CARLSTADT BOARD OF EDUCATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Carlstadt, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Carlstadt Board of Education

Carlstadt, New Jersey

For The Fiscal Year Ended June 30, 2025

Prepared by

Business Office

CARLSTADT BOARD OF EDUCATION
TABLE OF CONTENTS

		Page
INTRODUCTORY SECTION		
Letter of Transmittal		i-iii
Organizational Chart		iv
Roster of Officials		v
Consultants and Advisors		vi
FINANCIAL SECTION		
Independent Auditor's Report		1-3
REQUIRED SUPPLEMENTARY INFORMATION- PART I		
Management's Discussion and Analysis		4-14
Basic Financial Statements		
A.	**District-wide Financial Statements**	
A-1	Statement of Net Position	15
A-2	Statement of Activities	16
B.	**Fund Financial Statements**	
Governmental Funds		
B-1	Balance Sheet	17-18
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	19
B-3	Illustrative Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statement of Activities	20
Proprietary Funds		
B-4	Statement of Net Position	21
B-5	Statement of Revenues, Expenses, and Changes in Fund Net Position	22
B-6	Statement of Cash Flows	23
Fiduciary Funds – Not Applicable		
Notes to the Financial Statements		24-61

CARLSTADT BOARD OF EDUCATION
TABLE OF CONTENTS

		Page
REQUIRED SUPPLEMENTARY INFORMATION - PART II		
C.	**Budgetary Comparison Schedules**	
C-1	Budgetary Comparison Schedule – General Fund	62-68
C-2	Budgetary Comparison Schedule – Special Revenue Fund	69
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II		
C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	70
REQUIRED SUPPLEMENTARY INFORMATION - PART III		
L.	**Schedules Related to Accounting and Reporting for Pensions**	
L-1	Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System	71
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	72
L-3	Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	73
L-4	Notes to Required Supplementary Information – Net Pension Liability	74
M.	**Schedules Related to Accounting and Reporting for OPEB**	
M-1	Required Supplementary Information – Schedule of Changes in District's Proportionate Share of Total OPEB Liability	75
M-2	Notes to Required Supplementary Information – OPEB Liability	76
OTHER SUPPLEMENTARY INFORMATION		
D.	**School Level Schedules – Not Applicable**	
E.	**Special Revenue Fund**	
E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	77
E-2	Schedule of Preschool Program Aid Expenditures – Budgetary Basis	78
F.	**Capital Projects Fund**	
F-1	Summary Schedule of Project Expenditures – Not Applicable	79
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	80
F-2a	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Replacement of Chiller Unit	81

CARLSTADT BOARD OF EDUCATION
TABLE OF CONTENTS

		Page
G. Proprietary Funds		
Enterprise Fund		
G-1	Combining Statement of Net Position – Not Applicable	82
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	82
G-3	Combining Statement of Cash Flows – Not Applicable	82
H. Fiduciary Funds – Not Applicable		
I. Long-Term Debt		
I-1	Schedule of Serial Bonds Payable	83
I-2	Schedule of Other Financing Agreements and Leases Payable – Not Applicable	84
I-3	Budgetary Comparison Schedule Budget and Actual – Debt Service Fund	85
I-4	Schedule of Obligations Subscription-Based Information Technology Arrangements – Not Applicable	
J.	**STATISTICAL SECTION (Unaudited)**	
J-1	Net Position by Component	86
J-2	Changes in Net Position	87-88
J-3	Fund Balances – Governmental Funds	89
J-4	Changes in Fund Balances - Governmental Funds	90
J-5	General Fund Other Local Revenue by Source	91
J-6	Assessed Value and Actual Value of Taxable Property	92
J-7	Direct and Overlapping Property Tax Rates	93
J-8	Principal Property Taxpayers	94
J-9	Property Tax Levies and Collections	95
J-10	Ratios of Outstanding Debt by Type	96
J-11	Ratios of Net General Bonded Debt Outstanding	97
J-12	Direct and Overlapping Governmental Activities Debt	98
J-13	Legal Debt Margin Information	99
J-14	Demographic and Economic Statistics	100
J-15	Principal Employers	101
J-16	Full-Time Equivalent District Employees by Function/Program	102
J-17	Operating Statistics	103
J-18	School Building Information	104
J-19	Schedule of Required Maintenance for School Facilities	105
J-20	Schedule of Insurance	106

CARLSTADT BOARD OF EDUCATION
TABLE OF CONTENTS

K.

SINGLE AUDIT SECTION

		Page
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor's Report	107-108
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures Of State Financial Assistance as required by New Jersey OMB Circular 15-08 – Independent Auditor's Report	109-111
K-3	Schedule of Expenditures of Federal Awards	112
K-4	Schedule of Expenditures of State Financial Assistance	113
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	114-115
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor's Results	116-117
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	118
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	119-120
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs – Not Applicable	

INTRODUCTORY SECTION

550 Washington Street
Carlstadt, NJ 07072

Tracy Luciani
Business Administrator/Board Secretary

PH: 201-672-3000
FAX: 201-672-9845

November 18, 2025

Honorable President and
Members of the Board of Education
Carlstadt Board of Education
County of Bergen, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Carlstadt Board of Education for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Carlstadt Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Carlstadt Board of Education's MD&A can be found immediately following the "Independent Auditor's Report".

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. Information related to the 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.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments 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 auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Carlstadt Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Carlstadt Board of Education and all its schools 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 as well as special education for handicapped youngsters. The District completed the 2024-2025 fiscal year with an average daily enrollment of 498 students, which represents a minor decrease from the previous year's average daily enrollment. The following details the changes in the average daily enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment	Percent Change
2024-25	498	(2.73)%
2023-24	512	(3.39)%
2022-23	530	1.15%
2021-22	524	2.54%
2020-21	511	(5.19)%
2019-20	539	(1.82)%
2018-19	549	1.47%
2017-18	541	1.12%
2016-17	535	(5.14)%
2015-16	559	(1.74)%

2) ECONOMIC CONDITION AND OUTLOOK: Developmentally the Carlstadt area in general has leveled off and industrial growth is rather minimal. The District does not anticipate any real change in the student population as a result of commercial ventures.

3) MAJOR INITIATIVES:

During the 2024-2025 school year, the district moved forward with the grant agreement with the SDA to replace the building's chiller unit, which was at end of life. The project was bid out and awarded during the 2023-2024 school year. A majority of the work was completed as of June 2025.

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, Special Revenue Fund and Debt Service Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

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

8) RISK MANAGEMENT: The Board carried various forms of insurance, including but not limited to general liability, automobile liability, hazard and theft insurance on property and contents, and fidelity bonds.

9) OTHER INFORMATION: State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Lerch, Vinci, and Higgins, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic 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.

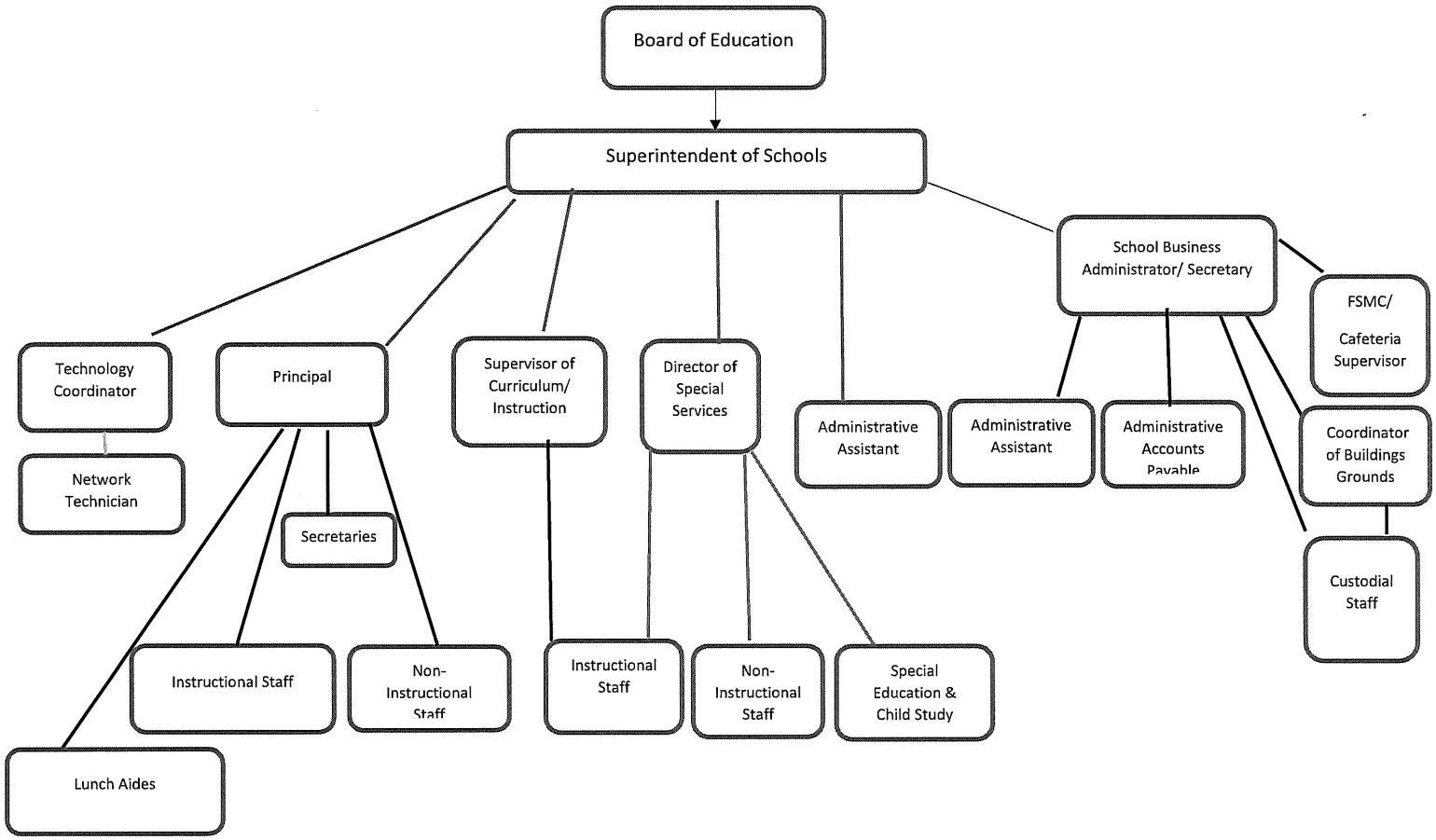
10) ACKNOWLEDGMENTS:
We would like to express our appreciation to the members of the Carlstadt School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

Tracy Luciani

Tracy Luciani
Business Administrator/Board Secretary
Carlstadt Public School

1110 ORGANIZATIONAL CHART



Revised 12/2024
MNF Superintendent

CARLSTADT BOARD OF EDUCATION
CARLSTADT, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2025

Members of the Board of Education	Term Expires
Walter Beese	2026
Robert Biamonte	2026
Frank Ficetola	2025
Jose Figueroa	2025
Jeffrey Hagen	2027
Maria McNeil, President	2027
Leslie Molnar	2026
Lori Nunziato	2027
Scott Tronziger, Vice President	2025

Other Officials

Allison Evans, Superintendent of Schools

Tracy Luciani, Business Administrator/Board Secretary

Jeff Merlino, Board Attorney

CARLSTADT BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Lerch, Vinci & Bliss, LLP
17-17 Route 208 North
Fair Lawn, NJ 07410

Attorney

Methfessel & Werbel PA
2025 Lincoln Highway
Suite 200
Edison, NJ 08817

Insurance Counselor

Professional Insurance
Associates, Inc.
429 Hackensack Street
P.O. Box 0818
Carlstadt, NJ 07072

Official Depository

Valley National Bank
207 Hackensack Street
Wood-Ridge, NJ 07470

FINANCIAL SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Carlstadt Board of Education
Carlstadt, New Jersey

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Carlstadt Board of Education, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Carlstadt Board of Education'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 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, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carlstadt Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards, and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Carlstadt Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, and the schedules of expenditures of state financial assistance is 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 section, financial schedules and statistical section 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 financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2025 on our consideration of the Carlstadt Board of Education'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 Carlstadt Board of Education'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 the Carlstadt Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
November 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Carlstadt Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- The assets and deferred outflows of resources of the Carlstadt Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $20,108,135 (net position).

- Overall District revenues were $17,613,359. General revenues accounted for $13,853,498 or 79% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $3,760,041 of 21% of total revenues.

- The School District had $15,896,097 in expenses for governmental activities; only $3,366,463 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and miscellaneous revenues) of $13,850,335 were adequate to provide for these programs.

- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $5,732,406 an increase of $430,758 when compared to the ending fund balance at June 30, 2024 of $5,301,648.

- The General Fund unassigned fund balance at June 30, 2025 was $28,872, a decrease of $32,450 when compared with the ending fund balance of $61,322 at June 30, 2024.

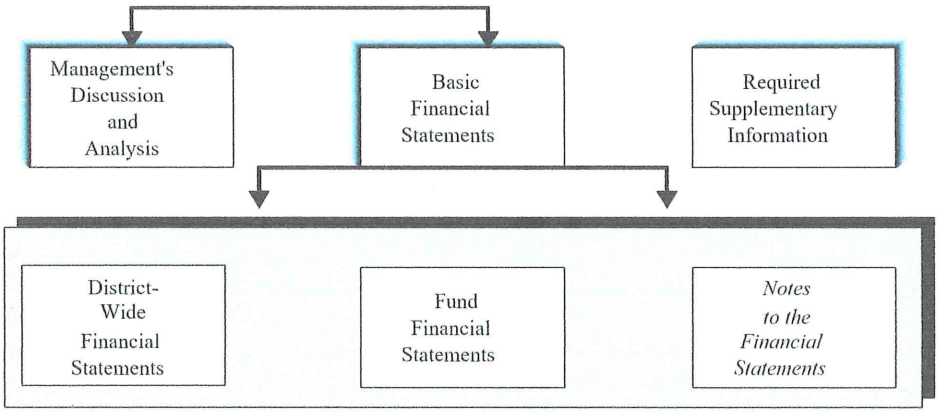
- The General Fund unassigned budgetary fund balance at June 30, 2025 was $284,702 which represents a decrease of $30,185 when compared to the ending unassigned fund balance at June 30, 2024 of $314,887.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
    - The Governmental Funds statements tell how basic services were financed in the short term as well as what remains for future spending.
    - Proprietary Funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.

- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.

- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

Fund Financial Statements (Continued)

The District has two kinds of funds:

• *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

• *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $20,108,135 and $18,769,524 as of June 30, 2025 and 2024, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position
as of June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	$ 6,294,056	$ 5,611,171	$ 102,440	$ 61,156	$ 6,396,496	$ 5,672,327
Capital Assets	23,653,687	23,956,105	46,016	52,117	23,699,703	24,008,222
Total Assets	29,947,743	29,567,276	148,456	113,273	30,096,199	29,680,549
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	98,426	131,507			98,426	131,507
Deferred Amounts on Refunding of Debt	131,649	175,741	-	-	131,649	175,741
Total Deferred Outflows	230,075	307,248	-	-	230,075	307,248
Total Assets and Deferred Outflows	30,177,818	29,874,524	148,456	113,273	30,326,274	29,987,797
Liabilities						
Long-Term Liabilities	9,412,443	10,446,451			9,412,443	10,446,451
Other Liabilities	607,906	365,904	31,267	14,641	639,173	380,545
Total Liabilities	10,020,349	10,812,355	31,267	14,641	10,051,616	10,826,996
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	164,906	193,651			164,906	193,651
Deferred Commodities Revenue	-	-	1,617	970	1,617	970
Total Deferred Inflows	164,906	193,651	1,617	970	166,523	194,621
Total Liabilities and Deferred Inflows	10,185,255	11,006,006	32,884	15,611	10,218,139	11,021,617
Net Position						
Net Investment in Capital Assets	16,529,322	15,549,970	46,016	52,117	16,575,338	15,602,087
Restricted	1,535,865	1,487,265			1,535,865	1,487,265
Unrestricted	1,927,376	1,634,627	69,556	45,545	1,996,932	1,680,172
Total Net Position	$ 19,992,563	$ 18,671,862	$ 115,572	$ 97,662	$ 20,108,135	$ 18,769,524

The changes in net position for fiscal years ended 2025 and 2024 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	$ 78,541	$ 89,757	$ 184,787	$ 180,339	$ 263,328	$ 270,096
Operating Grants and Contributions	3,043,750	3,237,784	208,791	200,635	3,252,541	3,438,419
Capital Grants and Contributions	244,172	-			244,172	-
General Revenues						
Property Taxes	13,516,689	13,037,167			13,516,689	13,037,167
Investment Earnings	222,711	240,497	3,163	4,433	225,874	244,930
Miscellaneous	110,935	69,256	-	-	110,935	69,256
Total Revenues	17,216,798	16,674,461	396,741	385,407	17,613,539	17,059,868
Expenses						
Instruction						
Regular	6,555,282	6,735,892			6,555,282	6,735,892
Special Education	1,704,668	2,212,319			1,704,668	2,212,319
Other Instruction	387,792	478,785			387,792	478,785
School Sponsored Activities and Athletics	139,298	117,936			139,298	117,936
Support Services						
Student and Instruction Related Services	3,140,572	2,167,575			3,140,572	2,167,575
General Administration Services	543,460	499,975			543,460	499,975
School Administration Services	351,602	323,546			351,602	323,546
Plant Operation and Maintenance	2,119,505	1,963,178			2,119,505	1,963,178
Pupil Transportation	223,323	206,956			223,323	206,956
Central Services	469,203	464,386			469,203	464,386
Interest and Other Chgs on Long-Term Debt	261,392	314,369			261,392	314,369
Food Service	-	-	378,831	378,905	378,831	378,905
Total Expenses	15,896,097	15,484,917	378,831	378,905	16,274,928	15,863,822
Change in Net Position	1,320,701	1,189,544	17,910	6,502	1,338,611	1,196,046
Net Position, Beginning of Year , Restated	18,671,862	17,678,974	97,662	91,160	18,769,524	17,770,134
Prior Period Adjustments	-	(196,656)	-	-	-	(196,656)
Net Position, End of Year	$ 19,992,563	$ 18,671,862	$ 115,572	$ 97,662	$ 20,108,135	$ 18,769,524

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2025 and 2024.

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction				
Regular	$ 6,555,282	$ 6,735,892	$ 5,624,108	$ 5,379,975
Special Education	1,704,668	2,212,319	669,125	1,111,028
Other Instruction	387,792	478,785	269,860	329,554
School Sponsored Activities and Athletics	139,298	117,936	52,274	36,692
Support Services				
Student and Instruction Related Services	3,140,572	2,167,575	2,434,621	1,759,166
General Administration	543,460	499,975	531,117	494,141
School Administration Services	351,602	323,546	317,271	281,905
Plant Operation and Maintenance	2,119,505	1,963,178	1,735,500	1,831,036
Pupil Transportation	223,323	206,956	178,856	161,637
Central Services	469,203	464,386	455,510	457,873
Interest and Other Charges on Long-Term Debt	261,392	314,369	261,392	314,369
Total	**$ 15,896,097**	**$ 15,484,917**	**$ 12,529,634**	**$ 12,157,376**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $5,732,406, an increase of $430,758 from last year's fund balance of $5,301,648.

Revenues and other financing sources for the District's governmental funds were $18,812,147; total expenditures and other financing uses were $18,381,389.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were $15,864,487 for the fiscal year ended June 30, 2025. State sources amounts to $3,563,756, federal sources amounts to $3,684 and local sources amounts to $12,297,047.

Expenditures and other financing uses of the General Fund were $15,070,866. Instructional expenditures were $9,479,583,support services expenditures were $5,428,412, capital expenditures totaled $80,617 and other uses were $82,254 for the fiscal year ended June 30, 2025.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues and other financing sources of the Special Revenue Fund were $1,150,200 for the fiscal year ended June 30, 2025. State sources amounts to $677,697, federal sources amounts to $306,208, local sources amounts to $84,041 and other financing of $82,254.

Expenditures of the Special Revenue Fund were $1,146,806. Instructional expenditures were $413,014 and support services expenditures were $733,792 for the fiscal year ended June 30, 2025.

Capital Projects - The capital projects expenditures exceeded revenues by $366,258 decreasing the fund balance from $895,203 at June 30, 2024 to $528,945 at June 30, 2025.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2024 encumbrances.
- Appropriation of Maintenance Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2025 and 2024 amounts to $23,699,703 and $24,008,222 (net of accumulated depreciation), respectively. The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2025-2024 amounted to $993,465 for governmental activities and $6,102 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2025 and 2024

	Governmental Activities		Business- Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 188,036	$ 188,036			$ 188,036	$ 188,036
Construction in Progress	655,525	1,349,519			655,525	1,349,519
Land Improvements	1,357,811	72,514			1,357,811	72,514
Buildings	21,153,871	21,951,206			21,153,871	21,951,206
Machinery and Equipment	298,444	394,830	$ 46,016	$ 52,117	344,460	446,947
Total	$ 23,653,687	$ 23,956,105	$ 46,016	$ 52,117	$ 23,699,703	$ 24,008,222

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

LONG TERM LIABILITIES

At June 30, 2025, the District's long-term liabilities consisted of compensated absences payable of $501,762, serial bonds of $7,256,014 (including unamortized premium) and net pension liability of $1,654,667 totaling $9,412,443. This is in comparison to long-term liabilities at June 30, 2024 of $10,643,107 or a decrease of $1,230,664.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2025-2026 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Carlstadt Board of Education, 550 Washington Street, Carlstadt, NJ 07072.

FINANCIAL STATEMENTS

CARLSTADT BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 5,943,262	$ 122,439	$ 6,065,701
Receivables, net	311,817	12,720	324,537
Internal Balances	38,977	(38,977)	-
Inventory		6,258	6,258
Capital Assets, Not Being Depreciated	843,561		843,561
Capital Assets, Being Depreciated, Net	22,810,126	46,016	22,856,142
Total Assets	29,947,743	148,456	30,096,199
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	131,649		131,649
Deferred Amounts on Net Pension Liability	98,426	-	98,426
Total Deferred Outflows of Resources	230,075	-	230,075
Total Assets and Deferred Outflows of Resources	30,177,818	148,456	30,326,274
LIABILITIES			
Accounts Payable and Other Current Liabilities	459,299	27,267	486,566
Accrued Interest Payable	46,256		46,256
Unearned Revenue	102,351	4,000	106,351
Noncurrent Liabilities			
Due Within One Year	1,371,653		1,371,653
Due Beyond One Year	8,040,790	-	8,040,790
Total Liabilities	10,020,349	31,267	10,051,616
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenues		1,617	1,617
Deferred Amounts on Net Pension Liability	164,906	-	164,906
Total Deferred Inflows of Resources	164,906	1,617	166,523
Total Liabilities and Deferred Inflows of Resources	10,185,255	32,884	10,218,139
NET POSITION			
Net Investment in Capital Assets	16,529,322	46,016	16,575,338
Restricted for			
Capital Projects	1,085,113		1,085,113
Debt Service	2		2
Other Purposes	450,750		450,750
Unrestricted	1,927,376	69,556	1,996,932
Total Net Position	$ 19,992,563	$ 115,572	$ 20,108,135

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

CARLSTADT BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
Instruction							
Regular	$ 6,555,282		$ 931,174		$ (5,624,108)		$ (5,624,108)
Special Education	1,704,668		1,035,543		(669,125)		(669,125)
Other Instruction	387,792		117,932		(269,860)		(269,860)
School Sponsored Activities and Athletics	139,298	78,541	8,483		(52,274)		(52,274)
Support Services							
Student and Instruction Related Services	3,140,572		705,951		(2,434,621)		(2,434,621)
General Administrative Services	543,460		12,343		(531,117)		(531,117)
School Administrative Services	351,602		34,331		(317,271)		(317,271)
Plant Operations and Maintenance	2,119,505		139,833	244,172	(1,735,500)		(1,735,500)
Pupil Transportation	223,323		44,467		(178,856)		(178,856)
Central Services	469,203		13,693		(455,510)		(455,510)
Interest on Long Term Debt	261,392	-	-	-	(261,392)	-	(261,392)
Total Governmental Activities	15,896,097	78,541	3,043,750	244,172	(12,529,634)	-	(12,529,634)
Business-Type Activities							
Food Service	378,831	184,787	208,791	-	-	$ 14,747	14,747
Total Business-Type Activities	378,831	184,787	208,791	-	-	14,747	14,747
Total Primary Government	$ 16,274,928	$ 263,328	$ 3,252,541	$ 244,172	(12,529,634)	14,747	(12,514,887)
General Revenues							
Taxes:							
Property Taxes, levied for general purposes, net					11,963,401		11,963,401
Property Taxes, levied for debt service purposes, net					1,553,288		1,553,288
Investment Earnings					222,711	3,163	225,874
Miscellaneous Income					110,935	-	110,935
Total General Revenues					13,850,335	3,163	13,853,498
Change in Net Position					1,320,701	17,910	1,338,611
Net Position, Beginning of Year, Restated					18,671,862	97,662	18,769,524
Net Position, End of Year					$ 19,992,563	$ 115,572	$ 20,108,135

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

FUND FINANCIAL STATEMENTS

CARLSTADT BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 5,344,343	$ 162,130	$ 436,787	$ 2	$ 5,943,262
Due from Other Funds	38,977				38,977
Receivables from Other Governments	18,254	49,391	244,172	-	311,817
Total Assets	$ 5,401,574	$ 211,521	$ 680,959	$ 2	$ 6,294,056
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 259,074	$ 42,448	$ 152,014		$ 453,536
Payroll Deductions and Withholdings Payable	5,763				5,763
Unearned Revenue	-	102,351	-	-	102,351
Total Liabilities	264,837	144,799	152,014	-	561,650
Fund Balances					
Restricted Fund Balance					
Excess Surplus	1,876,383				1,876,383
Excess Surplus-Designated for Subsequent Year's Expenditures	2,000,309				2,000,309
Capital Reserve	556,168				556,168
Maintenance Reserve	370,071				370,071
Emergency Reserve	250,000				250,000
Unemployment Compensation	13,957				13,957
Student Activities		66,722			66,722
Capital Projects			528,945		528,945
Debt Service				$ 2	2
Assigned Fund Balance					
Year End Encumbrances	10,268				10,268
Designated for Subsequent Year's Expenditures	30,709				30,709
Unassigned Fund Balance	28,872	-	-	-	28,872
Total Fund Balances	5,136,737	66,722	528,945	2	5,732,406
Total Liabilities and Fund Balances	$ 5,401,574	$ 211,521	$ 680,959	$ 2	$ 6,294,056

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

CARLSTADT BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

Total Fund Balances (Exhibit B-1)		$ 5,732,406
Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $36,092,924 and the accumulated depreciation is $12,439,237.		23,653,687
The district has financed capital assets through the issuance of serial bonds. The interest accrual at year end is:		(46,256)
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.		131,649
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years.		
Deferred Outflows of Resources	$ 98,426	
Deferred Inflows of Resources	(164,906)	
		(66,480)
Long-term liabilities, including bonds payable and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Bonds Payable	(6,925,000)	
Issuance Premium	(331,014)	
Compensated Absences	(501,762)	
Net Pension Liability	(1,654,667)	
		(9,412,443)
Net Position of Governmental Activities (Exhibit A-1)		$ 19,992,563

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

CARLSTADT BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	$ 11,963,401			$ 1,553,288	$ 13,516,689
Interest	222,711				222,711
Miscellaneous	110,935	$ 84,041	-	-	194,976
Total - Local Sources	12,297,047	84,041	-	1,553,288	13,934,376
State Sources	3,563,756	677,697	$ 244,172		4,485,625
Federal Sources	3,684	306,208	-	-	309,892
Total Revenues	15,864,487	1,067,946	244,172	1,553,288	18,729,893
EXPENDITURES					
Current					
Regular Instruction	7,339,330	104,603			7,443,933
Special Education Instruction	1,682,532	160,900			1,843,432
Other Instruction	381,308	72,364			453,672
School-Sponsored Activities and Athletics	76,413	75,147			151,560
Support Services					
Student and Instruction Related Services	2,383,881	733,792			3,117,673
General Administrative Services	538,296				538,296
School Administrative Services	393,032				393,032
Plant Operations and Maintenance	1,426,406				1,426,406
Pupil Transportation	223,323				223,323
Business Services/Central Services	463,474				463,474
Debt Service					
Principal				1,215,000	1,215,000
Interest				338,287	338,287
Capital Outlay	80,617	-	610,430	-	691,047
Total Expenditures	14,988,612	1,146,806	610,430	1,553,287	18,299,135
Excess (Deficiency) of Revenues Over Expenditures	875,875	(78,860)	(366,258)	1	430,758
OTHER FINANCING SOURCES (USES)					
Transfers In		82,254			82,254
Transfers Out	(82,254)	-	-	-	(82,254)
Total Other Financing Sources and (Uses)	(82,254)	82,254	-	-	-
Net Change in Fund Balances	793,621	3,394	(366,258)	1	430,758
Fund Balance, Beginning of Year	4,343,116	63,328	895,203	1	5,301,648
Fund Balance , End of Year	$ 5,136,737	$ 66,722	$ 528,945	$ 2	$ 5,732,406

