

SCHOOL DISTRICT
OF
SPRING LAKE BOROUGH
OF MONMOUTH COUNTY

Spring Lake Borough School District
Spring Lake, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2024

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

of the

Spring Lake Borough School District
of Monmouth County

Spring Lake, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

Spring Lake Borough School District
Finance Department

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INTRODUCTORY SECTION



Spring Lake Board of Education

HW Mountz School
411 Tuttle Ave.
Spring Lake, NJ 07760
(732)449-6380

www.HWMountz.K12.NJ.US

Stephen V. LaValva, EdD
Superintendent/School Business Administrator

December 18, 2024

Honorable President Giblin and
Members of the Board of Education
Spring Lake Borough School District
Monmouth County, New Jersey 07762

Dear Board Members:

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

The ACFR is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's Organizational chart and a list of principal officials. The Financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provision of the Single Audit Act Amendments of 1996 and by Title II U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance"), "Audits of States, Local governments and Non-Profits Organizations", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid payments.". Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

REPORTING ENTITY AND ITS SERVICES:

The Spring Lake Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement #3. All funds and account groups of the District are included in this report. The Spring Lake Borough Board of Education and the H. W. Mountz Elementary School constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education. Resident students attend Manasquan High School for grades 9-12 with expenses to the District for tuition, special education and transportation. The District resident enrollment on October 15, 2023 (2024-2025 Aid) as reported in the Annual Application for State School Aid (ASSA) was 149.5, which is a decrease of 17.5 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Resident Enrollment

Oct. 15 Year	Student Enrollment	Percent Change
2023	149.5	(10.5%)
2022	167	(12.1%)
2021	190	(9.52%)
2020	210	5.53%
2019	199	(2.21%)
2018	203.5	(12.0%)
2017	230	(3.0%)
2016	236.5	(10.25%)
2015	263.5	(.094%)
2014	266	(10.1%)

ECONOMIC CONDITION AND OUTLOOK:

The Borough of Spring Lake is located in the southeastern section of Monmouth County and is comprised of approximately 832 acres of 1.3 square miles. The community is, for all practical purposes, fully developed and is predominantly residential in character.

The decline in student enrollment experienced in the 1980's reversed in the 1990's. The growth was attributed to a shift of enrollments from parochial to public school and younger families moving into the District replacing older ones. This shift has again reversed and there is a decline in enrollment, which we believe is leveling off. The District performed a Demographic Study which confirmed enrollment stabilizing. The increase in enrollment for the 2020-2021 school year can be attributed in part to COVID -19 as some families with summer residences choosing to remain in Spring Lake for the school year. It should be noted that the current administration and Board worked diligently to increase enrollment before COVID-19 hit the nation. The impact of COVID-19 as well as the work of the administration on enrollment will be determined over time.

MAJOR INITIATIVES:

The 2023-2024 Budget continued funding for increased special education services, collaborative professional development, curriculum development, materials and resources for instructional improvements, and capital improvements to the locker rooms, and playground hardscape, increased security as well as classroom improvements/enhancements.

Students continue to score well above the national average on standardized ability tests and the District is a 2017 National Blue Ribbon recipient and an Exemplary High Performing School.

The School District has continued enhancements to its math, language arts, and science programs, provided extensive staff development, implemented anti-bullying strategies in all grades. While initially funded via federal funding, students benefited from the services offered by a part-time Guidance Counselor who we will be looking to add into the general budget moving forward. All program initiatives and enhancements have been closely correlated with the New Jersey Student Learning Standards.

INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains Budgetary controls. The objective of these Budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated Budget approved by the voters of the municipality. Annual appropriated Budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project length Budgets are approved for the capital improvements accounted for in the Capital

Projects fund. The final Budget amount as amended for the fiscal year is reflected in the financial section.

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

ACCOUNTING SYSTEM AND REPORTS:

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

DEBT ADMINISTRATION:

At June 30, 2024, the District had no outstanding school bonds.

CASH MANAGEMENT:

The investment Policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, worker's compensation and fidelity bonds.

OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry & Company, LLC was appointed by the Spring Lake Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendment of 1996 and by Title II U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (commonly called "Uniform Guidance") The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS:

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

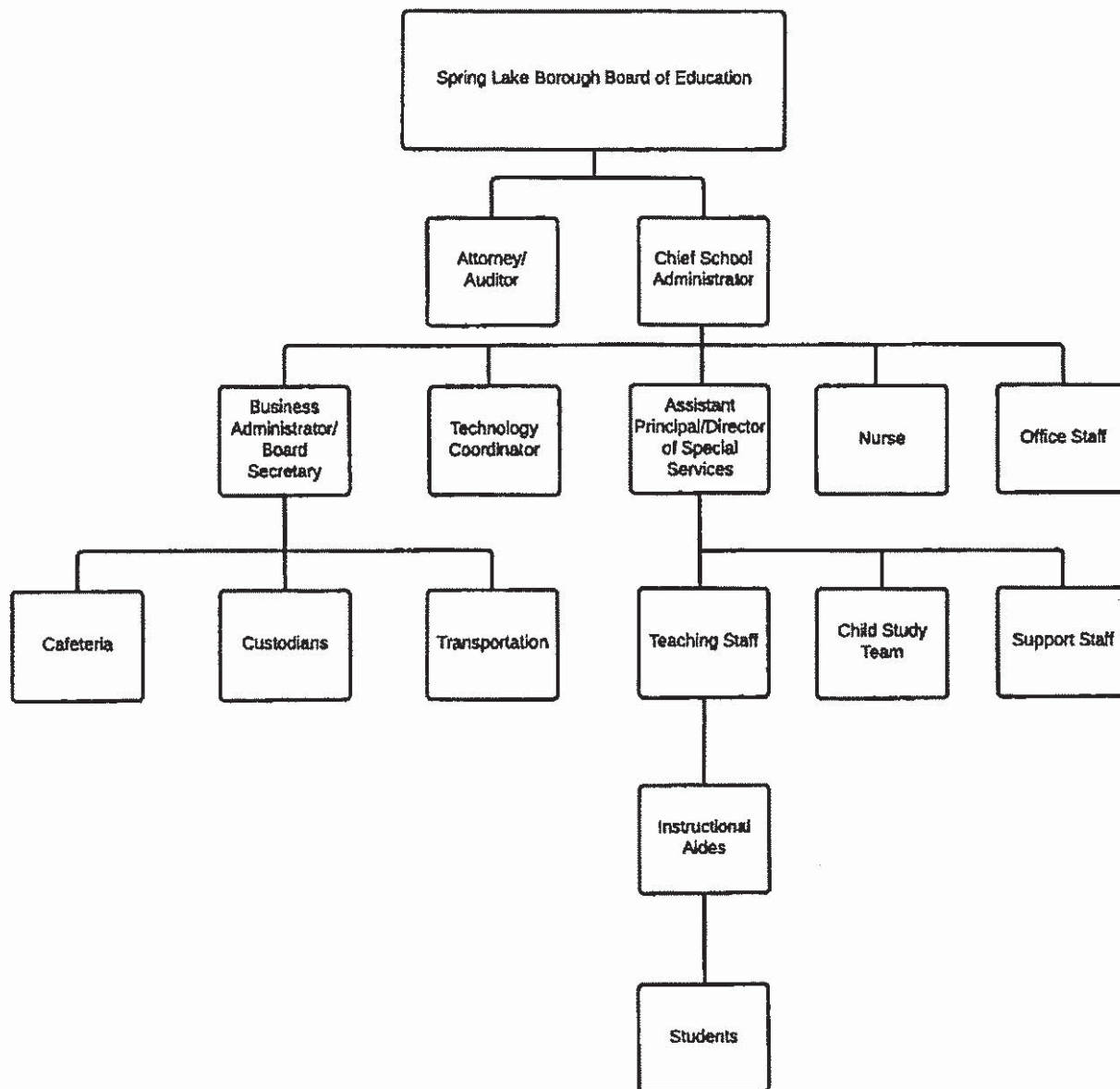
Respectfully submitted,

Stephen LaValva

Dr. Stephen LaValva
Superintendent/School Business Administrator

SPRING LAKE BOROUGH BOARD OF EDUCATION

Organizational Chart



Spring Lake Borough School District
Spring Lake, New Jersey

Roster of Officials
June 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Noelle Giblin, President	2024
Mike Moran, Vice President	2026
Carla Martin, Board Member	2025
Karen Matuch, Board Member	2024
David Rowe, Board Member	2025

Other Officials

Dr. Stephen LaValva, Superintendent/School Business Administrator

Daniel Layton, Board Secretary

Joanette Femia, Treasurer

Cornell, Merlin McKeever & Osborne, LLC, Board Council

Spring Lake Borough School District
Consultants and Advisors

Architect/Engineers

Griffin Engineering, LLC
509 New York Boulevard
Sea Girt, NJ 08750

Tokarski Millemann Architects, LLC
1729 NJ-35
Wall Township, NJ 07719

Audit Firm

Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, New Jersey 08753

Attorneys

Athina Cornell
Methfessel & Werbel
2025 Lincoln Highway #200
Edison, NJ 08817

Official Depositories

TD Bank
Spring Lake Heights, New Jersey

State of NJ Cash Management Fund
Boston, Massachusetts

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Spring Lake Borough School District:
County of Monmouth
Spring Lake, New Jersey

Report on the Audit of the Financial Statements

Opinions

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 Spring Lake Borough School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School 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 Spring Lake Borough School District in the County of Monmouth, State of New Jersey, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, the schedules related to accounting and reporting for pensions and the schedules related to accounting and reporting for postemployment benefits other than pensions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Spring Lake Borough School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024 on our consideration of Spring Lake Borough School 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Spring Lake Borough School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spring Lake Borough School District's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry and Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 18, 2024

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Spring Lake Borough School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of Spring Lake Borough School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School Board'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 Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2024 are as follows:

Net position totaled \$7,267,728, which represents a 18.94 percent increase from June 30, 2023.

General revenues accounted for \$8,150,283 in revenue or 94.43 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$480,974 or 5.57 percent of total revenues of \$8,631,257.

Total assets increased \$1,159,177 as current assets increased by \$1,066,500, capital assets increased by \$102,541 and leased assets decreased by \$9,864.

The School Board had \$7,473,917 in expenses; only \$480,974 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$8,150,283 were adequate to provide for these programs.

Among major funds, the General Fund had \$8,060,896 in revenues and \$7,198,657 in expenditures and transfers. The General Fund's balance increased \$862,239 over June 30, 2023. The General Fund's balance is \$5,857,291.

Using this Annual Comprehensive Financial Report (ACFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Spring Lake Borough 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 School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government 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 Board's most significant funds with all other non-major funds presented in total in one column. In the case of Spring Lake Borough School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Spring Lake Borough School District uses propriety funds to count for its food service program and after school program.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

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

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2024 and 2023.

Table 1

Net Position as of June 30, 2024 and June 30, 2023

	June 30, 2024			June 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 6,297,681	\$ 16,303	\$ 6,313,984	\$ 5,234,082	\$ 13,402	\$ 5,247,484
Capital assets, net	2,464,646	-	2,464,646	2,362,105	-	2,362,105
Lease assets, net	27,946	-	27,946	37,810	-	37,810
Total assets	8,790,273	16,303	8,806,576	7,633,997	13,402	7,647,399
Deferred outflow of resources	159,245	-	159,245	246,873	-	246,873
Liabilities:						
Current liabilities	387,940	-	387,940	223,258	-	223,258
Long-term liabilities outstanding	1,067,271	-	1,067,271	1,196,284	-	1,196,284
Total liabilities	1,455,211	-	1,455,211	1,419,542	-	1,419,542
Deferred inflow of resources	242,882	-	242,882	364,342	-	364,342
Net position:						
Net investment in capital assets	2,462,849	-	2,462,849	2,360,822	-	2,360,822
Restricted	5,237,558	-	5,237,558	4,298,269	-	4,298,269
Unrestricted	(448,982)	16,303	(432,679)	(562,105)	13,402	(548,703)
Total Net Position	\$ 7,251,425	\$ 16,303	\$ 7,267,728	\$ 6,096,986	\$ 13,402	\$ 6,110,388

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$7,267,728 on June 30, 2024. This is a change of 18.94% from the previous year.

Table 2 provides a comparison analysis of the School Board's changes in net position from fiscal years June 30, 2024 and 2023.

Table 2

Changes in Net Position

	June 30, 2024			June 30, 2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 81,292	\$ -	\$ 81,292	\$ 41,887	\$ -	\$ 41,887
Operating and capital grants and contributions	399,682	-	399,682	372,925	-	372,925
General revenues:						
Property taxes	6,813,278	-	6,813,278	6,813,278	-	6,813,278
Federal and state aid	892,840	-	892,840	2,127,072	-	2,127,072
Investment earnings	234,918	-	234,918	99,783	310	100,093
Miscellaneous	194,004	15,243	209,247	193,050	14,652	207,702
Total revenues	8,616,014	15,243	8,631,257	9,647,995	14,962	9,662,957
Expenses						
Instructional services	2,446,346	-	2,446,346	2,779,687	-	2,779,687
Support services	5,013,138	12,342	5,025,480	5,151,691	15,313	5,167,004
Interest on long-term liabilities	2,091	-	2,091	2,634	-	2,634
Total expenses	7,461,575	12,342	7,473,917	7,934,012	15,313	7,949,325
Change in net position	1,154,439	2,901	1,157,340	1,713,983	(351)	1,713,632

The Federal and State aid increased due to the increase in grants available.

Regular instructional costs decreased due to cost containment measures through the use of cooperatives and jointures. Additionally, efforts were made to reduce out of district placements by increasing services offered to students within our schools.

Expenses for Fiscal Year June 30, 2024

Business-Type Activities

Revenues for the District's business-type activities were comprised of miscellaneous income.

Total Enterprise Fund revenues exceeded expenses by \$2,901.

Governmental Activities

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

Table 3

Governmental Activities

	<u>2024</u>		<u>2023</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 2,446,346	\$ 2,446,346	\$ 2,779,687	\$ 2,779,687
Support Services:				
Pupils and Instructional Staff	2,619,014	2,138,040	2,942,717	2,527,905
General Administration,				
School Administration,				
Business Operation				
and Maintenance				
of Facilities	2,067,050	2,067,050	1,895,413	1,895,413
Pupil Transportation	327,074	327,074	313,561	313,561
Interest and Fiscal Charges	<u>2,091</u>	<u>2,091</u>	<u>2,634</u>	<u>2,634</u>
Total Expenses	<u>\$ 7,461,575</u>	<u>\$ 6,980,601</u>	<u>\$ 7,934,012</u>	<u>\$ 7,519,200</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Greater than 90% of the student population participates in extracurricular activities.

