>\$ 205,082</u>	<u>\$ 205,082</u>

The cafeteria fund had an interfund payable of \$3,577 due to the general fund for a transfer made in error. The balance due from the special revenue fund to the general fund of \$201,505 represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2024 consisted of the following:

Food	\$ 11,126
Supplies	3,287
Total	<u>\$ 14,413</u>

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 11 - Contingent liabilities

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

<u>Fiscal year</u>	<u>Board Contrib.</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance Available for Claims</u>
2023 - 2024	\$ -	\$ 587	\$ 15,149	\$ 60,621	\$ 24,238
2022 - 2023	-	621	13,709	10,049	69,123
2021 - 2022	-	63	12,653	-	64,842

Note 13 - Reserve accounts

A capital reserve account was established by the District 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.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts (continued)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, 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 NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 4,775,067	\$ 1,000,000	\$ -	\$ 499,752	\$ 900,000	\$ 5,374,819
Emergency	180,000	-	-	-	-	180,000
Maintenance	893,693	300,000	-	-	300,000	893,693
Tuition	1,650,000	1,000,000	-	-	650,000	2,000,000
Total	<u>\$ 7,498,760</u>	<u>\$ 2,300,000</u>	<u>\$ -</u>	<u>\$ 499,752</u>	<u>\$ 1,850,000</u>	<u>\$ 8,448,512</u>

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2024 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements	\$ 141,714
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	991,290
Capital reserve account - represents funds restricted to capital projects in the District's long range facilities plan.	5,374,819
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	180,000
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	893,693
Tuition reserve account - represents funds accumulated for future tuition adjustments pursuant to N.J.A.C. 6A:23A-17.1(f).	2,000,000
Unemployment compensation - represents funds accumulated for future unemployment claims.	24,238

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	250
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Assigned fund balance

Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 - June 30, 2024	196,623
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	705,356
Total fund balance - budgetary basis (Exhibit C-1)	10,507,983
Last state aid payments not recognized on GAAP basis	(429,187)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 10,078,796</u>

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$991,290.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2024 of (\$709,191) on Schedule A-1, Statement of Net Position. The deficit balance is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 17 - Recent accounting pronouncements not yet effective

The following is the accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 18 - Subsequent events

The District has evaluated subsequent events through December 20, 2024, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

LOPATCONG TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final	Actual	Final
	Budget	Transfers	Budget		to Actual
Revenues					
Local sources					
Local tax levy	\$ 15,240,786	\$ -	\$ 15,240,786	\$ 15,240,786	\$ -
Tuition from individuals	9,000	-	9,000	27,988	18,988
Tuition from other LEAs within the State	45,828	-	45,828	-	(45,828)
Unrestricted miscellaneous revenues	3,000	-	3,000	279,039	276,039
Interest earned on current expense emergency reserve	1,000	-	1,000	-	(1,000)
Interest earned on maintenance reserve	1,000	-	1,000	-	(1,000)
Interest earned on capital reserve funds	3,000	-	3,000	-	(3,000)
Other restricted miscellaneous revenues	-	-	-	587	587
Total	15,303,614	-	15,303,614	15,548,400	244,786
State sources					
School choice aid	161,278	-	161,278	161,278	-
Categorical transportation aid	114,378	-	114,378	114,378	-
Extraordinary aid	-	-	-	334,438	334,438
Categorical special education aid	1,130,931	-	1,130,931	1,130,931	-
Equalization aid	2,870,392	-	2,870,392	2,870,392	-
Categorical security aid	26,030	-	26,030	26,030	-
Other state aid	-	-	-	10,465	10,465
TPAF Pension (on-behalf)	-	-	-	1,902,767	1,902,767
TPAF Non-contributory insurance	-	-	-	21,700	21,700
TPAF Social Security (reimbursed)	-	-	-	420,578	420,578
TPAF Postretirement benefits	-	-	-	523,770	523,770
TPAF Long-term disability insurance	-	-	-	524	524
Total	4,303,009	-	4,303,009	7,517,251	3,214,242
Total revenues	\$ 19,606,623	\$ -	\$ 19,606,623	\$ 23,065,651	\$ 3,459,028
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 67,459	\$ 215	\$ 67,674	\$ 67,674	\$ -
Kindergarten	285,143	(345)	284,798	250,942	33,856
Grades 1-5	1,617,181	188,459	1,805,640	1,792,108	13,532
Grades 6-8	1,446,456	5,433	1,451,889	1,392,839	59,050
Home instruction					
Salaries of Teachers	18,000	1,460	19,460	3,948	15,512
Purchased professional - educational services	3,000	(1,460)	1,540	1,540	-
Regular programs - undistributed instruction					
Other salaries for instruction	-	552	552	552	-
Purchased professional - educational services	45,000	(45,000)	-	-	-
Purchased technical services	30,000	(552)	29,448	27,287	2,161
Other purchased services	96,700	-	96,700	84,312	12,388
General supplies	198,306	47,123	245,429	224,448	20,981
Textbooks	500	-	500	-	500
Other objects	3,000	-	3,000	-	3,000
Total	3,810,745	195,885	4,006,630	3,845,650	160,980

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Special education					
Learning and/or language disabilities					
Salaries of Teachers	\$ 131,270	\$ -	\$ 131,270	\$ 89,384	\$ 41,886
Other salaries for instruction	27,000	-	27,000	8,961	18,039
Total	158,270	-	158,270	98,345	59,925
Emotional regulation impairment					
Salaries of Teachers	81,266	26,299	107,565	81,266	26,299
Other salaries for instruction	26,299	(26,299)	-	-	-
General supplies	500	-	500	-	500
Total	108,065	-	108,065	81,266	26,799
Multiple disabilities					
Salaries of Teachers	258,653	64,945	323,598	319,678	3,920
Other salaries for instruction	409,485	13,389	422,874	295,331	127,543
Purchased professional-educational services	40,000	(38,770)	1,230	-	1,230
Total	708,138	39,564	747,702	615,009	132,693
Resource room/resource center					
Salaries of Teachers	884,191	4,395	888,586	519,438	369,148
Other salaries for instruction	78,897	26,481	105,378	53,421	51,957
General supplies	400	-	400	268	132
Total	963,488	30,876	994,364	573,127	421,237
Preschool disabilities - part-time					
Salaries of Teachers	126,233	1,215	127,448	112,099	15,349
Other salaries for instruction	110,196	2,700	112,896	60,219	52,677
Total	236,429	3,915	240,344	172,318	68,026
Total special education	2,174,390	74,355	2,248,745	1,540,065	708,680
Basic skills/remedial					
Salaries of Teachers	145,987	270	146,257	132,906	13,351
Other salaries for instruction	52,598	-	52,598	23,365	29,233
General supplies	400	-	400	-	400
Total	198,985	270	199,255	156,271	42,984
School-sponsored co/extra curricular activities - instruction					
Salaries	33,000	3,400	36,400	31,755	4,645
Total	33,000	3,400	36,400	31,755	4,645
Total instruction regular	\$ 6,217,120	\$ 273,910	\$ 6,491,030	\$ 5,573,741	\$ 917,289
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - regular	\$ 5,397,473	\$ -	\$ 5,397,473	\$ 5,397,473	\$ -
Tuition to other LEAs within the State - special	514,683	(117,833)	396,850	383,920	12,930
Tuition to county vocational school district - regular	32,220	67,878	100,098	100,098	-
Tuition to private school for the disabled within state	367,736	(81,294)	286,442	281,876	4,566
Total	6,312,112	(131,249)	6,180,863	6,163,367	17,496

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - attendance and social work					
Salaries	\$ 29,231	\$ 500	\$ 29,731	\$ 29,731	\$ -
Total	29,231	500	29,731	29,731	-
Undistributed expenditures - health services					
Salaries	157,248	8,988	166,236	166,236	-
Purchased professional and technical services	4,800	-	4,800	-	4,800
Supplies and materials	2,572	-	2,572	1,392	1,180
Other objects	1,500	(800)	700	-	700
Total	166,120	8,188	174,308	167,628	6,680
Undistributed expenditures - speech/ot/pt and related services					
Salaries	165,733	-	165,733	146,270	19,463
Purchased professional - educational services	228,125	(142,731)	85,394	84,768	626
Supplies and materials	-	500	500	-	500
Other objects	500	(500)	-	-	-
Total	394,358	(142,731)	251,627	231,038	20,589
Undistributed expend - other supp. service stds. - extra service					
Salaries	15,000	(15,000)	-	-	-
Supplies and materials	7,500	(7,500)	-	-	-
Other objects	5,000	(5,000)	-	-	-
Total	27,500	(27,500)	-	-	-
Undistributed expenditures - guidance					
Salaries of other professional staff	153,516	2,812	156,328	156,328	-
Supplies and materials	750	-	750	-	750
Other objects	1,200	-	1,200	-	1,200
Total	155,466	2,812	158,278	156,328	1,950
Undistributed expenditures - child study teams					
Salaries of other professional staff	182,232	70,903	253,135	253,135	-
Salaries of secretarial and clerical assistants	50,145	-	50,145	40,823	9,322
Other salaries	11,000	-	11,000	9,118	1,882
Purchased professional - educational services	115,000	(28,864)	86,136	55,073	31,063
Other purchased professional & technical services	39,000	-	39,000	29,962	9,038
Supplies and materials	1,500	436	1,936	1,918	18
Total	398,877	42,475	441,352	390,029	51,323
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	105,450	(105,450)	-	-	-
Salaries of other professional staff	8,000	109,782	117,782	110,289	7,493
Purchased professional - educational services	5,000	-	5,000	-	5,000
Total	118,450	4,332	122,782	110,289	12,493