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

CARLSTADT BOARD OF EDUCATION
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)		$ 430,758
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.		
Capital Outlay	$ 691,047	
Depreciation Expense	(993,465)	
		(302,418)
In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):		
Net Increase in Compensated Absences	(237,760)	
Net Decrease in Pension Expense	138,226	
		(99,534)
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
Bond Principal		1,215,000
Governmental funds report the effect of premiums and such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of Bond Premium	110,862	
Amortization of Deferred Amounts on Refunding	(44,092)	
		66,770
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
Decrease in accrued interest		10,125
Change in Net Position of Governmental Activities (Exhibit A-2)		$ 1,320,701

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

EXHIBIT B-4

CARLSTADT BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Services
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 122,439
Intergovernmental Receivable	
Federal	11,414
State	1,306
Inventory	6,258
Total Current Assets	141,417
Capital Assets	
Machinery and Equipment	118,481
Less: Accumulated Depreciation	(72,465)
Total Capital Assets, Net	46,016
Total Assets	187,433
LIABILITIES	
Current Liabilities	
Accounts Payable	27,267
Unearned Revenue	4,000
Due to Other Funds	38,977
Total Current Liabilities	70,244
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	1,617
Total Deferred Inflows of Resources	1,617
NET POSITION	
Investment in Capital Assets	46,016
Unrestricted	69,556
Total Net Position	$ 115,572

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

EXHIBIT B-5

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

	Business-Type Activities Enterprise Fund Food Services
OPERATING REVENUES	
Charges for Services	
Daily Sales	
Reimbursable Programs- School Lunch Program	$ 87,680
Non-Reimbursable Programs	97,107
Total Operating Revenues	184,787
OPERATING EXPENSES	
Cost of Sales - Reimbursable Programs	110,855
Cost of Sales - Non-Reimbursable Programs	38,949
Salaries	83,063
Salary - Food Service Manager	64,205
Employee Benefits/Payroll Taxes	16,529
Insurance	9,515
Supplies	20,434
Repair and Maintenance	72
Management Fees	29,080
Depreciation	6,102
Miscellaneous	27
Total Operating Expenses	378,831
Operating (Loss)	(194,044)
NONOPERATING REVENUES	
State Sources	
School Lunch Program	6,337
School Breakfast Program	682
School Lunch Program - NJEIE	12,018
School Breakfast Program - NJEIE	858
S-EBT Admin	321
Federal Sources	
National School Lunch Program	137,270
Food Distribution Program	26,523
National School Breakfast Program	22,707
Local Food for Schools Cooperative Program	1,753
S-EBT Admin	322
Interest Earned	3,163
Total Nonoperating Revenues	211,954
Change in Net Position	17,910
Net Position, Beginning of Year	97,662
Net Position, End of Year	$ 115,572

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

CARLSTADT BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund Food Services
Cash Flows from Operating Activities	
Cash Received from Customers	$ 184,835
Cash Payment for Salaries and Benefits	(163,797)
Cash Payments to Suppliers for Goods and Services	(167,109)
Net Cash Provided (Used for) Operating Activities	(146,071)
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	179,795
Net Cash Provided by Noncapital Financing Activities	179,795
Cash Flows from Investing Activities	
Interest on Investments	3,163
Net Cash Provided by Investing Activities	3,163
Net Increase in Cash and Cash Equivalents	36,887
Cash and Cash Equivalents, Beginning of Year	85,552
Cash and Cash Equivalents, End of Year	$ 122,439
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities	
Operating (Loss)	$ (194,044)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities	
Depreciation	6,102
Non Cash Federal Assistance - Food Distribution Program (USDA Commodities)	26,523
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase)/Decrease in Inventory	(1,581)
Increase/(Decrease) in Accounts Payable	16,234
Increase/(Decrease) in Deferred Revenue	48
Increase/(Decrease) in Deferred Commodities Revenue	647
Total Adjustments	47,973
Net Cash (Used by) Operating Activities	$ (146,071)
Non-Cash Investing, Capital and Financing Activities	
Value Received for Food Distribution Program	$ 27,170

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Carlstadt Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Carlstadt Board of Education this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences,* was effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets,* will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs and student activity funds derived from other activities of pupil organizations.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements, grants and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of $2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land Improvements	20
Buildings	20-50
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualifies for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations.

7. Pensions

In the district-wide financial statements and proprietary fund types in the fund financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred inflows of resources or as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Net Position/Fund Balance

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 original budget certified for taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that was appropriated in the 2025/2026 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2B).

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2C).

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2D).

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). The District has switched to the Contribution Method in which the reservation of funds for unemployment is not required. The balance of this restriction is the residual amount collected in excess of claims paid during the time in which the District was under the Reimbursement Method.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the 2025/2026 original budget certified for taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions,. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system, including on-behalf payments for post-retirement medical contributions for District employees enrolled in the Public Employees Retirement System (PERS).

Revenues and expenses of governmental activities include the State's proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system, including the on-behalf actuarial determined post-retirement medical benefit amounts attributable to the District for District employees enrolled in the PERS retirement system.

5. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original budget of the general fund by $243,299 and the special revenue fund by $83,507. The increases were funded by the additional appropriation of maintenance reserve, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of maintenance reserve of $35,435 from the general fund.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned 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 which are reappropriated and honored during the subsequent fiscal year.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve 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-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	$ 106,168
Increased by:	
Deposits Approved by District Budget	450,000
Balance, June 30, 2025	$ 556,168

The June 30, 2025 LRFP balance costs of uncompleted capital projects is estimated by management to be $5,849,875. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan.

C. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve 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 fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	$ 405,506
Withdrawals Approved by Board Resolution	35,435
Balance, June 30, 2025	$ 370,071

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of $635,475.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of $250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of $1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	$ 250,000
Balance, June 30, 2025	$ 250,000

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2025 is $3,876,692. Of this amount, $2,000,309 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of $1,876,383 will be appropriated in the 2026/2027 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or $200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to $250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2025 the book value of the Board's deposits were $6,065,701 and bank and brokerage firm balances of the Board's deposits amounted to $6,333,676. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account	Bank Balance
Insured	$ 6,131,243
Uninsured and Collateral held by pledging financial institution's trust department but not in the Board's Name	202,433
	$ 6,333,676

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2025 $202,433 of the Board's bank balances were exposed to custodial credit risk.

Depository Account	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Board's name	$ 202,433
	$ 202,433

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

As of June 30, 2025, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2025 for the District's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Revenue	Capital Projects	Food Service	Total
Receivables:					
Intergovernmental-					
Federal		$ 49,391		$ 11,414	$ 60,805
State	$ 18,254	-	$ 244,172	1,306	263,732
Total Receivables	$ 18,254	$ 49,391	$ 244,172	$ 12,720	$ 324,537

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Total
Special Revenue Fund	
Unencumbered Grant Draw Downs	$ 102,351
Total Unearned Revenue for Governmental Funds	$ 102,351

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, July 1, 2024	Increases	Decreases	Adjustments	Balance, June 30, 2025
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 188,036				$ 188,036
Construction in Progess	1,349,519	$ 610,430	-	$ (1,304,424)	655,525
Total Capital Assets, Not Being Depreciated	1,537,555	610,430	-	(1,304,424)	843,561
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	32,114,183	5,112		-	32,119,295
Land Improvements	388,615	-	-	1,304,424	1,693,039
Machinery and Equipment	1,401,729	75,505	$ (40,205)	-	1,437,029
Total Capital Assets Being Depreciated	33,904,527	80,617	(40,205)	1,304,424	35,249,363
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(10,162,977)	(802,447)			(10,965,424)
Land Improvements	(316,101)	(19,127)			(335,228)
Machinery and Equipment	(1,006,899)	(171,891)	40,205	-	(1,138,585)
Total Accumulated Depreciation	(11,485,977)	(993,465)	40,205	-	(12,439,237)
Total Capital Assets, Being Depreciated, Net	22,418,550	(912,848)	-	1,304,424	22,810,126
Governmental Activities Capital Assets, Net	$ 23,956,105	$ (302,418)	$ -	$ -	$ 23,653,687

	Balance, July 1, 2024	Increases	Decreases	Balance, June 30, 2025
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	$ 118,481	-	-	$ 118,481
Total Capital Assets Being Depreciated	118,481	-	-	118,481
Less Accumulated Depreciation for:				
Machinery and Equipment	(66,363)	$ (6,102)	-	(72,465)
Total Accumulated Depreciation	(66,363)	(6,102)	-	(72,465)
Total Capital Assets, Being Depreciated, Net	52,118	(6,102)	-	46,016
Business-Type Activities Capital Assets, Net	$ 52,118	$ (6,102)	$ -	$ 46,016

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
Instruction	
Regular	$ 306,383
Special Education	725
Total Instruction	307,108
Support Services	
Student and Instruction Related Services	132
School Administration	132
Plant Operations and Maintenance	686,093
Total Support Services	686,357
Total Depreciation Expense - Governmental Activities	$ 993,465
Business-Type Activities:	
Food Service Fund	$ 6,102
Total Depreciation Expense - Business-Type Activities	$ 6,102

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Food Service Fund	$ 38,977
		$ 38,977

The above balances are the result of revenues earned in one fund which are due to another fund.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfers In Special Revenue Fund
Transfer Out:	
General Fund	$ 82,254
Total Transfers Out	$ 82,254

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2025 are comprised of the following issues:

$17,075,000, 2014 Refunding Bonds, due in annual installments of $1,270,000 to $1,490,000 through May 1, 2030, interest at 3.125% to 5.00%	$6,925,000

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds Principal	Interest	Total
2026	$ 1,270,000	$ 277,538	$ 1,547,538
2027	1,340,000	214,038	1,554,038
2028	1,390,000	160,438	1,550,438
2029	1,435,000	117,000	1,552,000
2030	1,490,000	59,600	1,549,600
Total	$ 6,925,000	$ 828,614	$ 7,753,614

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

3% of Equalized Valuation Basis (Municipal)	$ 93,208,220
Less: Net Debt Issued and Authorized But Not Issued	6,925,000
Remaining Borrowing Power	$ 86,283,220

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance, July 1, 2024	Additions	Reductions	Balance, June 30, 2025	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 8,140,000		$ 1,215,000	$ 6,925,000	$ 1,270,000
Original Issue Premium	441,876	-	110,862	331,014	101,653
Total Bonds Payable	8,581,876	-	1,325,862	7,256,014	1,371,653
Compensated Absences, Restated	264,002	$ 237,760	-	501,762	-
Net Pension Liability	1,797,229	-	142,562	1,654,667	-
Governmental Activity Long-Term Liabilities	$ 10,643,107	$ 237,760	$ 1,468,424	$ 9,412,443	$ 1,371,653

* The change in compensated absences liability is presented as a net change.

The governmental activities, liability for net pension liability and compensated absences is generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The District provides traditional health coverage with Horizon. The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims. NESBIG also provides insured coverage (multi-peril) to its member school districts.

The relationship between the Board and the insurance Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance Group are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2025, the District has not estimated its arbitrage earnings due to the IRS, if any.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions/annual-reports.

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

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions/annual-reports.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The following represent the membership tiers for TPAF:

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least $5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits ("Division"), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.nj.gov/treasury/pensions.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower Retirement (formerly Prudential) is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.nj.gov/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 is $13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is $49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2025.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2024 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2025, 2024 and 2023 were equal to the required contributions.

During the fiscal years ended June 30, 2025, 2024 and 2023 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2025	$ 165,702	$ 1,743,145	$ 15,085
2024	165,837	1,788,301	10,379
2023	150,202	1,881,867	20,508

In addition for fiscal years 2025, 2024 and 2023 the State contributed $502, $543 and $528, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $368,726 during the fiscal year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of $1,654,667 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2024. At June 30, 2024, the District's proportionate share was 0.01212 percent, which was a decrease of 0.00029 percent from its proportionate share measured as of June 30, 2024 of 0.01241 percent.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense of $27,476 for PERS. The pension contribution made by the District during the current 2024/2025 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2025 with a measurement date of the prior fiscal year end of June 30, 2025. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 33,146	$ 4,405
Changes of Assumptions	2,056	18,826
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		76,722
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	63,224	64,953
Total	$ 98,426	$ 164,906

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2025, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending June 30,	Total
2026	$ (81,837)
2027	59,853
2028	(21,792)
2029	(22,662)
2030	(42)
Thereafter	-
	$ (66,480)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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 generational basis. Mortality improvement is based on Scale MP-2021.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 the PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability as of the June 30, 2024 measurement date calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the PERS Net Pension Liability	$ 2,198,646	$ 1,654,667	$ 1,191,744

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District's net pension liability at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.nj.gov/treasury/pensions.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2023 through June 30, 2024. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2024, the State's pension contribution was more than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $74,809 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the net pension liability attributable to the District is $20,507,738. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was 0.04149 percent, which was a decrease of 0.00391 percent from its proportionate share measured as of June 30, 2023 of 0.04540 percent.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability as of the June 30, 2024 measurement date attributable to the District calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	$ 24,376,350	$ 20,507,738	$ 17,249,636

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2024. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.nj.gov/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* the post-retirement health benefit program plan is reported in a custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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 State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.nj.gov/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2024:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Total	372,741

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2024 is $59.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the June 30, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of $1.50 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were $509,349, $486,710 and $494,362, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2023 through June 30, 2024. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of $814,208. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the OPEB liability attributable to the District is $22,569,650. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was .03784 percent, which was a decrease of .00070 from its proportionate share measured as of June 30, 2023 of 0.03854 percent.

Actuarial Assumptions

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

	PERS	TPAF
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 5.65% Based on Years of Service

Mortality Rates

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2023 Measurement Date	$ 20,181,322
Changes Recognized for the Fiscal Year:	
Service Cost	803,806
Interest on the Total OPEB Liability	742,939
Differences Between Expected and Actual Experience	(298,960)
Changes of Assumptions	1,688,510
Gross Benefit Payments	(567,395)
Contributions from the Member	19,428
Net Changes	$ 2,388,328
Balance, June 30, 2024 Measurement Date	$ 22,569,650

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

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 26,433,894	$ 22,569,650	$ 19,461,996

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 18,800,683	$ 22,569,650	$ 27,478,979

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue 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.

