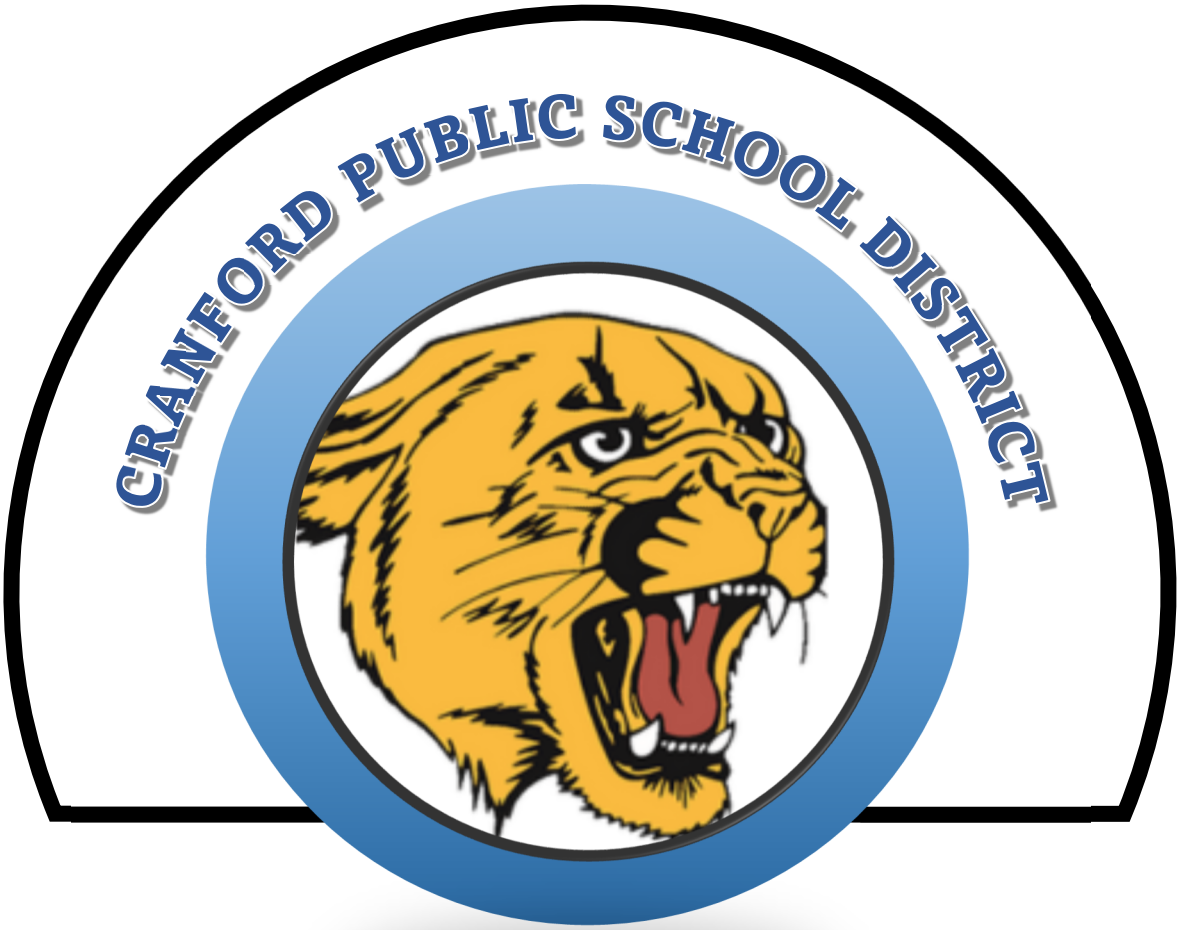

COUNTY OF UNION, NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Cranford Public School District

Cranford, New Jersey

County of Union

New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Prepared by

Business Office

CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2025

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Introductory Section

Cranford
Public School District

Robert J. Carfagno, CPA, RMA, PSA
Business Administrator/Board Secretary

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January 15, 2026

Honorable President and
Members of the Board of Education
Cranford Township Public School District
Cranford, NJ 07016

Dear Board Members:

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

This annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this letter of transmittal, the District's organization chart and a list of principal officials. The financial section includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes, required supplemental information, supplemental information and the combining individual fund schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on internal control 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: The Cranford Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) in codification section 2100. All funds and government-wide financial statements of the District are included in this report. The Cranford Township 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 K through 12. These include regular education as well as special education for handicapped youngsters. The District completed the 2024-2025 fiscal year with an enrollment of 3,787 students, which is 4 students below the previous year's ending enrollment. The following details the changes in the student enrollment of the District over the last five years:

Fiscal Year	Student Enrollment	Percent Change
2024-2025	3,787	(0.11%)
2023-2024	3,791	1.47%
2022-2023	3,736	0.05%
2021-2022	3,734	1.14%
2020-2021	3,692	(2.38%)

2. ECONOMIC CONDITION AND OUTLOOK The Cranford Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation not keeping up with current economic factors and it's incremental effects, the financial impact over time has begun to negatively impact the local school tax levy pushing it to a higher proportion of the total tax levy. Even though the 2024-2025 year saw an increase of state formula aid ($516,721), these factors have created a heavy dependence on local tax revenue to support the school district.

Property taxes provided 86% of the District's General Fund budgeted revenues for the 2024-2025 school year. This percentage is consistent with prior years. Fluctuations in the percentage of the budget supported by property taxes is largely due to fluctuations in state aid received and other revenues generated.

What is quickly becoming a reality is that more and more of the District’s budget is dominated by fixed costs, many being mandated and contractual obligations. Trends indicate that spending in the area of contractual and mandated categories are increasing while spending in discretionary and non-contractual items of spending are decreasing. Trends have seen increases in contractual and mandated expenses well above the 2% annual tax cap increase.

3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are 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. Since grant periods differ in their prescribed fiscal years, representations are made prior to the end of the fiscal year for those grants having fiscal years other than July 1 through June 30.

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

4. MAJOR INITIATIVES: On January 23, 2024, the District held a School Board Referendum. The School District voters approved the referendum, which consisted of the following:

(a) Undertake the construction of an addition and various renovations, improvements and upgrades at Bloomingdale Avenue School, Brookside Place School, Hillside Avenue School, and Walnut Avenue School, including acquisition and installation of fixtures, furniture, equipment and any site work; (b) to undertake various renovations, improvements and upgrades at Lincoln School, Livingston Avenue School, Orange Avenue School, and Cranford High School, including acquisition and installation of fixtures, furniture, equipment and any site work; (c) to appropriate $75,031,992 for such improvements; and (d) to issue bonds in an amount not to exceed $75,031,992. The District will be receiving State debt service aid equal to 40% of the annual debt service due with respect to the final eligible costs of the projects. The Board of Education is authorized to transfer funds among the projects approved at this election.

A major focus of the referendum was to create space to house students for the implementation of full-day kindergarten program throughout the District.

Additionally, the District approved an Energy Savings Improvement Program with DCO Energy. This project calls for a series of energy conservation projects including lighting, a District Wide energy management system, boiler replacements and other building envelope conservation measures, that will generate significant energy savings over the life of the project. The District also approved a Solar Power Purchasing Agreement with HESP Solar and rooftop solar panels will be installed on all District School buildings. Financially, these projects cost no tax dollars and will generate energy savings over the next 15 years.

5. BUDGETARY CONTROLS: In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for capital improvements and are accounted for in the capital projects fund. The original and 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2025.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB, as explained in the "Notes to the Financial Statements," Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects fund, and debt service fund revenues for the fiscal year ended June 30, 2025 and the amount and percentage of increases in relation to prior year revenues.

Revenues	FY 2024-2025 Amount	Percentage of Total	Total Dollar Increase From 2023-2024	Percentage Increase	FY 2032-2024 Amount
Local Sources	$ 71,629,265.28	73.80%	$ 2,382,961.35	3.44%	$ 69,246,303.93
State Sources	24,306,989.35	25.04%	441,941.30	1.85%	23,865,048.05
Federal Sources	1,124,385.30	1.16%	(837,716.59)	(42.69%)	1,962,101.89
Totals	$ 97,060,639.93	100.00%	$ 1,987,186.06	2.09%	$ 95,073,453.87

The following schedule presents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2025 and the percentage of increases/decreases in relation to prior year amounts.

Expenditures	FY 2024-2025 Amount	Percentage of Total	Total Dollar Increase (Decrease) From 2023-2024	Percentage Increase (Decrease)	FY 2023-2024 Amount
Current Expense:					
Instruction	$ 32,774,520.24	31.91%	$ (269,050.92)	(0.81%)	$ 33,043,571.16
Undistributed	61,589,768.49	59.96%	1,897,118.03	3.18%	59,692,650.46
Capital Outlay	5,399,697.19	5.26%	3,038,062.61	128.64%	2,361,634.58
Special Revenue	2,170,604.06	2.11%	(978,560.33)	(31.07%)	3,149,164.39
Charter Schools	118,126.00	0.12%	56,595.00	91.98%	61,531.00
Debt Service					
Principal	600,000.00	0.58%	26,000.00	4.53%	574,000.00
Interest	58,029.40	0.06%	(8,394.09)	(12.64%)	66,423.49
Totals	$102,710,745.38	100.00%	$ 3,761,770.30	3.80%	$ 98,948,975.08

8. DEBT ADMINISTRATION: At June 30, 2025, the District reported outstanding debt of $78,789,000 of general obligation bonds. The District issued Refunding School Bonds, Series 2021 on August 11, 2021 in the amount of $5,478,000 to refund $6,878,000 of School Bonds issued in the amount of $11,988,000, dated November 1, 2010. The Refunding School Bonds, Series 2021 mature in 2030 with principal maturity amounts of $593,000-$658,000, with an interest rate of 1.430%. The District issued School Bonds, Series 2024 on June 26, 2024 in the amount of $75,031,000. The School Bonds, Series 2024 mature in 2049 with principal maturity amounts of $1,751,000-$3,500,000, with interest rates ranging from 1.00% to 4.00%.

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

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Management and the Board of Education continue to explore innovative ways to contain insurance costs while still minimizing risks. A schedule of insurance coverage is found on Exhibit J-20.