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

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

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

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

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Spring Lake, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2024, it reported a combined fund balance of \$5,909,741, which is a increase of \$898,917. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2024.

<u>Revenue</u>	<u>2024 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 7,323,492	85.00 %	\$ 175,494	2.46 %
State Sources	1,037,733	12.04	(29,749)	(2.79)
Federal Sources	<u>254,789</u>	<u>2.96</u>	<u>(1,177,726)</u>	<u>(82.21)</u>
Total	\$ <u>8,616,014</u>	<u>100.00 %</u>	\$ <u>(1,031,981)</u>	<u>(10.70)%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2024.

<u>Expenditures</u>	<u>2024 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 2,447,240	31.71 %	\$ (337,273)	(12.11)%
Undistributed				
Expenditures	4,821,895	62.48	(308,351)	(6.01)
Capital Outlay	<u>447,962</u>	<u>5.81</u>	<u>(67,474)</u>	<u>(13.09)</u>
Total	\$ <u>7,717,097</u>	<u>100.00 %</u>	\$ <u>(713,098)</u>	<u>(8.46)%</u>

General Fund Budgeting Highlights

The School Board'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.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$1,454,346 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$306,266 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions, TPAF LTDI, and TPAF Pension Contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 362,457
Capital Reserve	4,158,247
Maintenance Reserve	278,798
Unemployment Reserve	50,660
Tuition Reserve	67,000
Emergency Reserve	38,592
Excess Surplus - Current Year	229,354

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding.

The excesses will be carried forward into the beginning fund balance from the 2023-2024 fiscal year and may be used to reduce the local tax levy for the 2025-2026 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2024, the School Board had \$2,464,646 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2024 and June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 492,117	\$ 492,117	\$ -	\$ -	\$ 492,117	\$ 492,117
Building and Improvements	1,772,356	1,654,113	-	-	1,772,356	1,654,113
Machinery and Equipment	200,173	215,875	-	-	200,173	215,875
Total	<u>\$ 2,464,646</u>	<u>\$ 2,362,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,464,646</u>	<u>\$ 2,362,105</u>

During the current fiscal year, \$281,589 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental activities at June 30, 2024 and June 30, 2023.

	June 30, 2024	June 30, 2023
Leases payable	\$ 29,743	\$ 39,093
Pension Liability-PERS	884,163	997,716
Compensated Absences payable	153,365	159,475
Total long-term liabilities	<u>\$ 1,067,271</u>	<u>\$ 1,196,284</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2023-2024 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 15.00% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 85.00% of total revenue is from local sources.

The \$(448,982) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would owe this value to debtors.

The 2023-2024 budget was adopted in March 2023 based in part on the state education aid the School Board anticipated receiving. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Spring Lake Borough School District for increased aid.

The School Board anticipates a level enrollment for the 2024-2025 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Spring Lake Borough School District, 411 Tuttle Avenue, Spring Lake, NJ, 07762.

BASIC FINANCIAL STATEMENTS

SPRING LAKE SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,291,190	\$ 16,303	\$ 1,307,493
Capital reserve cash	4,158,247	-	4,158,247
Receivables - other	572,259	-	572,259
Receivables - state	153,092	-	153,092
Receivables - federal	122,893	-	122,893
Capital assets, non-depreciable	492,117	-	492,117
Capital assets, depreciable, net	1,972,529	-	1,972,529
Lease assets, net	27,946	-	27,946
Total assets	8,790,273	16,303	8,806,576
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	159,245	-	159,245
	159,245	-	159,245
LIABILITIES			
Accounts payable	104,782	-	104,782
Deferred revenue	208,514	-	208,514
Payable to state government	26,818	-	26,818
Payable to federal government	17,014	-	17,014
Payroll deductions and withholdings payable	30,812	-	30,812
Noncurrent liabilities:			
Due within one year	24,932	-	24,932
Due beyond one year	1,042,339	-	1,042,339
Total liabilities	1,455,211	-	1,455,211
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	242,882	-	242,882
	242,882	-	242,882
NET POSITION			
Investment in capital assets	2,462,849	-	2,462,849
Restricted for:			
Capital projects	4,158,247	-	4,158,247
Unemployment compensation	50,660	-	50,660
Student activities	52,450	-	52,450
Other purposes	976,201	-	976,201
Unrestricted	(448,982)	16,303	(432,679)
Total net position	\$ 7,251,425	\$ 16,303	\$ 7,267,728

SPRING LAKE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 1,982,109	\$ -	\$ -	\$ -	\$ (1,982,109)	\$ -	\$ (1,982,109)
Special education instruction	407,896	-	-	-	(407,896)	-	(407,896)
Other special instruction	56,341	-	-	-	(56,341)	-	(56,341)
Support services and undistributed costs:							
Tuition	1,152,332	-	-	-	(1,152,332)	-	(1,152,332)
Attendance and social work	58,549	-	-	-	(58,549)	-	(58,549)
Health services	99,848	-	-	-	(99,848)	-	(99,848)
Other support services	531,879	81,292	-	-	(450,587)	-	(450,587)
Improvement of instr. services	243,226	-	-	-	(243,226)	-	(243,226)
Educational media services	117,085	-	-	-	(117,085)	-	(117,085)
Instruction staff training	15,519	-	-	-	(15,519)	-	(15,519)
General administrative services	160,581	-	-	-	(160,581)	-	(160,581)
School administrative services	42,870	-	-	-	(42,870)	-	(42,870)
Central services	100,134	-	-	-	(100,134)	-	(100,134)
Admin. information technology	28,862	-	-	-	(28,862)	-	(28,862)
Allowed maintenance for school facilities	259,829	-	-	-	(259,829)	-	(259,829)
Other operation & maintenance of plant	733,255	-	-	-	(733,255)	-	(733,255)
Student transportation services	327,074	-	-	-	(327,074)	-	(327,074)
Unallocated employee benefits	741,519	-	-	-	(741,519)	-	(741,519)
Non-budgeted expenses	399,682	-	399,682	-	-	-	-
Special schools	894	-	-	-	(894)	-	(894)
Interest expense	2,091	-	-	-	(2,091)	-	(2,091)
Total governmental activities	7,461,575	81,292	399,682	-	(6,980,601)	-	(6,980,601)
Business-type activities:							
Enterprise fund	12,342	-	-	-	-	(12,342)	(12,342)
Total business-type activities	12,342	-	-	-	-	(12,342)	(12,342)
Total primary government	\$ 7,473,917	\$ 81,292	\$ 399,682	\$ -	\$ (6,980,601)	\$ (12,342)	\$ (6,992,943)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 6,813,278	\$ -	\$ 6,813,278
Federal and state aid					892,840	-	892,840
Miscellaneous income					194,004	15,243	209,247
Investment earnings					234,918	-	234,918
Total general revenues					\$ 8,135,040	\$ 15,243	8,150,283
Change in net position					1,154,439	2,901	1,157,340
Net position, July 1					6,096,986	13,402	6,110,388
Net position, June 30					\$ 7,251,425	\$ 16,303	\$ 7,267,728

SPRING LAKE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,113,777	\$ 177,413	\$ -	\$ -	\$ 1,291,190
Capital reserve	4,158,247	-	-	-	4,158,247
Receivables, net	567,769	4,490	-	-	572,259
Receivables from Federal	-	122,893	-	-	122,893
Receivables from State	153,092	-	-	-	153,092
Total assets	<u>5,992,885</u>	<u>304,796</u>	<u>-</u>	<u>-</u>	<u>6,297,681</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	104,782	-	-	-	104,782
Unearned revenue	-	208,514	-	-	208,514
Payable to federal government	-	17,014	-	-	17,014
Payable to state government	-	26,818	-	-	26,818
Payroll deductions and withholdings payable	30,812	-	-	-	30,812
Total liabilities	<u>135,594</u>	<u>252,346</u>	<u>-</u>	<u>-</u>	<u>387,940</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	229,354	-	-	-	229,354
Excess surplus - prior year- designated for					
Subsequent year's expenditures	362,457	-	-	-	362,457
Capital reserve account	4,158,247	-	-	-	4,158,247
Maintenance reserve account	278,798	-	-	-	278,798
Emergency reserve account	38,592	-	-	-	38,592
Tuition reserve account	67,000	-	-	-	67,000
Unemployment compensation	50,660	-	-	-	50,660
Scholarships	-	149	-	-	149
Student activities	-	52,301	-	-	52,301
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Other purposes	313,109	-	-	-	313,109
Designated by the BOE for subsequent					
year's expenditures	92,203	-	-	-	92,203
Unassigned:					
General fund	266,871	-	-	-	266,871
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total fund balances	<u>5,857,291</u>	<u>52,450</u>	<u>-</u>	<u>-</u>	<u>5,909,741</u>
Total liabilities and fund balances	<u>\$ 5,992,885</u>	<u>\$ 304,796</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for *governmental activities* in the statement of net position(A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,464,646
Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,946
Deferred outflows related to the PERS pension plan	159,245
Deferred inflows related to the PERS pension plan	(242,882)
Long-term liabilities, including lease payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(1,067,271)</u>
Net position of governmental activities	<u>\$ 7,251,425</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local tax levy	\$ 6,813,278	\$ -	\$ 6,813,278
Tuition charges	186,686	-	186,686
Interest on investments	234,918	-	234,918
Miscellaneous	5,318	83,292	88,610
Total - local sources	7,240,200	83,292	7,323,492
State sources	820,696	217,037	1,037,733
Federal sources	-	254,789	254,789
Total revenues	8,060,896	555,118	8,616,014
EXPENDITURES			
Current:			
Regular instruction	1,735,712	246,397	1,982,109
Special education instruction	407,896	-	407,896
Other special instruction	-	-	-
School sponsored/other instructional	56,341	-	56,341
Undistributed - current:			
Instruction	1,152,332	-	1,152,332
Attendance and social work services	58,549	-	58,549
Health services	99,848	-	99,848
Other support services	284,473	247,406	531,879
Improvement of instr. services	243,226	-	243,226
Educational media services	117,085	-	117,085
Instruction staff training	15,519	-	15,519
General administrative services	160,581	-	160,581
School administrative services	42,870	-	42,870
Central services	111,575	-	111,575
Admin. info. technology	28,862	-	28,862
Allowed maintenance for school facilities	93,456	-	93,456
Other operation & maintenance of plant	544,343	-	544,343
Student transportation services	327,074	-	327,074
Unallocated employee benefits	895,014	-	895,014
Non-budgeted expenditures	399,682	-	399,682
Special schools	894	-	894
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	423,325	24,637	447,962
Total expenditures	7,198,657	518,440	7,717,097
Excess (deficiency) of revenues over expenditures	862,239	36,678	898,917
Fund balance—July 1	4,995,052	15,772	5,010,824
Fund balance—June 30	<u>\$ 5,857,291</u>	<u>\$ 52,450</u>	<u>\$ 5,909,741</u>

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

Total net change in fund balances - governmental funds (from B-2) **\$ 898,917**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(179,048)	
Capital outlays	<u>281,589</u>	102,541

Capital outlays related to lease assets are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

Amortization Expense	(9,864)	
Lease Asset Additions	<u>-</u>	(9,864)

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey	147,385
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In the Statement of Activities, the principal payments on leases are recorded as a reduction in the long-term liability . In the governmental funds, the payments is an expenditure. (Amount is net of payments included in capital outlay)	9,350
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In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. This year, sick leave was increased.

6,110

Change in net position of governmental activities	<u><u>\$ 1,154,439</u></u>
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SPRING LAKE SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Total Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,009	\$ 15,294	\$ 16,303
Receivable from state	-	-	-
Receivable from other governments	-	-	-
Total current assets	<u>1,009</u>	<u>15,294</u>	<u>16,303</u>
Noncurrent assets:			
Furniture, machinery and equipment	-	-	-
Less accumulated depreciation	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 1,009</u></u>	<u><u>\$ 15,294</u></u>	<u><u>\$ 16,303</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	-	\$ -
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Investment in capital assets	-	-	-
Unrestricted	<u>1,009</u>	<u>15,294</u>	<u>16,303</u>
Total net position	<u>1,009</u>	<u>15,294</u>	<u>16,303</u>
Total liabilities and net position	<u><u>\$ 1,009</u></u>	<u><u>\$ 15,294</u></u>	<u><u>\$ 16,303</u></u>

SPRING LAKE SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Fund		
	Food Service Program	After School Program	Total Enterprise
Operating revenues:			
Miscellaneous	\$ 1,762	\$ 13,481	\$ 15,243
Total operating revenues	<u>1,762</u>	<u>13,481</u>	<u>15,243</u>
Operating expenses:			
Miscellaneous Expenses	<u>1,334</u>	<u>11,008</u>	<u>12,342</u>
Total operating expenses	<u>1,334</u>	<u>11,008</u>	<u>12,342</u>
Operating income (loss)	<u>428</u>	<u>2,473</u>	<u>2,901</u>
Non-operating revenues (expenses):			
Interest and investment revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>428</u>	<u>2,473</u>	<u>2,901</u>
Total net position—beginning	<u>581</u>	<u>12,821</u>	<u>13,402</u>
Total net position—ending	<u>\$ 1,009</u>	<u>\$ 15,294</u>	<u>\$ 16,303</u>

SPRING LAKE SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds		
	Food Service Program	After School Program	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,762	\$ 13,481	\$ 15,243
Payments to suppliers	(1,334)	(11,008)	(12,342)
Net cash provided by (used in) operating activities	428	2,473	2,901
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interest income	-	-	-
Net cash provided by (used in) non-capital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	-	-
Net cash provided by (used for) capital and related financing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	428	2,473	2,901
Balances—beginning of year	581	12,821	13,402
Balances—end of year	<u>\$ 1,009</u>	<u>\$ 15,294</u>	<u>\$ 16,303</u>
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ 428	\$ 2,473	\$ 2,901
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	-
Total adjustments	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 428</u>	<u>\$ 2,473</u>	<u>\$ 2,901</u>

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Spring Lake Borough School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK - 8. The Spring Lake Borough School District had an approximate enrollment of 152 students at June 30, 2024.

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

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

B. Basis of Presentation, Basis of Accounting

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 12.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation, Basis of Accounting (Cont'd):

District-Wide Financial Statements

The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

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

Fund Financial Statements

During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted by Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd)

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Capital Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

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.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd)

Proprietary Fund Financial Statements

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary Funds are classified as enterprise or internal service; the Board has no internal service funds. The District reports the following proprietary funds:

Enterprise Fund - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board 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 Board's Enterprise Fund is comprised of the Food Service Fund and the After School Program.