For Carlstadt Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

NOTE 5 RESTATEMENT

During fiscal year 2025, the Carlstadt Board of Education implemented GASB Statement No. 101 "Compensated Absences". The Carlstadt Board of Education has determined that the effect of this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2024 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2024 have been restated to reflect certain activities related to compensated absences. The effect of this restatement is to decrease net position of governmental activities by $196,656 from $18,868,518 as previously reported to $18,671,862 as of June 30, 2024.

	District-wide Net Position
	Governmental Activities
Balance July 1, 2024 - As Reported	$ 18,868,518
Change in Accounting Principle (Adoption of GASB No.101)	(196,656)
	$ 18,671,862

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Tax Levy	$ 11,963,401		$ 11,963,401	$ 11,963,401	
Interest	40		40	222,711	$ 222,671
Rentals	-			21,850	21,850
Unrestricted Miscellaneous	21,146	-	21,146	89,085	67,939
Total Local Sources	11,984,587	-	11,984,587	12,297,047	312,460
State Sources					
Transportation Aid	45,263		45,263	45,263	
Security Aid	128,213		128,213	128,213	
Special Education Aid	586,121		586,121	586,121	-
Extraordinary Aid	150,000		150,000	184,702	34,702
On-behalf TPAF Pension System Contributions-Normal Costs & Accrued Liabilities (Non-Budget)				1,721,816	1,721,816
On-behalf TPAF Pension System Contributions-NCGI (Non-Budget)				21,329	21,329
On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget)				509,349	509,349
On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget)				502	502
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	368,726	368,726
Total State Sources	909,597	-	909,597	3,566,021	2,656,424
Federal Sources					
Medicaid Reimbursement	19,809	-	19,809	3,684	(16,125)
Total Federal Sources	19,809	-	19,809	3,684	(16,125)
Total Revenues	12,913,993	-	12,913,993	15,866,752	2,952,759
EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	-	$ 1,370	1,370	1,320	50
Kindergarten	257,165	7,495	264,660	263,700	960
Grades 1-5	1,963,812	(141,485)	1,822,327	1,821,674	653
Grades 6-8	1,200,774	126,355	1,327,129	1,160,967	166,162
Regular Program - Home Instruction					
Salaries of Teachers	22,200	-	22,200	3,874	18,326
Purchased Professional-Educational Services	7,876	11,210	19,086	11,210	7,876
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	449,407	7,204	456,611	449,602	7,009
Purchased Professional-Educational Services	146,170	45,576	191,746	168,940	22,806
General Supplies	286,090	(147)	285,943	227,499	58,444
Textbooks	47,113	-	47,113	25,911	21,202
Total Regular Programs	4,380,607	57,578	4,438,185	4,134,697	303,488

Continued

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Auditory Impairments					
Purchased Professional-Educational Services	$ 24,320	$ (14,150)	$ 10,170	$ 1,320	$ 8,850
Total Auditory Impairments	24,320	(14,150)	10,170	1,320	8,850
Resource Room/ Resource Center					
Salaries of Teachers	328,952	33,570	362,522	349,949	12,573
Total Resource Room	328,952	33,570	362,522	349,949	12,573
Preschool Disabilities - Full Time					
Salaries of Teachers	82,759	232	82,991	51,959	31,032
Other Salaries for Instruction	60,891	(322)	60,569	30,102	30,467
Total Preschool Disabilities - Full Time	143,650	(90)	143,560	82,061	61,499
Total Special Education	496,922	19,330	516,252	433,330	82,922
Basic Skills/Remedial					
Salaries of Teachers	258,404	(47,850)	210,554	122,435	88,119
Total Basic Skills/Remedial	258,404	(47,850)	210,554	122,435	88,119
Bilingual Education					
Salaries of Teachers	82,260	-	82,260	81,602	658
Total Bilingual Education	82,260	-	82,260	81,602	658
School Sponsored Co/Extra Curricular Activities					
Salaries	38,917	-	38,917	37,980	937
Supplies and Materials	8,140	90	8,230	5,435	2,795
Total School Sponsored Co/Extra Curricular Activities	47,057	90	47,147	43,415	3,732
Total Instruction	5,265,250	29,148	5,294,398	4,815,479	478,919
Instruction					
Tuition to Other LEAs Within the State-Special	782,470	(8,125)	774,345	705,719	68,626
Tuition to Priv. Sch. For the Disabled W/I State	311,085	(40,000)	271,085	168,146	102,939
Total Undistributed Expenditures - Instruction	1,093,555	(48,125)	1,045,430	873,865	171,565

Continued

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	$ 43,279	$ 624	$ 43,903	$ 43,902	$ 1
Purchased Professional and Technical Services	14,296	2,376	16,672	15,606	1,066
Total Attendance and Social Work Services	57,575	3,000	60,575	59,508	1,067
Health Services					
Salaries	110,910	-	110,910	104,594	6,316
Purchased Professional and Technical Services	4,000	-	4,000	4,000	-
Supplies and Materials	2,005	6,000	8,005	1,100	6,905
Total Health Services	116,915	6,000	122,915	109,694	13,221
Speech, OT, PT & Related Services					
Salaries	140,088	996	141,084	141,084	-
Purchased Professional-Educational Services	560,387	67,122	627,509	600,398	27,111
Supplies and Materials	1,500	-	1,500	-	1,500
Total Speech, OT, PT & Related Services	701,975	68,118	770,093	741,482	28,611
Other Support Serv. Students- Extra Serv.					
Other Object	4,500	-	4,500	120	4,380
Total Other Support Serv. Students- Extra Serv.	4,500	-	4,500	120	4,380
Guidance					
Salaries of Other Professional Staff	150,813	1,511	152,324	129,963	22,361
Purchased Professional-Educational Services	2,500	9,474	11,974	11,143	831
Supplies and Materials	1,700	(1,300)	400	398	2
Total Guidance	155,013	9,685	164,698	141,504	23,194
Child Study Teams					
Salaries of Other Professional Staff	581,642	-	581,642	511,368	70,274
Purchased Professional-Educational Services	59,266	(28,324)	30,942	17,557	13,385
Other Purchased Services	500	3,274	3,774	3,719	55
Supplies and Materials	10,000	2,551	12,551	6,055	6,496
Other Objects	2,000	-	2,000	1,240	760
Total Child Study Teams	653,408	(22,499)	630,909	539,939	90,970
Improvement of Instructional Services					
Salaries of Other Professional Staff	117,289	(6)	117,283	117,153	130
Purchased Professional-Educational Services		7,600	7,600	7,597	3
Other Purchased Services	2,000	(2,000)	-		-
Travel		1,556	1,556	1,280	276
Other Objects	1,500	-	1,500	1,180	320
Total Improvement of Instructional Services	120,789	7,150	127,939	127,210	729

Continued

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	$ 159,715	$ 193	$ 159,908	$ 158,684	$ 1,224
Travel		25	25	25	-
Supplies and Materials	1,018	(218)	800	758	42
Total Educational Media Serv./School Library	160,733	-	160,733	159,467	1,266
Support Services General Administration					
Salaries	273,954	-	273,954	273,736	218
Legal Services	42,800	15,081	57,881	56,694	1,187
Audit Fees	35,000	300	35,300	35,300	-
Architectural/Engineering Services	22,000	(8,506)	13,494	7,174	6,320
Other Purchased Professional Services	12,886	(2,581)	10,305	10,030	275
Purchased Technical Services	1,096	-	1,096	-	1,096
Communications/Telephone	3,370	9,775	13,145	9,986	3,159
Travel	-	3,164	3,164	2,371	793
BOE Other Purchased Services	5,470	(5,470)	-	-	-
Misc Purchased Services	16,260	767	17,027	15,016	2,011
General Supplies	1,500	-	1,500	923	577
Miscellaneous Expenditures	2,676	291	2,967	2,967	-
BOE Membership Dues and Fees	8,466	(291)	8,175	7,198	977
Total Support Services General Administration	425,478	12,530	438,008	421,395	16,613
Support Services School Administration					
Salaries of Principal/Asst. Principals	124,224	10,109	134,333	134,333	-
Salaries of Secretarial and Clerical Assistants	96,364	-	96,364	96,059	305
Other Purchased Services	3,263	(2,589)	674	-	674
Travel		1,209	1,209	325	884
Supplies and Materials	7,088	(885)	6,203	1,743	4,460
Other Objects	1,010	2,265	3,275	2,838	437
Total Support Services School Administration	231,949	10,109	242,058	235,298	6,760
Central Services					
Salaries	263,691	-	263,691	213,200	50,491
Purchased Professional Services	-	5,100	5,100	1,350	3,750
Miscellaneous Purchased Services	2,000	(2,000)	-	-	-
Supplies and Materials	2,295	35	2,330	1,864	466
Miscellaneous Expenditures	2,000	(400)	1,600	500	1,100
Total Central Services	269,986	2,735	272,721	216,914	55,807

Continued

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	$ 90,580		$ 90,580	$ 90,475	$ 105
Purchased Professional Services	42,160	$ 4,173	46,333	23,811	22,522
Purchased Technical Services	1,632	-	1,632	-	1,632
Travel		1,000	1,000	997	3
Other Purchased Services	1,000	(1,000)	-		-
Supplies and Material	483	(50)	433	-	433
Other Objects	1,540	50	1,590	1,590	-
Total Admin. Info. Technology	137,395	4,173	141,568	116,873	24,695
Required Maintenance for School Facilities					
Salaries	90,145	2,395	92,540	14,513	78,027
Cleaning, Repair and Maint. Serv.	93,384	122,737	216,121	215,917	204
General Supplies	42,528	(13,459)	29,069	28,180	889
Other Objects	800	-	800	-	800
Total Required Maintenance for School Fac.	226,857	111,673	338,530	258,610	79,920
Custodial Services					
Salaries	367,367	(2,395)	364,972	296,549	68,423
Salaries of Non-Instructional Aides	77,472	-	77,472	60,310	17,162
Purchased Professional and Technical Services	18,375	5,647	24,022	10,718	13,304
Cleaning, Repair and Maint. Serv.	57,631	(29,404)	28,227	8,303	19,924
Other Purchased Property Services	21,165	-	21,165	14,713	6,452
Insurance	235,048	(874)	234,174	224,603	9,571
Miscellaneous Purchased Services	4,735	255	4,990	4,990	-
General Supplies	22,894	236	23,130	16,260	6,870
Energy (Natural Gas)	69,000	(1,230)	67,770	30,156	37,614
Energy (Electricity)	258,000	1,230	259,230	235,799	23,431
Other Objects	3,978	451	4,429	815	3,614
Total Custodial Services	1,135,665	(26,084)	1,109,581	903,216	206,365
Security					
Cleaning, Repair, and Maintenance Services	78,182	7,020	85,202	78,785	6,417
General Supplies	20,435	-	20,435	17,103	3,332
Total Security	98,617	7,020	105,637	95,888	9,749
Student Transportation Services					
Contract. Svcs.(Spec Ed. Students)- Joint Agrmts	439,636	59,496	499,132	223,323	275,809
Total Student Transportation Services	439,636	59,496	499,132	223,323	275,809

Continued

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Unallocated Benefits - Employee Benefits					
Group Insurance	$ 10,628	-	$ 10,628	$ 6,885	$ 3,743
Social Security Contributions	151,557	$ 4,171	155,728	155,728	-
Board Share Retirement - Regular	-	20,508	20,508	15,085	5,423
Other Retirement Contributions-PERS	201,111	(24,679)	176,432	165,695	10,737
Unemployment Compensation	28,000	228	28,228	24,082	4,146
Unemployment Compensation (Non-Budget)		-		3,102	(3,102)
Workmen's Compensation	53,300	(228)	53,072	49,921	3,151
Health Benefits	2,171,042	-	2,171,042	1,753,625	417,417
Tuition Reimbursement	40,000	-	40,000	14,128	25,872
Other Employee Benefits	115,483	-	115,483	69,514	45,969
Total Unallocated Benefits - Employee Benefits	2,771,121	-	2,771,121	2,257,765	513,356
On-behalf TPAF Pension System Contributions- Normal Costs & Accrued Liability (Non-Budget)				1,721,816	(1,721,816)
On-behalf TPAF Pension System Contributions-NCGI Cost (Non-Budget)				21,329	(21,329)
On-behalf TPAF Contributions-Post Retirement Medical Contributions (Non-Budget)				509,349	(509,349)
On-behalf TPAF Contributions-Long-Term Disability Insurance Contributions (Non-Budget)				502	(502)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	368,726	(368,726)
Total Undistributed Expenditures	8,801,167	204,981	9,006,148	10,103,793	(1,097,645)
Interest Earned on Maintenance Reserve	20	-	20	-	20
Total Expenditures - Current Expenditures	14,066,437	234,129	14,300,566	14,919,272	(618,706)
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services Assessment for Debt Service on SDA Funding	36,191	-	36,191	36,191	-
Total Facilities Acquisition and Construction Services	36,191	-	36,191	36,191	-
Interest Earned on Capital Reserve	20	-	20	-	20
Total Capital Outlay	36,211	-	36,211	36,191	20

Continued

EXHIBIT C-1

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
Transfer of Funds to Charter School	$ 23,979	$ 9,170	$ 33,149	$ 33,149	-
Total Expenditures	14,126,627	243,299	14,369,926	14,988,612	$ (618,686)
Net Change in Fund Balance	(1,212,634)	(243,299)	(1,455,933)	878,140	2,334,073
Other Financing Sources (Uses)					
Transfers Out to Special Revenue Fund	(82,254)	-	(82,254)	(82,254)	-
Total Other Financing Sources	(82,254)	-	(82,254)	(82,254)	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(1,294,888)	(243,299)	(1,538,187)	795,886	2,334,073
Fund Balance, Beginning of Year	4,596,681	-	4,596,681	4,596,681	-
Fund Balance, End of Year	$ 3,301,793	$ (243,299)	$ 3,058,494	$ 5,392,567	$ 2,334,073

Recapitulation of Fund Balance

Restricted Fund Balance	
Excess Surplus - Designated for Subsequent Year's Expenditures	$ 2,000,309
Excess Surplus	1,876,383
Capital Reserve	556,168
Maintenance Reserve	370,071
Emergency Reserve	250,000
Unemployment Compensation Reserve	13,957
Assigned Fund Balance	
Year-End Encumbrances	10,268
Designated for Subsequent Year's Expenditures	30,709
Unassigned Fund Balance	284,702
Reconciliation to Governmental Funds Statements (GAAP):	5,392,567
Less: Final State Aid Payments Not Recognized on GAAP Basis	(255,830)
Fund Balance Per Governmental Funds (GAAP)	$ 5,136,737