The District along with other school districts, is a member of the Diploma Joint Insurance Fund for Workers' Compensation Insurance Coverage. The Fund is organized and operated pursuant to the regulatory authority of the Department of Banking and Insurance, State of New Jersey and provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained excess liability coverages for participants. Additional information is included in Note 7 to the Basic Financial Statements.

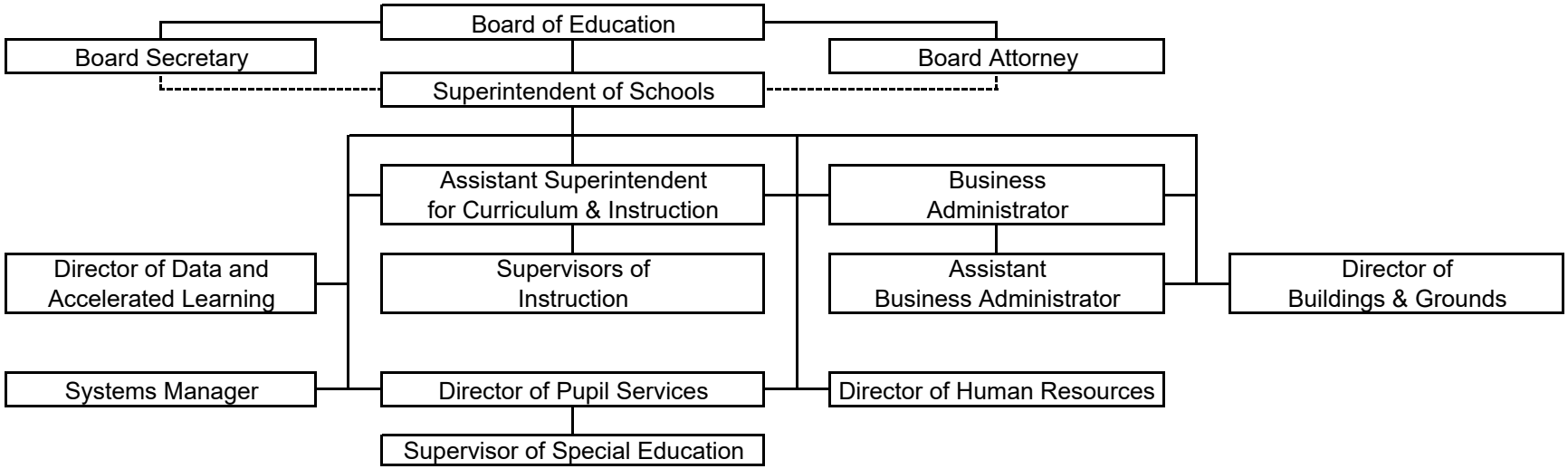
11. OTHER INFORMATION: Independent Audit - State statues require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Cranford Township Board of Education for their diligence and 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,

Robert J. Carfagno, CPA, RMA, PSA
Business Administrator/Board Secretary

CRANFORD PUBLIC SCHOOL DISTRICT
ORGANIZATIONAL CHART
DISTRICT ADMINISTRATION



CRANFORD PUBLIC SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025

Members of the Board of Education		Term Expires*
Kurt Petschow, Jr.	President	2026
William B. Hulse	Vice President	2027
Kristin Cohen	Member	2026
Brett Dreyer	Member	2025
Christopher Kolibas	Member	2026
John McGovern	Member	2027
Patrick A. Lynch	Member	2025
Susan Shaw	Member	2025
Jessica Soltys	Member	2027

Other Officials

Scott Rubin, Ed.D., Superintendent of Schools

Robert J. Carfagno, CPA, Business Administrator/Board Secretary

Marci Krasny, Assistant Business Administrator/Board Secretary

*** The Board of Education passed a Resolution on January 23, 2012 changing the annual election date for its members from the third Tuesday in April to the first Tuesday after the first Monday in November (the General Election), beginning in 2012. Terms expire in the following January after the year in which the term expires.**

CRANFORD PUBLIC SCHOOL DISTRICT

INDEPENDENT AUDITOR, CONSULTANTS AND ADVISORS

Audit Firm

PKF O'Connor Davies LLP
20 Commerce Drive
Suite 301
Cranford, New Jersey 07016

Architects

LAN Associates
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Midland Park, New Jersey 07432

Attorney

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Edison, New Jersey 08818

Official Depository

Citizens Bank
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Cranford, New Jersey 07016

Bond Counsel

Wilentz, Goldman & Spitzer P.A.
90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, New Jersey 07095-0958

Financial Advisors

Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505

Financial Section

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Cranford Public School District
County of Union
Cranford, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Cranford Public School District, Union County, New Jersey (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States ("*Government Auditing Standards")*. Our responsibilities under those standards and requirements 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Policy

We draw attention to Note 15 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

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

.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2025. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information

and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 15, 2026

Anthony Branco

Anthony Branco, CPA
Licensed Public School Accountant, No. 2515

Required Supplementary Information – Part I

Management's Discussion and Analysis

Cranford Public School District
Cranford, New Jersey
Union County

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
June 30, 2025

The Cranford Township Public School District (the "District") discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2025, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The focus of the Management Discussion and Analysis (MD&A) is on current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the Transmittal Letter and the District's Financial Statements.

FINANCIAL HIGHLIGHTS

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

Total net position for governmental activities are reported at $27,968,792.37 at June 30, 2025. This represents a decrease of $6,805,908.30 or (19.57)% over the prior year reported net position. The District experienced a positive increase in net position from operations of $498,297.04, as reflected in Table 4, Changes in Net Position. However, the District recorded a Cumulative Effect of Change in Accounting Principle totaling ($7,304,205.34) in the current year from the implementation of the provisions of GASB Statement No. 101, *Compensated Absences*. The increase in net position from current year operations is primarily attributable to the excess of capital asset additions over depreciation, as well as the reduction of the full accrual pension expense. The District's business-type activities' expenditures exceeded revenues by $17,577.35. This loss was the result of the revenues generated from the sales of meals not reaching the amount needed to cover all of the food service operations fixed and variable expenses. Since the District's beginning net position was $58,754.14, the District was not required to transfer funds from the General Fund since a positive Net Position in the Food Service Fund was maintained. The breakdown of these amounts is reflected in Schedule A-2 of the Government-wide Financial Statements. Governmental funds reported a total of fund balance of $73,429,004.66, which is a $3,095,190.51 decrease from last year's total governmental fund balance. The decrease in fund balance is largely the result of the District expending $5,134,118.28 in the Capital Projects Fund for the 2024 Referendum Project, which was netted by $2,350,791.73 in investment earnings from idle cash balances related to this project. There were also overall increases in expenditures related to salaries, benefits, and services that contributed to the decrease in fund balance as well. The revenues, expenditures, and changes in fund balances for the Governmental Funds are reflected in Exhibit B-2 of the financial statements.

The General or operating fund balance was reported for GAAP purposes at $1,575,287.70, which represents a decrease of $322,881.66 from the prior year's fund balance of $1,898,169.36. This decrease is the result of increases in expenditures related to salaries, benefits, and services without proportional increases in tax levy and state aid revenues. Of this total, $508,686.00 represents Fund Balance that has been assigned in support of the 2025-2026 budget. The amount restricted for Unemployment Compensation was $267,878.78, the amount restricted for Capital Reserve remains at $1.00, and $163,111.06 of General Fund Balance was assigned to cover open purchase orders at year-end. The Unassigned General Fund Balance is reported at $635,610.86.

The District's General Fund Balance is below the maximum permitted under the Department of Education regulations based upon 2.00% of General Fund expenditures, with specified modifications. As a result, no unassigned fund balance is required to be included in the 2026-2027 budget.

The ending fund balance was impacted by the non-recognition, on a GAAP basis, of net State Aid payments deferred to July 2025 in the amount of $497,399.00 in the General Fund that were due at June 30, 2025 but not yet funded by the State of New Jersey as of that date. Total expenditures for all governmental funds during 2024-2025 were $102,710,745.38. Total revenues for all governmental funds were $97,060,639.93, resulting in an excess of expenditures over revenues of $5,650,105.45 for the year. The District's total other financing sources (uses) for all governmental funds were $2,554,914.94. This consisted of $166,635.00 proceeds from Capital Leases entered into, $37,488.21 increase in Unemployment Fund Balance, and $2,350,791.73 in investment earnings from idle cash balances related to the 2024 Referendum Project. Excess expenditures over revenues of $5,650,105.45 netted by $2,554,914.94 total other financing sources led to a net change in fund balance of ($3,095,190.51) for all governmental funds for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-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 such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities the District operated like businesses, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District Annual Financial Report

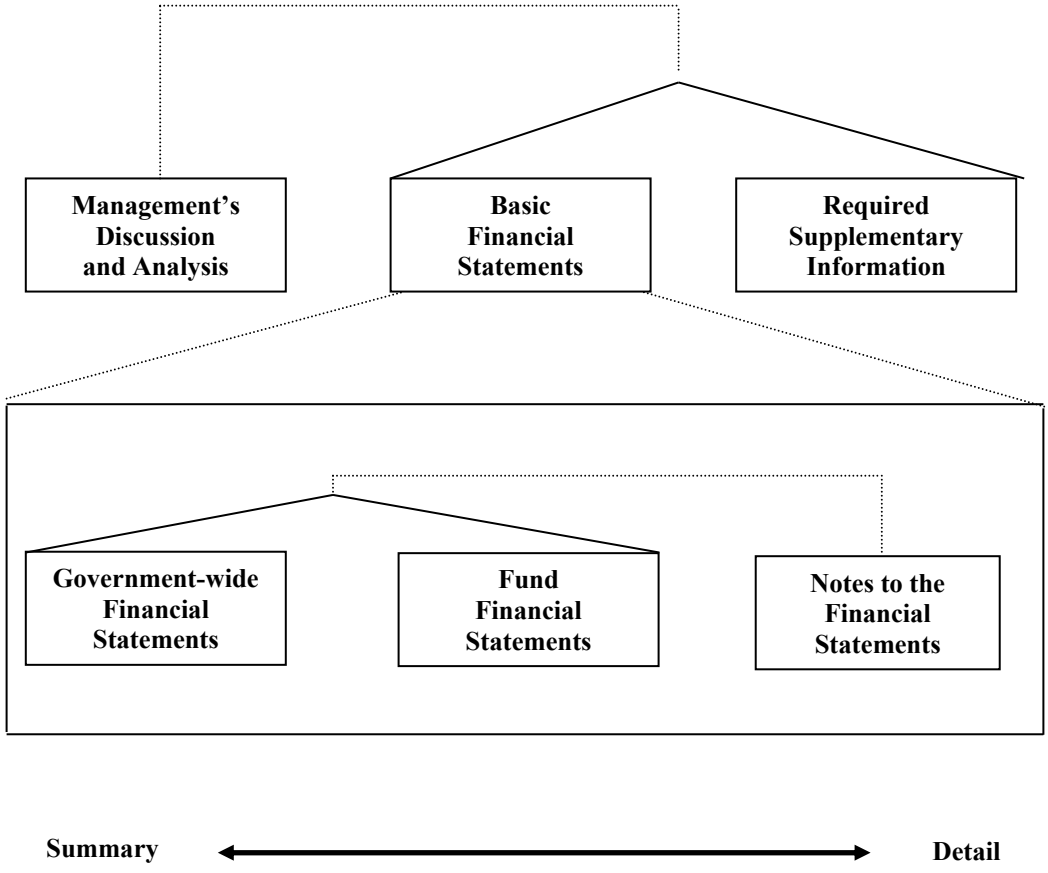

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required financial Statements	• Statement 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, liabilities, deferred inflows/outflows of resources, 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 thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out-flow 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