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 10,581	\$ -	\$ 10,581	\$ -	\$ 10,581
Salaries of technology coordinators	32,764	4,017	36,781	36,781	-
Purchased professional and technical services	2,200	-	2,200	2,200	-
Total	45,545	4,017	49,562	38,981	10,581
Undistributed expenditures - instructional staff training services					
Other purchased services	16,000	-	16,000	13,178	2,822
Other objects	3,000	-	3,000	-	3,000
Total	19,000	-	19,000	13,178	5,822
Undistributed expenditures - support service - general admin.					
Salaries	191,971	1,986	193,957	193,027	930
Unused vacation payment to terminated/retired staff	5,000	(5,000)	-	-	-
Legal services	67,000	-	67,000	36,956	30,044
Audit fees	25,000	2,200	27,200	24,450	2,750
Architectural/engineering services	49,000	-	49,000	5,000	44,000
Other purchased professional services	16,000	(8,658)	7,342	-	7,342
Communications/telephone	26,000	3,393	29,393	29,103	290
BOE other purchased services	1,080	1,464	2,544	1,775	769
Miscellaneous purchased services	23,804	-	23,804	5,457	18,347
General supplies	1,350	(1,139)	211	102	109
BOE in-house training/meeting supplies	1,150	(1,150)	-	-	-
Miscellaneous expenditures	2,400	5,307	7,707	4,957	2,750
BOE membership dues and fees	9,000	1,676	10,676	10,676	-
Total	418,755	79	418,834	311,503	107,331
Undistributed expenditures - support service - school admin.					
Salaries of Principals/Assistant Principals	217,766	1,000	218,766	217,329	1,437
Salaries of Secretarial and Clerical Assistants	102,708	(2,467)	100,241	70,339	29,902
Supplies and materials	2,214	-	2,214	1,277	937
Other objects	5,375	-	5,375	3,166	2,209
Total	328,063	(1,467)	326,596	292,111	34,485
Undistributed expenditures - central services					
Salaries	206,541	5,066	211,607	211,607	-
Purchased professional services	24,000	1,467	25,467	25,467	-
Supplies and materials	1,200	(479)	721	690	31
Other objects	1,500	370	1,870	1,870	-
Total	233,241	6,424	239,665	239,634	31
Undistributed expenditures - admin. info. technology					
Salaries	53,710	25	53,735	53,735	-
Purchased professional services	11,000	(25)	10,975	9,400	1,575
Supplies and materials	6,838	-	6,838	4,437	2,401
Total	71,548	-	71,548	67,572	3,976

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - req. maint. for school facilities					
Salaries	\$ 314,670	\$ (4,461)	\$ 310,209	\$ 245,622	\$ 64,587
Unused vacation payment to terminated/retired staff	30,000	(30,000)	-	-	-
Cleaning, repair, and maintenance services	121,367	964	122,331	119,805	2,526
General supplies	49,000	(1,886)	47,114	10,090	37,024
Other objects	500	(75)	425	425	-
Total	515,537	(35,458)	480,079	375,942	104,137
Undistributed expenditures - custodial services					
Salaries	282,670	100,841	383,511	330,341	53,170
Salaries of non-instructional aides	38,782	(38,782)	-	-	-
Purchased professional and technical services	4,500	(1,234)	3,266	2,494	772
Cleaning, repair, and maintenance service	16,000	(7,920)	8,080	1,406	6,674
Other purchased property services	25,000	-	25,000	21,218	3,782
Insurance	60,000	5,790	65,790	65,790	-
Miscellaneous purchased services	600	-	600	-	600
General supplies	55,214	(4,703)	50,511	1,967	48,544
Energy (natural gas)	95,566	20,689	116,255	116,255	-
Energy (electricity)	210,000	(15,987)	194,013	108,066	85,947
Energy (gasoline)	5,200	-	5,200	3,032	2,168
Total	793,532	58,694	852,226	650,569	201,657
Undistributed expenditures - security					
Purchased professional and technical services	60,000	-	60,000	-	60,000
Total	60,000	-	60,000	-	60,000
Undistributed expenditures - student transportation service					
Salaries for pupil trans. (between home & school) - reg.	10,000	1,289	11,289	-	11,289
Other purchased professional and technical service	6,000	(1,210)	4,790	4,435	355
Contract service-aid in lieu pymts. - non-public schools	65,000	10,608	75,608	57,952	17,656
Contract service (between home & school) - vendors	386,419	(34,000)	352,419	283,291	69,128
Contract service (sp. ed. stds) - vendors	516,419	(2,050)	514,369	476,090	38,279
General supplies	4,196	(4,196)	-	-	-
Total	988,034	(29,559)	958,475	821,768	136,707
Unallocated benefits - employee benefits					
Social Security contributions	165,463	(362)	165,101	154,297	10,804
Other retirement contributions - PERS	170,800	-	170,800	131,734	39,066
Other retirement contributions - regular	20,283	362	20,645	20,645	-
Unemployment compensation	21,350	24,998	46,348	24,998	21,350
Workmen's compensation	115,000	-	115,000	91,234	23,766
Health benefits	2,639,100	-	2,639,100	1,491,378	1,147,722
Tuition reimbursement	55,000	(449)	54,551	30,936	23,615
Other employee benefits	98,754	24,300	123,054	105,365	17,689
Total	3,285,750	48,849	3,334,599	2,050,587	1,284,012

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Variance
	Original Budget	Budget Transfers	Final Budget	Final Actual
On-behalf TPAF Pension contribution	\$ -	\$ -	\$ -	\$ 1,902,767
On-behalf TPAF Non-contributory insurance	-	-	-	21,700
On-behalf TPAF Postretirement medical benefits	-	-	-	523,770
On-behalf TPAF Long-term disability insurance	-	-	-	524
Reimbursed TPAF Social Security contribution	-	-	-	420,578
Total	-	-	-	2,869,339
Total undistributed expenditures	\$ 14,361,119	\$ (191,594)	\$ 14,169,525	\$ 14,979,594
Total current	\$ 20,578,239	\$ 82,316	\$ 20,660,555	\$ 20,553,335
Capital outlay				
Equipment				
Undistributed				
Undistributed expend. - central services	\$ -	\$ 2,834	\$ 2,834	\$ 2,834
Undistributed expenditures - admin. info. technology	8,000	-	8,000	8,000
Undistributed expenditures - req. maint. for school facilities	-	14,226	14,226	14,226
Undistributed expend. - custodial services	-	99,962	99,962	77,015
Total equipment	8,000	117,022	125,022	102,075
Facilities acquisition and construction service				
Architectural/engineering services	-	35,000	35,000	-
Construction services	909,697	-	909,697	260,892
Assessment for debt service on SDA funding	131	-	131	131
Total facilities acquisition and construction service	909,828	35,000	944,828	261,023
Total capital outlay	\$ 917,828	\$ 152,022	\$ 1,069,850	\$ 363,098
Total expenditures	\$ 21,496,067	\$ 234,338	\$ 21,730,405	\$ 20,916,433
Excess (deficiency) of revenues over (under) expenditures	\$ (1,889,444)	\$ (234,338)	\$ (2,123,782)	\$ 2,149,218
Fund balances, July 1	8,358,765	-	8,358,765	8,358,765
Fund balances, June 30	\$ 6,469,321	\$ (234,338)	\$ 6,234,983	\$ 10,507,983
Recapitulation of excess (deficiency) of revenues over (under) expenditures				
Adjustment for prior year encumbrances	\$ (44,444)	\$ -	\$ (44,444)	\$ (44,444)
Increase in capital reserve	-	1,499,752	1,499,752	1,499,752
Interest deposit to capital reserve	3,000	-	3,000	-
Withdrawal from capital reserve	(900,000)	-	(900,000)	(900,000)
Interest earned on emergency reserve	1,000	-	1,000	-
Increase in maintenance reserve	-	300,000	300,000	300,000
Interest earned on maintenance reserve	1,000	-	1,000	-
Withdrawal from maintenance reserve	(300,000)	-	(300,000)	(300,000)
Increase in tuition reserve	-	1,000,000	1,000,000	1,000,000
Withdrawal from tuition reserve	(650,000)	-	(650,000)	(650,000)
Interest earned on unemployment compensation	-	-	-	587
Withdrawal from unemployment compensation	-	-	-	(24,441)
Budgeted fund balance	-	(3,034,090)	(3,034,090)	1,267,764
Total	\$ (1,889,444)	\$ (234,338)	\$ (2,123,782)	\$ 2,149,218

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Variance
	Original	Budget	Final	Final
	Budget	Transfers	Budget	to Actual
Recapitulation of fund balance				
Restricted fund balance				
Excess surplus - designated for subsequent year's expenditures			\$ 141,714	
Excess surplus - current year			991,290	
Capital reserve			5,374,819	
Emergency reserve			180,000	
Maintenance reserve			893,693	
Tuition reserve				
Year 2022 - 2023			1,000,000	
Year 2023 - 2024			1,000,000	
Unemployment compensation			24,238	
Committed fund balance				
Year-end encumbrances			250	
Assigned fund balance				
Designated for subsequent year's expenditures			196,623	
Unassigned fund balance			<u>705,356</u>	
Fund balance per budgetary basis			10,507,983	
Reconciliation to governmental statements (GAAP)				
Last state aid payments not recognized on GAAP basis			<u>(429,187)</u>	
Fund balance per governmental funds (GAAP)			<u><u>\$ 10,078,796</u></u>	