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
Federal	$ 308,107	$ 77,712	$ 385,819	$ 306,208	$ (79,611)
State	681,336	-	681,336	677,697	(3,639)
Local Sources					
Miscellaneous	-	5,795	5,795	84,041	78,246
Total Revenues	989,443	83,507	1,072,950	1,067,946	(5,004)
EXPENDITURES					
Instruction					
Salaries of Teachers	179,961	(33,553)	146,408	145,746	662
Other Salaries for Instruction	26,630	787	27,417	27,416	1
Tuition	166,967	(6,066)	160,901	160,900	1
Student Activities Expenses (Non-budget)		-		75,147	(75,147)
General Supplies	38,723	(32,347)	6,376	3,805	2,571
Total Instruction	412,281	(71,179)	341,102	413,014	(71,912)
Support Services					
Salaries of Supervisors of Instruction		13,901	13,901	13,532	369
Salaries of Program Directors	14,008	(14,008)	-		-
Salaries of Other Professional Staff	10,990	-	10,990	10,717	273
Salaries of Community Parent Involvement Specialist	37,291	20,539	57,830	57,550	280
Salaries of Master Teachers	55,936	(18,602)	37,334	36,913	421
Personal Services-Employee Benefits	81,981	77,675	159,656	118,197	41,459
Purchased Education Services - Contracted Pre-K	401,700	-	401,700	401,700	-
Purchased Professional-Educational Services		62,103	62,103	30,281	31,822
Other Purchased Professional-Education Services	10,000	1,250	11,250	11,250	-
Travel	3,000	(3,000)	-	-	-
Miscellaneous Purchased Services		8,000	8,000	8,000	-
Supplies and Materials	44,510	6,828	51,338	45,652	5,686
Total Support Services	659,416	154,686	814,102	733,792	80,310
Total Expenditures	1,071,697	83,507	1,155,204	1,146,806	8,398
Net Change in Fund Balance	(82,254)	-	(82,254)	(78,860)	3,394
Other Financing Sources					
Transfers In - General Fund	82,254	-	82,254	82,254	-
Fund Balances, Beginning of Year	63,328	-	63,328	63,328	-
Fund Balances, End of Year	$ 63,328	$ -	$ 63,328	$ 66,722	$ 3,394
		Restricted for Student Activities		$ 66,722	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

CARLSTADT BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	$ 15,866,752	(C-2)	$ 1,067,946
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances, June 30, 2025				
Encumbrances, June 30, 2024				-
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2023/2024) State Aid and Extraordinary Aid)		253,565		
State Aid payment recognized for Budgetary purposes, not recognized for GAAP statements (2024/2025) State Aid and Extraordinary Aid)		(255,830)		-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	$ 15,864,487	(B-2)	$ 1,067,946
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	$ 14,988,612	(C-2)	$ 1,146,806
Differences - Budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2025				
Encumbrances, June 30, 2024		-		-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	$ 14,988,612	(B-2)	$ 1,146,806

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION AND POST-EMPLOYMENT BENEFITS INFORMATION

CARLSTADT BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System

Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0.01223%	0.01241%	0.01191%	0.01178%	0.01255%	0.01214%	0.01302%	0.01334%	0.01335%	0.01353%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 1,654,667	$ 1,797,229	$ 1,797,517	$ 1,395,371	$ 2,045,792	$ 2,187,862	$ 2,562,842	$ 3,104,915	$ 3,953,637	$ 3,038,057
District's Covered Payroll	$ 948,999	$ 941,632	$ 965,841	$ 851,601	$ 921,800	$ 836,036	$ 860,195	$ 917,750	$ 889,505	$ 896,630
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	174.36%	190.86%	186.11%	163.85%	221.93%	261.69%	297.94%	338.32%	444.48%	338.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

CARLSTADT BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 165,702	$ 165,837	$ 150,202	$ 137,942	$ 137,238	$ 118,109	$ 129,470	$ 123,564	$ 118,592	$ 116,354
Contributions in Relation to the Contractually Required Contribution	165,702	165,837	150,202	137,942	137,238	118,109	129,470	123,564	118,592	116,354
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 899,572	$ 948,999	$ 941,632	$ 965,841	$ 851,601	$ 921,800	$ 836,036	$ 860,195	$ 917,750	$ 889,505
Contributions as a Percentage of Covered Payroll	18.42%	17.47%	15.95%	14.28%	16.12%	12.81%	15.49%	14.36%	12.92%	13.08%

CARLSTADT BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	0	0	0	0	0	0	0	0	0	0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	$ 20,507,738	$ 23,170,529	$ 22,010,617	$ 20,192,772	$ 28,619,285	$ 25,040,233	$ 27,238,634	$ 29,053,290	$ 33,591,929	$ 27,651,224
Total	$ 20,507,738	$ 23,170,529	$ 22,010,617	$ 20,192,772	$ 28,619,285	$ 25,040,233	$ 27,238,634	$ 29,053,290	$ 33,591,929	$ 27,651,224
District's Covered Payroll	$ 4,948,200	$ 5,223,461	$ 5,008,921	$ 5,022,382	$ 4,752,579	$ 4,473,549	$ 4,422,799	$ 4,334,462	$ 4,294,039	$ 4,450,321
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

CARLSTADT BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5D.

CARLSTADT BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORAMTION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY

Postemployment Health Benefit Plan

Last Eight Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 803,806	$ 815,018	$ 1,033,438	$ 1,199,615	$ 659,846	$ 608,029	$ 695,489	$ 836,498
Interest on Total OPEB Liability	742,939	710,761	504,863	580,199	572,031	668,067	725,243	627,435
Changes of Benefit Terms	-	-	-	(23,806)			-	-
Differences Between Expected and Actual Experience	(298,960)	100,077	740,804	(3,424,816)	3,280,342	(2,040,271)	(1,936,314)	
Changes of Assumptions	1,688,510	40,677	(5,110,501)	22,066	4,467,089	236,899	(1,938,106)	(2,613,061)
Gross Benefit Payments	(567,395)	(554,050)	(500,081)	(457,034)	(425,741)	(487.731)	(451,608)	(439,847)
Contribution from the Member	19,428	18,214	16,043	14,833	12,904	14,458	15,608	16,196
Net Change in Total OPEB Liability	2,388,328	1,130,697	(3,315,434)	(2,088,943)	8,566,471	(1,000,549)	(2,889,688)	(1,572,779)
Total OPEB Liability - Beginning	20,181,322	19,050,625	22,366,059	24,455,002	15,888,531	16,889,080	19,778,768	21,351,547
Total OPEB Liability - Ending	$22,569,650	$ 20,181,322	$ 19,050,625	$ 22,366,059	$ 24,455,002	$ 15,888,531	$ 16,889,080	$ 19,778,768
District's Proportionate Share of OPEB Liability	$0	$0	$0	$0	$0	$0	$0	$0
State's Proportionate Share of OPEB Liability	22,569,650	20,181,322	19,050,625	22,366,059	24,455,002	15,888,531	16,889,080	19,778,768
Total OPEB Liability - Ending	$22,569,650	$ 20,181,322	$ 19,050,625	$ 22,366,059	$ 24,455,002	$ 15,888,531	$ 16,889,080	$ 19,778,768
District's Covered-Employee Payroll	$ 5,897,199	$ 6,165,093	$ 5,974,762	$ 5,873,983	$ 5,674,379	$ 5,309,585	$ 5,282,994	$ 5,252,212
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%

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

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

EXHIBIT M-2

CARLSTADT BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Changes in Benefit Terms:	None.
Changes of Assumptions	Assumptions used in calculating the OPEB liability are presented in Note 5E.

SPECIAL REVENUE FUND

CARLSTADT BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ESEA				IDEA		ESSER III				
	Title I	Title II-A	Title III	Title IV	Basic	Preschool	ARP ESSER III	Preschool Education Aid	Local Donations	Student Activities	Total
REVENUES											
Intergovernmental											
Local									$ 5,500	$ 78,541	$ 84,041
State								$ 677,697			677,697
Federal	$ 105,080	$ 3,995	$ 25,728	$ 8,342	$ 153,821	$ 7,079	$ 2,163	-	-	-	306,208
Total Revenues	105,080	3,995	25,728	8,342	153,821	7,079	2,163	677,697	5,500	78,541	1,067,946
EXPENDITURES											
Instruction											
Salaries of Teachers	68,864							76,882			145,746
Other Salaries for Instruction								27,416			27,416
Tuition - Other Purchased Services					153,821	7,079					160,900
Cocurricular/Extra Curricular Activities										75,147	75,147
General Supplies	-	-	3,500	-	-	-	-	-	305	-	3,805
Total Instruction	68,864	-	3,500	-	153,821	7,079	-	104,298	305	75,147	413,014
Support Services											
Salaries of Supervisors of Instruction								13,532			13,532
Salaries of Other Professional Staff								10,717			10,717
Salaries of Community Parent Involvement Specialist								57,550			57,550
Salaries of Master Teachers								36,913			36,913
Personnel Services - Employee Benefits	36,216							81,981			118,197
Purchased Education Services - Contracted Pre-K								401,700			401,700
Purchased Professional-Education Services		3,995	22,228	1,895			2,163		-	-	30,281
Other Purchased Professional-Education Services								11,250			11,250
Miscellaneous Purchased Services								8,000			8,000
Supplies and Materials	-	-	-	6,447	-	-	-	34,010	5,195	-	45,652
Total Support Services	36,216	3,995	22,228	8,342	-	-	2,163	655,653	5,195	-	733,792
Total Expenditures	105,080	3,995	25,728	8,342	153,821	7,079	2,163	759,951	5,500	75,147	1,146,806
Net Change in Fund Balance	-	-	-	-	-	-	-	(82,254)	-	3,394	(78,860)
Other Financing Sources											
Transfers In - General Fund	-	-	-	-	-	-	-	82,254	-	-	82,254
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	63,328	63,328
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 66,722	$ 66,722

CARLSTADT BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION EXPANSION AID SCHEDULE OF EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Final To Actual Variance
EXPENDITURES					
Instruction					
Salaries of Teachers	$ 77,544	-	$ 77,544	$ 76,882	$ 662
Other Salaries for Instruction	26,630	$ 787	27,417	27,416	1
Total Instruction	104,174	787	104,961	104,298	663
Support Services					
Salaries of Supervisors of Instruction	-	13,901	13,901	13,532	369
Salaries of Program Directors	14,008	(14,008)	-	-	-
Salaries of Other Professional Staff	10,990	-	10,990	10,717	273
Salaries of Community Parent Involvement Specialist	37,291	20,539	57,830	57,550	280
Salaries of Master Teachers	55,936	(18,602)	37,334	36,913	421
Personal Services - Employee Benefits	81,981	-	81,981	81,981	-
Purchased Ed. Services - Contracted Pre-K	401,700	-	401,700	401,700	-
Other Purchased Prof. - Ed. Services	10,000	1,250	11,250	11,250	-
Travel	3,000	(3,000)		-	-
Miscellaneous Purchased Services		8,000	8,000	8,000	-
Supplies and Materials	44,510	(8,867)	35,643	34,010	1,633
Total Support Services	659,416	(787)	658,629	655,653	2,976
Total Expenditures	$ 763,590	$ -	$ 763,590	$ 759,951	$ 3,639

Calculation of Budget Carryover

Total revised 2024-2025 Preschool Education Aid Allocation	$ 681,336
General Fund Contribution	82,254
Add: Actual PEA Carryover (June 30, 2024)	164,024
Total Preschool Ed. Aid Funds Available for 2024-2025 Budget	927,614
Less: 2024-2025 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	763,590
Available & Unbudgeted Preschool Funds as of June 30, 2025	$ 164,024
Add: June 30, 2025 Unexpended Preschool Education Aid	3,639
2024-2025 Carryover - Preschool Education Aid Programs	$ 167,663
2024-2025 Preschool Education Aid Carryover Budgeted in 2025-26	$ 164,023

SCHOOL BASED BUDGET SCHEDULES

(General Fund)

NOT APPLICABLE

CAPITAL PROJECTS FUND

CARLSTADT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project	Appropriations	Expenditures to Date Prior Periods	Expenditures to Date Current Year	Unexpended Balance, June 30, 2025
Replacement of Chiller Unit - 2023/2024	$ 1,316,417	$ 45,095	$ 610,430	$ 660,892
	$ 1,316,417	$ 45,095	$ 610,430	$ 660,892

Reconciliation to Fund Balance - GAAP

Project Balance	$ 660,892
Less: Unearned Revenue	(131,947)
Fund Balance - GAAP Basis, June 30, 2025	$ 528,945

Recapitulation of Fund Balance - GAAP

Restricted for Capital Projects:	
Available for Capital Projects	$ 528,945
Total Fund Balance - Restricted for Capital Projects - GAAP Basis - June 30, 2025	$ 528,945

CARLSTADT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Expenditures and Other Financing Uses		
Architect and Engineering Fees	$	21,430
Construction Services		589,000
Total Expenditures and Other Financing Uses		610,430
Excess (Deficit) of Revenues over (under) Expenditures		(610,430)
Fund Balance- Beginning of Year		1,271,322
Fund Balance- End of Year		660,892
Reconciliation to Fund Balance - GAAP		
Less: Unearned Revenue		(131,947)
Fund Balance, End of Year - GAAP Basis	$	528,945
Recapitulation of Fund Balance - GAAP		
Restricted for Capital Projects:		
Available for Capital Projects	$	528,945
	$	528,945

CARLSTADT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
REPLACEMENT OF CHILLER UNIT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Reserve	$ 940,298		$ 940,298	$ 940,298
State Sources - ROD Grants	376,119	-	376,119	376,119
Total Revenues and Other Financing Sources	1,316,417	-	1,316,417	1,316,417
Expenditures and Other Financing Uses				
Architect and Engineering Fees	45,095	$ 21,430	66,525	69,250
Purchased Professional and Technical Services	-	-	-	30,600
Construction Services	-	589,000	589,000	1,216,567
Total Expenditures and Other Financing Uses	45,095	610,430	655,525	1,316,417
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ 1,271,322	$ (610,430)	$ 660,892	$ -