Government-wide Statements

The government-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, deferred inflows of resources, and liabilities. 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 government-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows and its liabilities and 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 District's overall health, you need to consider that the School District's goal is to provide services to students, not to generate profit as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

In the government-wide financial statements, the District's activities are divided into two categories:

- Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

- Business-type activities: The District charges fees to help it cover the costs of certain services it provides. The District's food services 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 by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

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 you 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, additional information at the bottom of the governmental funds statements 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 (one type of proprietary fund) is the same as its business-type activities but provide more detail and additional information, such as cash flows. The District may use internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not utilize internal service funds for financial reporting.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The School District's Governmental Activities net position was $27,968,792.37 at June 30, 2025. Of this amount, a deficit amount of $21,743,899.00 was reported as Unrestricted Net Position, primarily due to GASB Statement No. 68 accounting and reporting requirements for the PERS defined benefit pension system and GASB Statement No. 101 accounting and reporting requirements for compensated absences. Restricted net positions are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The District's Business-Type Activities net position was $41,176.79 at June 30, 2025, all of which was reported as unrestricted net position. Our analysis below focuses on the net position (Table - 3) and change in net position (Table - 4) of the District's government-wide activities.

Table - 3
Net Position

A. Governmental Activities

	June 30 2025	June 30 2024	Amount Difference	% Increase (Decrease)
Assets				
Current and other assets	$ 78,335,787.16	$ 80,283,234.94	$ (1,947,447.78)	-2.43%
Capital assets	58,010,899.03	54,454,765.36	3,556,133.67	6.53%
Total assets	136,346,686.19	134,738,000.30	1,608,685.89	1.19%
Accounting loss on advanced refunding	78,721.03	93,033.95	(14,312.92)	-15.38%
Pension deferrals	1,125,010.00	1,133,600.00	(8,590.00)	-0.76%
Total deferred outflows of resources	1,203,731.03	1,226,633.95	(22,902.92)	-1.87%
Current and other liabilities	10,584,302.13	5,986,424.53	4,597,877.60	76.81%
Long-term liabilities	97,260,013.72	93,382,374.05	3,877,639.67	4.15%
Total liabilities	107,844,315.85	99,368,798.58	8,475,517.27	8.53%
Pension deferrals	1,737,309.00	1,821,135.00	(83,826.00)	-4.60%
Total deferred inflows of resources	1,737,309.00	1,821,135.00	(83,826.00)	-4.60%
Net Position:				
Net investment in capital assets	46,775,356.20	47,340,854.60	(565,498.40)	-1.19%
Restricted	2,937,335.17	538,037.53	2,399,297.64	445.93%
Unrestricted (deficit)	(21,743,899.00)	(13,104,191.46)	(8,639,707.54)	-65.93%
Total net position	$ 27,968,792.37	$ 34,774,700.67	$ (6,805,908.30)	-19.57%

B. Business-Type Activities

	June 30 2025	June 30 2024	Amount Difference	% Increase (Decrease)
Assets				
Current and other assets	$ 84,303.24	$ 119,695.57	$ (35,392.33)	-29.57%
Total Assets	84,303.24	119,695.57	(35,392.33)	-29.57%
Liabilities				
Current and other liabilities	43,126.45	60,941.43	(17,814.98)	-29.23%
Total Liabilities	43,126.45	60,941.43	(17,814.98)	-29.23%
Net Position				
Unrestricted	41,176.79	58,754.14	(17,577.35)	-29.92%
Total Net Position	$ 41,176.79	$ 58,754.14	$ (17,577.35)	-29.92%

GASB Statement No. 101 was implemented during the 2025 fiscal year, which required a retroactive adjustment of beginning net position in the amount of ($7,304,205.34). This amount is not reflected in the June 30, 2024 net position shown above.

Table - 4

Change in Net Position- Year Ended June 30,

	Governmental Activities 2025	Governmental Activities 2024	Amount Difference	% Increase Decrease
Revenues:				
Program revenue:				
Operating grants & entitlements	$ 1,447,728.72	$ 2,472,152.07	$ (1,024,423.35)	-41.44%
Charges for services	3,959,461.44	4,189,674.95	(230,213.51)	-5.49%
General revenue:				
Local tax levy	66,653,056.00	64,224,841.00	2,428,215.00	3.78%
Federal and state aid	13,377,090.76	15,235,708.65	(1,858,617.89)	-12.20%
Miscellaneous revenues	3,322,366.94	749,933.45	2,572,433.49	343.02%
Total revenues	$ 88,759,703.86	$ 86,872,310.12	$ 1,887,393.74	2.17%
Functions/Program Expenses:				
Instruction:				
Regular programs	$ 31,900,097.55	$ 32,649,859.22	$ (749,761.67)	-2.30%
Special programs	11,778,823.57	13,996,219.74	(2,217,396.17)	-15.84%
Other instructional programs	3,710,682.52	2,440,357.33	1,270,325.19	52.05%
Support Services:				
Student services	14,030,329.82	13,981,617.77	48,712.05	0.35%
Tuition	5,333,162.88	5,188,213.99	144,948.89	2.79%
Instructional staff support:				
General administration and business services	3,142,902.74	3,204,639.23	(61,736.49)	-1.93%
School administration	5,208,633.89	4,998,117.43	210,516.46	4.21%
Plant services	7,021,820.95	7,597,931.03	(576,110.08)	-7.58%
Student transportation services	3,340,753.37	3,627,136.34	(286,382.97)	-7.90%
Charter schools	118,126.00	61,531.00	56,595.00	91.98%
Interest on long-term debt	2,676,073.53	107,359.59	2,568,713.94	2392.63%
Total expenses	$ 88,261,406.82	$ 87,852,982.67	$ 408,424.15	0.46%
Change in net position	498,297.04	(980,672.55)	$ 1,478,969.59	-150.81%
Net position- beginning of year, as reported	27,470,495.33	35,755,373.22	(8,284,877.89)	-23.17%
Cumulative effect of change in accounting principle		(7,304,205.34)	7,304,205.34	-100.00%
Net position- end of year	$ 27,968,792.37	$ 27,470,495.33	498,297.04	1.81%

	Business-Type Activities 2025	Business-Type Activities 2024	Amount Difference	% Increase Decrease
Revenues:				
Program revenue				
Charges for Services	$ 1,168,703.70	$ 1,148,656.43	$ 20,047.27	1.75%
Miscellaneous revenues	1,051.93	1,300.77	(248.84)	-19.13%
Total revenues	$ 1,169,755.63	$ 1,149,957.20	$ 19,798.43	1.72%
Business-Type Activities :				
Food Service	1,187,332.98	1,103,331.48	84,001.50	7.61%
Total expenses	$ 1,187,332.98	$ 1,103,331.48	$ 84,001.50	7.61%
Change in net position	$ (17,577.35)	$ 46,625.72	$ (64,203.07)	-137.70%

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School District is being accountable for the resources provided to it, and also, gives more insight into the School District's overall financial health.

As the School District completed this year, our governmental funds reported a combined fund balance of $73,429,004.66, which is a decrease of $3,095,190.51 from last year. This amount includes the General Fund (decrease of $322,881.66), Special Revenue Fund (increase of $11,018.10), Capital Projects Fund (decrease of $5,134,118.28), and Debt Service Fund (increase of $2,350,791.33). The primary reasons for the decreases/increases are:

1. Unfavorable budget variance of the General Fund Balance, primarily from increase in expenditures related to salaries, benefits, and services without proportional increases in tax levy and state aid revenues
2. Revenues in the Student Activities Funds greater than the expenditures incurred during the year causing the Special Revenue Fund Balance to increase.
3. Capital Outlay expenditures for the 2024 Referendum Project totaling $5,134,118.28 without any sources of revenue, causing the Capital Projects Fund Balance to decrease significantly.
4. Investment Earnings on idle cash from the 2024 bond issuance for the Referendum Project totaled $2,350,791.73, causing the Debt Service Fund Balance to increase to $2,350,792.35.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the District's projected budget for the General Fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a deficit. Actual revenues reflect a positive variance of $18.164 million. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post-retirement medical and social security contributions of $18.117 million made by the State of New Jersey. Excluding these on-behalf TPAF contributions, revenues had a positive variance of $47,515.30.00. This is primarily due to actual revenues for Extraordinary Aid, Non-Public Transportation Aid, PILOT payments to school district and unrestricted miscellaneous revenues being more than originally budgeted netted by actual tuition revenues, other restricted miscellaneous revenues , and Medicaid Reimbursements being less than the budgeted amount.

Actual expenditures reflect a negative variance of $17.061 million even though all budget lines show a positive variance. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post-retirement medical and social security contributions of $18.117 million made by the State of New Jersey. Excluding these on-behalf TPAF contributions from the State, there is a positive variance of $1,055,894.52. There were also non-budgeted financed purchase acquisitions made for District-wide copiers and chromebooks totaling $166,635.00 and additions to the unemployment fund balance of $37,488.21.

Exhibit C-1 provides a breakdown of the budget line items included in the District's approved 2024-25 budget and the variances in actual revenues and expenditures.