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 73,329	\$ -	\$ 73,329	\$ 73,329	\$ -
Federal sources	981,012	(35,803)	945,209	617,633	(327,576)
Total revenues	<u>\$ 1,054,341</u>	<u>\$ (35,803)</u>	<u>\$ 1,018,538</u>	<u>\$ 690,962</u>	<u>\$ (327,576)</u>
Expenditures					
Instruction					
Salaries	\$ 365,958	\$ 21,132	\$ 387,090	\$ 311,126	\$ 75,964
Purchased professional and technical services	49,328	-	49,328	44,928	4,400
Other purchased services	83,325	(18,468)	64,857	43,141	21,716
General supplies	17,699	9,799	27,498	9,062	18,436
Total	<u>516,310</u>	<u>12,463</u>	<u>528,773</u>	<u>408,257</u>	<u>120,516</u>
Support services					
Tuition	178,616	(5,872)	172,744	172,744	-
Salaries	4,000	-	4,000	2,000	2,000
Employee benefits	160,168	(18,821)	141,347	10,815	130,532
Purchased professional and technical services	111,718	(13,573)	98,145	23,817	74,328
Supplies and materials	10,200	(10,000)	200	-	200
Student activities	78,785	-	78,785	78,785	-
Total	<u>543,487</u>	<u>(48,266)</u>	<u>495,221</u>	<u>288,161</u>	<u>207,060</u>
Total expenditures	<u>\$ 1,059,797</u>	<u>\$ (35,803)</u>	<u>\$ 1,023,994</u>	<u>\$ 696,418</u>	<u>\$ 327,576</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (5,456)	\$ -	\$ (5,456)	\$ (5,456)	\$ -
Fund balances, July 1	<u>50,484</u>	<u>-</u>	<u>50,484</u>	<u>50,484</u>	<u>-</u>
Fund balances, June 30	<u>\$ 45,028</u>	<u>\$ -</u>	<u>\$ 45,028</u>	<u>\$ 45,028</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance				\$ 45,028	
Student activities				\$ 45,028	
Fund balance				<u>\$ 45,028</u>	

See independent auditors' reports.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2024

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) revenues from the budgetary comparison schedules	\$ 23,065,651	\$ 690,962
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	5,872
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 expenses (GASB 33):		
State aid receivable prior year	363,733	-
State aid receivable current year	(429,187)	-
Total revenues (GAAP basis)	<u>\$ 23,000,197</u>	<u>\$ 696,834</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	\$ 20,916,433	\$ 696,418
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances prior year	-	5,872
Total expenditures (GAAP basis)	<u>\$ 20,916,433</u>	<u>\$ 702,290</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68)
(UNAUDITED)**

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2015	0.0148198542%	\$ 3,292,869	\$ 973,162	338.37%	47.93%
2016	0.0158898322%	4,706,113	895,069	525.78%	40.14%
2017	0.0121873736%	2,837,026	833,685	340.30%	48.10%
2018	0.0119432750%	2,351,571	873,251	269.29%	53.60%
2019	0.0125213652%	2,256,160	896,441	251.68%	56.27%
2020	0.0134020804%	2,185,529	857,212	254.96%	58.32%
2021	0.0110454451%	1,308,499	721,403	181.38%	70.33%
2022	0.0094367540%	1,424,136	754,407	188.78%	62.91%
2023	0.0098564394%	1,427,644	809,496	176.36%	65.23%
2024	N/A	N/A	702,556	N/A	N/A

N/A = Information not available

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 117,140	\$ (117,140)	\$ -	\$ 973,162	12.04%
2016	126,113	(126,113)	-	895,069	14.09%
2017	141,163	(141,163)	-	833,685	16.93%
2018	112,903	(112,903)	-	873,251	12.93%
2019	118,797	(118,797)	-	896,441	13.25%
2020	121,796	(121,796)	-	857,212	14.21%
2021	146,612	(146,612)	-	721,403	20.32%
2022	129,355	(129,355)	-	754,407	17.15%
2023	119,002	(119,002)	-	809,496	14.70%
2024	131,734	(131,734)	-	702,556	18.75%

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary net position as
	District's proportion		State's proportion	Total		as a percentage of its covered employee payroll	as a percentage of the total pension liability
	Percentage	Value					
2015	0.00%	\$ -	\$ 34,825,346	\$ 34,825,346	\$ 5,427,576	0.00%	28.71%
2016	0.00%	-	44,408,814	44,408,814	5,072,569	0.00%	22.33%
2017	0.00%	-	35,091,766	35,091,766	4,492,226	0.00%	25.41%
2018	0.00%	-	29,865,097	29,865,097	4,571,983	0.00%	26.49%
2019	0.00%	-	25,878,192	25,878,192	4,532,852	0.00%	26.95%
2020	0.00%	-	27,722,672	27,722,672	4,654,980	0.00%	24.60%
2021	0.00%	-	21,498,980	21,498,980	4,943,196	0.00%	35.52%
2022	0.00%	-	21,346,734	21,346,734	5,259,065	0.00%	32.29%
2023	0.00%	-	21,722,816	21,722,816	5,190,628	0.00%	34.68%
2024	N/A	N/A	N/A	N/A	5,835,359	N/A	N/A

N/A = Information not available

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 297,889	\$ (297,889)	\$ -	\$ 5,427,576	5.49%
2016	451,977	(451,977)	-	5,072,569	8.91%
2017	583,290	(583,290)	-	4,492,226	12.98%
2018	708,104	(708,104)	-	4,571,983	15.49%
2019	846,679	(846,679)	-	4,532,852	18.68%
2020	939,977	(939,977)	-	4,654,980	20.19%
2021	954,009	(954,009)	-	4,943,196	19.30%
2022	1,310,510	(1,310,510)	-	5,259,065	24.92%
2023	1,731,611	(1,731,611)	-	5,190,628	33.36%
2024	1,773,588	(1,773,588)	-	5,835,359	30.39%

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)
(UNAUDITED)**

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the	Plan fiduciary net position
	District's proportion		State's proportion			other postemployment employee	as a percentage of the
	Percentage	Value				liability (asset) as a percentage	total other postemployment
						of its covered employee payroll	employee benefits liability
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 26,794,883	\$ 26,794,883	\$ 5,325,911	0.00%	0.00%
2018	0.00%	-	23,109,631	23,109,631	5,445,234	0.00%	0.00%
2019	0.00%	-	21,013,033	21,013,033	5,429,293	0.00%	0.00%
2020	0.00%	-	34,458,188	34,458,188	5,512,192	0.00%	0.00%
2021	0.00%	-	31,626,728	31,626,728	5,664,599	0.00%	0.00%
2022	0.00%	-	25,193,163	25,193,163	6,013,472	0.00%	0.00%
2023	0.00%	-	26,613,695	26,613,695	6,000,124	0.00%	0.00%
2024	N/A	N/A	N/A	N/A	6,537,915	N/A	N/A

N/A = Information not available

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2024

- Note 1 - Special funding situation - PERS, TPAF, and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
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 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% 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%.

SPECIAL REVENUE FUND

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

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	IDEA Basic	IDEA Preschool	ESEA Title IA	CRRSA Learning Acceleration	ARP ESSER III	ARP Accelerated Learning	NJTSS Mental Health	ARP Summer Learning	High Impact Tutoring	Student Activities	Total
Revenues											
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,329	\$ 73,329
Federal sources	172,744	6,128	80,068	336	277,442	4,688	242	22,433	53,552	-	617,633
Total revenues	<u>\$ 172,744</u>	<u>\$ 6,128</u>	<u>\$ 80,068</u>	<u>\$ 336</u>	<u>\$ 277,442</u>	<u>\$ 4,688</u>	<u>\$ 242</u>	<u>\$ 22,433</u>	<u>\$ 53,552</u>	<u>\$ 73,329</u>	<u>\$ 690,962</u>
Expenditures											
Instruction											
Salaries	\$ -	\$ -	\$ 60,191	\$ 336	\$ 215,414	\$ -	\$ -	\$ 22,433	\$ 12,752	\$ -	\$ 311,126
Purchased professional and technical services	-	6,128	-	-	-	-	-	-	38,800	-	44,928
Other purchased services	-	-	-	-	43,141	-	-	-	-	-	43,141
General supplies	-	-	9,062	-	-	-	-	-	-	-	9,062
Total	<u>-</u>	<u>6,128</u>	<u>69,253</u>	<u>336</u>	<u>258,555</u>	<u>-</u>	<u>-</u>	<u>22,433</u>	<u>51,552</u>	<u>-</u>	<u>408,257</u>
Support services											
Tuition	\$ 172,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,744
Salaries	-	-	-	-	-	-	-	-	2,000	-	2,000
Employee benefits	-	-	10,815	-	-	-	-	-	-	-	10,815
Purchased professional and technical services	-	-	-	-	18,887	4,688	242	-	-	-	23,817
Student activities	-	-	-	-	-	-	-	-	-	78,785	78,785
Total	<u>172,744</u>	<u>-</u>	<u>10,815</u>	<u>-</u>	<u>18,887</u>	<u>4,688</u>	<u>242</u>	<u>-</u>	<u>2,000</u>	<u>78,785</u>	<u>288,161</u>
Total expenditures	<u>\$ 172,744</u>	<u>\$ 6,128</u>	<u>\$ 80,068</u>	<u>\$ 336</u>	<u>\$ 277,442</u>	<u>\$ 4,688</u>	<u>\$ 242</u>	<u>\$ 22,433</u>	<u>\$ 53,552</u>	<u>\$ 78,785</u>	<u>\$ 696,418</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,456)	\$ (5,456)
Fund balances, July 1	-	-	-	-	-	-	-	-	-	50,484	50,484
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,028</u>	<u>\$ 45,028</u>

See independent auditors' reports.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2024

Issue	Date of	Amount of	Annual Maturities		Interest	Balance	Issued	Retired	Balance
	Issue	Issue	Date	Amount	Rate	7/1/2022			06/30/24
Refunding school bonds	4/21/21	\$ 3,526,000	07/15/25	\$ 852,000	1.32%	\$ 3,426,000	\$ -	\$ 839,000	\$ 2,587,000
			07/15/26	865,000	1.32%	-	-	-	-
			07/15/27	870,000	1.32%	-	-	-	-
Refunding school bonds	4/21/21	4,635,000	07/15/25	32,000	1.32%	4,557,000	-	31,000	4,526,000
			07/15/26	32,000	1.32%	-	-	-	-
			07/15/27	32,000	1.32%	-	-	-	-
			07/15/28	1,086,000	1.32%	-	-	-	-
			07/15/29	1,102,000	1.32%	-	-	-	-
			07/15/30	1,115,000	1.32%	-	-	-	-
			07/15/31	1,127,000	1.32%	-	-	-	-
						\$ 7,983,000	\$ -	\$ 870,000	\$ 7,113,000

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 867,274	\$ -	\$ 867,274	\$ 867,274	\$ -
State sources					
Debt service aid	186,328	-	186,328	186,328	-
Total revenues	<u>1,053,602</u>	<u>-</u>	<u>1,053,602</u>	<u>1,053,602</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	930,831	-	930,831	870,000	(60,831)
Interest	122,771	-	122,771	152,910	(30,139)
Total expenditures	<u>1,053,602</u>	<u>-</u>	<u>1,053,602</u>	<u>1,022,910</u>	<u>(90,970)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	30,692	90,970
Fund balance, July 1	<u>8,869</u>	<u>-</u>	<u>8,869</u>	<u>8,869</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 8,869</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,869</u></u>	<u><u>\$ 39,561</u></u>	<u><u>\$ 90,970</u></u>

See independent auditors' report.