Additional Project Information	
Project Number	#02-03-0740-050-23-R502
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	$ -
Bonds Issued	-
Original Authorized Cost	940,298
Additional Authorized Cost	376,119
Revised Authorized Cost	1,316,417
Percentage Increase (Decrease) Over Original Authorized Cost	28.57%
Percentage Completion	49.80%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	9/30/2025

ENTERPRISE FUND

EXHIBIT G-1

CARLSTADT BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

CARLSTADT BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2024	Retired	Balance, June 30, 2025
2014 Refunding Bonds	8/15/2014	$ 17,075,000	5/1/2026	$ 1,270,000	5.000 %			
			5/1/2027	1,340,000	4.000			
			5/1/2028	1,390,000	3.125			
			5/1/2029	1,435,000	4.000			
			5/1/2030	1,490,000	4.000	$ 8,140,000	$ 1,215,000	$ 6,925,000
					Totals	$ 8,140,000	$ 1,215,000	$ 6,925,000

EXHIBIT I-2

CARLSTADT BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OTHER FINANCING AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

EXHIBIT I-3

CARLSTADT BOARD OF EDUCATION
LONG TERM DEBT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Property Tax Levy	$ 1,553,288	-	$ 1,553,288	$ 1,553,288	-
Total Revenues	1,553,288	-	1,553,288	1,553,288	-
EXPENDITURES					
Regular Debt Service					
Principal	1,215,000	-	1,215,000	1,215,000	
Interest	338,288	-	338,288	338,287	$ 1
Total Expenditures	1,553,288	-	1,553,288	1,553,287	1
Net Change in Fund Balance	-	-	-	1	1
Fund Balance, Beginning of Year	1	-	1	1	-
Fund Balance, End of Year	$ 1	$ -	$ 1	$ 2	$ 1

STATISTICAL SECTION

This part of the Carlstadt's Board of Education's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	J-16 to J-20

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

CARLSTADT BOARD OF EDUCATION
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	As of June 30, 2025									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (Restated)	2025
Governmental Activities										
Net Investment in Capital Assets	$ 6,549,520	$ 7,033,392	$ 7,767,572	$ 8,542,152	$ 9,353,937	$ 10,577,804	$ 11,780,812	$ 15,007,548	$ 15,549,970	$ 16,529,322
Restricted	2,670,611	3,154,397	4,109,524	3,487,575	3,544,248	3,144,225	2,991,549	1,021,139	1,487,265	1,535,865
Unrestricted	(1,887,631)	(1,752,832)	(1,765,503)	(259,778)	120,698	365,306	1,866,805	1,650,287	1,634,627	1,927,376
Total Governmental Activities Net Position	$ 7,332,500	$ 8,434,957	$ 10,111,593	$ 11,769,949	$ 13,018,883	$ 14,087,335	$ 16,639,166	$ 17,678,974	$ 18,671,862	$ 19,992,563
Business-type Activities										
Net Investment in Capital Assets	$ 29,243	$ 23,583	$ 17,923	$ 11,758	$ 14,546	$ 8,560	$ 9,143	$ 8,071	$ 52,117	$ 46,016
Unrestricted	89,970	95,747	100,696	110,080	68,850	45,442	59,089	83,089	45,545	69,556
Total Business-Type Activities Net Position	$ 119,213	$ 119,330	$ 118,619	$ 121,838	$ 83,396	$ 54,002	$ 68,232	$ 91,160	$ 97,662	$ 115,572
District-wide										
Net Investment in Capital Assets	$ 6,578,763	$ 7,056,975	$ 7,785,495	$ 8,553,910	$ 9,368,483	$ 10,586,364	$ 11,789,955	$ 15,015,619	$ 15,602,087	$ 16,575,338
Restricted	2,670,611	3,154,397	4,109,524	3,487,575	3,544,248	3,144,225	2,991,549	1,021,139	1,487,265	1,535,865
Unrestricted	(1,797,661)	(1,657,085)	(1,664,807)	(149,698)	189,548	410,748	1,925,894	1,733,376	1,680,172	1,996,932
Total District Net Position	$ 7,451,713	$ 8,554,287	$ 10,230,212	$ 11,891,787	$ 13,102,279	$ 14,141,337	$ 16,707,398	$ 17,770,134	$ 18,769,524	$ 20,108,135

Note 1 - Net Position at June 30, 2020 was restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

Note 2 - Net Position at June 30, 2024 was restated to reflect the implementation of GASB Statement No. 101 "Compensated Absences".

Source: District financial statements

CARLSTADT BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)

(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	$ 6,472,470	$ 7,011,339	$ 6,960,672	$ 6,421,602	$ 6,235,987	$ 7,425,353	$ 6,612,485	$ 7,275,550	$ 6,735,892	$ 6,555,282
Special Education	1,571,026	2,070,018	2,060,410	1,944,445	2,353,713	2,088,618	1,850,471	2,284,138	2,212,319	1,704,668
Other Instruction	318,631	334,511	396,040	442,855	490,251	569,061	390,841	433,033	478,785	387,792
School Sponsored Activities and Athletics	49,051	59,056	52,280	56,732	43,357	41,720	129,628	125,691	117,936	139,298
Support Services:										
Student & Instruction Related Services	1,361,539	1,493,045	1,555,620	1,515,771	1,439,813	1,638,783	1,689,416	2,116,466	2,167,575	3,140,572
School Administrative Services	384,786	437,089	462,967	426,498	437,547	460,403	404,640	422,930	323,546	351,602
General Administration	472,367	487,572	514,378	509,177	529,735	626,877	488,991	506,281	499,975	543,460
Plant Operations and Maintenance	1,808,890	1,598,503	1,591,937	1,779,749	1,858,579	1,795,742	1,905,878	1,370,462	1,963,178	2,119,505
Pupil Transportation	163,966	217,035	185,581	237,959	212,095	155,647	160,901	319,706	206,956	223,323
Business/Central Svc./Admin. Info.	401,993	455,254	472,426	474,682	492,315	518,827	524,985	472,993	464,386	469,203
Interest on Long-Term Debt	601,477	587,731	572,097	543,440	502,130	458,565	412,959	364,807	314,369	261,392
Total Governmental Activities Expenses	13,606,196	14,751,153	14,824,408	14,352,910	14,595,522	15,779,596	14,571,195	15,692,057	15,484,917	15,896,097
Business-Type Activities:										
Food service	311,145	310,098	290,991	289,818	232,469	239,626	391,692	354,240	378,905	378,831
Total Business-Type Activities Expense	311,145	310,098	290,991	289,818	232,469	239,626	391,692	354,240	378,905	378,831
Total District Expenses	$ 13,917,341	$ 15,061,251	$ 15,115,399	$ 14,642,728	$ 14,827,991	$ 16,019,222	$ 14,962,887	$ 16,046,297	$ 15,863,822	$ 16,274,928
Program Revenues										
Governmental Activities:										
Charges for Services	$ 106,657	$ 98,738	$ 114,444	$ 166,478	$ 100,960	$ 88,849	$ 139,827	$ 178,663	$ 89,757	$ 78,541
Operating Grants and Contributions	3,046,369	3,904,299	4,190,206	3,330,269	2,996,938	4,182,919	3,436,494	3,312,696	3,237,784	3,043,750
Capital Grants and Contributions	-	3,043,750	3,043,750	244,172	-	-	-	27,372	-	244,172
Total Governmental Activities Program Revenues	$ 3,153,026	$ 7,046,787	$ 7,348,400	$ 3,740,919	$ 3,097,898	$ 4,271,768	$ 3,576,321	$ 3,518,731	$ 3,327,541	$ 3,366,463
Business-Type Activities:										
Charges for services										
Food Service	$ 183,292	$ 183,802	$ 175,349	$ 177,008	$ 114,870	$ 4,639	$ 47,194	$ 179,414	$ 180,339	$ 184,787
Operating Grants and Contributions	125,512	126,185	114,352	115,064	78,627	205,577	358,719	195,096	200,635	208,791
Capital Grants and Contributions	-	-	-	-	-	-	-			
Total Business Type Activities Program Revenues	308,804	309,987	289,701	292,072	193,497	210,216	405,913	374,510	380,974	393,578
Total District Program Revenues	$ 3,461,830	$ 7,356,774	$ 7,638,101	$ 4,032,991	$ 3,291,395	$ 4,481,984	$ 3,982,234	$ 3,893,241	$ 3,708,515	$ 3,760,041
Net (Expense)/Revenue										
Governmental Activities	$ (10,453,170)	$ (7,704,366)	$ (7,476,008)	$ (10,611,991)	$ (11,497,624)	$ (11,507,828)	$ (10,994,874)	$ (12,173,326)	$ (12,157,376)	$ (12,529,634)
Business-Type Activities	(2,341)	(111)	(1,290)	2,254	(38,972)	(29,410)	14,221	20,270	2,069	14,747
Total District-Wide Net Expense	$ (10,455,511)	$ (7,704,477)	$ (7,477,298)	$ (10,609,737)	$ (11,536,596)	$ (11,537,238)	$ (10,980,653)	$ (12,153,056)	$ (12,155,307)	$ (12,514,887)

EXHIBIT J-2

CARLSTADT BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property taxes levied for general purposes, net	$ 10,071,271	$ 10,272,696	$ 10,547,841	$ 10,792,767	$ 11,008,426	$ 11,008,426	$ 11,212,859	$ 11,323,329	$ 11,486,129	$ 11,963,401
Property taxes levied for debt service	1,538,861	1,532,308	1,545,388	1,545,788	1,550,788	1,548,288	1,553,537	1,551,038	1,551,038	1,553,288
Unrestricted grants and contributions	6,205	6,117	5,782	392	-	-	189,378	-	-	-
Investment earnings	7,613	16,386	71,124	142,109	120,359	5,667	7,746	148,698	240,497	222,711
Miscellaneous income	440,024	23,066	26,259	33,463	10,313	13,899	227,451	190,069	69,256	110,935
Insurance Proceeds							355,734	-	-	-
Total Governmental Activities	12,063,974	11,850,573	12,196,394	12,514,519	12,689,886	12,576,280	13,546,705	13,213,134	13,346,920	13,850,335
Business-Type Activities:										
Investment earnings	171	228	579	965	530	16	9	2,658	4,433	3,163
Total Business-Type Activities	171	228	579	965	530	16	9	2,658	4,433	3,163
Total District-Wide	$ 12,064,145	$ 11,850,801	$ 12,196,973	$ 12,515,484	$ 12,690,416	$ 12,576,296	$ 13,546,714	$ 13,215,792	$ 13,351,353	$ 13,853,498
Change in Net Position										
Governmental Activities	$ 1,610,804	$ 4,146,207	$ 4,720,386	$ 1,902,528	$ 1,192,262	$ 1,068,452	$ 2,551,831	$ 1,039,808	$ 1,189,544	$ 1,320,701
Business-Type Activities	(2,170)	117	(711)	3,219	(38,442)	(29,394)	14,230	22,928	6,502	17,910
Total District	$ 1,608,634	$ 4,146,324	$ 4,719,675	$ 1,905,747	$ 1,153,820	$ 1,039,058	$ 2,566,061	$ 1,062,736	$ 1,196,046	$ 1,338,611

Source: District financial statements

CARLSTADT BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	$ 3,352,211	$ 3,881,751	$ 5,199,483	$ 5,932,272	$ 6,178,164	$ 5,722,682	$ 6,522,680	$ 4,066,722	$ 3,975,074	$ 5,066,888
Committed	14,721	333,035								
Assigned	61,713	89,863	131,669	245,899	288,294	273,118	243,335	637,515	306,720	40,977
Unassigned	236,057	241,613	231,617	238,201	249,937	454,732	625,706	108,332	61,322	28,872
Total General Fund	$ 3,664,702	$ 4,546,262	$ 5,562,769	$ 6,416,372	$ 6,716,395	$ 6,450,532	$ 7,391,721	$ 4,812,569	$ 4,343,116	$ 5,136,737
All Other Governmental Funds										
Restricted	$ 8,130				$ 55,666	$ 45,401	$ 45,735	$ 55,812	$ 958,532	$ 595,669
Total All Other Governmental Funds	$ 8,130	$ -	$ -	$ -	$ 55,666	$ 45,401	$ 45,735	$ 55,812	$ 958,532	$ 595,669

Note 1 - Fund balances as of June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

Source: District financial statements

EXHIBIT J-4

CARLSTADT BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property Tax levy	$ 11,610,132	$ 11,805,004	$ 12,093,229	$ 12,338,555	$ 12,559,214	$ 12,556,714	$ 12,766,396	$ 12,874,367	$ 13,037,167	$ 13,516,689
Interest Earnings	7,613	16,386	71,124	142,109	120,359	5,667	7,746	148,698	240,497	222,711
Miscellaneous	547,654	137,685	141,622	200,896	111,273	110,461	445,173	368,732	163,013	194,976
State Sources	1,439,934	1,585,071	1,786,257	1,940,317	2,159,391	2,497,570	3,377,169	3,488,391	3,876,524	4,485,625
Federal Sources	265,197	270,183	269,079	261,777	279,664	368,858	597,127	991,813	426,087	309,892
Total Revenues	13,870,530	13,814,329	14,361,311	14,883,654	15,229,901	15,539,270	17,193,611	17,872,001	17,743,288	18,729,893
Expenditures										
Instruction										
Regular Instruction	5,285,357	5,277,159	5,388,314	5,584,814	5,734,006	6,448,049	6,976,605	8,004,160	7,360,090	7,443,933
Special Education Instruction	1,423,526	1,822,446	1,816,574	1,824,000	2,281,627	1,976,402	1,926,364	2,416,078	2,334,111	1,843,432
Other Instruction	268,301	256,964	306,615	395,161	461,375	501,315	422,142	481,184	542,059	453,672
School Sponsored Activities and Athletics	41,082	46,266	42,178	49,890	40,316	39,862	134,191	135,256	125,405	151,560
Community Service Programs										
Support Services:										
Student & Inst. Related Services	1,323,855	1,376,350	1,399,660	1,467,379	1,465,840	1,576,384	1,737,759	1,685,742	2,257,762	3,117,673
General Administrative	461,718	455,924	472,365	495,965	537,277	609,421	499,909	539,372	520,260	538,296
School Administrative Services	332,955	348,993	375,618	383,025	418,709	413,869	436,339	482,102	359,834	393,032
Plant Operations and Maintenance	1,240,196	1,016,119	998,687	1,171,887	1,284,916	1,186,851	1,256,321	1,435,126	1,423,328	1,426,406
Pupil Transportation	163,126	214,449	182,090	237,636	212,095	155,647	160,901	319,706	206,956	223,323
Business Svcs./Central Svcs/Admin. Info. Tech.	389,905	416,808	423,065	457,071	490,069	498,156	529,378	503,427	475,746	463,474
Capital outlay	18,039	168,983	394,250	417,435	453,867	861,154	974,375	2,887,885	153,433	691,047
Debt service:										
Principal	810,000	835,000	865,000	900,000	950,000	995,000	1,050,000	1,100,000	1,155,000	1,215,000
Interest and other charges	729,738	705,438	680,388	645,788	600,787	553,288	503,538	451,038	396,037	338,287
Total Expenditures	12,487,798	12,940,899	13,344,804	14,030,051	14,930,884	15,815,398	16,607,822	20,441,076	17,310,021	18,299,135
Excess (Deficiency) of Revenues over (under) Expenditures	1,382,732	873,430	1,016,507	853,603	299,017	(276,128)	585,789	(2,569,075)	433,267	430,758
Other Financing sources (uses)										
Transfers in	8	-	-	-	-	-	-	-	969,924	82,254
Transfers out	(8)	-	-	-	-	-	-	-	(969,924)	(82,254)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ 1,382,732	$ 873,430	$ 1,016,507	$ 853,603	$ 299,017	$ (276,128)	$ 585,789	$ (2,569,075)	$ 433,267	$ 430,758
Debt service as a percentage of noncapital expenditures	14.09%	13.72%	13.55%	12.81%	12.00%	11.55%	11.03%	9.69%	9.94%	9.67%

* Noncapital expenditures are total expenditures less capital outlay and debt service.