Depreciation of all capital 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	5-20 Years
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Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others if applicable.

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

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation, Basis of Accounting (Cont'd)

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

C. Property Taxes

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

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 are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

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 deferred revenues at fiscal year end.

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

F. Cash, Cash Equivalents and Investments

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

F. Cash, Cash Equivalents and Investments (Cont'd)

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 savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Assets, Liabilities, and Equity:

Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. All interfund receivables and payables between the governmental and proprietary funds have been eliminated in the district-wide statements.

Interfund Transactions:

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

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

Inventory:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies (Cont'd)

G. Assets, Liabilities, and Equity (Cont'd)

Prepaid items:

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

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*, represent 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.

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.

Capital Assets:

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

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and improvements	20-50 years
Furniture and equipment	5-20 years
Vehicles	8 years

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd)

Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Compensated Absences:

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards. 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 the employee is accrued as the employees earn the rights to the benefits.

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

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The balance at June 30, 2024 is \$153,365.

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, no liability existed for compensated absences in the Enterprise Fund.

Unearned Revenue:

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned Revenue.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd)

Accrued Liabilities and Long-Term Obligations:

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

Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Net Position:

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

Fund Balance Reserves:

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd)

Fund Balance Reserves (Cont'd):

3. Committed - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. Unassigned - includes all spendable amounts not contained in the other classifications.

Revenues - Exchange and Nonexchange Transactions:

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

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

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

Tuition Revenue/Receivables:

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.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. Cash, Cash Equivalents and Investments (Cont'd)

G. Assets, Liabilities, and Equity (Cont'd)

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are royalties. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Allocation of Indirect Expenses:

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

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

Management Estimates:

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

1. Cash, Cash Equivalents and Investments (Cont'd)

H. GASB Pronouncements:

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

2. Cash, Cash Equivalents and Investments

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2024, the Board's bank balances of \$5,701,620 were exposed to Custodial Credit Risk as follows:

Insured under FDIC and GUDPA	\$ 5,557,206
Uninsured and Uncollateralized	<u>144,414</u>
	<u>\$ 5,701,620</u>

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

2. Cash, Cash Equivalents and Investments (Cont'd)

Investments

All investments in the Fund are governed by the regulations of the Investment, Council, which prescribe specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investments' existence, the Division has never suffered a default of principal or interest on any short-term security held it by due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve being accumulated as additional protection for the "Other-than-State" participants. In addition, to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2024, the District has \$3,737,045 on deposit with the New Jersey Management Fund.

Interest Rate Risk

The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the New Jersey Cash Management Fund (NJCMF), is less than one year.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District has an investment policy that further limits its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

3. Capital Reserve Account

A Capital Reserve Account was established by the Spring Lake Borough School 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.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

3. Capital Reserve Account (Cont'd)

The activity of the Capital Reserve for the June 30, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, June 30, 2023	\$ 3,309,043
Add:	
Increase per Resolution	1,000,000
Interest earnings	149,204
Less:	
Withdrawals	<u>(300,000)</u>
Ending Balance, June 30, 2024	\$ <u>4,158,247</u>

4. Maintenance Reserve Account

A maintenance Reserve Account was established by the Spring Lake Borough School District by inclusion of \$278,798 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the Maintenance Reserve for the June 30, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, June 30, 2023	\$ 262,220
Add:	
Interest Earned	16,578
Less:	
Withdrawals	<u>-</u>
Ending Balance, June 30, 2024	\$ <u>278,798</u>

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

5. Emergency Reserve Account

An Emergency Reserve Account was established by the Spring Lake Borough School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the June 30, 2023 to June 30, 2024 fiscal year is as follows:

Balance, June 30, 2023	\$ 67,592
Less:	
Withdrawals	<u>(29,000)</u>
Balance, June 30, 2024	<u>\$ 38,592</u>

6. Tuition Reserve Account

A Tuition Reserve Account was established by the Spring Lake Borough School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Tuition Reserve for the June 30, 2023 to June 30, 2024 fiscal year is as follows:

Balance, June 30, 2023	\$ 67,000
Add:	
Approved at June 2022 Meeting	-
Less:	
Withdrawals	<u>-</u>
Balance, June 30, 2024	<u>\$ 67,000</u>

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

7. Receivables

Receivables at June 30, 2024, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
Property Taxes	\$ 567,769	\$ 567,769
State aid	153,092	153,092
Federal aid	122,893	122,893
Other	<u>4,490</u>	<u>4,490</u>
	848,244	848,244
Less: allowance for Credit Losses	<u>-</u>	<u>-</u>
Total receivables, net	\$ <u>848,244</u>	\$ <u>848,244</u>

8. Interfund Receivables and Payables

As of June 30, 2024 there were no interfund balances.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

9. Capital Assets

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ <u>492,117</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>492,117</u>
Total capital assets not being depreciated	<u>492,117</u>	<u>-</u>	<u>-</u>	<u>492,117</u>
Capital assets being depreciated				
Building and building improvements	5,960,524	129,498	-	6,090,022
Land improvements	-	108,263	-	108,263
Furniture, equipment and vehicles	<u>973,172</u>	<u>43,828</u>	<u>-</u>	<u>1,017,000</u>
Totals at historical cost	<u>6,933,696</u>	<u>281,589</u>	<u>-</u>	<u>7,215,285</u>
Less accumulated depreciation for:				
Building and building improvements	(4,306,411)	(112,300)	-	(4,418,711)
Land improvements	-	(7,218)	-	(7,218)
Furniture, equipment and vehicles	<u>(757,297)</u>	<u>(59,530)</u>	<u>-</u>	<u>(816,827)</u>
Total accumulated depreciation	<u>(5,063,708)</u>	<u>(179,048)</u>	<u>-</u>	<u>(5,242,756)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>1,869,988</u>	<u>102,541</u>	<u>-</u>	<u>1,972,529</u>
Government activity capital assets, net	\$ <u><u>2,362,105</u></u>	\$ <u><u>102,541</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,464,646</u></u>

Depreciation expense was charged to functions as follows:

Operation and maintenance	\$ <u>179,048</u>
Total	\$ <u><u>179,048</u></u>

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

10. Lease Assets

Lease asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Copier	\$ <u>49,318</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>49,318</u>
Governmental Activities Lease Assets	<u>49,318</u>	<u>-</u>	<u>-</u>	<u>49,318</u>
Less Accumulated Amortization for:				
Copier	<u>(11,508)</u>	<u>(9,864)</u>	<u>-</u>	<u>(21,372)</u>
	<u>(11,508)</u>	<u>(9,864)</u>	<u>-</u>	<u>(21,372)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	\$ <u>37,810</u>	\$ <u>(9,864)</u>	\$ <u>-</u>	\$ <u>27,946</u>

Amortization expense was charged to functions as follows:

Regular Instruction	\$ <u>9,864</u>
Total	\$ <u>9,864</u>

11. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2024, are as follows:

	<u>Balance June 30, 2023</u>	<u>Increases/ (Decreases)</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:				
Compensated				
Absences Payable	\$ 159,475	\$ (6,110)	\$ 153,365	\$ 15,005
Lease Liability	39,093	(9,350)	29,743	9,927
Pension Liability - PERS	<u>997,716</u>	<u>(113,553)</u>	<u>884,163</u>	<u>-</u>
	\$ <u>1,196,284</u>	\$ <u>(129,013)</u>	\$ <u>1,067,271</u>	\$ <u>24,932</u>

For governmental activities, compensated absences payable and pension liability - PERS are liquidated by the general fund.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

11. Long-Term Obligations (Cont'd)

A. Long-Term Obligation Activity (Cont'd):

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

B. Bonds Payable:

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

There are no serial bonds outstanding at June 30, 2024.

C. Bonds Authorized Not Issued:

As of June 30, 2024, the Board had no bonds authorized.

D. Leases Payable:

The District had leases outstanding as of June 30, 2024 as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Copier	04/27/2022	Monthly	04/27/2027	6.00%	\$ 29,743

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 9,927	\$ 1,515
2026	10,539	902
2027	9,277	257
Total	<u>\$ 29,743</u>	<u>\$ 2,674</u>

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans

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 the 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 benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At

June 30, 2024, the School District reported a liability of \$884,163 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The School District's proportion measured as of June 30, 2023, was 0.0061042526%, which was a decrease of .0005069151% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized full accrual pension expense of \$14,000 in the government-wide financial statements consisting of employer contributions of \$81,585 and non-employer contributions of \$(67,585). This pension expense was based on the pension plans June 30, 2023 measurement date. At June 30, 2024, the School 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	\$ 8,454	\$ 3,614
Changes of assumptions	1,942	53,584
Net difference between projected and actual earnings on pension plan investments	4,072	-
Changes in proportion and differences between District contributions and proportionate share of contributions	63,192	185,684
District contributions subsequent to the measurement date	81,585	-
Total	<u>\$ 159,245</u>	<u>\$ 242,882</u>

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

\$81,585 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2023-2024 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2025 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Year ended June 30:		
2024	\$	(180,495)
2025		(100,745)
2026		140,785
2027		(25,195)
2028		429
Thereafter		-
Total	\$	<u>(165,221)</u>

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, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the 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 the legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the 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 employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the School District as of June 30, 2024. At June 30, 2024, the State's proportionate share of the employer pension expense and related revenue, associated with the School District, calculated by the plan as of the June 30, 2023 measurement date was \$2,757.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	5.08	-
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-
June 30, 2023	5.00	-

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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.

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

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:	2.75% - 6.55%
	Based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	1,160,696	884,163	662,596

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/24</u>	<u>6/30/23</u>
Collective Deferred Outflows of Resources	1,080,204,730	1,660,772,008
Collective Deferred Inflows of Resources	1,780,216,457	3,236,303,935
Collective Net Pension Liability	14,606,489,066	15,219,184,920
School District's Portion	0.0061042526%	0.0066111677%

B. Teachers' Pension and Annuity (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 the 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 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.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

The following represents the membership tiers for TPAF:

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

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

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$9,664,785. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0189384273%, which was a increase of 0.0005300718% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized a pension expense in the amount of \$9,664,785 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2023 measurement date.

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

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

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real 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 %

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability	11,475,152	9,664,785	8,364,452

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

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/24</u>	<u>7/1/23</u>
Collective Deferred Outflows of Resources	2,502,380,838	5,004,259,312
Collective Deferred Inflows of Resources	14,830,205,473	19,682,774,794
Collective Net Pension Liability	51,109,961,824	51,676,587,303
School District's Portion	0.0189384273%	0.0184083555%

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

12. Pension Plans (Cont'd)

C. Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2024 were \$2,053. There was no liability for unpaid contributions at June 30, 2024.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the School District.

13. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan description and benefits provided (Cont'd)

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefits Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Employees covered by benefit terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	152,383
Active plan members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

State Health Benefit State Retired Employees Plan

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer 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:

Inflation Rate	3.54%
Salary Increases through 2026	PERS 2.75%-6.55% PFRS 3.25%-16.25% TPAF 2.75%-4.25%
Discount Rate	3.65%
Healthcare Cost Trend Rates	4.5%-6.5%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

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

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

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

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. 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 rate

The following presents the June 30, 2023 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability of the State for School Retirees	\$61,385,066,712	\$52,361,668,239	\$45,116,926,835
Total OPEB Liability of the State Associated with the School District for School Retirees	\$12,990,219	\$11,080,701	\$9,547,580

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

The following presents the June 30, 2023 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

Sensitivity of the total OPEB liability to changes in the health care cost trend rates (cont'd)

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$43,468,257,358	\$52,361,668,239	\$63,998,719,320
Total OPEB Liability of the State Associated with the School District for School Retirees	\$9,198,690	\$11,080,701	\$13,543,317

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

Balance at June 30, 2022	\$ 50,646,462,966
Changes for the year:	
Service cost	2,136,235,476
Interest on the total OPEB liability	1,844,113,951
Changes of benefit terms	-
Differences between expected and actual experience	(980,424,863)
Changes of assumptions	105,539,463
Gross benefit payments by the state	(1,437,516,858)
Contributions from members	<u>47,258,104</u>
Net changes	<u>1,715,205,273</u>
Balance at June 30, 2023	<u>\$ 52,361,668,239</u>

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

For the year ended June 30, 2024, the board of education recognized OPEB expense of \$224,985 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 75 and in which there is a special funding situation.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

13. Post-Retirement Benefits (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

In accordance with GASB 75, the Spring Lake Borough School 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. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,639,717,639	\$ 13,791,541,217
Changes of assumptions	7,445,895,322	14,449,948,556
Contributions made in fiscal year ending 2024 after June 30, 2023 measurement date	-	-
Total	<u>\$ 15,085,612,961</u>	<u>\$ 28,241,489,773</u>

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

Year ended June 30:	
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	<u>(4,052,000,302)</u>
Total	<u>\$ (13,155,876,812)</u>

14. Risk Management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. See J-20.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

14. Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and the previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ -	\$ 12,275	\$ (60)	\$ 50,660
2023	-	7,982	(8,160)	38,445
2022	-	8,652	(18,726)	38,623

15. Deferred Compensation

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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:

AIGVALIC
AXA Equitable

16. Contingent Liabilities

Grant Programs

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

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

17. Compensated Absences

The District accounts for compensated absences (e.g., sick leave) as directed by Governmental Accounting Standards. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of 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 District's agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental activities fund (see footnote 11).

18. Fund Balance

General Fund - of the \$5,857,291 General Fund balance at June 30, 2024, \$313,109 of encumbrances is assigned to other purposes, \$4,158,247 is restricted for capital reserve, \$278,798 is restricted for maintenance reserve, \$38,592 is restricted for emergency reserve, \$67,000 is restricted for tuition reserve, \$229,354 is restricted for excess surplus, \$362,457 is restricted for excess surplus for subsequent year expenditures, \$50,660 is restricted for unemployment compensation, \$92,203 has been classified as assigned fund balance designated for subsequent year expenditures, and \$266,871 is unassigned.

Special Revenue Fund - \$52,450 Special Revenue Fund balance at June 30, 2024, \$15,630 is restricted for student activities, and \$142 is restricted for scholarships activities.

19. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.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 \$229,354.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2024. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2021.

21. Subsequent Events

Management has evaluated subsequent events through December 18, 2024, the date the financial statements were available to be issued.