STATISTICAL SECTION

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities										
Net investment in capital assets	\$ 2,583,172	\$ 3,236,856	\$ 3,365,501	\$ 3,504,268	\$ 4,195,333	\$ 4,476,640	\$ 5,640,390	\$ 6,353,902	\$ 7,876,204	\$ 8,511,515
Restricted	1,264,361	542,396	1,638,662	3,121,147	4,329,090	5,865,824	6,301,430	6,146,689	7,606,205	8,557,339
Unrestricted	(3,585,713)	(3,633,115)	(3,919,414)	(3,878,998)	(3,795,737)	(3,739,081)	(2,869,785)	(1,322,543)	(2,158,851)	(709,191)
Total governmental activities	<u>\$ 261,820</u>	<u>\$ 146,137</u>	<u>\$ 1,084,749</u>	<u>\$ 2,746,417</u>	<u>\$ 4,728,686</u>	<u>\$ 6,603,383</u>	<u>\$ 9,072,035</u>	<u>\$ 11,178,048</u>	<u>\$ 13,323,558</u>	<u>\$ 16,359,663</u>
Business-type activities										
Net investment in capital assets	\$ 64,073	\$ 61,403	\$ 49,334	\$ 34,560	\$ 19,673	\$ 15,687	\$ 11,694	\$ 9,259	\$ 17,749	\$ 15,291
Unrestricted	88,575	76,980	61,884	73,451	69,534	74,308	71,364	186,792	238,760	259,424
Total business-type activities	<u>\$ 152,648</u>	<u>\$ 138,383</u>	<u>\$ 111,218</u>	<u>\$ 108,011</u>	<u>\$ 89,207</u>	<u>\$ 89,995</u>	<u>\$ 83,058</u>	<u>\$ 196,051</u>	<u>\$ 256,509</u>	<u>\$ 274,715</u>
District-wide										
Net investment in capital assets	\$ 2,647,245	\$ 3,298,259	\$ 3,414,835	\$ 3,538,828	\$ 4,215,006	\$ 4,492,327	\$ 5,652,084	\$ 6,363,161	\$ 7,893,953	\$ 8,526,806
Restricted	1,264,361	542,396	1,638,662	3,121,147	4,329,090	5,865,824	6,301,430	6,146,689	7,606,205	8,557,339
Unrestricted	(3,497,138)	(3,556,135)	(3,857,530)	(3,805,547)	(3,726,203)	(3,664,773)	(2,798,421)	(1,135,751)	(1,920,091)	(449,767)
Total district-wide	<u>\$ 414,468</u>	<u>\$ 284,520</u>	<u>\$ 1,195,967</u>	<u>\$ 2,854,428</u>	<u>\$ 4,817,893</u>	<u>\$ 6,693,378</u>	<u>\$ 9,155,093</u>	<u>\$ 11,374,099</u>	<u>\$ 13,580,067</u>	<u>\$ 16,634,378</u>

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,462,218	\$ 7,060,296	\$ 6,711,474	\$ 6,677,565	\$ 6,837,563	\$ 6,469,867	\$ 7,238,452	\$ 7,297,656	\$ 7,196,789	\$ 7,671,944
Special education	1,594,726	1,985,821	2,862,417	2,967,885	2,598,823	2,340,805	2,664,845	3,044,077	2,900,922	2,761,506
Other special education	783,630	416,448	320,647	345,991	352,192	328,135	287,398	137,997	187,836	348,335
Other instruction	-	-	-	-	-	20,957	2,539	29,142	38,186	34,040
Support services										
Tuition	6,451,262	6,396,630	6,053,142	6,087,176	6,035,293	6,588,236	6,697,388	6,644,214	6,377,321	6,341,983
Student & instruction related services	1,604,246	1,491,739	1,445,614	1,504,996	1,445,757	1,460,801	1,856,052	1,973,645	1,676,194	2,044,082
General & business administrative services	1,369,273	1,644,606	1,573,875	1,639,007	1,448,746	1,243,318	1,458,804	1,613,730	1,310,791	1,423,701
Plant operations & maintenance	1,223,862	1,252,242	1,722,299	1,855,640	1,245,926	1,256,894	1,273,017	1,214,244	1,251,512	1,198,506
Pupil transportation	484,092	444,013	585,779	595,012	571,204	588,642	587,050	676,402	906,342	821,768
Interest on long-term debt	524,041	525,578	479,120	452,089	420,396	387,339	358,787	(19,315)	95,755	123,882
Total governmental activities expenses	<u>21,497,350</u>	<u>21,217,373</u>	<u>21,754,367</u>	<u>22,125,361</u>	<u>20,955,900</u>	<u>20,684,994</u>	<u>22,424,332</u>	<u>22,611,792</u>	<u>21,941,648</u>	<u>22,769,747</u>
Business-type activities										
Food services	295,173	284,401	282,908	277,087	264,953	180,707	52,194	276,982	299,939	314,269
Childcare program	25,294	36,604	35,134	34,948	47,063	31,671	2,457	27,074	25,295	-
Total business-type activities	<u>320,467</u>	<u>321,005</u>	<u>318,042</u>	<u>312,035</u>	<u>312,016</u>	<u>212,378</u>	<u>54,651</u>	<u>304,056</u>	<u>325,234</u>	<u>314,269</u>
Total district expenses	<u>\$ 21,817,817</u>	<u>\$ 21,538,378</u>	<u>\$ 22,072,409</u>	<u>\$ 22,437,396</u>	<u>\$ 21,267,916</u>	<u>\$ 20,897,372</u>	<u>\$ 22,478,983</u>	<u>\$ 22,915,848</u>	<u>\$ 22,266,882</u>	<u>\$ 23,084,016</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services	\$ 100,216	\$ 118,769	\$ 74,561	\$ 63,942	\$ 51,946	\$ 41,100	\$ 41,123	\$ 79,724	\$ 158,665	\$ 101,317
Operating grants & contributions	283,817	277,359	279,081	280,236	278,609	343,141	374,976	728,130	540,800	623,505
Capital grants & contributions	252,763	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>636,796</u>	<u>396,128</u>	<u>353,642</u>	<u>344,178</u>	<u>330,555</u>	<u>384,241</u>	<u>416,099</u>	<u>807,854</u>	<u>699,465</u>	<u>724,822</u>
Business-type activities										
Charges for services										
Food service	187,057	184,514	175,811	177,448	171,023	119,839	-	15,541	214,786	204,088
Childcare program	39,209	39,861	42,565	55,190	45,916	37,701	-	53,075	35,926	1,318
Operating grants & contributions	83,381	82,208	72,361	76,031	73,204	55,490	26,710	340,887	133,453	124,651
Total business-type activities	<u>309,647</u>	<u>306,583</u>	<u>290,737</u>	<u>308,669</u>	<u>290,143</u>	<u>213,030</u>	<u>26,710</u>	<u>409,503</u>	<u>384,165</u>	<u>330,057</u>
Total district-wide program revenues	<u>\$ 946,443</u>	<u>\$ 702,711</u>	<u>\$ 644,379</u>	<u>\$ 652,847</u>	<u>\$ 620,698</u>	<u>\$ 597,271</u>	<u>\$ 442,809</u>	<u>\$ 1,217,357</u>	<u>\$ 1,083,630</u>	<u>\$ 1,054,879</u>
Net (expense) revenues										
Governmental activities	\$ (20,860,554)	\$ (20,821,245)	\$ (21,400,725)	\$ (21,781,183)	\$ (20,625,345)	\$ (20,300,753)	\$ (22,008,233)	\$ (21,803,938)	\$ (21,242,183)	\$ (22,044,925)
Business-type activities	(10,820)	(14,422)	(27,305)	(3,366)	(21,873)	652	(27,941)	105,447	58,931	15,788
Total district-wide net expenses	<u>\$ (20,871,374)</u>	<u>\$ (20,835,667)</u>	<u>\$ (21,428,030)</u>	<u>\$ (21,784,549)</u>	<u>\$ (20,647,218)</u>	<u>\$ (20,300,101)</u>	<u>\$ (22,036,174)</u>	<u>\$ (21,698,491)</u>	<u>\$ (21,183,252)</u>	<u>\$ (22,029,137)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 12,201,862	\$ 12,532,892	\$ 12,881,255	\$ 13,176,071	\$ 13,506,475	\$ 13,776,605	\$ 14,102,594	\$ 14,384,646	\$ 14,672,339	\$ 15,240,786
Taxes levied for debt service	884,990	889,272	879,108	883,234	883,647	881,628	880,982	757,500	867,274	867,274
Unrestricted grants & contributions	6,702,924	7,248,416	8,552,940	9,340,650	8,134,611	7,360,730	9,456,344	8,711,879	7,740,238	8,693,344
Investment earnings	7,558	9,175	11,052	32,710	58,028	52,314	9,943	9,682	87,385	123,851
State capital projects grants deobligated	-	-	(8,679)	-	-	-	-	-	-	-
Disposal of land	-	-	(3,500)	-	-	-	-	-	-	-
Miscellaneous income	32,470	50,307	27,161	10,186	24,853	14,668	42,022	46,244	20,457	155,775
Transfers	-	(24,500)	-	-	-	-	(15,000)	-	-	-
Total governmental activities	<u>19,829,804</u>	<u>20,705,562</u>	<u>22,339,337</u>	<u>23,442,851</u>	<u>22,607,614</u>	<u>22,085,945</u>	<u>24,476,885</u>	<u>23,909,951</u>	<u>23,387,693</u>	<u>25,081,030</u>
Business-type activities										
Miscellaneous income	162	157	140	159	3,069	136	4	7,546	1,527	2,418
Transfers	-	-	-	-	-	-	21,000	-	-	-
Total business-type activities	<u>162</u>	<u>157</u>	<u>140</u>	<u>159</u>	<u>3,069</u>	<u>136</u>	<u>21,004</u>	<u>7,546</u>	<u>1,527</u>	<u>2,418</u>
Total district-wide	<u>\$ 19,829,966</u>	<u>\$ 20,705,719</u>	<u>\$ 22,339,477</u>	<u>\$ 23,443,010</u>	<u>\$ 22,610,683</u>	<u>\$ 22,086,081</u>	<u>\$ 24,497,889</u>	<u>\$ 23,917,497</u>	<u>\$ 23,389,220</u>	<u>\$ 25,083,448</u>
Change in net position										
Governmental activities	\$ (1,030,750)	\$ (115,683)	\$ 938,612	\$ 1,661,668	\$ 1,982,269	\$ 1,785,192	\$ 2,468,652	\$ 2,106,013	\$ 2,145,510	\$ 3,036,105
Business-type activities	<u>(10,658)</u>	<u>(14,265)</u>	<u>(27,165)</u>	<u>(3,207)</u>	<u>(18,804)</u>	<u>788</u>	<u>(6,937)</u>	<u>112,993</u>	<u>60,458</u>	<u>18,206</u>
Total district	<u>\$ (1,041,408)</u>	<u>\$ (129,948)</u>	<u>\$ 911,447</u>	<u>\$ 1,658,461</u>	<u>\$ 1,963,465</u>	<u>\$ 1,785,980</u>	<u>\$ 2,461,715</u>	<u>\$ 2,219,006</u>	<u>\$ 2,205,968</u>	<u>\$ 3,054,311</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	\$ 1,011,598	\$ 479,468	\$ 1,610,114	\$ 3,121,147	\$ 4,329,090	\$ 5,865,824	\$ 6,259,655	\$ 6,091,007	\$ 7,688,566	\$ 9,605,754
Committed	-	817	8,258	-	-	7,627	3,513	871,571	44,444	250
Assigned	-	-	-	-	75,359	65,101	65,469	278,228	-	196,623
Unassigned	(355,136)	(187,230)	(60,443)	83,785	64,943	88,319	729,142	647,956	262,022	276,169
Total general fund	<u>\$ 656,462</u>	<u>\$ 293,055</u>	<u>\$ 1,557,929</u>	<u>\$ 3,204,932</u>	<u>\$ 4,469,392</u>	<u>\$ 6,026,871</u>	<u>\$ 7,057,779</u>	<u>\$ 7,888,762</u>	<u>\$ 7,995,032</u>	<u>\$ 10,078,796</u>
						*				
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,159	\$ 41,775	\$ 49,610	\$ 50,484	\$ 45,028
Capital projects fund	252,763	62,928	28,548	-	-	-	-	-	-	-
Assigned, reported in										
Debt service fund	-	-	-	-	-	-	-	6,072	8,869	39,561
Total all other governmental funds	<u>\$ 252,763</u>	<u>\$ 62,928</u>	<u>\$ 28,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,159</u>	<u>\$ 41,775</u>	<u>\$ 55,682</u>	<u>\$ 59,353</u>	<u>\$ 84,589</u>
						*				