Revenue realization for the 2024-25 school year was positive for governmental funds when compared to the 2023-24 school year. A conversion schedule from the budgetary basis to the GAAP basis follows. As shown in Table 4 (GAAP Basis) above, the Tax needed to support the District's budget increased by 3.78% for the 2024-25 school year. The largest non-tax revenue of the District during the year was from Federal and State Aid, which amounted to $13.377 million or 12.20% less than the preceding year. The main reason for the decrease in the Federal and State Aid was a decrease in on-behalf pension and other post-employment benefits related revenues compared to the prior year. Table-5 compares governmental fund type revenues and expenditures for the current and prior year.

Table - 5

Governmental Fund Type Revenues and Expenditures

	Year Ended June 30		Increase (Decrease)	Increase (Decrease)
	2025	2024	$	%
Revenue by Source:				
Local Tax Levy	$ 66,653,056.00	$ 64,224,841.00	$ 2,428,215.00	3.78%
Tuition Charges	3,225,568.00	3,481,846.20	(256,278.20)	-7.36%
Miscellaneous	435,118.31	270,421.65	164,696.66	60.90%
PILOT Payments to School District	498,967.70	430,278.20	68,689.50	15.96%
Local Sources	816,555.27	838,916.88	(22,361.61)	-2.67%
State Sources	24,306,989.35	23,865,048.05	441,941.30	1.85%
Federal Sources	1,124,385.30	1,962,101.89	(837,716.59)	-42.69%
Total Revenues	**$ 97,060,639.93**	**$ 95,073,453.87**	**$ 1,987,186.06**	2.09%
Function/Program Expenditures:				
Instruction				
Regular Instruction	$ 22,358,341.88	$ 22,530,452.19	$ (172,110.31)	-0.76%
Special Education Instruction	8,111,220.82	8,525,182.98	(413,962.16)	-4.86%
Other Special Instruction	910,576.17	857,250.84	53,325.33	6.22%
Other Instruction	1,782,054.74	1,792,090.67	(10,035.93)	-0.56%
Support Services				
Tuition	5,182,573.88	5,060,980.99	121,592.89	2.40%
Student & Instruction Related Services	10,155,607.57	10,129,295.72	26,311.85	0.26%
School Administrative Services	3,600,361.84	3,356,586.18	243,775.66	7.26%
Other Administrative Services	2,430,771.98	2,465,490.86	(34,718.88)	-1.41%
Plant Operations and Maintenance	6,104,766.12	5,819,939.77	284,826.35	4.89%
Pupil Transportation	3,190,090.08	3,477,305.57	(287,215.49)	-8.26%
Unallocated Benefits	32,695,556.00	31,847,083.54	848,472.46	2.66%
Charter Schools	118,126.00	61,531.00	56,595.00	91.98%
Debt Service:				
Principal	600,000.00	574,000.00	26,000.00	4.53%
Interest and Other Charges	58,029.40	66,423.49	(8,394.09)	-12.64%
Capital Outlay	5,412,668.90	2,385,361.28	3,027,307.62	126.91%
Total	**$ 102,710,745.38**	**$ 98,948,975.08**	**$ 3,761,770.30**	3.80%

The Cost of Governmental Funds Activities (see Table 5, above) this year was $102.711 million or a 3.80% increase from the preceding year. The primary drivers for this increase were costs for Capital Outlay, which increased by $3,027,307.62 related to work performed for the 2024 Referendum Project, Unallocated Benefits, which increased by $848,472.46, Plant Operations & Maintenance, which increased by $284,826.35, and School Administrative Services, which increased by $243,775.66. The reported increase in unallocated employee benefits is mostly attributable to an increases in health benefit costs, as well as increases in the contributions made by the State of New Jersey into the Teachers' Pension and Annuity Fund and the State Health Benefits Fund for Post Retirement Medical Contributions on-behalf of the District as required by the state constitution. That increase is also reflected in the year-to-year increase in state aid revenues.

Increased costs were funded by increases in property tax and state aid revenues. As shown on the Statement of Activities (financial statement A-2) our taxpayers ultimately financed $66.653 million of those activities through property taxes, which reflect a 3.78% increase over the prior year. As shown above, $24.307 million of the revenues, which support governmental activities, were received from the State of New Jersey. Of that amount, $18.117 million represents on-behalf contributions for the District's (employer) share of TPAF (Teachers' Pension & Annuity Fund) pension, retiree health benefits and employer social security and Medicare contributions as prescribed by state statute.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the School District reported $144,543,791.60 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, machinery, furniture and equipment. This amount represents a net increase (including additions and retirements) of $4,967,259.90, or approximately 3.56% percent, from the prior year. These amounts do not include depreciation. Table 6 details the composition of capital assets at June 30th of the current and prior year and the net changes for the current year.

Table - 6
Governmental Activity Capital Assets at Year-End

	FY 2025	FY 2024	Increase
Land	$ 41,197,641.00	$ 41,197,641.00	
Construction in Progress	5,513,864.43	1,331,986.97	$ 4,181,877.46
Buildings and Building Improvements	87,439,656.25	87,425,972.25	13,684.00
Improvements Other than Buildings	518,661.00	518,661.00	
Machinery & Vehicles	9,873,968.92	9,102,270.48	771,698.44
Total	$ 144,543,791.60	$ 139,576,531.70	$ 4,967,259.90

See Note 3 to the Financial Statements for additional information.

Long-Term Debt

At the end of this year, the School District had $78,789,000.00 in bonds outstanding versus $79,389,000 last year – a decrease of 0.76%. This is the result of the District retiring $600,000 of existing bond obligations, while issuing no additional bonds. The District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, in the current year. This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid. As a result of the implementation of this new standard, the District recorded a Cumulative Effect of Change in Accounting Principle totaling $7,304,205.34 in the current year, which increased the balance from the prior year significantly. The District had $1,054,166.24 in financed purchases payable outstanding versus $1,454,751.00 the previous year – a decrease of 27.54%. The District entered into $166,635.00 in financed purchases for chromebooks and copiers during the current year, while paying down $567,219.76 in existing obligations. The summary of year-end long-term debt and changes for the 2024-2025 school year is as follows:

Table - 7
Outstanding Long-Term Debt at Year-End

	Governmental Activities		Increase
	2025	2024	(Decrease)
School Serial Bonds Payable	$ 78,789,000.00	$ 79,389,000.00	$ (600,000.00)
Other Long Term Debt:			
Net Pension Liability	9,283,930.00	10,402,278.00	(1,118,348.00)
Compensated Absences Payable	9,555,821.34	2,705,991.25	6,849,830.09
Obligations Under Financed Purchases	1,054,166.24	1,454,751.00	(400,584.76)
Unamortized Premium on Bonds	655,359.19	681,573.56	(26,214.37)
Total	$ 99,338,276.77	$ 94,633,593.81	$ 4,704,682.96

The School District's general obligation bond rating continues to be above investment grade. The state limits the amount of general obligation debt that Districts can issue to 4.00% (for K through 12 districts) of the most recent three-year average state equalized assessed value of the taxable property within the School District's corporate limits. The School District's outstanding general obligation debt of $78,789,000.00 at June 30, 2025 is below the $217,483,652.56 statutorily-imposed limit. See Note 4 to the Financial Statements and Schedule J-13 for additional information.

Other obligations include the School District's proportionate share of the Net Pension Liability of the New Jersey Public Employees' Retirement System and Unamortized Premiums on Bonds from the 2024 bond issuance, which began to be amortized in the

current year with the commencement of interest payments. We present more detailed information about our long-term liabilities in Note 4 to the financial statements.

FACTORS AFFECTING THE DISTRICT'S FUTURE

- The financial position of the District remains in a good and stable condition despite the difficult economic times. However, maintaining existing programs with enrollment needs, provisions of the multitude of programs/services legally required for special needs pupils, unfunded federal and state mandates and the cost of employee benefits place 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.

- Even though unrestricted state aid was increased by an additional $525,182.00 in the 2024-2025 budget, there is no guarantee, based upon the current economic conditions that state aid levels will continue in the future. Also, the state currently only funds approximately 7.86% of the overall District budget. The incremental effect of the continued under funding of education, including unfunded federal and state mandates, continues to increase the reliance on local tax revenues to sustain the existing educational programs.

- Budget cap law, P.L. 2010, c. 44, effective July 13, 2010 (the "New Cap Law"), further provides limitations on a school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by two percent (2.00%) over the prior year's tax levy. The New Cap Law provides for certain adjustments to the tax levy cap for specific circumstances relating to enrollment increases, health care cost increases and increases in amounts for certain normal and accrued liability pension contributions. However, any utilization of these adjustments will result in an increased local tax burden upon the property owners of Cranford.

- The passage of S-1701 required all districts to reduce surplus to the greater of 2.00% or $100,000 in 2005-2006 and maintained a reduced surplus of 2.00% starting in the 2006-2007 fiscal year. The law's surplus restriction runs contrary to sound financial principles, which have served as the basis for previous, long-standing state Department of Education policy. This restriction also undermines needed flexibility for long-term District planning. Until the enactment of S-1701, state statute permitted school districts, such as Cranford, to establish surplus accounts that ranged between 3.00% and 6.00%. Further, the state Department of Education's previous policy and administrative code required school districts to obtain state permission to budget surplus below the 3.00% maximum. Inadequate reserves place school districts in a precarious financial position as they could find themselves ill prepared to deal with unanticipated expenditures that may lead to a budgetary crisis. Furthermore, the drawing down of District surplus through forced utilization of budgeted fund balance generates automatic revenue shortfalls in subsequent budgets and drives the need to offset such shortfalls through increases in the tax levy or cut other areas such as instructional programming or maintenance.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Robert J. Carfagno, CPA, Business Administrator/Board Secretary, at 132 Thomas Street, Cranford, New Jersey, 07016.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2025.