Spring Lake Borough School District

Notes to Financial Statements

For the Year Ended June 30, 2024

22. Tax Abatement

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

23. Economic Dependency

The School district receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

SPRING LAKE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local tax levy	\$ 6,813,278	\$ -	\$ 6,813,278	\$ 6,813,278	\$ -
Tuition	104,000	-	104,000	186,686	82,686
Interest on investments	-	36,000	36,000	67,474	31,474
Interest on unemployment funds	-	-	-	1,662	1,662
Interest earned on emergency reserve	100	-	100	-	(100)
Interest earned on maintenance reserve	9,500	-	9,500	16,578	7,078
Interest earned on capital reserve funds	15,500	-	15,500	149,204	133,704
Miscellaneous	36,000	(36,000)	-	5,318	5,318
Total - local sources	6,978,378	-	6,978,378	7,240,200	261,822
State Sources:					
Transportation aid	69,313	-	69,313	69,313	-
Special education aid	191,575	-	191,575	191,575	-
Extraordinary aid	100,000	-	100,000	124,286	24,286
Categorical Security	15,748	-	15,748	15,748	-
Non-public transportation aid	-	-	-	20,158	20,158
TPAF LTDI (on-behalf - Non-budgeted)	-	-	-	269	269
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	224,985	224,985
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	826,654	826,654
TPAF social security (reimbursed - Non-budgeted)	-	-	-	174,428	174,428
Total state sources	376,636	-	376,636	1,647,416	1,270,780
Total Revenues	\$ 7,355,014	\$ -	\$ 7,355,014	\$ 8,887,616	\$ 1,532,602
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 232,313	\$ -	\$ 232,313	\$ 231,317	\$ 996
Grades 1-5 - Salaries of teachers	774,933	17,877	792,810	792,809	1
Grades 6-8 - Salaries of teachers	581,047	(17,877)	563,170	523,795	39,375
Regular Programs - Home Instruction:					
Salaries of teachers	15,000	(1,000)	14,000	275	13,725
Regular Programs - Undistributed Instruction					
Other salaries for instruction	24,444	9,833	34,277	34,277	-
Purchased technical services	110,615	(8,833)	101,782	51,037	50,745
Other purchased services (400-500 series)	3,500	-	3,500	-	3,500
General supplies	89,906	11,321	101,227	71,765	29,462
Textbooks	23,000	11,339	34,339	22,339	12,000
Other objects - misc. exp.	16,000	-	16,000	8,098	7,902
Total Regular Programs - Instruction	1,870,758	22,660	1,893,418	1,735,712	157,706
Special Education - Instruction					
Resource Room/Resource Center:					
Salaries of teachers	362,765	-	362,765	330,599	32,166
Other salaries for instruction	83,928	-	83,928	77,297	6,631
General supplies	2,000	(1,610)	390	-	390
Textbooks	2,500	(2,500)	-	-	-
Other objects - misc. exp.	300	-	300	-	300
Total Resource Room/Resource Center	451,493	(4,110)	447,383	407,896	39,487
Total Special Education - Instruction	451,493	(4,110)	447,383	407,896	39,487
School Sponsored CoCurricular Act.-Instruction					
Salaries	29,000	-	29,000	26,106	2,894
Supplies and Materials	600	-	600	-	600
Total School Sponsored Cocurricular Act-Instruction	29,600	-	29,600	26,106	3,494
School Sponsored Athletics-Instruction					
Salaries	20,050	-	20,050	18,736	1,314
Purchased Services (300-500) Series	5,500	-	5,500	4,637	863
Supplies and Materials	6,000	-	6,000	3,870	2,130
Other Objects	4,000	-	4,000	2,992	1,008
Total School Sponsored Athletics-Instruction	35,550	-	35,550	30,235	5,315
Total Instruction	2,387,401	18,550	2,405,951	2,199,949	206,002

SPRING LAKE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	\$ 670,393	\$ 2,100	\$ 672,493	\$ 672,431	\$ 62
Tuition to other LEAs within the state - special	365,295	13,700	378,995	347,500	31,495
Tuition to County Voc. School Dist-regular	44,244	2,000	46,244	40,798	5,446
Tuition to private schools for the disabled - Within state	183,830	(40,220)	143,610	91,603	52,007
Total Undistributed Expenditures - Instruction:	1,263,762	(22,420)	1,241,342	1,152,332	89,010
Undist. Expend. - Attendance and social work services					
Salaries	54,600	97	54,697	54,697	-
Purchased Professional and Technical Services	4,000	(97)	3,903	3,852	51
Supplies and Materials	1,000	-	1,000	-	1,000
Total Undist. Expend.- Attendance and social work services	59,600	-	59,600	58,549	1,051
Undist. Expend. - Health Services					
Salaries	94,645	-	94,645	93,855	790
Purchased professional and technical services	85,000	(65,000)	20,000	1,776	18,224
Other purchased services (400-500 series)	1,000	-	1,000	-	1,000
Supplies and materials	6,000	-	6,000	4,192	1,808
Other objects	200	-	200	25	175
Total Undistributed Expenditures - Health Services	186,845	(65,000)	121,845	99,848	21,997
Undist. Expend. - Other Support Services - Students-Related Srvc					
Salaries of other professional staff	74,276	(57,500)	16,776	9,285	7,491
Purchased professional - educational services	67,500	21,700	89,200	61,083	28,117
Supplies and materials	1,500	8,110	9,610	6,369	3,241
Total Undist. Expend.-Other Support Srvc-Students-Related Srvc	143,276	(27,690)	115,586	76,737	38,849
Undist. Expend.- Other Support Services -Students-Extraordinary Srvc					
Salaries	92,000	(40,000)	52,000	-	52,000
Purchased professional - educational services	-	96,200	96,200	55,039	41,161
Total Undist. Expend.-Othr Spt Srvc Students-Extraordinary Srvc	92,000	56,200	148,200	55,039	93,161
Undist. Expend.- Child Study Team					
Salaries of other professional staff	92,845	-	92,845	84,035	8,810
Salaries of secretarial and clerical assistants	10,480	-	10,480	5,277	5,203
Purchased professional - educational services	78,500	11,469	89,969	50,850	39,119
Other purchased services	10,195	600	10,795	10,742	53
Supplies and materials	2,000	-	2,000	1,793	207
Other Objects	100	-	100	-	100
Total Undist. Expend. - Child Study Team	194,120	12,069	206,189	152,697	53,492
Undist. Expend. - Improvement of Instr. Serv / other supp serv - inst staff					
Salaries Superv. Of Instr.	181,190	1,600	182,790	178,287	4,503
Sal Sec. & Clerical Asst	63,403	-	63,403	62,874	529
Other purchased services (400-500 series)	1,500	800	2,300	2,065	235
Total Undist. Expend.-Imprvmt of Instr.-Srv/other supp srv-inst staff	246,093	2,400	248,493	243,226	5,267
Undist. Expend. - Educational Media Services/School Library					
Salaries	67,720	-	67,720	61,705	6,015
Purchased professional and technical services	61,916	(7,040)	54,876	44,982	9,894
Other purchased services (400-500 series)	5,000	900	5,900	5,571	329
Supplies and materials	8,700	(3,700)	5,000	4,827	173
Total Undist. Expend. - Educational Media Services/School Library	143,336	(9,840)	133,496	117,085	16,411
Undist. Expend. - Instruction Staff Training Services					
Other salaries	5,000	100	5,100	5,100	-
Purchased professional and technical services	500	(100)	400	-	400
Other purchased services (400-500 series)	13,400	790	14,190	9,701	4,489
Supplies and materials	800	-	800	718	82
Total Undist. Expend. - Instruction Staff Training Services	19,700	790	20,490	15,519	4,971
Undist. Expend. - Support Service - General Administration					
Salaries	57,080	5,380	62,460	58,121	4,339
Legal services	9,000	44,400	53,400	43,985	9,415
Audit fees	17,000	1,000	18,000	17,000	1,000
Architectural/engineering services	4,000	(4,000)	-	-	-
Other purchased professional services	5,000	-	5,000	4,965	35
Purchased technical services	4,400	9,680	14,080	12,940	1,140
Communications/Telephone - Bus	17,000	(325)	16,675	16,311	364
BOE other purchased prof. svc.	2,700	-	2,700	2,560	140
Other purchased services (400-500 series)	375	-	375	165	210
General supplies	600	-	600	554	46
Membership Dues and Fees	4,000	-	4,000	3,980	20
Total Undist. Expend. - Support Service - General Administration	121,155	56,135	177,290	160,581	16,709
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	64,000	(2,406)	61,594	39,604	21,990
Salaries of secretarial and clerical assistants	1,080	4,400	5,480	3,231	2,249
Supplies and materials	-	40	40	35	5
Total Undist. Expend. - Support Service - School Administration	65,080	2,034	67,114	42,870	24,244

SPRING LAKE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	\$ 109,328	\$ 2,022	\$ 111,350	\$ 111,350	\$ -
Misc. Pur Serv (400-500 series)	225	-	225	225	-
Total Undist. Expend. - Central Services	109,553	2,022	111,575	111,575	-
Undist. Expend. - Admin. Info. Technology					
Supplies and materials	-	28,500	28,500	27,998	502
Purchased technical services	4,600	(3,550)	1,050	864	186
Total Undist. Expend - Admin. Info. Technology	4,600	24,950	29,550	28,862	688
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	146,250	(22,900)	123,350	87,557	35,793
General supplies	7,500	(1,450)	6,050	5,899	151
Other Objects	1,250	(600)	650	-	650
Total Undist. Expend. - Allowed Maintenance for School Facilities	155,000	(24,950)	130,050	93,456	36,594
Undist. Expend. - Custodial Services					
Salaries	238,907	384	239,291	239,291	-
Salaries - Non-Instructional Aides	11,825	-	11,825	-	11,825
Purchased professional and technical services	18,000	(3,500)	14,500	-	14,500
Cleaning, repair and maintenance services - up keep	57,000	(3,500)	53,500	15,447	38,053
Insurance	58,240	4,160	62,400	62,397	3
General supplies	25,000	(660)	24,340	15,216	9,124
Energy (Heat and Electricity)	50,000	-	50,000	42,953	7,047
Energy (Natural Gas)	90,000	-	90,000	62,484	27,516
Other Objects	1,000	-	1,000	692	308
Total Undist. Expend. - Custodial Services	549,972	(3,116)	546,856	438,480	108,376
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	27,000	3,500	30,500	27,032	3,468
General supplies	1,700	-	1,700	1,204	496
Other Objects	4,000	(3,500)	500	213	287
Total Undist. Expend. - Care & Upkeep of Grounds	32,700	-	32,700	28,449	4,251
Undist. Expend. - Security					
Salaries	21,566	-	21,566	18,837	2,729
Purchased professional services	61,800	(430)	61,370	57,660	3,710
Cleaning, repair, and maintenance services	1,000	-	1,000	796	204
General supplies	11,200	-	11,200	121	11,079
Other Objects	630	-	630	-	630
Total Undist. Expend. - Security	96,196	(430)	95,766	77,414	18,352
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation(between home and school)-Regular	7,132	-	7,132	7,125	7
Salaries for pupil transportation(between home and school)-Special	7,132	-	7,132	7,125	7
Contract services (other than between home & school) - Vendors	20,000	-	20,000	13,002	6,998
Contract services -Aid in Lieu Pymts-NonPun Sch	60,000	7,000	67,000	28,964	38,036
Contract services - (special education students) - Vendors	45,000	-	45,000	28,064	16,936
Contract services-(special education students)-Joint	1,800	-	1,800	-	1,800
Contract services-(special education students)-ESC's & CTSA's	275,000	(11,610)	263,390	90,572	172,818
Contract services-(regular students)ESC's & CTSA's	175,000	11,610	186,610	152,222	34,388
Total Undist. Expend. - Student Transportation Services	591,064	7,000	598,064	327,074	270,990
Unallocated Employee Benefits					
Social security contributions	72,100	130,589	202,689	96,735	105,954
Other retirement contributions - regular	7,200	(3,569)	3,631	3,631	-
P.E.R.S. Contribution	101,023	(19,438)	81,585	81,585	-
Unemployment Compensation	5,000	-	5,000	5,000	-
Workmen's compensation	43,350	(8,058)	35,292	35,292	-
Health benefits	748,000	(89,747)	658,253	658,252	1
Tuition reimbursement	14,000	(2,000)	12,000	7,799	4,201
Other employee benefits	2,000	4,720	6,720	6,720	-
Unused Sick Pay to Term/Retired Staff	15,000	(12,497)	2,503	-	2,503
Total Unallocated Employee Benefits	1,007,673	-	1,007,673	895,014	112,659
On-behalf TPAF LTDI (non-budgeted)	-	-	-	269	(269)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	224,985	(224,985)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	826,654	(826,654)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	174,428	(174,428)
Total On-Behalf Contributions	-	-	-	1,226,336	(1,226,336)
Total Personal Services - Employee Benefits	1,007,673	-	1,007,673	2,121,350	(1,113,677)
Total Undistributed Expenditures	5,081,725	10,154	5,091,879	5,401,143	(309,264)
Interest Earned on Maintenance Reserve	9,500	(9,500)	-	-	-
Interest Earned on Current Expense Emergency Res	100	(100)	-	-	-
Total General Current Expenditures	7,478,726	19,104	7,497,830	7,601,092	(103,262)

SPRING LAKE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay					
Equipment					
Undistributed:					
Undistributed expenditures - Admin Info Tech.	\$ 18,000	\$ -	\$ 18,000	\$ 15,076	\$ 2,924
Undistributed expenditures - Security	19,000	-	19,000	16,775	2,225
Total Equipment	<u>37,000</u>	<u>-</u>	<u>37,000</u>	<u>31,851</u>	<u>5,149</u>
Interest on capital reserve	15,500	(15,500)	-	-	-
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	30,000	34,084	64,084	17,402	46,682
Construction Services	490,000	135,994	625,994	373,159	252,835
Debt Service Assessment	913	-	913	913	-
Total Facilities Acquisition and Construction Services	<u>520,913</u>	<u>170,078</u>	<u>690,991</u>	<u>391,474</u>	<u>299,517</u>
Capital reserve - Transfer to	-	-	-	-	-
Total Capital Outlay	<u>573,413</u>	<u>154,578</u>	<u>727,991</u>	<u>423,325</u>	<u>304,666</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of teachers	10,000	-	10,000	-	10,000
Other salaries for instruction	2,000	-	2,000	-	2,000
Total Summer School - Instruction	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Summer School - Support Services					
Salaries	10,500	-	10,500	180	10,320
Purchased professional services	5,000	-	5,000	714	4,286
Total Summer School - Support Services	<u>15,500</u>	<u>-</u>	<u>15,500</u>	<u>894</u>	<u>14,606</u>
Total Summer School	<u>27,500</u>	<u>-</u>	<u>27,500</u>	<u>894</u>	<u>26,606</u>
TOTAL SPECIAL SCHOOLS	<u>27,500</u>	<u>-</u>	<u>27,500</u>	<u>894</u>	<u>26,606</u>
Total Expenditures	<u>8,079,639</u>	<u>173,682</u>	<u>8,253,321</u>	<u>8,025,311</u>	<u>228,010</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(724,625)	(173,682)	(898,307)	862,305	1,304,592
Fund Balance, July 1	5,022,559	-	5,022,559	5,022,559	-
Fund Balance, June 30	<u>\$ 4,297,934</u>	<u>\$ (173,682)</u>	<u>\$ 4,124,252</u>	<u>\$ 5,884,864</u>	<u>\$ 1,304,592</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				\$ 4,158,247	
Maintenance reserve				278,798	
Emergency reserve				38,592	
Tuition reserve				67,000	
Unemployment compensation				50,660	
Excess surplus - Designated for subsequent year's expenditures				362,457	
Excess surplus - Current year				229,354	
Assigned Fund Balance:					
Year-end encumbrances				313,109	
Designated for subsequent year's expenditures				92,203	
Unassigned Fund Balance				<u>294,444</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				5,884,864	
Last state aid payment not recognized on GAAP basis				(27,573)	
Fund balance per governmental funds (GAAP) - B-1				<u>5,857,291</u>	
Restricted fund balances				5,590,420	
Unrestricted fund balances				266,871	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 5,857,291</u>	