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 13,086,852	\$ 13,422,164	\$ 13,760,363	\$ 14,059,305	\$ 14,390,122	\$ 14,658,233	\$ 14,983,576	\$ 15,142,146	\$ 15,539,613	\$ 16,108,060
Tuition charges	98,590	118,769	70,932	61,495	49,175	41,100	40,142	59,148	95,653	27,988
Interest earnings	7,558	9,175	11,052	32,710	58,028	52,314	9,943	9,682	87,385	123,851
Rents and royalties	-	-	3,629	2,447	2,771	-	-	-	-	-
Miscellaneous	34,096	26,411	39,702	10,186	24,853	14,668	43,003	66,820	83,469	229,104
State sources	5,250,745	5,124,129	5,206,986	5,453,049	5,498,559	5,513,106	6,200,339	6,518,998	6,664,146	7,638,125
Federal sources	317,320	275,245	279,652	280,236	278,609	343,141	373,889	829,579	540,800	623,505
Total revenues	18,795,161	18,975,893	19,372,316	19,899,428	20,302,117	20,622,562	21,650,892	22,626,373	23,011,066	24,750,633
Expenditures										
Instruction										
Regular instruction	4,251,978	3,591,176	3,145,774	3,049,000	3,140,546	3,204,331	3,194,244	3,409,938	3,680,803	3,845,650
Special education instruction	831,103	998,081	1,080,436	1,184,146	1,212,875	1,232,757	1,175,487	1,556,491	1,630,409	1,540,065
Other special instruction	417,287	182,900	130,916	129,141	136,763	118,770	88,091	38,315	33,917	156,271
Other instruction	-	-	-	-	-	19,467	2,349	27,105	35,443	31,755
Support services										
Tuition	6,336,262	6,300,202	6,053,142	5,987,176	5,891,544	6,451,199	6,560,707	6,486,768	6,222,447	6,163,367
Student & instruction related services	882,784	789,247	681,623	725,239	774,127	839,756	895,416	959,981	974,083	1,137,202
General & business administrative services	900,183	951,055	793,109	849,663	875,431	781,436	827,562	930,151	914,366	910,820
Plant operations & maintenance	981,612	914,670	846,173	944,955	981,748	1,006,755	937,589	975,018	1,137,377	1,026,511
Pupil transportation	484,092	444,013	585,779	595,012	571,204	588,642	576,368	667,249	897,795	821,768
Employee benefits	2,196,344	2,048,027	1,990,364	1,931,503	2,002,850	1,766,330	1,755,110	1,864,093	1,959,962	2,050,587
On behalf TPAF Pension & Social Security contributions	1,169,908	1,343,646	1,385,822	1,487,284	1,547,261	1,611,277	2,092,678	2,505,090	2,605,014	2,869,339
Capital outlay	46,189	563,322	51,247	24,155	530,855	99,252	990,592	657,860	1,166,466	362,967
Special revenue funds	283,817	277,359	279,081	280,236	278,609	343,141	376,341	740,871	602,938	702,290
Capital project fund	-	-	-	-	-	-	-	224,928	-	-
Debt service										
Principal	540,000	565,000	575,000	605,000	635,000	665,000	695,000	838,000	920,000	870,000
Interest & other charges	555,637	535,937	513,356	488,463	458,844	426,475	395,675	130,625	120,105	153,041
Total expenditures	19,877,196	19,504,635	18,111,822	18,280,973	19,037,657	19,154,588	20,563,209	22,012,483	22,901,125	22,641,633

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (deficiency) of revenues over (under) expenditures	\$ (1,082,035)	\$ (528,742)	\$ 1,260,494	\$ 1,618,455	\$ 1,264,460	\$ 1,467,974	\$ 1,087,683	\$ 613,890	\$ 109,941	\$ 2,109,000
Other financing sources (uses)										
Transfer out	-	(24,500)	(30,000)	-	-	-	(15,000)	-	-	-
Proceeds from refinancing bond issue	-	-	-	-	-	-	-	8,161,000	-	-
Payments to refunding bond escrow agent	-	-	-	-	-	-	-	(7,930,000)	-	-
Total other financing sources (uses)	-	(24,500)	(30,000)	-	-	-	(15,000)	231,000	-	-
Net change in fund balances	<u>\$ (1,082,035)</u>	<u>\$ (553,242)</u>	<u>\$ 1,230,494</u>	<u>\$ 1,618,455</u>	<u>\$ 1,264,460</u>	<u>\$ 1,467,974</u>	<u>\$ 1,072,683</u>	<u>\$ 844,890</u>	<u>\$ 109,941</u>	<u>\$ 2,109,000</u>
Debt service as a percentage of non-capital expenditures	5.85%	6.17%	6.41%	6.37%	6.28%	6.08%	5.90%	4.75%	5.03%	4.81%