Exhibit A-1

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 5,456,271.69	$ 23,738.84	$ 5,480,010.53
Investments	71,134,741.76		71,134,741.76
Receivables, net	1,744,773.71	36,862.89	1,781,636.60
Inventory		23,701.51	23,701.51
Capital assets, non-depreciable	46,711,505.43		46,711,505.43
Capital assets, depreciable, net	11,299,393.60		11,299,393.60
Total Assets	136,346,686.19	84,303.24	136,430,989.43
DEFERRED OUTFLOWS OF RESOURCES			
Accounting loss on advanced refunding	78,721.03		78,721.03
Pension deferrals	1,125,010.00		1,125,010.00
Total deferred outflows of resources	1,203,731.03	-	1,203,731.03
LIABILITIES			
Accounts payable	3,301,072.19	18,605.74	3,319,677.93
Accrued interest payable	2,676,399.58		2,676,399.58
Accrued salaries	1,820,950.48		1,820,950.48
Due to grantor	64,535.12		64,535.12
Unearned revenue	187,797.57	24,520.71	212,318.28
Payroll deductions & withholdings payable	450,564.71		450,564.71
Other liabilities	4,719.43		4,719.43
Noncurrent liabilities:			
Due within one year	2,078,263.05		2,078,263.05
Due beyond one year	87,976,083.72		87,976,083.72
Net pension liability	9,283,930.00		9,283,930.00
Total liabilities	107,844,315.85	43,126.45	107,887,442.30
DEFERRED INFLOW OF RESOURCES			
Pension deferrals	1,737,309.00		1,737,309.00
NET POSITION			
Net Investment in capital assets	46,775,356.20		46,775,356.20
Restricted for:			
Excess surplus - current year			
Excess surplus - prior year			
Capital reserve	1.00		1.00
Capital projects			
Debt service	2,350,792.35		2,350,792.35
Unemployment compensation	267,878.78		267,878.78
Student activities	318,663.04		318,663.04
Unrestricted (deficit)	(21,743,899.00)	41,176.79	(21,702,722.21)
Total net position	$ 27,968,792.37	$ 41,176.79	$ 28,009,969.16

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

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating 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	$ 31,900,097.55	$ 3,225,568.00	$ 387,673.37	$ (28,286,856.18)		$ (28,286,856.18)
Special education	11,778,823.57			(11,778,823.57)		(11,778,823.57)
Other special instruction	1,328,258.32			(1,328,258.32)		(1,328,258.32)
Other instruction	2,382,424.20			(2,382,424.20)		(2,382,424.20)
Support services:						
Tuition	5,333,162.88			(5,333,162.88)		(5,333,162.88)
Student & instruction related services	14,030,329.82	733,893.44	1,047,083.64	(12,249,352.74)		(12,249,352.74)
School administrative services	5,208,633.89			(5,208,633.89)		(5,208,633.89)
General and business administrative services	3,142,902.74			(3,142,902.74)		(3,142,902.74)
Plant operations and maintenance	7,021,820.95		12,971.71	(7,008,849.24)		(7,008,849.24)
Pupil transportation	3,340,753.37			(3,340,753.37)		(3,340,753.37)
Charter schools	118,126.00			(118,126.00)		(118,126.00)
Interest on long-term debt	2,676,073.53			(2,676,073.53)		(2,676,073.53)
Total governmental activities	88,261,406.82	3,959,461.44	1,447,728.72	(82,854,216.66)		(82,854,216.66)
Business-type activities:						
Food Service	1,187,332.98	1,168,703.70			$ (18,629.28)	(18,629.28)
Total business-type activities	1,187,332.98	1,168,703.70	-		(18,629.28)	(18,629.28)
Total primary government	$ 89,448,739.80	$ 5,128,165.14	$ 1,447,728.72	$ (82,854,216.66)	$ (18,629.28)	$ (82,872,845.94)
General revenues and transfers:						
Taxes:						
Property Taxes, levied for general purposes, net				$ 65,995,027.00		$ 65,995,027.00
Property Taxes, levied for debt service				658,029.00		658,029.00
State and federal sources - unrestricted				13,377,090.76		13,377,090.76
Miscellaneous income				3,322,366.94	$ 1,051.93	3,323,418.87
Total general revenues and transfers				83,352,513.70	1,051.93	83,353,565.63
Change in net position				498,297.04	(17,577.35)	480,719.69
Net Position—beginning of year, as reported				34,774,700.67	58,754.14	34,833,454.81
Cumulative effect of change in accounting principle				(7,304,205.34)		(7,304,205.34)
Net Position—beginning of year, as restated				27,470,495.33	58,754.14	27,529,249.47
Net Position—end of year				$ 27,968,792.37	$ 41,176.79	$ 28,009,969.16

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

Fund Financial Statements

Governmental Funds

Exhibit B-1

CRANFORD PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	$ 2,642,241.07	$ 463,238.27	$	$ 2,350,792.35	$ 5,456,271.69
Investments			71,134,741.76		71,134,741.76
Accounts Receivable:					
State	1,023,720.35				1,023,720.35
Federal		5,561.63			5,561.63
Other Intergovernmental	695,848.98				695,848.98
Other	19,642.75				19,642.75
Interfund	5,663.96				5,663.96
Total Assets	$ 4,387,117.11	$ 468,799.90	$ 71,134,741.76	$ 2,350,792.35	$ 78,341,451.12
Liabilites and Fund Balances:					
Liabilities:					
Accounts Payable	365,604.42	62,130.58	1,950,480.19		2,378,215.19
Intergovernmental Payable		64,535.12			64,535.12
Accrued Salaries and Benefits	1,820,950.48				1,820,950.48
Payroll Deductions & Withholdings Payable	450,564.71				450,564.71
Interfund Payable		5,663.96			5,663.96
Deferred Revenue	174,709.80	13,087.77			187,797.57
Other Current Liabilities		4,719.43			4,719.43
Total Liabilities	2,811,829.41	150,136.86	1,950,480.19		4,912,446.46
Fund Balances:					
Restricted For:					
Capital Projects			69,184,261.57		69,184,261.57
Debt Service				1,701,446.35	1,701,446.35
Capital Reserve	1.00				1.00
Unemployment Compensation	267,878.78				267,878.78
Student Activities		318,663.04			318,663.04
Assigned:					
Year End Encumbrances	163,111.06				163,111.06
Designated for Subsequent Year's Expenditures	508,686.00			649,346.00	1,158,032.00
Unassigned	635,610.86				635,610.86
Total Fund Balances	1,575,287.70	318,663.04	69,184,261.57	2,350,792.35	73,429,004.66
Total Liabilities and Fund Balances	$ 4,387,117.11	$ 468,799.90	$ 71,134,741.76	$ 2,350,792.35	$ 78,341,451.12

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 $144,543,791.60 and the accumulated depreciation is $86,532,892.57	$ 58,010,899.03
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(2,676,399.58)
Losses from the issuance of refunding bonds are deferred and amortized over the life of the bond.	78,721.03
Long-term liabilities, including bonds payable, financed purchases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(90,054,346.77)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(612,299.00)
Accrued pension contributions for the June 30, 2024 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.	(922,857.00)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(9,283,930.00)
Net position of governmental activities	$ 27,968,792.37

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

Exhibit B-2

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Local Tax Levy	$ 65,995,027.00	$	$	$ 658,029.00	$ 66,653,056.00
Tuition Charges	3,225,568.00				3,225,568.00
Miscellaneous	435,118.31				435,118.31
PILOT Payments to School District	498,967.70				498,967.70
Local Sources		816,555.27			816,555.27
State Sources	24,056,883.47	250,105.88			24,306,989.35
Federal Sources	9,424.29	1,114,961.01			1,124,385.30
Total Revenues	94,220,988.77	2,181,622.16	-	658,029.00	97,060,639.93
Expenditures:					
Current:					
Regular Instruction	21,970,668.51	387,673.37			22,358,341.88
Special Education Instruction	8,111,220.82				8,111,220.82
Other Special Instruction	910,576.17				910,576.17
Other Instruction	1,782,054.74				1,782,054.74
Support Services and Undistributed Costs:					
Tuition	4,293,462.88	889,111.00			5,182,573.88
Student and Instruction Related Services	9,298,684.34	856,923.23			10,155,607.57
School Administrative Services	3,600,361.84				3,600,361.84
Other Administrative Services	2,430,771.98				2,430,771.98
Plant Operations and Maintenance	6,104,766.12				6,104,766.12
Pupil Transportation	3,190,090.08				3,190,090.08
Unallocated Benefits	32,671,631.25	23,924.75			32,695,556.00
Charter Schools	118,126.00				118,126.00
Debt Service:					
Principal				600,000.00	600,000.00
Interest and Other Charges				58,029.40	58,029.40
Capital Outlay	265,578.91	12,971.71	5,134,118.28		5,412,668.90
Total Expenditures	94,747,993.64	2,170,604.06	5,134,118.28	658,029.40	102,710,745.38
Excess (Deficiency) of Revenues over Expenditures	(527,004.87)	11,018.10	(5,134,118.28)	(0.40)	(5,650,105.45)
Other Financing Sources (Uses):					
Capital Leases	166,635.00				166,635.00
Unemployment Fund Balance	37,488.21				37,488.21
Investment Earnings			2,350,791.73		2,350,791.73
Operating Transfers:					
Investment Earnings to Debt Service Fund			(2,350,791.73)	2,350,791.73	-
Total Other Financing Sources and Uses	204,123.21	-	-	2,350,791.73	2,554,914.94
Net Change in Fund Balances	(322,881.66)	11,018.10	(5,134,118.28)	2,350,791.33	(3,095,190.51)
Fund Balance - July 1	1,898,169.36	307,644.94	74,318,379.85	1.02	76,524,195.17
Fund Balance - June 30	$ 1,575,287.70	$ 318,663.04	$ 69,184,261.57	$ 2,350,792.35	$ 73,429,004.66

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

Exhibit B-3

CRANFORD PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Total net change in fund balances - governmental funds (from B-2)		$ (3,095,190.51)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation expense	$ (1,854,593.26)	
Capital Outlays	5,412,668.90	
Deletions, Net of Depreciation	(1,941.97)	
		3,556,133.67
Repayment of bond and financed purchase obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Payment of bond principal	600,000.00	
Financed purchase payment	567,219.76	
		1,167,219.76
The premium received on the sale of bonds is recorded in the governmental funds as an addition to fund balance in the year of issuance, but is carried on the statement of net position and amortized in the statement of activities over the life of the bonds.		
Amortization of Bond Premium		26,214.37
Proceeds from debt issues and financed purchases are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt and financed purchases increases long-term liabilities in the statement of net position.		
Financed purchase proceeds		(166,635.00)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a subtraction in the reconciliation. (-)		(2,629,945.58)
Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction.		1,200,438.00
The difference between the face amount of Refunded Bonds and the escrow deposit required to legally defease the Bonds is recorded as a decrease to fund balance in the governmental funds in the year of issuance, but is carried on the statement of net position and amortized over the life of the Bonds.		
Amortization of Deferred Amount from Refunding		(14,312.92)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		454,375.25
Change in net position of governmental activities (A-2)		$ 498,297.04