SPRING LAKE SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ 5,000	\$ -	\$ 5,000	\$ 83,292	\$ 78,292
State sources	190,947	49,503	240,450	217,037	(23,413)
Federal sources	152,159	265,100	417,259	302,302	(114,957)
Total Revenues	348,106	314,603	662,709	602,631	(60,078)
EXPENDITURES					
Instruction:					
Salaries of teachers	43,407	52,766	96,173	56,207	39,966
Other salaries for instruction	-	-	-	-	-
Purchased professional services	193,504	(8,072)	185,432	170,973	14,459
General supplies	8,500	35,003	43,503	16,084	27,419
Tuition	-	-	-	-	-
Textbook	15,371	(976)	14,395	14,395	-
Total Instruction	260,782	78,721	339,503	257,659	81,844
Support services:					
Other professional staff salaries	-	33,750	33,750	30,937	2,813
Personal services	-	-	-	-	-
Purchased professional services	34,579	147,621	182,200	160,463	21,737
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Travel	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	47,745	52,152	99,897	69,921	29,976
Scholarships Awarded	-	-	-	-	-
Student activities	5,000	-	5,000	44,614	(39,614)
Total support services	87,324	233,523	320,847	305,935	14,912
Facilities acquisition and const. serv.:					
Building/Renovation	-	2,359	2,359	2,359	-
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	2,359	2,359	2,359	-
Total expenditures	348,106	314,603	662,709	565,953	96,756
Total outflows	348,106	314,603	662,709	565,953	96,756
Excess (deficiency) of revenues					
Over (under) expenditures	\$ -	\$ -	\$ -	\$ 36,678	\$ 36,678
Fund Balance, July 1				15,772	
Fund Balance, June 30				\$ 52,450	
Recapitulation:					
Restricted:					
Scholarships				\$ 149	
Student Activities				52,301	
Total Fund Balance				\$ 52,450	

Note 1 - Not required to budget for these funds.

SPRING LAKE SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2024

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 8,887,616	[C-2]	\$ 602,631
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(47,513)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(826,654)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		27,507		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		(27,573)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 8,060,896</u>	[B-2]	<u>\$ 555,118</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 8,025,311	[C-2]	\$ 565,953
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(826,654)		-
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.		-		(47,513)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 7,198,657</u>	[B-2]	<u>\$ 518,440</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SPRING LAKE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2024

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.3908130880%	0.0081188110%	0.0075783525%	0.0079514832%	0.0071736861%	0.0076599757%	0.0064600785%	0.0071088589%	0.6611167700%	0.0061042526%
District's proportionate share of the net pension liability	\$ 1,700,269	\$ 1,822,510	\$ 2,244,491	\$ 1,850,978	\$ 1,412,463	\$ 1,380,211	\$ 1,053,470	\$ 842,151	\$ 997,716	\$ 884,163
District's covered-employee payroll	\$ -	\$ 519,224	\$ 535,612	\$ 510,700	\$ 539,831	\$ 494,265	\$ 525,322	\$ 484,413	\$ 449,416	\$ 515,163
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	327.45%	351.01%	419.05%	362.44%	261.65%	279.25%	200.54%	173.85%	222.00%	171.63%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	43.78%	41.35%	70.33%	62.91%	65.23%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

SPRING LAKE SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Year Ended June 30, 2024

Last 10 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>
Contractually required contributions	\$ 74,865	\$ 69,800	\$ 67,325	\$ 73,662	\$ 71,355	\$ 74,964	\$ 70,670	\$ 83,803	\$ 83,370	\$ 81,585
Contributions in relation to the contractually required contribution	<u>74,865</u>	<u>69,800</u>	<u>67,325</u>	<u>73,662</u>	<u>71,355</u>	<u>74,964</u>	<u>70,670</u>	<u>83,803</u>	<u>83,370</u>	<u>81,585</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 519,224	\$ 535,612	\$ 510,700	\$ 539,831	\$ 494,264	\$ 525,322	\$ 484,413	\$ 449,416	\$ 515,163	\$ 517,900
Contributions as a percentage of covered-employee payroll	14.42%	13.03%	13.18%	13.65%	14.44%	14.27%	14.59%	18.65%	16.18%	15.75%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend in compiled governments should present information for those years for which information is available.

SPRING LAKE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF
For the Year Ended June 30, 2024

Last 10 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>
State's proportion of the net pension liability associated with the District	0.0206392045%	0.0215915829%	0.0252792630%	0.0219746275%	0.0232018459%	0.0197985518%	0.0220555539%	0.0239626954%	0.0184083555%	0.0189384273%
State's proportionate share of the net pension liability associated with the District	\$ 11,737,963	\$ 13,646,802	\$ 19,866,278	\$ 14,816,086	\$ 14,760,516	\$ 12,150,558	\$ 14,523,317	\$ 11,520,111	\$ 9,497,684	\$ 9,664,785
District's covered-employee payroll	\$ 2,375,076	\$ 2,362,221	\$ 2,362,221	\$ 2,250,323	\$ 2,465,704	\$ 2,351,044	\$ 2,220,224	\$ 2,288,188	\$ 2,300,592	\$ 2,378,521
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	494.21%	577.71%	841.00%	658.40%	598.63%	516.82%	654.14%	503.46%	412.84%	406.34%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	25.41%	25.41%	26.49%	29.95%	24.60%	35.52%	32.29%	34.68%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the ACFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

SPRING LAKE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2024
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
State's proportion of the OPEB liability associated with the District							
Service cost	\$ 538,624	\$ 447,743	\$ 331,515	\$ 375,444	\$ 682,169	\$ 550,274	\$ 403,734
Interest cost	367,457	427,820	399,261	332,538	353,701	300,091	390,249
Changes of benefit terms	-	-	-	-	(14,513)	-	-
Differences between expected and actual experiences	-	(962,901)	(1,458,714)	3,053,120	(2,734,702)	163,967	(765,132)
Changes in assumptions	(1,498,005)	(1,161,534)	138,011	2,850,362	13,452	(3,037,689)	22,334
Member contributions	9,921	9,354	8,423	8,234	9,042	9,536	10,001
Gross benefit payments	<u>(269,423)</u>	<u>(270,655)</u>	<u>(284,138)</u>	<u>(271,657)</u>	<u>(278,617)</u>	<u>(297,249)</u>	<u>(304,205)</u>
Net change in total OPEB liability	(851,426)	(1,510,173)	(865,642)	6,348,041	(1,969,468)	(2,311,070)	(243,019)
Total State's OPEB liability - beginning	<u>12,483,458</u>	<u>11,632,032</u>	<u>10,121,859</u>	<u>9,256,217</u>	<u>15,604,258</u>	<u>13,634,790</u>	<u>11,323,720</u>
Total State's OPEB liability - ending	<u>\$ 11,632,032</u>	<u>\$ 10,121,859</u>	<u>\$ 9,256,217</u>	<u>\$ 15,604,258</u>	<u>\$ 13,634,790</u>	<u>\$ 11,323,720</u>	<u>\$ 11,080,701</u>
District's covered employee payroll	<u>\$ 2,790,154</u>	<u>\$ 2,959,968</u>	<u>\$ 2,876,366</u>	<u>\$ 2,876,366</u>	<u>\$ 3,158,195</u>	<u>\$ 3,203,836</u>	<u>\$ 3,158,341</u>
Total State's OPEB liability as a percentage of covered employee payroll	24%	29%	31%	18%	432%	353%	351%

* The schedule is presented to illustrate the requirements to show information for 10 years.
However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Spring Lake Borough School District
Notes to Required Supplementary Information - Part III
For the Year Ended June 30, 2024

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2022, to 7.00% as of June 30, 2023.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2022, to 7.00% as of June 30, 2023.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

SPRING LAKE SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2024

	Nonpublic Textbooks 23/24	Nonpublic Nursing Aid 23/24	Nonpublic Security Aid 23/24	Nonpublic Technology Aid 23/24	Chapter 192/193 23/24
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	14,395	29,880	51,045	12,113	109,604
Federal sources	-	-	-	-	-
Total revenues	<u>14,395</u>	<u>29,880</u>	<u>51,045</u>	<u>12,113</u>	<u>109,604</u>
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	12,113	109,604
General supplies	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	14,395	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u>14,395</u>	<u>-</u>	<u>-</u>	<u>12,113</u>	<u>109,604</u>
Support services:					
Other support services -					
students - special:					
Other professional					
staff salaries	-	-	-	-	-
Personal Services	-	-	-	-	-
Purchased professional services	-	29,880	-	-	-
Other purchased professional					
services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
General supplies	-	-	51,045	-	-
Scholarships Awarded	-	-	-	-	-
Student activities	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services -	<u>-</u>	<u>29,880</u>	<u>51,045</u>	<u>-</u>	<u>-</u>
students - special					
Total support services	<u>-</u>	<u>29,880</u>	<u>51,045</u>	<u>-</u>	<u>-</u>
Equipment:					
Building/Renovation	-	-	-	-	-
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 14,395</u>	<u>\$ 29,880</u>	<u>\$ 51,045</u>	<u>\$ 12,113</u>	<u>\$ 109,604</u>
Excess (deficiency) of revenues					
Over (under) expenditures	-	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPRING LAKE SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2024

	IDEA Preschool 23/24	Scholarship Fund	Student Activities	IDEA Basic 23/24	Title I 23/24	Title II 23/24
Revenues:						
Local sources	\$ -	\$ 7	\$ 81,285	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	4,336	-	-	121,556	20,557	5,600
Total revenues	<u>4,336</u>	<u>7</u>	<u>81,285</u>	<u>121,556</u>	<u>20,557</u>	<u>5,600</u>
Expenditures:						
Instruction:						
Salaries of teachers	-	-	-	-	14,614	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	4,336	-	-	39,920	-	-
General supplies	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	<u>4,336</u>	<u>-</u>	<u>-</u>	<u>39,920</u>	<u>14,614</u>	<u>-</u>
Support services:						
Other support services -						
students - special:						
Other professional						
staff salaries	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Purchased professional services	-	-	-	81,636	-	5,600
Other purchased professional	-	-	-	-	-	-
services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Travel	-	-	-	-	-	-
General supplies	-	-	-	-	5,943	-
Scholarships Awarded	-	-	-	-	-	-
Student activities	-	-	44,614	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services -	<u>-</u>	<u>-</u>	<u>44,614</u>	<u>81,636</u>	<u>5,943</u>	<u>5,600</u>
students - special						
Total support services	<u>-</u>	<u>-</u>	<u>44,614</u>	<u>81,636</u>	<u>5,943</u>	<u>5,600</u>
Equipment:						
Building/Renovation	-	-	-	-	-	-
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 4,336</u>	<u>\$ -</u>	<u>\$ 44,614</u>	<u>\$ 121,556</u>	<u>\$ 20,557</u>	<u>\$ 5,600</u>
Excess (deficiency) of revenues						
Over (under) expenditures	-	7	36,671	-	-	-
Fund Balance, July 1	<u>-</u>	<u>142</u>	<u>15,630</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 52,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPRING LAKE SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2024

	ARP BSD 23/24	ARP BSLE 23/24	ARP MH 23/24
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	30,625	5,741	41,605
Total revenues	<u>30,625</u>	<u>5,741</u>	<u>41,605</u>
Expenditures:			
Instruction:			
Salaries of teachers	16,542	5,051	-
Other salaries/instruction	-	-	-
Purchased professional services	5,000	-	-
General supplies	9,083	-	-
Tuition	-	-	-
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
Total instruction	<u>30,625</u>	<u>5,051</u>	<u>-</u>
Support services:			
Other support services -			
students - special:			
Other professional			
staff salaries	-	-	27,187
Personal Services	-	-	-
Purchased professional services	-	-	12,723
Other purchased professional			
services	-	-	-
Purchased technical services	-	-	-
Employee benefits	-	-	-
Travel	-	-	-
General supplies	-	690	1,695
Scholarships Awarded	-	-	-
Student activities	-	-	-
Miscellaneous expenses	-	-	-
Total other support services -			
students - special	<u>-</u>	<u>690</u>	<u>41,605</u>
Total support services	<u>-</u>	<u>690</u>	<u>41,605</u>
Equipment:			
Building/Renovation	-	-	-
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 30,625</u>	<u>\$ 5,741</u>	<u>\$ 41,605</u>
Excess (deficiency) of revenues			
Over (under) expenditures	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPRING LAKE SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2024