Source: District Records

Notes: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interest income	\$ 7,558	\$ 9,175	\$ 11,052	\$ 32,710	\$ 58,028	\$ 52,314	\$ 9,943	\$ 9,682	\$ 87,385	\$ 123,851
Tuition	98,590	118,769	70,932	61,495	49,175	41,100	40,142	59,148	95,653	27,988
Prior year refunds	12,167	-	20,932	1,954	19,666	6,658	40,052	10,840	-	87,101
Miscellaneous	2,280	3,005	3,991	6,544	3,913	1,996	889	1,948	6,443	1,065
Close old agency balances	-	(924)	76	71	-	-	-	-	-	-
Facility rentals	1,627	-	3,629	2,447	2,771	3,299	-	-	2,496	2,496
Contributions	12,056	1,054	1,011	904	1,140	702	-	800	-	-
Book fees	-	591	318	172	41	-	-	-	-	-
Application fees	-	310	833	300	-	-	-	350	-	-
Accounts payable canceled	-	24,693	-	-	-	-	-	27,744	9,442	65,113
Fund 20 adjustments	5,966	(12,818)	-	-	-	-	-	-	-	-
Sale of assets	-	10,500	-	241	93	2,013	1,081	4,562	2,076	-
Annual totals	<u>\$ 140,244</u>	<u>\$ 154,355</u>	<u>\$ 112,774</u>	<u>\$ 106,838</u>	<u>\$ 134,827</u>	<u>\$ 108,082</u>	<u>\$ 92,107</u>	<u>\$ 115,074</u>	<u>\$ 203,495</u>	<u>\$ 307,614</u>

Source: District Records

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 12,976,620	\$ 17,209,874	\$ 11,230,520	\$ 10,554,720	\$ 22,577,620	\$ 21,133,820	\$ 26,261,020	\$ 19,829,720	\$ 12,205,520	\$ 11,493,400
Residential	689,476,824	693,597,571	693,752,971	692,445,071	694,138,471	697,230,410	701,130,131	702,364,531	707,933,868	706,884,700
Farm regular	11,072,700	10,696,400	10,185,200	9,937,000	9,684,400	9,709,400	9,709,400	9,685,800	9,968,700	9,425,300
Q farm	6,080,903	642,778	642,778	639,656	558,868	488,256	494,594	499,224	489,880	490,880
Commercial	110,165,375	112,929,575	112,132,975	112,264,375	117,617,475	115,707,875	114,762,375	114,762,375	114,235,210	107,011,400
Industrial	14,684,200	14,684,200	15,565,600	24,285,600	27,184,900	27,796,200	31,583,700	74,524,500	74,524,500	74,524,500
Apartment	16,320,000	16,320,000	26,494,000	31,229,000	35,179,000	39,221,000	49,075,000	90,705,000	95,462,900	93,419,900
Total assessed value	860,776,622	866,080,398	870,004,044	881,355,422	906,940,734	911,286,961	933,016,220	1,012,371,150	1,014,820,578	1,003,250,080
Public utilities (a)	981,687	950,563	940,641	948,998	950,162	967,062	977,960	918,456	910,814	864,617
Net valuation taxable	<u>\$ 861,758,309</u>	<u>\$ 867,030,961</u>	<u>\$ 870,944,685</u>	<u>\$ 882,304,420</u>	<u>\$ 907,890,896</u>	<u>\$ 912,254,023</u>	<u>\$ 933,994,180</u>	<u>\$1,013,289,606</u>	<u>\$1,015,731,392</u>	<u>\$ 1,004,114,697</u>
Estimated actual county equalized value	<u>\$ 817,502,861</u>	<u>\$ 842,131,991</u>	<u>\$ 872,427,812</u>	<u>\$ 882,569,191</u>	<u>\$ 922,278,439</u>	<u>\$ 920,066,367</u>	<u>\$ 959,498,375</u>	<u>\$1,079,115,661</u>	<u>\$1,095,837,082</u>	<u>\$ 1,152,300,456</u>
Percentage of net valuation to estimated actual equalized value	<u>105.41%</u>	<u>102.96%</u>	<u>99.83%</u>	<u>99.97%</u>	<u>98.44%</u>	<u>99.15%</u>	<u>97.34%</u>	<u>93.90%</u>	<u>92.69%</u>	<u>87.14%</u>
Total direct school tax rate (b)	<u>\$ 1.558</u>	<u>\$ 1.588</u>	<u>\$ 1.615</u>	<u>\$ 1.622</u>	<u>\$ 1.624</u>	<u>\$ 1.642</u>	<u>\$ 1.622</u>	<u>\$ 1.533</u>	<u>\$ 1.586</u>	<u>\$ 1.671</u>

Source: Municipal Tax Assessor

Notes: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.
Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate			
				Municipality	County	
2015	\$ 1.453	\$ 0.105	\$ 1.558	\$ 0.522	\$ 0.691	\$ 2.771
2016	1.483	0.105	1.588	0.552	0.743	2.883
2017	1.512	0.103	1.615	0.571	0.766	2.952
2018	1.520	0.102	1.622	0.591	0.734	2.947
2019	1.524	0.100	1.624	0.616	0.722	2.962
2020	1.543	0.099	1.642	0.616	0.697	2.955
2021	1.527	0.095	1.622	0.623	0.722	2.967
2022	1.456	0.077	1.533	0.590	0.728	2.851
2023	1.497	0.089	1.586	0.611	0.662	2.859
2024	1.581	0.090	1.671	0.633	0.683	2.987

Sources: Municipal Tax Collector

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

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2024			2015		
	Taxable	Rank	% of Total	Taxable	Rank	% of Total
	Assessed Value		District Net Assessed Value	Assessed Value		District Net Assessed Value
CICF II - NJ1804	\$ 42,940,800	1	4.28%	\$ -		0.00%
Peron/JSM LLC	33,692,900	2	3.36%	5,431,654	6	0.63%
Brakeley Gardens NJ LP	32,232,000	3	3.21%	-		0.00%
Autumn Ridge Associates	26,900,000	4	2.68%	-		0.00%
Warren Heights Riverside LLC	21,036,900	5	2.10%	-		0.00%
LRE Strykers II LLC	14,259,000	6	1.42%	-		0.00%
St. Luke's Warren Hospital	9,420,600	7	0.94%	-		0.00%
The Cubes at US22 Sub 1, LLC	9,385,700	8	0.93%	-		0.00%
HP III Lehigh Valley 212 LLC	8,421,000	9	0.84%	-		0.00%
Brakeley Park Rlty % Complete Care	8,314,600	10	0.83%	-		0.00%
Morris Park Associates	-		0.00%	28,455,700	1	3.30%
Brakeley Associates, Inc	-		0.00%	16,320,000	2	1.89%
Phillipsburg Mall LLC	-		0.00%	11,096,200	3	1.29%
Genesis Brakeley	-		0.00%	8,314,600	4	0.96%
Strykers Golf LLC	-		0.00%	5,574,900	5	0.65%
Genesis/Lopatcong	-		0.00%	5,151,100	7	0.60%
Stowaway Self Storage	-		0.00%	4,693,560	8	0.54%
Stag GI New Jersey, Inc	-		0.00%	4,570,900	9	0.53%
Hillcrest Medical/Hillcrest Associates	-		0.00%	4,444,700	10	0.52%
	<u>\$ 206,603,500</u>		<u>20.59%</u>	<u>\$ 94,053,314</u>		<u>10.91%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2015	\$ 13,086,852	\$ 13,086,852	100.00%
2016	13,422,164	13,422,164	100.00%
2017	13,760,363	13,760,363	100.00%
2018	14,059,305	14,059,305	100.00%
2019	14,390,122	14,390,122	100.00%
2020	14,658,233	14,658,233	100.00%
2021	14,983,576	14,983,576	100.00%
2022	15,142,146	15,142,146	100.00%
2023	15,539,613	15,539,613	100.00%
2024	16,108,060	16,108,060	100.00%

Source: District Records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2015	\$ 13,250,000	\$ -	\$ -	\$ -	\$ -	\$ 13,250,000	3.27%	\$ 1,596
2016	12,685,000	-	-	-	-	12,685,000	3.02%	1,532
2017	12,110,000	-	-	-	-	12,110,000	2.85%	1,470
2018	11,505,000	-	-	-	-	11,505,000	2.62%	1,391
2019	10,870,000	-	-	-	-	10,870,000	2.38%	1,307
2020	10,205,000	-	-	-	-	10,205,000	2.13%	1,215
2021	9,510,000	-	-	-	-	9,510,000	1.84%	1,116
2022	8,903,000	-	-	-	-	8,903,000	1.50%	946
2023	7,983,000	-	-	-	-	7,983,000	1.35%	847
2024	7,113,000	-	-	-	-	7,113,000	N/A	754

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-14 for personal income and population data.
 These ratios are calculated using personal income and population for the prior calendar year.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 13,250,000	\$ -	\$ 13,250,000	1.54%	\$ 1,596
2016	12,685,000	-	12,685,000	1.46%	1,532
2017	12,110,000	-	12,110,000	1.39%	1,470
2018	11,505,000	-	11,505,000	1.30%	1,391
2019	10,870,000	-	10,870,000	1.20%	1,307
2020	10,205,000	-	10,205,000	1.12%	1,215
2021	9,510,000	-	9,510,000	1.02%	1,116
2022	8,903,000	-	8,903,000	0.88%	946
2023	7,983,000	-	7,983,000	0.79%	847
2024	7,113,000	-	7,113,000	0.71%	754

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statement

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 7,725,402	100.00%	\$ 7,725,402
County general obligation debt	10,570,000	8.17%	<u>863,569</u>
Subtotal, overlapping debt			8,588,971
School District direct debt			<u>7,113,000</u>
Total direct and overlapping debt			<u><u>\$ 15,701,971</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.