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

Proprietary Fund

Exhibit B-4

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Major Fund Enterprise Fund Food Service
Assets:	
Current Assets:	
Cash and Cash Equivalents	$ 23,738.84
Accounts Receivable:	
Other	36,862.89
Inventories	23,701.51
Total Current Assets	84,303.24
Noncurrent Assets:	
Furniture, Machinery & Equipment	241,803.35
Less Accumulated Depreciation	(241,803.35)
Total Noncurrent Assets	-
Total Assets	$ 84,303.24
Liabilites:	
Current Liabilities:	
Accounts Payable	18,605.74
Unearned Revenue	24,520.71
Total Current Liabilities	43,126.45
Total Liabilities	43,126.45
Net Position:	
Unrestricted (Deficit)	41,176.79
Total Net Position	$ 41,176.79

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

Exhibit B-5

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Major Fund Enterprise Fund Food Service
Operating Revenues:	
Charges for Services	$ 1,168,703.70
Total Operating Revenues	1,168,703.70
Operating Expenses:	
Purchased Property Services	95,235.73
Other Purchased Services	1,092,097.25
Total Operating Expenses	1,187,332.98
Operating Income (Loss)	(18,629.28)
Nonoperating Revenues (Expenses):	
Interest and Investment Revenue	1,051.93
Total Nonoperating Revenues (Expenses)	1,051.93
Income (Loss)	(17,577.35)
Total Net Position - Beginning	58,754.14
Total Net Position - Ending	$ 41,176.79

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

Exhibit B-6

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

		Major Fund Enterprise Fund Food Service
Cash Flows from Operating Activities:		
Cash Receipts from Customers	$	1,164,084.37
Payments to Suppliers for Goods and Services		(1,213,580.38)
Net Cash Provided by (Used for) Operating Activities		(49,496.01)
Cash Flows from Investing Activities:		
Interest		1,051.93
Net Cash Provided by (Used for) Investing Activities		1,051.93
Net Increase (Decrease) in Cash and Cash Equivalents		(48,444.08)
Cash and Cash Equivalents at Beginning of Year		72,182.92
Cash and Cash Equivalents at End of Year	$	23,738.84
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$	(18,629.28)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Income:		
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable		(8,185.88)
(Increase) Decrease in Inventories		(4,865.87)
Increase (Decrease) in Accounts Payable		(21,381.53)
Increase (Decrease) in Deferred Revenue		3,566.55
Total Adjustments		(30,866.73)
Net Cash Provided by (Used for) Operating Activities	$	(49,496.01)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education (Board) of the Township of Cranford School District (District) report information on the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

B. Reporting Entity

The Township of Cranford School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Township of Cranford School District had an enrollment at June 30, 2025 of 3,787 students.

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

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. Resources for instructional and noninstructional equipment can be transferred from and to Current Expense by board resolution.

Since the District's unemployment and payroll agency funds do not meet the criteria defined by the GASB Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll agency fund which is used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities.

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

Since the District's student activity funds do not meet the criteria defined by the GASB Statement No. 84, the student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation – Fund Financial Statements (continued)

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

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

The District reports the following major enterprise fund:

Food Service Fund – the Food Service Fund is used to account for the activities of the cafeteria operations of the District.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its 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 refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an “accounts receivable”. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting (continued)

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital assets acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and financed purchase obligations incurred to acquire general capital assets are reported as "other financing sources."

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

F. Budgets/Budgetary Control

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting, which differs from generally accepted accounting principles in one material respect. Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses. The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP basis fund financial statements are set forth in the explanation of differences schedules, which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets/Budgetary Control (continued)

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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limitations on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are assigned at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

Except for student activity funds, 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 statements

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets/Budgetary Control (continued)

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedule	$ 94,263,630.77	$ 2,181,622.16
Difference- budget to GAAP:		
The last State Aid payments are recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(497,399.00)	
State Aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes	454,757.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	$ 94,220,988.77	$ 2,181,622.16
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 94,747,993.64	$ 2,170,604.06
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 94,747,993.64	$ 2,170,604.06

G. Cash, Cash Equivalents and Investments

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Cash, Cash Equivalents and Investments (continued)

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Tuition

Tuition charges for the fiscal years 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories

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

Inventories in the Proprietary Fund are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

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

Food	$ 19,176.48
Supplies	4,525.03
Total	$ 23,701.51

J. Interfund Receivables/Payables

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date of acquisition. The District maintains a threshold level of $2,000.00 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated costs.

Capital assets are recorded in the Government-wide financial statements, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

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

Food Service Fund:	
Equipment	10 Years

L. Compensated Absences

The liability for compensated absences represents the vacation and sick time (“leave”/”leave days”) and salary related payments which have been earned for services previously rendered by employees in accordance with the District’s various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee’s rate of pay and the number of unused leave days accumulated as of year-end, management’s assumption that likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, “*Compensated Absences*.”

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Pensions

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 New Jersey Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District has two items that qualify for reporting in this category, deferred amounts related to pensions and losses on refunding/refinancing. Losses on refunding/refinancing are deferred and amortized over the term of the bonds/leases using the straight-line method which approximates the effective interest method. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred pension amounts represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

O. Other Post-Employment Benefits

Pursuant to State Statute, the State Health Benefits Local Education Retirees Employees Plan was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. This plan is a multi-employer defined benefit OPEB Plan that is administered on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The Plan is a “Special Funding Situation” as defined in GASB Statement No. 75 as the State of New Jersey is solely responsible for funding the Plan’s obligations (net of employee contributions). Accordingly, no net OPEB liability is reported on the District’s Statement of Net Position. In the Statement of Activities, the District reports an annual OPEB expense and a corresponding revenue, equal to the allocated expense of the District as reported by the State.

P. Unearned Revenue/Advances from Grantors

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories:

1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2) Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3) Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
5) Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds. Of the $1,575,287.70 of fund balance in the General Fund, $1.00 has been restricted for capital reserve, $267,878.78 has been restricted for unemployment compensation, $163,111.06 has been assigned for other purposes, $508,686.00 has been designated for subsequent year's expenditures, and $635,610.86 is classified as unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Net Position and Fund Balance/Restricted Assets

Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

S. Government-Wide Financial Statement Classifications

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Capital Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase, acquire or build those capital assets, is reported as Net Investment in Capital Assets as a component of net position for the governmental activities and business-type activities.

T. Proprietary Fund 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 products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sale of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned from interest and investment income are classified as nonoperating revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Management Estimates

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

V. 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 are authorized to enter into tax abatement agreements. Furthermore, 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 a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth. There have been no tax abatement agreements entered into by the Township that will materially affect the District.

W. Recently Issued Accounting Pronouncements

The District adopted GASB Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62"*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The District adopted GASB Statement No. 101, "*Compensated Absences"*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. See Note 15.

The District adopted GASB Statement No. 102 "*Certain Risk Disclosures*". This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Recently Issued Accounting Pronouncements (continued)

requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

The GASB issued Statement No. 103 "*Financial Reporting Model Improvements*" in April 2024. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 104 "*Disclosure of Certain Capital Assets*" in September 2024. This objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.
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

X. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2025 through January 15, 2026, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

On July 22, 2025, the District issued $8,815,000 in Energy Savings Obligation Refunding School Bonds. Principal payments begin on August 1, 2027, with scheduled principal maturities ranging from $245,000 to $810,000. The bonds carry interest rates between 4.00% and 5.00%.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey's Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM). The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Cash on deposit is partially insured by federal deposit insurance in the amount of $250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

The District had the following depository accounts. All deposits are carried at cost plus accrued interest. The District does not have a deposit policy.

Depository Account		
Insured - FDIC	$	250,000.00
Insured - NJGUDPA (N.J.S.A. 17:9-41)		1,459,216.25
Uninsured		2,330,613.70
Total Deposits	$	4,039,829.95

Custodial Credit Risk – Deposits- Custodial credit risk is the risk that in the event of a bank failure, the board's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2025, $2,330,613.70 of the Board's bank balance of $4,039,829.95 was exposed to custodial risk. (See Note 1-G. relating to statutory mitigation of custodial risk in the event of a bank failure).

Concentration of Credit Risk – This is the risk associated with the amount of investments that the Board has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Board does not have an investment policy regarding Credit Risk except to the extent outlined under the Board's investment policy.

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

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest the possibility always exists, and for this reason a reserve is being accumulated as additional on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2025, the District had $58,676.54 on deposit with the New Jersey Cash Management Fund.

New Jersey Asset and Rebate Management – In order to maximize liquidity, the District utilizes the New Jersey Asset and Rebate Management Fund ("NJARM") as its sole investment. The District invests funds in the New Jersey Asset and Rebate Management Fund, which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Securities and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. Authorized investments under the NJARM program include obligations of the U.S. Government or its Agencies and Instrumentalities, government money market mutual funds, and municipal securities. Investments under NJARM are not insured or guaranteed by the FDIC or any other governmental agency. At June 30, 2025, the District's bank and book balance in NJARM was $73,485,533.49 and $71,134,741.76, respectively and is classified as an investment. NJARM is rated AAAm by Standard & Poors.