Source: District financial statements

CARLSTADT BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Interest Earned	Tuition	Rentals	Refunds/ Reimbursements	Insurance Settlement/Refund	Legal Settlement	E-Rate	Miscellaneous	Total
2016	$ 7,605	$ 61,537	$ 45,120			$ 410,000		$ 30,024	$ 554,286
2017	16,386	52,785	45,953	$ 11,107			$ 8,078	3,881	138,190
2018	71,124	67,644	46,800	12,768			10,519	2,972	211,827
2019	142,109	117,808	48,670	6,840	$ 10,818		14,225	1,580	342,050
2020	120,359	51,405	49,555	392			1,530	8,391	231,632
2021	5,667	42,894	45,955	494	6,875		1,710	4,820	108,415
2022	7,746	87,952	51,875	362	389,099		14,081	79,536	630,651
2023	148,698	56,160	52,810	35	54,962		8,672	126,400	447,737
2024	240,497	18,635	-		18,346			50,910	328,388
2025	268,811	-	21,850	2,061			3,568	37,356	333,646

Source: District financial statements

CARLSTADT BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2016	$ 30,238,700	$ 512,535,900			$ 337,670,700	$ 1,085,006,205	$ 12,497,700	$ 1,977,949,205	$ 3,473,074	$ 1,981,422,279	$ 2,187,721,816	0.596
2017	26,542,600	558,534,900			401,686,300	1,248,209,800	12,256,700	2,247,230,300	3,837,014	2,251,067,314	2,290,376,074	0.538
2018	27,363,800	570,090,500			386,003,900	1,313,982,000	12,607,300	2,310,047,500	3,837,014	2,313,884,514	2,327,118,392	0.533
2019	28,374,300	584,327,100			405,706,600	1,415,030,800	12,998,400	2,446,437,200	3,837,014	2,450,274,214	2,389,704,018	0.530
2020	27,114,600	610,110,800			405,771,000	1,516,042,500	13,496,500	2,572,535,400	4,391,676	2,576,927,076	2,499,177,637	0.488
2021	21,331,300	652,435,300			405,723,600	1,531,068,200	13,655,000	2,624,213,400	4,512,252	2,628,725,652	2,657,552,097	0.486
2022	21,167,400	694,969,500			408,806,300	1,660,860,200	14,055,600	2,799,859,000	4,413,386	2,804,272,386	2,689,627,863	0.459
2023	30,435,600	753,633,800			418,913,900	1,792,463,400	14,937,600	3,010,384,300	4,485,384	3,014,869,684	2,936,833,889	0.433
2024	30,641,800	824,044,600			431,571,400	1,946,576,900	16,468,500	3,249,303,200	4,601,292	3,253,904,492	3,303,716,063	0.416
2025	48,734,800	859,312,900			450,233,000	2,024,619,600	16,980,600	3,399,880,900	4,552,151	3,404,433,051	3,452,299,478	0.412

Source: County Abstract of Ratables

[a] Tax rates are per $100

CARLSTADT BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)

(rate per $100 of assessed value)

Calendar Year	Total Direct School Tax Rate	Overlapping Rates				Total Direct and Overlapping Tax Rate
		Regional School District	Municipality	Municipal Library	County	
2016	$ 0.596	$ 0.364	$ 0.869	$ 0.036	$ 0.261	$ 2.126
2017	0.538	0.324	0.763	0.034	0.247	1.906
2018	0.533	0.322	0.780	0.048	0.239	1.922
2019	0.530	0.295	0.759	0.031	0.238	1.853
2020	0.488	0.270	0.746	0.030	0.241	1.775
2021	0.486	0.278	0.762	0.033	0.254	1.813
2022	0.459	0.242	0.726	0.030	0.231	1.688
2023	0.433	0.246	0.703	0.031	0.222	1.635
2024	0.416	0.250	0.725	0.033	0.237	1.661
2025	0.412	0.251	0.772	0.033	0.237	1.705

Source: Municipal Tax Collector

Note: Bergen County Board of Taxation certifies only the total tax rate of each taxing entity and the combined total tax rate of the respective municipality

CARLSTADT BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2025 Taxable Assessed Value	2025 % of Total District Net Assessed Value	2016 Taxable Assessed Value	2016 % of Total District Net Assessed Value
Russo	$ 321,953,600	12.5%		
AMB Properties	265,656,000	28.4%		
600 Washington Ave, LLC	53,633,500	5.7%		
Starke Commercial Center	48,799,600	5.2%		
Trans Con Pipe Line	40,164,200	4.3%		
760 Washington Ave, LLC	32,166,000	3.4%		
455 Sixteenth St., LLC	30,801,300	3.3%		
LIT Meadowlands, LLC	27,257,800	2.9%		
STRS Ohio	24,460,800	2.6%		
Centerpoint Commercial, LLC	23,387,500	2.5%		
	$ 868,280,300	71.01%		
Russo			$ 221,871,700	11.2%
AMB			97,474,600	4.9%
Trans Con Pipe Line			85,454,600	4.3%
Prologis Trust			61,460,900	3.1%
I&G Direct			24,054,700	1.2%
Plank Pat. Realty			18,520,900	0.9%
455 Sixteenth St. LLC			17,313,700	0.9%
Barrel Sister Group			10,756,200	0.5%
Thumann, Inc.			12,317,800	0.6%
A.G. Holdings			12,000,000	0.6%
			$ 561,225,100	28.32%

Source: Municipal Tax Assessor

EXHIBIT J-9

CARLSTADT BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 11,610,132	$ 11,610,132	100.00%	
2017	11,805,004	11,805,004	100.00%	
2018	12,093,229	11,214,242	92.73%	$ 878,987
2019	12,338,555	12,338,555	100.00%	
2020	12,559,214	11,512,613	91.67%	1,046,601
2021	12,556,714	11,510,321	91.67%	1,046,393
2022	12,766,396	12,766,396	100.00%	
2023	12,874,367	12,874,367	100.00%	
2024	13,037,167	13,037,167	100.00%	
2025	13,516,689	13,516,689	100.00%	

Source: District financial records

CARLSTADT BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital and Other Financing Agreements	Total District	Population	Per Capita
2016	$ 15,990,000	$ -	$ 15,990,000	6,177	$ 2,589
2017	15,155,000	-	15,155,000	6,207	2,442
2018	14,290,000	-	14,290,000	6,166	2,318
2019	13,390,000	-	13,390,000	6,132	2,184
2020	12,440,000	-	12,440,000	6,109	2,036
2021	11,445,000	-	11,445,000	6,341	1,805
2022	10,395,000	-	10,395,000	6,319	1,645
2023	9,295,000	-	9,295,000	6,333	1,468
2024	8,140,000	-	8,140,000	6,454 E	1,261
2025	6,925,000	-	6,925,000	6,454 E	1,073

Source: District records

E - Estimate

CARLSTADT BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	$ 15,990,000	$ 8,130	$ 15,981,870	0.81%	$ 2,587
2017	15,155,000		15,155,000	0.67%	2,442
2018	14,290,000		14,290,000	0.62%	2,318
2019	13,390,000		13,390,000	0.55%	2,184
2020	12,440,000		12,440,000	0.48%	2,036
2021	11,445,000		11,445,000	0.44%	1,805
2022	10,395,000		10,395,000	0.37%	1,645
2023	9,295,000		9,295,000	0.31%	1,468
2024	8,140,000		8,140,000	0.25%	1,261
2025	6,925,000		6,925,000	0.20%	1,073

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

EXHIBIT J-12

CARLSTADT BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
(Unaudited)

	Total Debt
Municipal Debt: (1)	
Carlstadt Board of Education	$ 8,200,000
Regional School District (Carlstadt & East Rutherford)	-
Borough of Carlstadt	38,466,000
	46,666,000
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	24,529,116
Bergen County Utilities Authority - Water Pollution (B)	2,166,393
	26,695,509
Total Direct and Overlapping Debt	$ 73,361,509

Source:
(1) Borough of Carlstadt's 2024 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Carlstadt by dividing the municipality's 2024 equalized value by the total 2024 equalized value for Bergen County.
(B) Overlapping debt was computed based upon municipal flow to the Authority.

CARLSTADT BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2024

		Equalized valuation basis	
		2024	$ 3,425,367,067
		2023	3,275,361,005
		2022	2,530,093,907
	[A]		$ 9,230,821,979
Average equalized valuation of taxable property	[A/3]		$ 3,076,940,660
Debt limit (3 % of average equalization value)	[B]		92,308,220 a
Total Net Debt Applicable to Limit	[C]		6,925,000
Legal debt margin	[B-C]		$ 85,383,220

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 61,436,860	$ 65,366,381	$ 77,781,758	$ 88,853,051	$ 89,749,564	$ 72,998,521	$ 75,432,231	$ 79,787,372	$ 58,054,549	$ 92,308,220
Total net debt applicable to limit	15,990,000	15,155,000	14,290,000	13,390,000	12,440,000	11,445,000	10,395,000	9,295,000	8,140,000	6,925,000
Legal debt margin	$ 45,446,860	$ 50,211,381	$ 63,491,758	$ 75,463,051	$ 77,309,564	$ 61,553,521	$ 65,037,231	$ 70,492,372	$ 49,914,549	$ 85,383,220
Total net debt applicable to the limit as a percentage of debt limit	26.03%	23.18%	18.37%	15.07%	13.86%	15.68%	13.78%	11.65%	14.02%	7.50%

Source: Annual Debt Statements

EXHIBIT J-14

CARLSTADT BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Year	Population	County Per Capita Personal Income	Unemployment Rate
2016	6,181	$ 76,367	4.80%
2017	6,214	78,611	4.70%
2018	6,191	82,731	4.20%
2019	6,132	86,871	3.50%
2020	6,109	88,256	11.20%
2021	6,809	94,342	7.40%
2022	6,319	96,434	3.50%
2023	6,333	102,229	4.00%
2024	6,454	N/A	4.30%
2025	6,454 E	N/A	N/A

N/A - Not Available
E - Estimate

Source: New Jersey State Department of Education

EXHIBIT J-15

CARLSTADT BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2025		2016	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

EXHIBIT J-16

CARLSTADT BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	50	50	50	40	40	40	40	46	47	46
Special Education										
Other Special Education	10	10	10	10	10	10	11	12	12	13
Vocational										
Other Instruction	1			11	11	11	10	7	7	1
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	8	8	8	8	9	9	4	4	4	4
General administration	2	2	2	2	2	2	3	3	3	3
School administrative services	6	5	5	5	5	5	7	3	3	2
Other administrative services										
Central services	2	2	2	2	2	2	2	2	2	2
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	5	3	3	6	5	5	4	5	5	5
Pupil transportation										
Other support services										
Special Schools										
Food Service									1	1
Child Care							3			
	85	81	81	85	85	85	85	83	85	78

Source: District Personnel Records

EXHIBIT J-17

CARLSTADT BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment [a]	Operating Expenditures [b]	Cost Per Pupil [c]	Percentage Change	Teaching Staff	Teacher/Pupil Ratio Elementary	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	559	$ 10,930,021	$ 19,553	13.00%	50	1:11	564	537	-4.73%	95.21%
2017	538	11,231,478	20,876	6.77%	50	1:11	535	514	-5.14%	96.07%
2018	558	11,405,166	20,439	-2.09%	50	1:11	541	512	1.12%	94.64%
2019	551	12,066,828	21,900	7.15%	40	1:14	549	522	1.48%	95.08%
2020	538	12,962,448	24,094	10.02%	40	1:13	539	521	-1.82%	96.66%
2021	517	12,725,023	24,613	2.16%	40	1:13	511	494	-5.19%	96.67%
2022	525	14,079,909	26,819	8.96%	40	1:13	524	493	2.54%	94.08%
2023	516	16,002,153	31,012	15.63%	46	1:13	530	496	1.15%	93.54%
2024	516	15,605,551	30,243	-2.48%	47	1:12	512	483	-3.40%	94.34%
2025	484	16,054,801	33,171	9.68%	46	1:11	512	458	0.00%	89.45%

Sources: District records

Note:
a Enrollment based on annual October district count.
b Operating expenditures equal total expenditures less debt service and capital outlay.
c Cost per pupil represents operating expenditures divided by enrollment.