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

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

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2024

		Equalized Valuation Basis	
		2023	\$ 1,164,586,387
		2022	1,092,211,835
		2021	993,627,497
			<u>\$ 3,250,425,719</u>
Average equalized valuation of taxable property			<u>\$ 1,083,475,240</u>
Debt limit (3.0% of average equalization value)	(a)	\$	32,504,257
Total net debt applicable to limit			<u>7,113,000</u>
Legal debt margin		\$	<u>25,391,257</u>

		Fiscal Year				
		2020	2021	2022	2023	2024
Debt limit		\$ 26,803,034	\$ 27,471,906	\$ 28,454,957	\$ 30,229,917	\$ 32,504,257
Total net debt applicable		<u>10,205,000</u>	<u>9,510,000</u>	<u>8,903,000</u>	<u>7,983,000</u>	<u>7,113,000</u>
Legal debt margin		<u>\$ 16,598,034</u>	<u>\$ 17,961,906</u>	<u>\$ 19,551,957</u>	<u>\$ 22,246,917</u>	<u>\$ 25,391,257</u>
Total net debt applicable to the limit as a percentage of debt limit		38.07%	34.62%	31.29%	26.41%	21.88%

		Fiscal Year				
		2015	2016	2017	2018	2019
Debt limit		\$ 25,459,337	\$ 24,905,998	\$ 25,242,208	\$ 25,738,505	\$ 26,331,428
Total net debt applicable		<u>13,250,000</u>	<u>12,685,000</u>	<u>12,110,000</u>	<u>11,505,000</u>	<u>10,870,000</u>
Legal debt margin		<u>\$ 12,209,337</u>	<u>\$ 12,220,998</u>	<u>\$ 13,132,208</u>	<u>\$ 14,233,505</u>	<u>\$ 15,461,428</u>
Total net debt applicable to the limit as a percentage of debt limit		52.04%	50.93%	47.98%	44.70%	41.28%

Source: Equalized Valuation Bases were obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	8,300	\$ 405,762,100	\$ 48,887	4.7%
2016	8,282	420,236,962	50,741	3.8%
2017	8,236	424,178,708	51,503	3.3%
2018	8,274	439,754,826	53,149	3.3%
2019	8,318	457,265,414	54,973	2.8%
2020	8,402	478,544,312	56,956	7.2%
2021	8,518	515,551,950	60,525	4.7%
2022	9,412	593,341,892	63,041	3.1%
2023	9,421	592,778,741	62,921	3.5%
2024	9,431	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2020 Census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information is not available

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2024

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2015

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Function/program										
Instruction										
Regular	48.0	43.0	42.7	42.7	42.0	42.0	42.0	42.0	44.0	44.0
Special education	30.0	24.4	14.5	13.5	11.5	14.5	14.5	17.8	19.0	19.0
Other instruction	11.5	11.0	11.6	11.6	14.5	12.3	12.3	12.0	22.0	21.0
Support services										
Student and instruction related services	9.1	8.9	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
General administration	2.5	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
School administration services	4.5	5.5	5.5	5.5	5.5	5.5	5.5	5.0	5.0	5.0
Central services	3.0	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Plant operations and maintenance	9.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Total	<u>117.6</u>	<u>106.8</u>	<u>95.3</u>	<u>94.3</u>	<u>94.5</u>	<u>95.3</u>	<u>95.3</u>	<u>97.8</u>	<u>111.0</u>	<u>110.0</u>

Source: District Personnel Records

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School				
2015	821	\$ 18,735,370	\$ 22,820	11.17%	76.5	1:11.02	1:13.00	828.8	794.4	-3.00%	95.85%
2016	849	17,840,376	21,013	-7.92%	63.6	1:08.14	1:12.20	846.0	814.6	2.08%	96.29%
2017	800	16,972,219	21,215	0.96%	57.2	1:14.34	1:12.56	802.3	763.2	-5.17%	95.13%
2018	768	17,163,355	22,348	5.34%	56.2	1:20.80	1:24.00	760.8	726.1	-5.17%	95.44%
2019	729	17,412,958	23,886	6.88%	53.0	1:20.42	1:25.33	732.6	699.6	-3.71%	95.50%
2020	732	17,963,861	24,541	2.74%	56.5	1:18.70	1:17.75	732.0	707.0	-0.08%	96.58%
2021	757	18,481,942	24,415	-0.51%	56.5	1:18.05	1:18.55	695.8	669.5	-4.95%	96.22%
2022	736	20,385,998	27,698	13.45%	61.0	1:12.07	1:04.41	708.9	663.1	1.88%	93.54%
2023	739	20,694,554	28,003	1.10%	63.0	1:11.73	1:04.27	730.2	680.3	3.01%	93.16%
2024	734	21,255,625	28,959	3.41%	72.6	1:10.66	1:09.72	721.5	679.5	-1.20%	94.19%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Delaware Park Elementary (1924)</u>										
Square feet	10,920	-	-	-	-	-	-	-	-	-
Capacity (students)	75.0	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
<u>Lopatcong Elementary (1960/1975)</u>										
Square feet	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240	57,240
Capacity (students)	539.0	539.0	539.0	539.0	539.0	539.0	539.0	539.0	539.0	539.0
Enrollment	443.0	443.0	416.0	394.0	382.0	355.0	332.0	356.0	376.0	383.0
<u>Lopatcong Middle (2003)</u>										
Square feet	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000
Capacity (students)	512.0	512.0	512.0	512.0	512.0	512.0	512.0	512.0	512.0	512.0
Enrollment	385.0	398.0	384.0	352.0	339.0	362.0	360.0	332.0	350.0	326.0
<u>Number of schools at June 30, 2024:</u>										
Elementary	1									
Middle	1									

Source: District Facilities Office

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

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed expenditures - Required maintenance for school facilities

<u>Fiscal Year Ending</u>	<u>Delaware Park School</u>	<u>Lopatcong Elementary School</u>	<u>Lopatcong Middle School</u>	<u>Total</u>
2015	\$ 910	\$ 133,399	\$ 229,872	\$ 364,181
2016	-	134,378	202,107	336,485
2017	-	131,388	196,824	328,212
2018	-	148,471	225,207	373,678
2019	-	142,114	216,198	358,312
2020	-	140,130	275,561	415,691
2021	-	162,236	254,262	416,498
2022	-	155,768	260,201	415,969
2023	-	260,814	140,069	400,883
2024	-	310,558	65,384	375,942
Total school facilities	<u>\$ 910</u>	<u>\$ 1,719,256</u>	<u>\$ 2,065,685</u>	<u>\$ 3,785,851</u>

Source: District Records

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

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2024
(Unaudited)

	Coverage	Deductible
Commercial Package Policy - School Alliance Insurance Fund (SAIF)		
Property		
Blanket building and contents (fund limit)	\$ 500,000,000	\$ 2,500
Accounts receivable	2,500,000	2,500
Automobile physical damage	In Blanket Limit	1,000
Builders risk	25,000,000	2,500
Electronic data processing equipment	In Blanket Limit	2,500
Liability		
Comprehensive general liability	5,000,000	-
Automobile liability	5,000,000	-
Employee benefit liability	5,000,000	1,000
Excess liability		
Excludes school board legal liability	5,000,000	-
Crime		
Blanket employee dishonesty	500,000	1,000
Forgery	50,000	1,000
Theft/disappearance/destruction		
Inside	50,000	1,000
Outside	50,000	1,000
Computer fraud	50,000	1,000
Funds transfer fraud	50,000	1,000
School board legal liability	5,000,000	5,000
Environmental impairment liability (ACE American Insurance Company)		
Limit of liability		
Incident	1,000,000	10,000
Fund annual aggregate	25,000,000	-
Workers' compensation (SAIF)		
(a) Statutory benefits	Included	-
(a) Employer's liability	5,000,000	-
Supplemental coverage (optional)	Included	-
Selective Insurance Company		
Public employees' faithful performance blanket position bond		
Treasurer - C Hanics	205,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Honorable President and
Members of the Board of Education
Lopatcong Township School District
Phillipsburg, 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Lopatcong Township School District (the District) in the County of Hunterdon, 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, and have issued our report thereon dated December 20, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001.

Lopatcong Township School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lopatcong Township School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

December 20, 2024
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the
New Jersey OMB Circular 15-08**

Honorable President and
Members of the Board of Education
Lopatcong Township School District
Phillipsburg, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Lopatcong Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB's Circulars 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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 instances of noncompliance which are required to be reported in accordance with the New Jersey OMB's Circulars 15-08 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