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

	2025
Cash (Demand Accts.)	$ 5,421,333.99
NJ Cash Management Fund	58,676.54
NJ Asset and Rebate Management	71,134,741.76
Total	$ 76,614,752.29

NOTE 3. CAPITAL ASSETS

The governmental fund balance sheet includes a reconciliation between fund balance – total funds and net position – governmental activities as reported in the Government-Wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance – total governmental funds is made to reflect the carrying value of the District's capital assets at year-end in the government-wide financial statements, which consist of:

Total capital assets at cost	$ 144,543,791.60
Less: accumulated depreciation	(86,532,892.57)
Governmental Activities Capital Assets, Net	$ 58,010,899.03

Capital assets by classification and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:					
Capital Assets That Are Not Being Depreciated:					
Land	$ 41,197,641.00	$	$	$	$ 41,197,641.00
Construction in Progress	1,331,986.97	4,801,244.28		(619,366.82)	5,513,864.43
Total Capital Assets Not Being Depreciated	42,529,627.97	4,801,244.28	-	(619,366.82)	46,711,505.43
Building and Building Improvements	87,425,972.25	13,684.00			87,439,656.25
Improvements other than Buildings	518,661.00				518,661.00
Machinery, Equipment, Furniture & Vehicles	9,102,270.48	597,740.62	445,409.00	619,366.82	9,873,968.92
Totals at Historical Cost	97,046,903.73	611,424.62	445,409.00	619,366.82	97,832,286.17
Less Accumulated Depreciation For:					
Building and Building Improvements	(78,371,937.10)	(933,486.45)			(79,305,423.55)
Improvements other than Buildings	(493,507.54)	(6,284.13)			(499,791.67)
Equipment, Furniture, and Vehicles	(6,256,321.70)	(914,822.68)	(443,467.03)		(6,727,677.35)
Total Accumulated Depreciation	(85,121,766.34)	(1,854,593.26)	(443,467.03)	-	(86,532,892.57)
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	11,925,137.39	(1,243,168.64)	1,941.97	619,366.82	11,299,393.60
Governmental Activities Capital Assets, Net	$ 54,454,765.36	$ 3,558,075.64	$ 1,941.97	$ -	$ 58,010,899.03
Business-type Activities					
Equipment	$ 241,803.35	$	$	$	$ 241,803.35
Less Accumulated Depreciation for:					
Equipment	(241,803.35)				(241,803.35)
Business-type Activities Capital Assets, Net	$ -	$ -	$ -	$ -	$ -

NOTE 3. CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 963,589.26
Tuition	150,589.00
Student & instruction related services	295,090.00
School Administrative services	104,615.00
General and business administrative services	70,631.00
Plant operations and maintenance	177,385.00
Pupil transportation	92,694.00
Total	$ 1,854,593.26

NOTE 4. LONG-TERM LIABILITIES

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One item of that reconciliation explains that Long-term liabilities, including bonds and judgments payable are not due and payable in the current period and therefore are not reported liabilities in the governmental funds. A deduction to the fund balance – total governmental funds is made to reflect the carrying value of the District's long-term liabilities at year-end in the governmental activities of the Government-wide financial statements.

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

	Balance Reported as of July 1, 2024	Cumulative Effect of Change in Accounting Principle*	Balance as Restated July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:							
Bonds Payable:							
General Obligation Debt	$ 79,389,000.00	$	$	$	$ 600,000.00	$ 78,789,000.00	$ 613,000.00
Total Bonds Payable	79,389,000.00	-	-	-	600,000.00	78,789,000.00	613,000.00
Other Liabilities:							
Obligations Under Financed Purchases	1,454,751.00			166,635.00	567,219.76	1,054,166.24	483,466.55
Compensated Absences Payable	2,705,991.25	7,304,205.34	10,010,196.59		454,375.25	9,555,821.34	955,582.13
Unamortized Premium on Bonds	681,573.56				26,214.37	655,359.19	26,214.37
Total Other Liabilities	4,842,315.81	7,304,205.34	10,010,196.59	166,635.00	1,047,809.38	11,265,346.77	1,465,263.05
Net Pension Liability (PERS)	10,402,278.00				1,118,348.00	9,283,930.00	
Total Liabilities	$ 94,633,593.81	$ 7,304,205.34	$ 10,010,196.59	$ 166,635.00	$ 2,766,157.38	$ 99,338,276.77	$ 2,078,263.05

The change in compensated absences is reported as a net change.

*See Note 15: Change in Accounting Principle and Restatement of Net Position

NOTE 4. LONG-TERM LIABILITIES (continued)

The District expects to liquidate the compensated absences, financed purchase obligations and net pension liabilities with payments made from the District's general fund and the bonds payable from the debt service fund.

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. Bonds payable at June 30, 2025 consist of the following issues and amounts:

On August 11, 2021 the District issued $5,478,000.00 in Refunding School Bonds with an interest rate of 1.430%. The District issued the bonds to advance refund all or a portion of the District's $6,878,000.00 aggregate principal amount of the outstanding Refunding School Bond, Series 2010, dated October 26, 2010, maturing on or after November 1, 2022, with interest rates ranging from 3.000% to 4.000% at a redemption price of 100% of the principal amount thereof. As a result, $6,878,000.00 of the refunded bonds is considered defeased and the liability was removed from the basic financial statements. This advance refunding was undertaken to reduce total debt service payments over the following ten years by $2,522,490.58 and resulted in a net present value savings of $2,326,937.34. The 2021 Refunding School Bonds have a balance at June 30, 2025 of $3,758,000 and are due to mature annually through the 2031 fiscal year at the remaining principal payments ranging from $593,000.00 to $658,000.00 at an annual fixed interest rate of 1.430%.

On June 26, 2024, the District issued $75,031,000.00 in School Bonds. The outstanding balance of this issue at June 30, 2025 was $75,031,000.00, which is payable in annual installments ranging from $1,751,000.00 to $3,500,000.00 commencing on July 15, 2026 through July 15, 2049 at interest rates ranging from 1.000% to 4.000%.

Principal and interest due on bonds outstanding as at June 30, 2025 is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 613,000.00	$ 4,178,635.45	$ 4,791,635.45
2027	2,382,000.00	2,789,666.85	5,171,666.85
2028	2,433,000.00	2,762,820.50	5,195,820.50
2029	2,519,000.00	2,735,261.20	5,254,261.20
2030	2,619,000.00	2,706,855.75	5,325,855.75
2031-2035	15,723,000.00	12,121,614.95	27,844,614.95
2036-2040	17,500,000.00	8,750,000.00	26,250,000.00
2041-2045	17,500,000.00	5,250,000.00	22,750,000.00
2046-2050	17,500,000.00	1,750,000.00	19,250,000.00
	$ 78,789,000.00	$ 43,044,854.70	$ 121,833,854.70

The above general obligation bonds are direct borrowings of the District for which its full and faith and credit are pledged and are payable from taxes levied on all taxable real property within the District.

NOTE 4. LONG-TERM LIABILITIES (continued)

B. Bonds Authorized But Not Issued (ABNI)

At June 30, 2025, the District had $9,500,000 in authorized but not issued bonds. Please see Note 1-X for details on the District's issuance of Energy Savings Obligation Refunding School Bonds from this authorization subsequent to year end.

C. Financed Purchases - The District is purchasing copier equipment, security systems, and technology under financed purchases. Principal and interest due on financed purchase obligations outstanding as of June 30, 2025 is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 483,466.55	$ 30,760.74	$ 514,227.29
2027	225,366.30	22,191.38	247,557.68
2028	210,603.96	14,334.40	224,938.36
2029	134,729.43	6,114.95	140,844.38
Total	$ 1,054,166.24	$ 73,401.47	$ 1,127,567.71

NOTE 5. PENSION PLANS

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer defined benefit plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer defined benefit plan. District employees employed by the Enterprise Funds are not eligible for pension benefits. Employees in the Food Service Enterprise Fund are employees of the Food Service Management Company and therefore not eligible for pension benefits. Employees of the remaining Enterprise Funds are either part-time or stipend employees and are therefore not eligible for pension benefits

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care, to substantially all full-time public-school employees in the State. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members accounts. Service retirement benefits of 1/55th of

NOTE 5. PENSION PLANS (continued)

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

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy is set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school Board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pursuant to the provisions of P.L. 2022, C.78, the member contribution rate was 7.5% in State fiscal year 2024.

Members are classified into one of five tiers dependent upon the date of their enrollment. 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 the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' pensionable compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution

NOTE 5. PENSION PLANS (continued)

includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2025, the State of New Jersey contributed $15,604,765.00 to the TPAF for on-behalf pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $2,512,003.47 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2025, 2024, and 2023 were $929,711.00, $959,858.00, and $917,147.00, respectively.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Public Employees' Retirement System (PERS)

At June 30, 2025, the District reported a liability of $9,283,930.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.0683242459 percent, which was a decrease of .0034929949 percent from its proportion measured as of June 30, 2023.

NOTE 5. PENSION PLANS (continued)

For the year ended June 30, 2025, the District recognized full accrual pension benefit of $(270,734.00) in the government-wide financial statements. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 185,974.00	$ 24,716.00
Changes of assumptions	11,534.00	105,630.00
Net Difference between projected and actual investment earnings on pension plan investments		430,470.00
Changes in proportion	4,645.00	1,176,493.00
District contributions subsequent to the measurement date	922,857.00	
Total	$ 1,125,010.00	$ 1,737,309.00

$922,857.00 is reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date.

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

Year ending June 30,	
2026	$ (850,923.00)
2027	(57,267.00)
2028	(384,881.00)
2029	(235,780.00)
2030	(6,305.00)
Total	$ (1,535,156.00)

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary increases:	2.75- 6.55% based on years of service
Investment rate of return	7.00%

NOTE 5. PENSION PLANS (continued)

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.

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 a generational basis. Mortality improvement is based on Scale MP-2022.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

NOTE 5. PENSION PLANS (continued)

Discount rate

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

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

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability	$ 12,439,900.00	$ 9,283,930.00	$ 6,742,869.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

Deferred outflows of resources	$	1,079,580,780.00
Deferred inflows of resources	$	1,611,322,898.00
Net pension liability	$	13,702,423,985.00
District's proportion		0.0683242590%

Collective pension expense for the Local Group for the measurement period ended June 30, 2024 is $372,160,096.00.

NOTE 5. PENSION PLANS (continued)

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020, and 2019 is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years, respectively.

Special Funding Situation

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a non-employer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2024 State special funding situation net pension liability amount of $114.4 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of $53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is $29,931.00

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2024 was $139,589,075.00. The District's proportionate share was $0.00.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State's proportionate share of the TPAF net pension liability associated with the District

NOTE 5. PENSION PLANS (continued)

was 0.2824254412 percent, which was an increase of 0.0085237889 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized on-behalf pension benefit and revenue in the government-wide financial statements of ($509,200.00) for contributions incurred by the State.

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. The actuarial valuation used the following actuarial assumptions, applied to all periods included 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-2022.

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 5. PENSION PLANS (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount Rate

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

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NOTE 5. PENSION PLANS (continued)

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District 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:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	$ 165,921,377.00	$ 139,589,075.00	$ 117,412,299.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

Deferred outflows of resources	$ 1,176,934,477.00
Deferred inflows of resources	$ 10,530,833,639.00
Net Pension Liability	$ 49,425,106,602.00
District's Proportion	0.2824254412%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2024 is $148,167,647.
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The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020, and 2019 is 7.84, 7.93, 7.83, 7.93, 8.04, and 8.29 years, respectively.