	ARP AL 23/24	ESSER II AL 23/24	ESSER II MH 23/24	ARP ESSER 23/24	Local 23/24	TOTAL
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 83,292
State sources	-	-	-	-	-	217,037
Federal sources	4,974	5,713	17,672	43,923	-	302,302
Total revenues	<u>4,974</u>	<u>5,713</u>	<u>17,672</u>	<u>43,923</u>	<u>2,000</u>	<u>602,631</u>
Expenditures:						
Instruction:						
Salaries of teachers	-	-	-	20,000	-	56,207
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	170,973
General supplies	-	-	-	7,001	-	16,084
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	14,395
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,001</u>	<u>-</u>	<u>257,659</u>
Support services:						
Other support services -						
students - special:						
Other professional						
staff salaries	-	3,750	-	-	-	30,937
Personal Services	-	-	-	-	-	-
Purchased professional services	3,733	1,963	14,624	10,304	-	160,463
Other purchased professional						
services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Travel	-	-	-	-	-	-
General supplies	1,241	-	3,048	4,259	2,000	69,921
Scholarships Awarded	-	-	-	-	-	-
Student activities	-	-	-	-	-	44,614
Miscellaneous expenses	-	-	-	-	-	-
Total other support services -	<u>4,974</u>	<u>5,713</u>	<u>17,672</u>	<u>14,563</u>	<u>2,000</u>	<u>261,321</u>
students - special						
Total support services	<u>4,974</u>	<u>5,713</u>	<u>17,672</u>	<u>14,563</u>	<u>2,000</u>	<u>261,321</u>
Equipment:						
Building/Renovation	-	-	-	2,359	-	2,359
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,359</u>	<u>-</u>	<u>2,359</u>
Total expenditures	<u>\$ 4,974</u>	<u>\$ 5,713</u>	<u>\$ 17,672</u>	<u>\$ 43,923</u>	<u>\$ 2,000</u>	<u>565,953</u>
Excess (deficiency) of revenues						
Over (under) expenditures	-	-	-	-	-	36,678
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,772</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,450</u>

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds
See B-4 through B-6

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

SPRING LAKE SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
June 30, 2024

<u>Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
Copier	6.00%	\$ 49,318	\$ 39,093	\$ -	\$ 9,350	\$ 29,743
			<u>\$ 39,093</u>	<u>\$ -</u>	<u>\$ 9,350</u>	<u>\$ 29,743</u>

STATISTICAL SECTION

**Spring Lake Board of Education
Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	102-106
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	107-110
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	111-114
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.	115-116
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.	117-121

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

SPRING LAKE SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net capital assets	\$ 1,885,544	\$ 1,919,033	\$ 1,974,096	\$ 2,022,208	\$ 2,106,948	\$ 2,164,643	\$ 2,165,622	\$ 2,061,172	\$ 2,360,822	\$ 2,462,849
Restricted	2,325,909	2,413,901	2,147,968	2,245,172	2,053,351	1,744,191	2,178,733	3,091,539	4,298,269	5,237,558
Unrestricted	(1,377,073)	(1,450,043)	(1,318,971)	(1,524,012)	(1,426,757)	(1,381,077)	(1,230,849)	(769,708)	(562,105)	(448,982)
Total governmental activities net position	<u>\$ 2,834,380</u>	<u>\$ 2,882,891</u>	<u>\$ 2,803,093</u>	<u>\$ 2,743,368</u>	<u>\$ 2,733,542</u>	<u>\$ 2,527,757</u>	<u>\$ 3,113,506</u>	<u>\$ 4,383,003</u>	<u>\$ 6,096,986</u>	<u>\$ 7,251,425</u>
Business-type activities										
Net capital assets	\$ 2,041	\$ 1,668	\$ 1,294	\$ 921	\$ 548	\$ 175	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,116	469	1,218	5,038	7,743	14,051	14,092	13,753	13,402	16,303
Total business-type activities net position	<u>\$ 3,157</u>	<u>\$ 2,137</u>	<u>\$ 2,512</u>	<u>\$ 5,959</u>	<u>\$ 8,291</u>	<u>\$ 14,226</u>	<u>\$ 14,092</u>	<u>\$ 13,753</u>	<u>\$ 13,402</u>	<u>\$ 16,303</u>
District-wide										
Net capital assets	\$ 1,887,585	\$ 1,920,701	\$ 1,975,390	\$ 2,023,129	\$ 2,107,496	\$ 2,164,818	\$ 2,165,622	\$ 2,061,172	\$ 2,360,822	\$ 2,462,849
Restricted	2,325,909	2,413,901	2,147,968	2,245,172	2,053,351	1,744,191	2,178,733	3,091,539	4,298,269	5,237,558
Unrestricted	(1,375,957)	(1,449,574)	(1,317,753)	(1,518,974)	(1,419,014)	(1,367,026)	(1,216,757)	(755,955)	(548,703)	(432,679)
Total district net position	<u>\$ 2,837,537</u>	<u>\$ 2,885,028</u>	<u>\$ 2,805,605</u>	<u>\$ 2,749,327</u>	<u>\$ 2,741,833</u>	<u>\$ 2,541,983</u>	<u>\$ 3,127,598</u>	<u>\$ 4,396,756</u>	<u>\$ 6,110,388</u>	<u>\$ 7,267,728</u>

Source: ACFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

SPRING LAKE SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,668,325	\$ 1,720,469	\$ 1,732,162	\$ 1,812,584	\$ 1,730,369	\$ 1,613,132	\$ 1,708,223	\$ 1,798,943	\$ 2,294,364	\$ 1,982,109
Special education	570,168	517,204	455,714	455,661	696,823	710,212	718,388	416,173	422,009	407,896
Other special education	67,903	71,046	71,802	84,680	60,046	63,854	36,903	58,103	63,314	56,341
Support Services:										
Tuition	1,434,110	1,564,872	1,535,683	1,586,365	1,740,896	1,958,570	1,563,259	1,314,382	1,046,632	1,152,332
Student & Instruction Related Services	1,090,409	911,439	947,424	1,004,188	882,153	890,056	783,173	-	-	-
School Administrative services	77,832	75,401	78,666	81,527	85,252	73,063	80,014	55,791	56,594	58,549
General Administration Services	153,494	167,754	151,317	191,475	185,980	244,863	222,418	166,242	91,878	99,848
Central Service & Admin Info Technology	147,657	138,969	154,123	174,815	129,372	135,943	102,705	172,217	233,234	243,226
Plant operations and maintenance	605,381	493,465	590,191	450,209	541,092	612,035	550,280	162,584	123,179	117,085
Special Education Support Services	-	-	-	-	-	61,338	133,021	16,609	16,524	15,519
Pupil transportation	320,422	409,214	429,919	414,654	514,386	406,497	434,392	86,602	71,979	42,870
Summer Support Services	-	-	31,477	16,108	20,794	23,536	14,970	166,811	144,080	160,581
Unallocated benefits	1,915,052	2,171,428	2,882,869	2,936,022	2,525,054	1,953,481	2,416,971	83,418	105,854	100,134
Capital Outlay-Undepreciable	3,953	-	913	4,813	9,932	9,932	913	685,297	915,240	993,084
Capital Leases	-	34,882	-	-	-	-	-	16,830	12,239	28,862
Interest on Long Term Debt	33,843	28,480	22,791	17,009	10,945	4,392	-	583,217	313,561	327,074
Unallocated Depreciation	154,355	170,153	166,536	186,047	190,288	198,347	213,287	437,984	955,038	450,587
Special Schools	-	-	-	-	-	-	-	10,879	4,826	894
Interest on other charges	-	-	-	-	-	-	-	489	-	2,091
Unallocated employee benefits	-	-	-	-	-	-	-	522,603	646,021	741,519
Total governmental activities expenses	8,242,904	8,474,776	9,251,587	9,416,157	9,323,382	8,959,251	8,978,917	6,755,174	7,516,566	6,980,601
Business-type activities:										
Food Service	3,044	5,064	2,533	2,615	3,070	2,125	210	2,160	15,313	1,334
After School Program	-	-	-	13,609	25,357	9,405	-	-	-	11,008
Total business-type activities expense	3,044	5,064	2,533	16,224	28,427	11,530	210	2,160	15,313	12,342
Total district expenses	\$ 8,245,948	\$ 8,479,840	\$ 9,254,120	\$ 9,432,381	\$ 9,351,809	\$ 8,970,781	\$ 8,979,127	\$ 6,757,334	\$ 7,531,879	\$ 6,992,943
Net (Expense)/Revenue										
Governmental activities	(7,941,059)	(8,168,239)	(9,004,446)	(9,097,307)	(9,022,690)	(8,658,152)	(8,512,118)	(6,755,174)	(7,516,566)	(6,980,601)
Business-type activities	754	(1,019)	375	3,447	2,332	5,955	(134)	(2,160)	(15,313)	(12,342)
Total district-wide net expense	\$ (7,940,305)	\$ (8,169,258)	\$ (9,004,071)	\$ (9,093,860)	\$ (9,020,358)	\$ (8,652,197)	\$ (8,512,252)	\$ (6,757,334)	\$ (7,531,879)	\$ (6,992,943)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,072,464	\$ 6,253,913	\$ 6,378,991	\$ 6,363,044	\$ 6,420,305	\$ 6,548,711	\$ 6,679,985	\$ 6,813,278	\$ 6,813,278	\$ 6,813,278
Taxes levied for debt service	138,636	134,943	131,083	123,635	116,163	111,528	-	-	-	-
Unrestricted grants and contributions	1,363,533	1,702,520	2,191,091	2,342,460	2,172,229	1,762,151	2,193,436	911,962	2,127,072	892,840
Tuition Received	-	99,289	123,525	151,647	138,281	106,987	104,785	-	-	186,686
Investment earnings	-	-	-	-	-	-	-	5,871	99,783	234,918
Miscellaneous income	126,986	26,085	99,958	56,796	165,886	132,285	56,028	293,560	193,050	7,318
Total governmental activities	7,701,619	8,216,750	8,924,648	9,037,582	9,012,864	8,661,662	9,034,234	8,024,671	9,233,183	8,135,040
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	1	310	-
Miscellaneous income	-	-	-	-	-	-	-	1,820	14,652	15,243
Total business-type activities	-	-	-	-	-	-	-	1,821	14,962	15,243
Total district-wide	\$ 7,701,619	\$ 8,216,750	\$ 8,924,648	\$ 9,037,582	\$ 9,012,864	\$ 8,661,662	\$ 9,034,234	\$ 8,026,492	\$ 9,248,145	\$ 8,150,283
Change in Net Position										
Governmental activities	(239,440)	48,511	(79,798)	(59,725)	(9,826)	3,510	522,116	1,269,497	1,716,617	1,154,439
Business-type activities	754	(1,019)	375	3,447	2,332	5,955	(134)	(339)	(351)	2,901
Total district	\$ (238,686)	\$ 47,492	\$ (79,423)	\$ (56,278)	\$ (7,494)	\$ 9,465	\$ 521,982	\$ 1,269,158	\$ 1,716,266	\$ 1,157,340

Source: ACFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

SPRING LAKE SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2015	2016	2017	2018	Fiscal Year Ending June 30,		2021	2022	2023	2024
					2019	2020				
General Fund										
Restricted	\$ 2,061,452	\$ 2,310,876	\$ 2,147,968	\$ 1,995,426	\$ 1,859,819	\$ 1,744,191	\$ 2,178,733	\$ 2,802,647	\$ 4,039,757	\$ 4,755,651
Assigned	264,451	103,019	258,373	249,746	193,532	57,335	124,141	520,604	621,610	834,769
Unassigned	349,697	305,847	296,194	370,193	442,135	418,736	383,037	443,836	333,685	266,871
Total general fund	<u>\$ 2,675,600</u>	<u>\$ 2,719,742</u>	<u>\$ (2,702,535)</u>	<u>\$ 2,615,365</u>	<u>\$ 2,495,486</u>	<u>\$ 2,220,262</u>	<u>\$ 2,685,911</u>	<u>\$ 3,767,087</u>	<u>\$ 4,995,052</u>	<u>\$ 5,857,291</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,772.00	\$ 25,937	\$ 15,772	\$ 52,450
Unreserved, reported in:										
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	24	6	6	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,937</u>	<u>\$ 15,772</u>	<u>\$ 52,450</u>

Source: ACFR Schedule B-1 and District records.

SPRING LAKE SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 6,211,100	\$ 6,388,856	\$ 6,510,074	\$ 6,486,679	\$ 6,536,468	\$ 6,660,239	\$ 6,679,985	\$ 6,813,278	\$ 6,813,278	\$ 6,813,278
Tuition charges	-	-	-	-	-	-	-	74,965	120,351	186,686
Interest earnings	-	-	-	-	-	-	-	5,871	99,783	234,918
Other local revenue	126,986	125,374	223,483	208,443	304,167	239,272	160,813	274,357	114,586	88,610
State sources	1,017,438	1,222,531	1,094,595	1,322,438	1,443,399	1,495,448	1,780,995	1,146,816	1,067,482	1,037,733
Federal sources	133,059	146,058	96,630	137,766	245,231	134,209	230,289	113,977	1,432,515	254,789
Total revenue	<u>7,488,583</u>	<u>7,882,819</u>	<u>7,924,782</u>	<u>8,155,326</u>	<u>8,529,265</u>	<u>8,529,168</u>	<u>8,852,082</u>	<u>8,429,264</u>	<u>9,647,995</u>	<u>8,616,014</u>
Expenditures										
Instruction										
Regular Instruction	1,677,328	1,748,595	1,748,948	1,854,072	1,733,509	1,609,597	1,708,223	1,798,943	2,294,364	1,982,109
Special education instruction	570,168	517,204	455,714	455,661	696,823	710,212	718,388	416,173	422,009	407,896
Other instruction	67,903	71,046	71,802	84,680	60,046	63,854	36,903	58,103	63,314	56,341
Support Services:										
Instruction -Tuition	1,434,110	1,564,872	1,535,683	1,586,365	1,740,896	1,958,570	1,563,259	1,314,382	1,046,632	1,152,332
Student & inst. related services	1,090,409	911,439	947,424	1,004,188	882,153	890,056	783,173	573,443	521,409	534,227
General administration	153,494	167,754	151,317	199,425	193,933	252,816	172,676	166,811	144,080	160,581
School administrative services	77,832	75,401	78,666	81,527	85,252	73,063	80,014	86,602	71,979	42,870
Special education	-	-	-	-	-	61,338	133,021	85,325	117,295	111,575
Central services	147,657	138,969	154,123	174,815	129,372	135,943	152,447	-	-	-
Admin. information technology	-	-	-	-	-	-	-	16,830	12,239	28,862
Plant operations and maintenance	605,381	493,465	590,191	450,209	541,092	612,035	550,280	516,687	690,647	637,799
Pupil transportation	320,422	409,214	429,919	414,654	514,386	406,497	434,392	583,217	313,561	327,074
Other Support Services	-	-	-	-	-	-	-	493,746	996,925	531,879
Employee benefits	1,346,805	1,477,386	1,501,807	1,671,073	1,760,982	1,770,439	1,887,142	-	-	-
Capital outlay	398,802	39,470	55,449	71,019	122,007	75,296	215,178	1,138,268	1,215,479	1,294,696
Summer support services	-	28,818	31,477	16,108	20,794	23,536	14,970	10,879	4,826	894
Debt service:										
Principal	165,000	165,000	165,000	160,000	155,000	155,000	-	-	-	-
Interest and other charges	35,407	30,044	24,475	18,700	12,900	6,200	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	62,742	515,436	447,962
Total expenditures	<u>8,090,718</u>	<u>7,838,677</u>	<u>7,941,995</u>	<u>8,242,496</u>	<u>8,649,145</u>	<u>8,804,452</u>	<u>8,450,066</u>	<u>7,322,151</u>	<u>8,430,195</u>	<u>7,717,097</u>
Excess (Deficiency) of revenues over (under) expenditures	(602,135)	44,142	(17,213)	(87,170)	(119,880)	(275,284)	402,016	1,107,113	1,217,800	898,917
Other Financing sources (uses)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (602,135)</u>	<u>\$ 44,142</u>	<u>\$ (17,213)</u>	<u>\$ (87,170)</u>	<u>\$ (119,880)</u>	<u>\$ (275,284)</u>	<u>\$ 402,016</u>	<u>\$ 1,107,113</u>	<u>\$ 1,217,800</u>	<u>\$ 898,917</u>
Debt service as a percentage of noncapital expenditures	2.04%	2.10%	2.08%	1.94%	1.79%	1.76%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2 and District records.