BKC, CPAs, PC



Michael A. Holk, CPA,
PSA NO. 20CS00265600

December 20, 2024
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2024		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education Special Revenue Fund														
Special education cluster (IDEA)														
IDEA Basic	84.027	H027A230100	\$ 160,746	07/01/22	06/30/23	\$ (160,746)	\$ -	\$ 160,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IDEA Basic	84.027	H027A240100	178,616	07/01/23	06/30/24	-	-	178,616	172,744	(5,872)	-	-	-	-
IDEA Preschool	84.173	H173A220114	5,415	07/01/21	06/30/22	1,374	-	-	-	(1,374)	-	-	-	-
IDEA Preschool	84.173	H173A230114	6,009	07/01/22	06/30/23	-	-	6,009	-	(6,009)	-	-	-	-
IDEA Preschool	84.173	H173A240114	6,128	07/01/23	06/30/24	-	-	6,128	6,128	-	-	-	-	-
ARP - IDEA Basic	84.027X	H027X220100	31,814	07/01/21	06/30/22	(31,606)	-	31,814	-	(208)	-	-	-	-
ARP - IDEA Preschool	84.173X	H027X230100	2,713	07/01/21	06/30/22	-	-	2,713	-	(2,713)	-	-	-	-
Total special education cluster (IDEA)						(190,978)	-	386,026	178,872	(16,176)	-	-	-	-
Title I A	84.010	S010A230030	70,654	07/01/22	06/30/23	(8,477)	-	37,654	-	(29,177)	-	-	-	-
Title I A	84.010	S010A240030	102,981	07/01/23	06/30/24	-	-	21,494	80,068	-	-	(58,574)	-	-
Title II A	84.367A	S367A230029	17,651	07/01/22	06/30/23	1,159	-	-	-	(1,159)	-	-	-	-
Title IV A	84.424	S424A230031	10,000	07/01/22	06/30/23	10,000	-	-	-	(10,000)	-	-	-	-
COVID-19														
CRRSA - ESSER II	84.425D	S425D210027	321,549	03/13/20	09/30/23	(10,287)	-	12,867	-	(2,580)	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	25,000	03/13/20	09/30/23	(13,023)	-	23,720	336	(10,361)	-	-	-	-
ARP ESSER														
ARP - ESSER	84.425U	S425U210027	722,600	03/13/20	09/30/24	(38,918)	-	257,791	277,442	-	-	(58,569)	-	-
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	40,000	03/13/20	09/30/24	(14,724)	-	37,157	22,433	-	-	-	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	87,818	03/13/20	09/30/24	(47,173)	-	-	4,688	208	-	(51,653)	-	-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	03/13/20	09/30/24	(30,276)	-	30,276	242	-	-	(242)	-	-
NJ High Impact Tutoring	21.027	SLFRFDOE1SES	71,016	10/11/23	08/31/24	-	-	-	53,552	-	-	(53,552)	-	-
Total Special Revenue Fund						(342,697)	-	806,985	617,633	(69,245)	-	(222,590)	-	-
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise fund														
Child Nutrition Cluster														
National School Lunch Program														
Non-Cash Assistance (Commodities)	10.555	231NJ304N1099	26,028	07/01/22	06/30/23	6,810	-	-	6,810	-	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	28,203	07/01/23	06/30/24	-	-	28,203	20,803	-	-	-	7,400	-
Cash Assistance	10.555	231NJ304N1099	68,348	07/01/22	06/30/23	(9,607)	-	9,607	-	-	-	-	-	-
Cash Assistance	10.555	241NJ304N1099	70,953	07/01/23	06/30/24	-	-	51,571	70,953	-	-	(19,382)	-	-
Total Child Nutrition Cluster						(2,797)	-	89,381	98,566	-	-	(19,382)	7,400	-
P-EBT	10.649	2022225900941	653	07/01/22	06/30/23	-	-	653	653	-	-	-	-	-
Supply Chain Assistance	10.555	241NJ304N1099	20,646	07/01/23	06/30/24	-	-	20,646	20,646	-	-	-	-	-
Total enterprise fund						(2,797)	-	110,680	119,865	-	-	(19,382)	7,400	-
Total federal awards						\$ (345,494)	\$ -	\$ 917,665	\$ 737,498	\$ (69,245)	\$ -	\$ (241,972)	\$ 7,400	\$ -

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2024			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	24-495-034-5120-089	\$ 1,130,931	07/01/23	06/30/24	\$ -	\$ -	\$ 1,018,131	\$ 1,130,931	\$ -	\$ -	\$ -	\$ -	\$ 112,800	\$ 1,130,931
Equalization Aid	24-495-034-5120-078	2,870,392	07/01/23	06/30/24	-	-	2,584,095	2,870,392	-	-	-	-	286,297	2,870,392
School Choice Aid	24-495-034-5120-068	161,278	07/01/23	06/30/24	-	-	145,192	161,278	-	-	-	-	16,086	161,278
Security Aid	24-495-034-5120-084	26,030	07/01/23	06/30/24	-	-	23,434	26,030	-	-	-	-	2,596	26,030
Transportation Aid	24-495-034-5120-014	114,378	07/01/23	06/30/24	-	-	102,970	114,378	-	-	-	-	11,408	114,378
Extraordinary Aid	23-100-034-5120-473	246,311	07/01/22	06/30/23	(246,311)	-	246,311	-	-	-	-	-	-	246,311
Extraordinary Aid	24-100-034-5120-473	334,438	07/01/23	06/30/24	-	-	-	334,438	-	(334,438)	-	-	-	334,438
Non-Public Transportation Aid	23-495-034-5120-014	6,380	07/01/22	06/30/23	(6,380)	-	6,380	-	-	-	-	-	-	6,380
Non-Public Transportation Aid	24-495-034-5120-014	10,465	07/01/23	06/30/24	-	-	-	10,465	-	(10,465)	-	-	-	10,465
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	1,902,767	07/01/23	06/30/24	-	-	1,902,767	1,902,767	-	-	-	-	-	1,902,767
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	21,700	07/01/23	06/30/24	-	-	21,700	21,700	-	-	-	-	-	21,700
On-Behalf TPAF Pension Contribution - Post Retirement Medical	24-495-034-5094-001	523,770	07/01/23	06/30/24	-	-	523,770	523,770	-	-	-	-	-	523,770
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-001	524	07/01/23	06/30/24	-	-	524	524	-	-	-	-	-	524
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	376,896	07/01/22	06/30/23	(19,115)	-	19,115	-	-	-	-	-	-	376,896
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	420,578	07/01/23	06/30/24	-	-	420,578	420,578	-	-	-	-	-	420,578
Total General Fund					(271,806)	-	7,014,967	7,517,251	-	(344,903)	-	-	429,187	8,146,838

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B (continued)
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2024			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education (cont'd)														
Debt Service Fund														
Debt Service Aid - State Support	24-495-034-5120-017	\$ 186,328	07/01/23	06/30/24	\$ -	\$ -	\$ 186,328	\$ 186,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,328
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	23-100-010-3350-023	3,415	07/01/22	06/30/23	(454)	-	454	-	-	-	-	-	-	3,415
State School Lunch Program	24-100-010-3350-023	4,786	07/01/23	06/30/24	-	-	3,752	4,786	-	(1,034)	-	-	-	4,786
Total Enterprise Fund					(454)	-	4,206	4,786	-	(1,034)	-	-	-	8,201
Total State Financial Assistance					\$ (272,260)	\$ -	\$ 7,205,501	7,708,365	\$ -	\$ (345,937)	\$ -	\$ -	\$ 429,187	\$ 8,341,367
Less: On-Behalf TPAF Pension System														
Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	1,902,767	7/1/2023	6/30/2024				1,902,767						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	21,700	7/1/2023	6/30/2024				21,700						
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	523,770	7/1/2023	6/30/2024				523,770						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-001	524	7/1/2023	6/30/2024				524						
Total for State Financial Assistance - Major Program Determination								\$ 5,259,604						

See independent auditors' report.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Lopatcong Township School District. The District is defined in Note 1 (A) to the District's Basic Financial Statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

The Basic Financial Statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$65,454) for the general fund and \$5,872 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 7,451,797	\$ 7,451,797
Special revenue fund	623,505	-	623,505
Debt service fund	-	186,328	186,328
Food service fund	119,865	4,786	124,651
Total awards and financial assistance	<u>\$ 743,370</u>	<u>\$ 7,642,911</u>	<u>\$ 8,386,281</u>

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 USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the fiscal year ended June 30, 2024. TPAF Social Security contribution represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the fiscal year ended June 30, 2024.

Note 6 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

Note 7 - Adjustments on the Schedule of Federal Awards

The total net adjustments on Schedule A of \$69,245 was for the repayment of prior year expenditures from the general fund.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified?

Yes X No

2. Were significant deficiencies identified?

X	Yes	None reported
-----	-----	---------------

Noncompliance material to Basic
Financial Statements noted?

X	Yes	No
-----	-----	----

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified?

Yes No

2. Were significant deficiencies identified?

Yes	None reported
1	0
2	0
3	0
4	0
5	0
6	0
7	0
8	0
9	0
10	0
11	0
12	0
13	0
14	0
15	0
16	0
17	0
18	0
19	0
20	0
21	0
22	0
23	0
24	0
25	0
26	0
27	0
28	0
29	0
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31	0
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36	0
37	0
38	0
39	0
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76	0
77	0
78	0
79	0
80	0
81	0
82	0
83	0
84	0
85	0
86	0
87	0
88	0
89	0
90	0
91	0
92	0
93	0
94	0
95	0
96	0
97	0
98	0
99	0
100	0

What was the type of auditors' report issued on compliance for major programs?

Not Applicable

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

Yes No

Identification of Major Programs:

AL Number(s)

FAIN Number(s)

Name of Federal Program or Cluster

Not Applicable

Not Applicable

Not Applicable

What was the dollar threshold used to distinguish between Type A and Type B programs?

Did the auditee qualify as a low-risk auditee?

Yes No

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No

2. Were there significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

What was the type of auditors' report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? X Yes No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<u>24-495-034-5120-089</u>	<u>State Aid Public Cluster:</u>
<u>24-495-034-5120-078</u>	<u>Special Education Categorical Aid</u>
<u>24-495-034-5120-084</u>	<u>Equalization Aid</u>
<u>24-495-034-5120-068</u>	<u>Security Aid</u>
	<u>School Choice Aid</u>

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2024-001 (2023-001)

Criteria

Continuous efforts must be made to ensure that the records and processes for all recordkeeping be maintained and performed in a complete and accurate manner.

Condition

The District's records were not accurate in some instances.

Context

Recordkeeping was not maintained and performed in an accurate manner.

Cause

Unknown

Effect

Records were not accurate.

Recommendation

The District must make continuous efforts to ensure that the records and processes for all recordkeeping be maintained and performed in a complete and accurate manner. This includes ensuring the budget is established correctly and transfers are made to ensure there are no over-expended budget account lines.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

Federal Awards

There were no findings or questioned costs for the year ended June 30, 2024.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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

State Awards

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2024-001 (2023-001)

Criteria

Continuous efforts must be made to ensure that the records and processes for all recordkeeping be maintained and performed in a complete and accurate manner.

Condition

The District's records were not accurate in some instances.

Context

Recordkeeping was not maintained and performed in an accurate manner.

Cause

Unknown

Effect

Records were not accurate.

Recommendation

The District must make continuous efforts to ensure that the records and processes for all recordkeeping be maintained and performed in a complete and accurate manner. This includes ensuring the budget is established correctly and transfers are made to ensure there are no over-expended budget account lines.

Views of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

LOPATCONG TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2024

Status of Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings with the exception of 2023-001.