EXHIBIT J-18

CARLSTADT BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Carlstadt Public School										
Square Feet	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000
Capacity (students)										
Enrollment	559	538	558	551	538	517	525	516	531	484

Number of Schools at June 30, 2025
Elementary/Middle = 1

Source: District Records

CARLSTADT BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

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

Project # (s)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
School Facilities										
Carlstadt School Public School	$ 324,017	$ 150,071	$ 135,083	$ 130,157	$ 181,310	$ 157,133	$ 155,425	$ 186,107	$ 237,939	$ 258,610
Grand Total	$ 324,017	$ 150,071	$ 135,083	$ 130,157	$ 181,310	$ 157,133	$ 155,425	$ 186,107	$ 237,939	$ 258,610

Source: District Records

Source: School District's financial statements

CARLSTADT BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2025
(Unaudited)

	Coverage	Deductible
Property *		
Blanket Buildings and Contents	$ 42,028,393	$5,000
Commercial General Liability *	1,000,000	
Employers Liability	1,000,000	
Automobile *	1,000,000	
Commercial Umbrella		
National Union Fire Insurance	9,000,000	First Umbrella Layer
Hudson Insurance	10,000,000	Excess Unshared Umbrella
Allied World	10,000,000	Excess Unshared Umbrella
Evanston	10,000,000	Excess Unshared Umbrella
Fireman's Fund Insurance Co.	25,000,000	Shared Pool Excess Layer
Boiler and Machinery*	250,000	Shared Pool Limit $5,000
Education Legal Liability/Employment Practices Liability		
Greenwich Insurance Co.	1,000,000	$10,000
Excess & Special Risk (Terrorism)		
American Alternative Insurance Co.	1,000,000	$5,000
Public Employee Dishonesty **	500,000	
Cyber Liability	1,000,000	$5,000
BCS Insurance Company		

* National Union Fire Insurance

**Selective Insurance Company of America

Source: School District's records

SINGLE AUDIT SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Carlstadt Board of Education
Carlstadt, New Jersey

We have audited, in accordance with the 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Carlstadt Board of Education as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Carlstadt Board of Education's basic financial statements and have issued our report thereon dated November 18, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Carlstadt Board of Education'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 Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Carlstadt Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 18, 2025.

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 Carlstadt Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Carlstadt Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
November 18, 2025

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Carlstadt Board of Education
Carlstadt, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Carlstadt Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Carlstadt Board of Education's major state programs for the fiscal year ended June 30, 2025. The Carlstadt Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Carlstadt Board of Education'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 the Carlstadt Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Carlstadt Board of Education's compliance with the requirements of each major state program as a whole.

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

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

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

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.

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

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

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

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Carlstadt Board of Education, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated November 18, 2025, which contained unmodified on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
November 18, 2025

EXHIBIT K-3

CARLSTADT BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, July 1, 2024 Unearned Revenue	Balance, July 1, 2024 (Accounts Receivable)	Balance, July 1, 2024 Due to Grantor	Carryover Deferred Revenue	Carryover Receivable	Cash Received	Budgetary Expenditures	Adjustments Unearned Revenue	Adjustments (Accounts Receivable)	Balance, June 30, 2025 Unearned Revenue	Balance, June 30, 2025 (Accounts Receivable)	Balance, June 30, 2025 Due to Grantor	Memo GAAP Receivable
U.S. Department of Agriculture																	
Passed-through State Department of Education																	
Enterprise Fund																	
National School Lunch Program	10.555																
Non-Cash Assistance (Food Distribution)		241NJ304N1099	7/1/23-6/30/24	$ 27,170	$ 970					$ 27,170	$ 26,523			$ 1,617			
Cash Assistance		251NJ304N1099	7/1/24-6/30/25	132,500						123,414	132,500				$ (9,086)		$ (9,086)
Cash Assistance		241NJ304N1099	7/1/23-6/30/24	105,253		$ (7,624)				7,624							
Health Hunger-Free Kids Act of 2011	10.555																
Cash Assistance		251NJ304N1099	7/1/24-6/30/25	4,770						4,445	4,770				(325)		(325)
Cash Assistance		241NJ304N1099	7/1/23-6/30/24	4,032		(298)				298							
S-EBT Administrative	10.646	202424N180341	7/1/24-6/30/25	322						322	322			-	-		
LOCAL FOOD FOR SCHOOLS (LFS) COOPERATIVE	10.185	N/A	7/1/24-6/30/25	1,753						1,753	1,753			-	-		
National School Breakfast Program	10.553																
Cash Assistance		251NJ304N1099	7/1/24-6/30/25	22,707						20,704	22,707				(2,003)		(2,003)
Cash Assistance		241NJ304N1099	7/1/23-6/30/24	11,944	-	(1,022)	-	-	-	1,022	-	-	-	-	-	-	-
Total U.S. Department of Agriculture/Child Nutrition Cluster					**970**	**(8,944)**	**-**	**-**	**-**	**186,752**	**188,575**	**-**	**-**	**1,617**	**(11,414)**	**-**	**(11,414)**
U.S. Department of Education																	
General Fund																	
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	7/1/24-6/30/25	3,684	-	-	-	-	-	3,684	3,684	-	-	-	-	-	-
Total General Fund					**-**	**-**	**-**	**-**	**-**	**3,684**	**3,684**	**-**	**-**	**-**	**-**	**-**	**-**
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund																	
ESEA Title III (Consortium)	84.365A	S365A240030	7/1/24-9/30/25	13,362				$ 12,866	$ (12,866)	22,228	25,728			500	(4,000)		(3,500)
ESEA Title III (Consortium)	84.365A	S365A230030	7/1/23-9/30/24	12,866	12,866	(14,515)	-	(12,866)	12,866	1,649	-	-	-	-	-	-	-
ESEA Title III Imm.	84.365A	S365A240030	7/1/24-9/30/25	1,252	-	-	-	-	-	-	-	-	-	1,252	(1,252)	-	-
Total Title III Cluster					12,866	(14,515)	-	-	-	23,877	25,728	-	-	1,752	(5,252)	-	(3,500)
IDEA Part B	84.027	H027A240100	7/1/24-9/30/25	153,821				1	(1)	153,821	153,821			1	(1)		-
IDEA Part B	84.027	H027A230100	7/1/23-9/30/24	159,621	1	(109,986)		(1)	1	109,985				-	-		
IDEA Preschool	84.173	H173A240114	7/1/24-9/30/25	7,079	-	-	-	-	-	7,079	7,079	-	-	-	-	-	-
Total IDEA Cluster					1	(109,986)	-	-	-	270,885	160,900	-	-	1	(1)	-	-
ESEA Title I	84.010	S010A240030	7/1/24-9/30/25	105,946				8,015	(8,015)	61,324	105,080			8,881	(52,637)		(43,756)
ESEA Title I	84.010	S010A230030	7/1/23-9/30/24	102,417	8,015	(47,800)		(8,015)	8,015	39,785				-	-		
ESEA Title II- A	84.367A	S367A240029	7/1/24-9/30/25	15,211				14,664	(14,664)	3,755	3,995	(10,669)	10,669	15,211	(15,451)		(240)
ESEA Title II- A	84.367A	S367A230029	7/1/23-9/30/24	15,857	14,664	(14,863)		(14,664)	14,664	199				-	-		
ESEA Title IV	84.424	S424A240031	7/1/24-9/30/25	10,000			-	10,000	(10,000)	6,447	8,342	(1,658)	1,658	10,000	(11,895)	-	(1,895)
ESEA Title IV	84.424	S424A230031	7/1/23-9/30/24	10,000	10,000	(10,000)		(10,000)	10,000					-	-		-
Elementary and Secondary School Emergency Relief (ESSER III)																	-
American Rescue Plan (ARP) Act																	-
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	664,466	2,163	(13,582)	-	-	-	13,582	2,163	-	-	-	-	-	-
Total ESSER Cluster					2,163	(13,582)	-	-	-	13,582	2,163	-	-	-	-	-	-
Total Special Revenue Fund					**47,709**	**(210,746)**	**-**	**-**	**-**	**419,854**	**306,208**	**(12,327)**	**12,327**	**35,845**	**(85,236)**	**-**	**(49,391)**
Total Federal Awards					**$ 48,679**	**$ (219,690)**	**$ -**	**$ -**	**$ -**	**$ 610,290**	**$ 498,467**	**$ (12,327)**	**$ 12,327**	**$ 37,462**	**$ (96,650)**	**$ -**	**$ (60,805)**

Note: Not subject to a Federal Single Audit.

CARLSTADT BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2024 Unearned Revenue	Balance, June 30, 2024 (Accounts Receivable)	Balance, June 30, 2024 Carryover Amount	Cash Received	Budgetary Expenditures	Transfers	Balance, June 30, 2025 Unearned Revenue	Balance, June 30, 2025 (Accounts Receivable)	Balance, June 30, 2025 Due to Grantor	MEMO GAAP Receivable	MEMO Cumulative Total Expenditures
State Department of Education														
General Fund														
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	$ 128,213				$ 116,207	$ 128,213			$ (12,006)			$ 128,213
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	90,471		$ (6,881)		6,881							-
Special Education Categorical Aid	25-495-034-5120-089	7/1/24-6/30/25	586,121				531,237	586,121			(54,884)			586,121
Special Education Categorical Aid	25-495-034-5120-089	7/1/23-6/30/24	560,882	-	(42,657)	-	42,657	-	-	-	-	-	-	-
Total State Aid Public Cluster				-	(49,538)	-	696,982	714,334	-	-	(66,890)	-	-	714,334
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	45,263				41,025	45,263			(4,238)			45,263
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	45,263		(3,442)		3,442							-
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	184,702					184,702			(184,702)			184,702
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	200,585		(200,585)		200,585							-
On-Behalf TPAF Pension System Contributions NCGI	25-495-034-5094-004	7/1/24-6/30/25	21,329		-		21,329	21,329	-					21,329
On-Behalf TPAF Pension System Contributions Normal Costs and Accrued Liability	25-495-034-5094-002	7/1/24-6/30/25	1,721,816		-		1,721,816	1,721,816	-					1,721,816
On-Behalf TPAF Contributions (Post Retirement Medical)	25-495-034-5094-001	7/1/24-6/30/25	509,349		-		509,349	509,349	-					509,349
On-Behalf TPAF Contributions (Long-Term Disability Insurance Premium)	25-495-034-5094-004	7/1/24-6/30/25	502		-		502	502	-					502
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	368,726				350,472	368,726			(18,254)		$ (18,254)	368,726
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	359,630	-	(18,294)	-	18,294	-	-	-	-	-	-	-
Total General Fund				-	(271,859)	-	3,563,796	3,566,021	-	-	(274,084)	-	(18,254)	3,566,021
Special Revenue Fund					-									
FOCUS Grant	25-100-034-5063-371	6/1/25-5/31/26	2,200			-			-	$ 2,200	(2,200)	-	-	-
Preschool Education Aid	25-495-034-5120-086	7/1/24-6/30/25	681,336			$ 164,024	613,199	759,951	$ 82,254	167,663	(68,137)			759,951
Preschool Education Aid	24-495-034-5120-086	7/1/23-6/30/24	442,304	$ 164,024	(44,320)	(164,024)	44,320	-	-	-	-	-	-	-
Total Special Revenue Fund				164,024	(44,320)	-	657,519	759,951	82,254	169,863	(70,337)	-	-	759,951
Capital Projects Fund														
NJ Schools Development Authority														
ROD Grant - HVAC System Upgrades	0740-050-23-G5VP	12/5/23-6/30/25	376,119	376,119	(376,119)	-	-	244,172	-	131,947	(376,119)	-	(244,172)	244,172
Total Capital Projects Fund				376,119	(376,119)	-	-	244,172	-	131,947	(376,119)	-	(244,172)	244,172
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	6,337				5,894	6,337			(443)		(443)	6,337
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	5,413		(400)		400							-
State School Breakfast Program	25-100-010-3350-023	7/1/24-6/30/25	682				625	682			(57)		(57)	682
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	437		(36)	-	36				-	-	-	-
S-EBT	N/A	7/1/24-6/30/25	321				321	321					-	321
State School Lunch Program - NJEIE	25-100-034-3350-023	7/1/24-6/30/25	12,018				11,212	12,018			(806)		(806)	12,018
State School Lunch Program - NJEIE	24-100-034-3350-023	7/1/23-6/30/24	4,824		(447)		447						-	-
State School Breakfast Program - NJEIE	25-100-034-3350-023	7/1/24-6/30/25	858				1,201	858		343			-	858
State School Breakfast Program - NJEIE	24-100-034-3350-023	7/1/23-6/30/24	1,238	-	(77)	-	77	-	-	-	-	-	-	-
Total Enterprise Fund				-	(960)	-	20,213	20,216	-	343	(1,306)	-	(1,306)	20,216
Total State Financial Assistance Subject to Single Audit Determination				540,143	(693,258)	-	4,241,528	4,590,360	82,254	302,153	(721,846)	-	(263,732)	4,590,360
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
On-Behalf TPAF Pension System Contributions-NCGI	25-495-034-5094-004	7/1/24-6/30/25	21,329				(21,329)	(21,329)	-					(21,329)
On-Behalf TPAF Normal Costs	25-495-034-5094-002	7/1/24-6/30/25	1,721,816				(1,721,816)	(1,721,816)	-					(1,721,816)
On-Behalf TPAF Post-Retirement Medical Contributions	25-495-034-5094-001	7/1/24-6/30/25	509,349				(509,349)	(509,349)	-					(509,349)
On-Behalf TPAF Long-Term Disability Ins. Contributions	25-495-034-5094-004	7/1/24-6/30/25	502	-	-	-	(502)	(502)	-	-	-	-	-	(502)
Total State Financial Assistance Subject to Major Program Determination				$ 540,143	$ (693,258)	$ -	$ 1,988,532	$ 2,337,364	$ 82,254	$ 302,153	$ (721,846)	$ -	$ (263,732)	$ 2,337,364

See Accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

CARLSTADT BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 REPORTING ENTITY

The Carlstadt Board of Education (the "Board" or the "District") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $2,265 for the General Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

CARLSTADT BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Federal	State	Total
General Fund	$ 3,684	$ 3,563,756	$ 3,567,440
Special Revenue Fund	306,208	677,697	983,905
Capital Projects Fund		244,172	244,172
Food Service Fund	188,575	20,216	208,791
Total Financial Assistance	$ 498,467	$ 4,505,841	$ 5,004,308

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of $368,726 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. The amount reported as TPAF Pension System Contributions in the amount of $1,743,145 TPAF Post-Retirement Medical Benefits Contributions in the amount of $509,349 and TPAF Long-Term Disability Insurance in the amount of $502 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on financial statements	Unmodified		
Internal control over financial reporting:			
1) Material weakness(es) identified?	_____ yes	X no	
2) Were significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes	X	none reported
Noncompliance material to the basic financial statements noted?	_____ yes	X no	

Federal Awards Section

Not Applicable

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

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:		
(1) Material weaknesses identified?	____ yes	X no
2) Were significant deficiencies identified that are not considered to be material weakness(es)?	____ yes	X none reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?	____ yes	X no

Identification of major state programs:

GMIS Number	Name of State Program or Cluster
25-495-034-5120-86	Preschool Education Aid

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

Auditee qualified as low-risk auditee? X yes ____ no

CARLSTADT BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with government Auditing Standards.

There are none.

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

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

EXHIBIT K-6

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

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.