SPRING LAKE SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	<u>Tuition</u>	<u>Interest Income</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
Fiscal Year Ending June 30,							
2015	80,433	2,040	-	-	-	44,510	126,983
2016	99,289	3,877	-	-	-	22,208	125,374
2017	123,525	8,532	-	-	-	91,426	223,483
2018	151,647	21,626	-	-	-	35,170	208,443
2019	138,281	35,169	-	-	-	130,717	304,167
2020	106,987	21,914	-	-	-	102,132	231,033
2021	104,785	2,005	-	-	-	5,651	112,441
2022	74,965	3,910	-	-	-	5,266	84,141
2023	120,351	49,323	-	-	-	-	169,674
2024	176,086	234,918	-	-	-	28,316	439,320

Source: District records

SPRING LAKE SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2015	59,070,400	3,201,315,000	-	-	143,588,100	599,100	2,509,600	3,407,082,100	-	-	3,407,082,100	3,356,628,469	0.181
2016	72,574,400	3,241,938,600	-	-	144,285,000	599,100	-	3,459,097,100	-	-	3,459,097,100	3,544,640,966	0.182
2017	99,235,200	3,285,025,400	-	-	142,975,100	599,100	-	3,528,135,300	-	-	3,528,135,300	3,617,244,867	0.183
2018	64,953,600	3,745,778,900	-	-	159,680,600	882,900	-	3,971,295,500	-	-	3,971,295,500	3,922,316,374	0.164
2019	97,420,500	3,836,204,800	-	-	161,718,500	883,300	-	4,096,227,100	-	-	4,096,227,100	4,137,547,520	0.158
2020	106,143,200	3,884,818,500	-	-	157,257,000	883,300	-	4,149,102,000	-	-	4,149,102,000	4,319,887,221	0.159
2021	113,486,800	4,028,712,100	-	-	159,162,100	906,600	-	4,302,267,600	-	-	4,302,267,600	4,559,418,822	0.149
2022	117,312,400	5,151,022,500	-	-	183,018,800	1,158,400	-	5,452,512,100	-	-	5,452,512,100	5,130,745,732	0.125
2023	116,094,200	5,585,843,000	-	-	187,797,900	1,199,900	-	5,890,935,000	-	-	5,890,935,000	6,059,020,002	0.116
2024	93,521,200	6,034,237,900	-	-	197,751,100	1,424,600	-	6,326,934,800	-	-	6,326,934,800	6,633,935,811	0.108

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100

SPRING LAKE SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

	Sea Girt School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal	Monmouth County	
Fiscal Year Ended June 30,						
2015	0.178	0.004	0.181	0.220	0.296	0.697
2016	0.179	0.004	0.182	0.217	0.283	0.682
2017	0.160	0.004	0.183	0.195	0.267	0.645
2018	0.156	0.002	0.164	0.191	0.278	0.633
2019	0.159	0.002	0.158	0.159	0.248	0.565
2020	0.157	-	0.159	0.191	0.270	0.620
2021	0.149	-	0.149	0.189	0.262	0.600
2022	0.125	-	0.125	0.164	0.228	0.517
2023	0.116	-	0.116	0.158	0.229	0.503
2024	0.108	-	0.108	0.154	0.227	0.489

Source: Municipal Tax Collector

R = Reevaluation

- 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.

SPRING LAKE SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
UNAUDITED

	2024			2015		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
SPRING LAKE BATH & TENNIS CLUB	26,623,100		0.42%			
LIN-COS, LLC	18,031,100		0.28%			
2021 OCEAN AVENUE,LLC% LUXOR CAPITL	15,849,600		0.25%			
BLUTH REAL ESTATE	14,818,700		0.23%			
FILES, DOUGLAS & KATHLEEN	14,215,200		0.22%			
FLEMING, B TRUSTEE/FLEMING T TRUSTE	13,080,000		0.21%			
CRAIG LUCAS IRREVOCABLE FAMILY TRUS	12,780,900		0.20%			
CURTO, JOSEPH C & DEBORAH A	12,658,300		0.20%			
KELLY, BRIAN & JOELLE	12,642,200		0.20%			
FITZMAURICE, CHRISTOPHER	12,495,300		0.20%			
Total	<u>\$ 153,194,400</u>		<u>2.41%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: Municipal Tax Assessor

SPRING LAKE SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
UNAUDITED

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	6,211,100	6,206,100	99.92%	5,000.00
2016	6,388,856	5,856,466	91.67%	532,390.00
2017	6,510,074	5,967,566	91.67%	542,508.00
2018	6,486,679	5,956,429	91.83%	530,250.00
2019	6,536,468	6,001,438	91.81%	535,030.00
2020	6,660,239	6,002,985	90.13%	657,254.00
2021	6,679,685	6,679,685	100.00%	-
2022	6,813,278	6,245,505	91.67%	567,773.00
2023	6,813,278	6,245,505	91.67%	567,773.00
2024	6,813,278	6,245,505	91.67%	567,773.00

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

SPRING LAKE SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

Year Ended June 30,	Governmental Activities				Business- Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Leases	Total District		
2015	800,000	-	-	-	-	800,000	0.38%	272
2016	635,000	-	34,822	-	-	669,822	0.31%	227
2017	470,000	-	26,929	-	-	496,929	0.22%	169
2018	310,000	-	18,976	-	-	328,976	0.00%	113
2019	155,000	-	11,023	-	-	166,023	0.00%	57
2020	-	-	-	-	-	-	0.00%	-
2021	-	-	-	-	-	-	0.00%	-
2022	-	-	-	-	47,900	47,900	0.00%	-
2023	-	-	-	-	39,093	39,093	0.00%	-
2024	-	-	-	-	29,743	29,743	0.00%	-

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

SPRING LAKE SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	800,000	-	800,000	0.02%	272
2016	635,000	-	635,000	0.02%	215
2017	470,000	-	470,000	0.01%	160
2018	310,000	-	310,000	0.01%	106
2019	155,000	-	155,000	-	53
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-

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

a See Exhibit NJ J-6 for property tax data.

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

| Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

SPRING LAKE SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Spring Lake (100%)	\$ 3,109,001	100.000%	\$ 3,109,001
County of Monmouth - Borough's Share (1.62%)	6,059,001	11.500%	696,785
Other debt			-
Subtotal, overlapping debt			3,805,786
Sea Girt School District Direct Debt			-
Total direct and overlapping debt			\$ 3,805,786

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

SPRING LAKE SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED

Equalized valuation basis	
2023	6,633,935,811
2022	6,059,020,002
2021	5,130,746,732
[A]	<u>17,823,702,545</u>
Age equalized valuation of taxable property	[A/3] \$ 5,941,234,182
limit (4 % of average equalization value)	[B] 237,649,367
Total Net Debt Applicable to Limit	[C] -
Legal debt margin	[B-C] <u>\$ 237,649,367</u>

Fiscal Year		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$	133,872,727	\$ 135,958,923	\$ 109,049,953	\$ 115,224,625	\$ 122,591,793	\$ 132,177,031	\$ 187,545,764	\$ 129,202,207	\$ 149,196,890	\$ -
Total net debt applicable to limit		965,000	635,000	470,000	310,000	155,000	-	-	-	-	-
Legal debt margin	\$	<u>132,907,727</u>	<u>\$ 135,323,923</u>	<u>\$ 108,579,953</u>	<u>\$ 114,914,625</u>	<u>\$ 122,436,793</u>	<u>\$ 132,177,031</u>	<u>\$ 187,545,764</u>	<u>\$ 129,202,207</u>	<u>\$ 149,196,890</u>	<u>\$ -</u>
Total net debt applicable to the limit as a percentage of debt limit		0.72%	0.47%	0.43%	0.27%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
Department of Treasury, Division of Taxation

SPRING LAKE SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2015	2,946	208,476,636	70,766	4.7%
2016	2,953	215,787,522	73,074	4.3%
2017	2,943	223,303,068	75,876	3.5%
2018	2,924	231,724,076	79,249	3.3%
2019	2,909	239,323,430	82,270	2.8%
2020	2,785	239,763,435	86,091	6.9%
2021	2,796	257,564,724	92,119	5.8%
2022	2,767	261,152,227	94,381	3.3%
2023	2,751	-	-	3.6%
2024	-	-	-	0.0%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

SPRING LAKE SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
UNAUDITED

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	22.60	22.60	27.00	27.00	28.00	20.00	19.00	19.00	19.00	19.00
Special education	4.00	4.00	4.00	4.00	4.50	6.00	4.00	4.60	4.50	4.40
Other special education	3.20	3.20	3.20	3.00	3.20	4.00	3.10	3.70	5.00	5.00
Other instruction	1.00	1.00	1.00	2.00	1.00	1.50	1.00	1.00	1.00	1.00
Support Services:										
Student & instruction related services	8.80	8.88	6.00	5.50	5.50	5.40	3.60	2.20	1.80	2.30
General administration	3.50	0.73	0.73	3.30	0.73	0.73	0.73	0.73	0.73	0.73
School administrative services	2.00	0.77	0.77	2.50	0.77	0.77	0.77	0.77	0.77	0.77
Other administrative services										
Central services	1.25	1.55	2.60	1.00	2.60	3.00	2.60	2.60	2.90	2.90
Administrative Information Technology										
Plant operations and maintenance	3.50	5.73	4.00	2.00	3.50	3.50	3.50	3.50	3.50	3.50
Pupil transportation	0.25	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Other support services	1.50	4.50	4.00	4.00	4.00	4.00	3.00	2.00	2.00	2.00
Total	<u>51.60</u>	<u>53.16</u>	<u>53.50</u>	<u>54.50</u>	<u>54.00</u>	<u>49.10</u>	<u>41.50</u>	<u>40.30</u>	<u>41.40</u>	<u>41.80</u>

Source: District Personnel Records

SPRING LAKE SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Mountz Enrollment ^a	Total Enrollment ^b	Total Spending ^b	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	HW Mountz Teacher/Student	Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	213	279.3	7,928,245	28,386.13	16.31%	20.80	01:06.9	212.0	203.5	-11.67%	95.87%
2016	207	275.5	7,514,025	27,274.14	-3.92%	31.80	01:07.0	213.0	201.7	0.47%	94.69%
2017	196	262	7,771,595	29,662.58	8.66%	30.00	-	197.7	189.4	-7.18%	95.83%
2018	195	260	8,080,065	31,077.17	4.79%	31.00	7.5	194.1	185.9	-1.82%	95.79%
2019	176	203.5	-	-	0.00%	32.50	6.5	174.4	166.7	-10.15%	95.58%
2020	147	199	-	-	0.00%	23.00	6.6	147.3	143.1	-15.54%	97.15%
2021	169	210	-	-	0.00%	26.00	6.7	168.5	164.3	14.39%	97.51%
2022	155	167	-	-	0.00%	26.00	6.8	156.1	148.4	-7.36%	97.51%
2023	152	159	-	-	0.00%	26.00	6.1	152.4	143.8	-2.37%	94.35%
2024	141	143	-	-	0.00%	26.00	5.5	141.0	135.0	-7.48%	94.47%

Sources: District records

SPRING LAKE SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District Building										
<u>Elementary</u>										
Spring Lake Elementary										
Square Feet	61,160	61,160	61,160	61,160	61,160	61,160	61,160	61,160	61,160	61,160
Capacity (students)	324	324	324	324	324	324	324	324	324	324
Enrollment	213	207	196	196	176	167	167	152	152	130
<u>Other</u>										
Utility/Storage										
Square Feet	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300

Source: District Facilities Office

SPRING LAKE SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years
UNAUDITED

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

** School Facilities Project # (s)	H.W Mountz School	Total
2015	192,608	192,608
2016	100,635	100,635
2017	163,771	163,771
2018	69,145	69,145
2019	83,099	83,099
2020	133,518	133,518
2021	151,174	151,174
2022	52,707	52,707
2023	100,234	100,234
2024	93,456	93,456
Total School Facilities	\$ 1,278,190	\$ 1,278,190

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

Source: District records

SPRING LAKE SCHOOL DISTRICT
Insurance Schedule
June 30, 2024
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Article I - Property		
Real and Personal Property	\$ 350,000,000	1,000
Extra Expense	50,000,000	1,000
Valuable Papers and Records	10,000,000	1,000
Demolition	25,000,000	-
Builder Risk	10,000,000	-
Accounts Receivable	250,000	-
Article II - Electronic Data Processing		
Hardware/Software	350,000,000	1,000
Article III - Equipment Breakdown		
Property Damga and Business Inquire	100,000,000	25,000
Article IV - Crime		
Public Employee Faithful Performance	500,000	1,000
Loss of Money and Securities	25,000	500
Forgery or Altercation	25,000	500
Computer Fraud	100,000	500
Article V - Comprehensive General Liability		
Comprehensive General Liability	11,000,000	10,000
Employee Benefits	11,000,000	1,000
Terrorism	1,000,000	1,000
Article VI - Automobile		
Bodily Injury and Property Damage	11,000,000	-
Physical Damage	Not Covered	-
Environmental Liability	1,000,000	50,000
School Board Legal Liability - Errors and Omissions		
Coverage A	11,000,000	10,000
Coverage B	100,000	10,000
Workers Compensation		
Covered Payrolls - Professional	3,422,348	-
Covered Payrolls - Non-Professional	189,158	-
Bodily Injury	3,000,000	-
Bond		
Business Administrator Bond	200,000	-
Treasurer Bond	-	-
Student Accident		
Medical Expense Benefit, Excess	5,000,000	25,000
Accident Death	25,000	-
Medical, Max Benefit	25,000	-
Dental, Max Benefit	25,000	-
Flood		
Building	11,000	1,000
Contents	11,000	1,000

Source: District Records

SINGLE AUDIT SECTION



K-1

**INDEPENDENT AUDITOR'S 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 Trustees
Spring Lake Borough School District
County of Monmouth
Spring Lake, 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, each major fund, and the aggregate remaining fund information of the Spring Lake Borough School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise of the Spring Lake Borough School District basic financial statements, and have issued our report thereon dated December 18, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Spring Lake Borough School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 18, 2024



K-2

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

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

Report on Compliance for Each Major State Program
Opinion on Each Major State Program

We have audited Spring Lake Borough School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Spring Lake Borough School District's major state programs for the year ended June 30, 2024. Spring Lake Borough School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spring Lake Borough School 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 and the audit requirements of the New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Spring Lake Borough School 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 Spring Lake Borough School 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 Spring Lake Borough School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Spring Lake Borough School 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 Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Spring Lake Borough School District's compliance with the requirements of each major state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Spring Lake Borough School 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 Spring Lake Borough School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Spring Lake Borough School 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 Uniform Guidance and New Jersey OMB Circular 15-08, and which are described in the accompanying schedule of findings and questioned costs as Finding No. 2024-001 through 2024-002. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Spring Lake Borough School District's, is response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. of Spring Lake Borough School 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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding No. 2024-001 through 2024-002 to be significant deficiencies..

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Spring Lake Borough School District's response to internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Spring Lake Borough School District's response was not subjected to 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 Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Jump, Perry and Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 18, 2024

SPRING LAKE SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Schedule A

For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2024		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
SPECIAL REVENUE FUND														
U.S. Department of Treasury														
Coronavirus State and Local Fiscal Recovery Fund														
Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SES	\$ 724,570	7/1/22	6/30/23	\$ (335,853)	\$ -	\$ 350,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,834
U.S. Department of Education														
Passed-through New Jersey Department of Education														
Special Revenue Fund:														
Title I, Part A	84.010A	S010A230030	32,116	7/1/23	6/30/24	-	-	10,102	(20,557)	-	-	(10,455)	-	-
Title IV	84.424A	S424A220031	11,697	7/1/22	6/30/23	-	-	1,788	-	-	-	-	-	1,788
Title II, Part A	84.367A	S367A230029	8,690	7/1/23	6/30/24	-	-	-	(5,600)	-	-	(5,600)	-	-
Elementary and Secondary Education Cluster:														
ARP ESSER	84.425U	S425U240027	360,753	3/13/20	9/30/24	(22,278)	-	49,814	(43,923)	-	-	(16,387)	-	-
ARP ESSER Accelerate Learning Coach	84.425U	S425U240027	50,000	3/13/20	9/30/24	(3,733)	-	4,115	(4,974)	-	-	(4,592)	-	-
ARP ESSER Mental Health	84.425U	S425U240027	45,000	3/13/20	9/30/24	(1,924)	-	27,050	(41,605)	-	-	(16,479)	-	-
ARP Evidence Based Summer Learning and	84.425U	S425U240027	40,000	3/13/20	9/30/24	-	-	5,605	(5,741)	-	-	(136)	-	-
ARP Comprehensive Beyond the School Day	84.425U	S425U240027	40,000	3/13/20	9/30/24	-	-	23,653	(30,625)	-	-	(6,972)	-	-
ESSER II - CR Learning Acceleration	84.425D	S425D240027	25,000	3/13/20	9/30/23	(45)	-	5,758	(5,713)	-	-	-	-	-
ESSER II - CR Mental Health	84.425D	S425D240027	45,000	3/13/20	9/30/23	1,531	-	16,141	(17,672)	-	-	-	-	-
Subtotal Elementary and Secondary Education Cluster						(26,449)	-	132,136	(150,253)	-	-	(44,566)	-	-
Special Education Cluster:														
ARP - I.D.E.A. Part B, Basic Regular	84.027X	H027X230100	20,404	7/1/21	9/30/22	(9,000)	-	9,392	-	-	-	-	-	392
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	107,950	7/1/22	6/30/23	(31,802)	-	31,802	-	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A230100	121,556	7/1/23	6/30/24	-	-	59,284	(121,556)	-	-	(62,272)	-	-
IDEA Preschool	84.173	H173A220114	4,450	7/1/22	6/30/23	(36)	-	36	-	-	-	-	-	-
IDEA Preschool	84.173	H173A230114	4,336	7/1/23	6/30/24	-	-	4,336	(4,336)	-	-	-	-	-
Subtotal of Special Education Cluster						(40,838)	-	104,850	(125,892)	-	-	(62,272)	-	392
Total U.S. Department of Education						(403,140)	-	599,563	(302,302)	-	-	(122,893)	-	17,014
Total Expenditures of Federal Awards						\$ (403,140)	\$ -	\$ 599,563	\$ (302,302)	\$ -	\$ -	\$(122,893)	\$ -	\$ 17,014

See accompanying notes to schedules of expenditures.

SPRING LAKE SCHOOL DISTRICT

Schedule of Expenditures of State Financial Assistance, Schedule B

For the Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2023				Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2024			MEMO	
					Deferred Revenue (Accts Receivable)	Due to Grantor	(Accounts Receivable)	Deferred Revenue/ Interfund Payable					Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education																	
General Fund:																	
Transportation Aid	24-495-034-5120-014	69,313	7/1/23	6/30/24	\$ -	\$ -	\$ -	\$ 62,382	\$ (69,313)	\$ -	\$ -	\$ -	\$ -	(6,931)	\$ 69,313		
Special Education Aid	24-495-034-5120-089	191,575	7/1/23	6/30/24	-	-	-	172,508	(191,575)	-	-	-	-	(19,067)	191,575		
Extraordinary Aid	24-495-034-5120-044	124,286	7/1/23	6/30/24	-	-	-	-	(124,286)	-	(124,286)	-	-	-	124,286		
Extraordinary Aid	23-495-034-5120-044	189,608	7/1/22	6/30/23	(189,608)	-	-	189,608	-	-	-	-	-	-	-		
Security Aid	24-495-034-5120-084	15,748	7/1/23	6/30/24	-	-	-	14,173	(15,748)	-	-	-	-	(1,575)	15,748		
Non-Public Transpiration Aid	24-495-034-5120-014	20,158	7/1/23	6/30/24	-	-	-	-	(20,158)	-	(20,158)	-	-	-	20,158		
Non-Public Transpiration Aid	23-495-034-5120-014	21,584	7/1/22	6/30/23	(21,584)	-	-	21,584	-	-	-	-	-	-	-		
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	169,096	7/1/22	6/30/23	(16,147)	-	-	16,147	-	-	-	-	-	-	-		
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	174,428	7/1/23	6/30/24	-	-	-	165,780	(174,428)	-	(8,648)	-	-	-	174,428		
TPAF Pension Contributions	24-495-034-5094-002	826,654	7/1/23	6/30/24	-	-	-	826,654	(826,654)	-	-	-	-	-	826,654		
TPAF Post-Retirement Medical	24-495-034-5094-001	224,985	7/1/23	6/30/24	-	-	-	224,985	(224,985)	-	-	-	-	-	224,985		
TPAF Long-Term Disability Insurance	24-495-034-5094-004	269	7/1/23	6/30/24	-	-	-	269	(269)	-	-	-	-	-	269		
Total General Fund					(227,339)	-	-	1,694,090	(1,647,416)	-	(153,092)	-	-	(27,573)	1,647,416		
Special Revenue Fund:																	
Chapter 192/193	23-100-034-5120-067	111,697	7/1/22	6/30/23	-	16,984	-	-	-	(16,984)	-	-	-	-	-		
Chapter 192/193	24-100-034-5120-067	132,999	7/1/23	6/30/24	-	-	-	132,999	(109,604)	-	-	-	23,395	-	109,604		
Security	24-100-034-5120-509	51,045	7/1/23	6/30/24	-	-	-	51,045	(51,045)	-	-	-	-	-	51,045		
Technology	23-100-034-5120-373	11,508	7/1/22	6/30/23	-	1,776	-	-	-	(1,776)	-	-	-	-	-		
Technology	24-100-034-5120-373	12,201	7/1/23	6/30/24	-	-	-	12,201	(12,113)	-	-	-	88	-	12,113		
Textbooks	23-100-034-5120-064	18,084	7/1/22	6/30/23	-	416	-	-	-	(416)	-	-	-	-	-		
Textbooks	24-100-034-5120-064	14,395	7/1/23	6/20/24	-	-	-	14,395	(14,395)	-	-	-	-	-	14,395		
Nursing	23-100-034-5120-070	30,688	7/1/22	6/30/23	-	131	-	3,335	(131)	-	-	-	3,335	-	-		
Nursing	24-100-034-5120-070	29,880	7/1/23	6/20/24	-	-	-	29,880	(29,880)	-	-	-	-	-	29,880		
Total Special Revenue Fund					-	19,307	-	243,855	(217,037)	(19,307)	-	-	26,818	-	217,037		
Total Expenditures of State Awards					\$ (227,339)	\$ 19,307	\$ -	\$ 1,937,945	\$ (1,864,453)	\$ (19,307)	\$ (153,092)	\$ -	\$ 26,818	\$ (27,573)	\$ 1,864,453		
State Financial Assistance Not Subject to Single Audit Determination																	
TPAF Pension Contributions	24-495-034-5094-002	826,654	7/1/23	6/30/24	-	-	-	826,654	(826,654)	-	-	-	-	-	826,654		
TPAF Post-Retirement Medical	24-495-034-5094-001	224,985	7/1/23	6/30/24	-	-	-	224,985	(224,985)	-	-	-	-	-	224,985		
TPAF Long-Term Disability Insurance	24-495-034-5094-004	269	7/1/23	6/30/24	-	-	-	269	(269)	-	-	-	-	-	269		
Total State Financial Assistance Not Subject to Single Audit Determination					-	-	-	1,051,908	(1,051,908)	-	-	-	-	-	1,051,908		
Total Expenditures of State Awards Subject to Single Audit Determination					\$ (227,339)	\$ 19,307	\$ -	\$ 886,037	\$ (812,545)	\$ (19,307)	\$ (153,092)	\$ -	\$ 26,818	\$ (27,573)	\$ 812,545		

See accompanying notes to schedules of expenditures.

Spring Lake Borough School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2024

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Board of Education, Spring Lake Borough School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

Spring Lake Borough School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2024

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(826,720) for the general fund and \$(47,513) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 820,696	\$ 820,696
Special Revenue Fund	254,789	217,037	471,826
Debt Service Fund	-	-	-
Enterprise Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	\$ <u>254,789</u>	\$ <u>1,037,733</u>	\$ <u>1,292,522</u>

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.

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2024.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

6. Indirect Costs

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Spring Lake Borough School District
Schedule of Findings and Questioned Costs

June 30, 2024

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

- | | | | |
|----|--|-----------|--------------|
| 1) | Material weakness(es) identified? | _____ yes | ___x___ no |
| 2) | Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | ___x___ none |

Noncompliance material to general-purpose financial statements noted?	_____ yes	___x___ no
---	-----------	------------

Federal Awards Section - N/A

Internal Control over major programs:

- | | | | |
|----|--|-----------|------------------|
| 1) | Material weakness(es) identified? | _____ yes | ___no |
| 2) | Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | ___none reported |

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? _____ yes _____ no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
---------------------	-----------------------	---

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

Auditee qualified as low-risk auditee? _____yes _____ no

Spring Lake Borough School District
Schedule of Findings and Questioned Costs (continued)

June 30, 2024

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

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08

 X yes no

Identification of major programs:

Grant or State Project Number(s)

Name of State Program

State Aid Cluster
495-034-5120-089
495-034-5120-084

Special Education Aid
Security Aid

Spring Lake Borough School District
Schedule of Findings and Questioned Costs (Continued)
June 30, 2024

Section II - Financial Statements Findings - None

Spring Lake Borough School District
Schedule of Findings and Questioned Costs (Continued)

June 30, 2024

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

CURRENT YEAR FEDERAL AWARDS

N/A - No Federal Single Audit.

CURRENT YEAR STATE AWARDS

Finding 2024-001

State Program Information

Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

Criteria or Specific Requirement

N.J.A.C. 6A:23A-13.3(g) requires school districts to receive Commissioner approval or Executive County superintendent as Commissioner's designee for line item transfers to any administration appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

Condition

The District could not provide documentation that it obtained approval for the line item transfers to any administration appropriation account that on a cumulative basis exceeded 10 percent.

Questioned Costs

Unknown.

Context

The District could not provide documentation that approvals were obtained when transfers exceeded 10 percent of an administration appropriation account .

Effect

The District did not comply with N.J.A.C. 6A:23A-13.3(g) requirements.

Cause

Unknown.

Recommendation

That District comply with N.J.A.C. 6A:23A-13.3(g) by receiving Commissioner approval of Executive County superintendent as Commissioner's designee for line item transfers to any administration appropriation account that on cumulative basis exceed 10 percent of the amount of the account included in the budget.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

Spring Lake Borough School District

Schedule of Findings and Questioned Costs (Continued)

June 30, 2024

Section III - Federal Award and State Financial Assistance
Findings and Questioned Costs (Continued)**CURRENT YEAR STATE AWARDS****Finding 2024-002****State Program Information**

Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

Criteria or Specific Requirement

N.J.A.C. 6A:23A-13.3 requires school districts to receive Commissioner approval or Executive County superintendent as Commissioner's designee for line item transfers from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget.

Condition

The District could not provide documentation that it obtained approval for the line item transfers to any general fund appropriation account that on a cumulative basis exceeded 10 percent.

Questioned Costs

Unknown.

Context

The District could not provide documentation that it obtained approval for the line item transfers from any general fund appropriation account that on cumulative basis exceeded 10 percent.

Effect

The District did not comply with N.J.A.C. 6A:23A-13.3 requirements.

Cause

Unknown.

Recommendation

That District comply with N.J.A.C. 6A:23A-13.3 by receiving Commissioner approval of Executive County superintendent as Commissioner's designee for line item transfers to any general fund appropriation account that on cumulative basis exceed 10 percent of the amount of the account included in the budget.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that corrective action will be taken.

Spring Lake Borough School District
Summary Schedule of Prior Audit Findings
June 30, 2024

Financial Statement Findings

There were no prior year findings for the period ended June 30, 2023.

Federal Awards

There were no prior year findings for the period ended June 30, 2023.

State Financial Assistance

There were no prior year findings for the period ended June 30, 2023.