NOTE 6. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

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

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2024 total OPEB liability of $59,650,630,530.00 for this special funding situation. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2025, 2024, and 2023 were $3,527,370.00, $3,312,867.00, and $2,982,305.00, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

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

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NOTE 6. POST-RETIREMENT BENEFITS (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education Group	June 30, 2024
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Total Plan Members	372,741

Actuarial assumptions and other inputs

The total non-employer OPEB liability of $59,650,630,530 as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024 and included in the June 30, 2024 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF/ABP	PERS
Salary increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service

Mortality Rates

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

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

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

Discount Rate

The discount rate used to measure the total OPEB liability 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

NOTE 6. POST-RETIREMENT BENEFITS (continued)

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.

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%.

Changes in Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2024:

Balance at June 30, 2023	$ 130,656,366.00
Increased by:	
Service cost	5,565,753.00
Interest cost	4,876,533.00
Changes of assumptions	11,083,104.00
Member contributions	127,523.00
	152,309,279.00
Decreased by:	
Difference between expected and actual experience	441,496.00
Benefit payments	3,724,287.00
	4,165,783.00
Balance at June 30, 2024	$ 148,143,496.00

NOTE 6. POST-RETIREMENT BENEFITS (continued)

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	At 1% Decrease (2.93%)	At Current Discount Rate (3.93%)	At 1% Increase (4.93%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	$ 173,507,761.00	$ 148,143,496.00	$ 127,745,362.00

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% Decrease	Current Healthcare Cost Trend Rates	At 1% Increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	$ 123,404,611.00	$ 148,143,496.00	$ 180,367,527.00

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of $5,419,087 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2024 are as follows:

Deferred outflows of resources	$ 18,640,445,786.00
Deferred inflows of resources	$ 25,058,850,175.00
Collective OPEB expense	$ 1,999,742,665.00
District's Proportion	0.25%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

NOTE 7. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years.

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

Fiscal Year	Contributions/ Interest	CARES Act Federal Contribution	Amount Due at Due at June 30	Ending Balance
2024-2025	$ 83,594.29	$ -	$ 14,196.75	$ 267,878.78
2023-2024	82,305.21	-	19,309.52	230,390.57
2022-2023	78,681.02	67,532.10	49,705.17	181,156.97

Joint Insurance Fund - The Board, along with other school districts, is a member of the Diploma Joint Insurance Fund for Workers' Compensation Insurance Coverage. The Fund is organized and operated pursuant to the regulatory authority of the Department of Banking and Insurance, State of New Jersey and provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained excess liability coverages for participants.

At June 30, 2025, the last available audit report, the Fund reported case reserves and losses incurred but not reported (IBNR) of $5,041,403.00 and $5,104,219.00, respectively.

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 5,663.96	
Special Revenue Fund		$ 5,663.96
Total	$ 5,663.96	$ 5,663.96

The interfund payable in the Special Revenue Fund consists of $5,663.96 of deficit cash balances related to grant expenditures that have yet to be reimbursed to the District from the federal and state government as of June 30, 2025. All interfunds are expected to be liquidated during the next fiscal year.

NOTE 9. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus as set forth above is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance the fiscal year end of June 30 for future tax relief to the extent that unrestricted/unassigned fund balance exceeds 2% of the prior year net adjusted expenditures. The District is not required to appropriate any fund balance as part of the 2025-2026 and 2026-2027 school budgets.

NOTE 10. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Cranford Township Board of Education by inclusion of $1.00 on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). 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 June 1 to June 30 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 four special elections authorized pursuant to N.J.S.A 19:60 – 2. Pursuant to N.J.A.C. 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP.

NOTE 11. UNEMPLOYMENT RESERVE ACCOUNT

An unemployment reserve account was established by the District in 2021 to fund future unemployment claims billed by the state. This reserve was established in the general fund resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, which required the District to record these funds as governmental activities. At June 30, 2025, the balance of the unemployment reserve was $267,878.78.

NOTE 12. CONTINGENT LIABILITIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required.

In the opinion of the District, there are no other significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

NOTE 12. CONTINGENT LIABILITIES (continued)

At June 30, 2025, there was no litigation pending for which an unfavorable outcome with a material adverse impact on the net position of the District was anticipated.

NOTE 13. TRANSFERS

The following presents a reconciliation of transfers during the 2025 fiscal year:

	2025	
Fund	**In**	**Out**
Capital Projects Fund		$ 2,350,791.73
Debt Service Fund	$ 2,350,791.73	
	$ 2,350,791.73	$ 2,350,791.73

During the 2024–2025 fiscal year, the Capital Projects Fund earned $2,350,791.73 in interest on idle cash from the bond referendum. The interest earnings were transferred to the Debt Service Fund to be applied toward future debt service expenditures.

NOTE 14. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of $46,749,141.83 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	$ 58,010,899.03
Bonds payable (used to build or acquire capital assets)	(78,789,000.00)
Unused bond proceeds	69,184,261.57
Unamortized deferred interest costs	78,721.03
Unamortized premium on bonds	(655,359.19)
Financed purchases payable	(1,054,166.24)
Total net investment in capital assets	$ 46,775,356.20

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

Effective for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, Compensated Absences. This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid.

In accordance with GASB Statement No. 100, Accounting Changes and Error Corrections, the provisions of GASB Statement No. 101 were adopted effective July 1, 2024. As a result, the compensated absences liability was restated as of June 30, 2024, and the cumulative effect of the change of $(7,304,205.34) was recognized in the 2024 governmental activities change in net position.

Required Supplementary Information – Part II

Pension and OPEB Schedules

CRANFORD PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Last Ten Fiscal Years

	Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's Proportion of the Net Pension Liability - Local Group	0.079195%	0.081089%	0.080068%	0.082407%	0.081309%	0.081974%	0.080129%	0.072729%	0.071817%	0.068324%
District's Proportionate Share of the Net Pension Liability	$ 17,777,779	$ 24,015,633	$ 18,638,513	$ 16,225,599	$ 14,650,703	$ 13,367,917	$ 9,492,444	$ 10,975,800	$ 10,402,278	$ 9,283,930
District's Covered-Employee Payroll	$ 5,548,124	$ 5,520,410	$ 5,720,682	$ 5,776,277	$ 5,875,918	$ 5,862,304	$ 5,382,070	$ 5,399,772	$ 5,507,489	$ 5,591,206
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	320.43%	435.03%	325.81%	280.90%	249.33%	228.03%	176.37%	203.26%	188.88%	166.05%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

CRANFORD PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Last Ten Fiscal Years

	Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 724,669	$ 750,899	$ 822,646	$ 793,471	$ 896,762	$ 938,400	$ 917,147	$ 959,858	$ 929,711	$ 922,857
Contribution in Relation to Contractually Required Contribution	(724,669)	(750,899)	(822,646)	(793,471)	(896,762)	(938,400)	(917,147)	(959,858)	(929,711)	(922,857)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Proportionate Share of the Payroll	$ 5,520,410	$ 5,720,682	$ 5,776,277	$ 5,875,918	$ 5,862,304	$ 5,382,070	$ 5,399,772	$ 5,507,489	$ 5,591,206	$ 5,633,727
Contributions as a percentage of Covered Employee Payroll	13.13%	13.13%	14.24%	13.50%	15.30%	17.44%	16.98%	17.43%	16.63%	16.38%

CRANFORD PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND

Last Ten Fiscal Years

	Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.2753520%	0.2684440%	0.2636890%	0.2764865%	0.2740879%	0.2715085%	0.2750203%	0.2700259%	0.2739017%	0.2824254%
State's proportionate share of the net pension liability associated with the District	$174,034,492	$211,174,753	$177,788,658	$175,894,783	$168,210,356	$178,785,088	$132,216,530	$139,318,299	$139,779,325	$139,589,075
District's Covered-Employee Payroll	$27,043,401	$27,617,810	$28,735,328	$29,848,525	$29,821,425	$30,912,062	$32,880,409	$33,868,262	$35,110,810	$35,225,848
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	643.54%	764.63%	618.71%	589.29%	564.06%	578.37%	402.11%	411.35%	398.11%	396.27%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
June 30, 2025

NOTE 1. CHANGES IN BENEFITS AND ASSUMPTIONS

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2024, dated June 11, 2025. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

PENSION – PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions:

The discount rate has not changed from 7.00% as of June 30, 2023 and remains at 7.00% as of June 30, 2024.

PENSION – TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none

Changes of Assumptions

The discount rate has not changed from 7.00% as of June 30, 2023 and remains at 7.00% as of June 30, 2024.

CRANFORD PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE OPEB LIABILITY ASSOCIATED WITH THE DISTRICT
AND CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES PLAN

Last Ten Fiscal Years*

	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2020	Year Ended June 30, 2021	Year Ended June 30, 2022	Year Ended June 30, 2023	Year Ended June 30, 2024	Year Ended June 30, 2025
State's proportion of the OPEB liability associated with the District	0.2451500%	0.2405984%	0.2443027%	0.2473827%	0.2474291%	0.2465682%	0.2495267%	0.2483519%
District's proportionate share of the OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's Proportionate Share of the OPEB liability associated with the District	$ 131,498,084.00	$ 110,941,949.00	$ 101,945,267.00	$ 167,750,111.00	$ 148,476,383.00	$ 124,878,064.00	$ 130,656,366.00	$ 148,143,496.00
Total proprotionate share of the OPEB liability associated with the District	$ 131,498,084.00	$ 110,941,949.00	$ 101,945,267.00	$ 167,750,111.00	$ 148,476,383.00	$ 124,878,064.00	$ 130,656,366.00	$ 148,143,496.00
Beginning Balance	$ 141,699,912.00	$ 131,498,084.00	$ 110,941,949.00	$ 101,945,267.00	$ 167,750,111.00	$ 148,476,383.00	$ 124,878,064.00	$ 130,656,366.00
Increased by:								
Service cost	5,937,830.00	4,921,250.00	4,228,836.00	4,592,735.00	8,263,770.00	6,999,401.00	5,400,887.00	5,565,753.00
Interest cost	4,166,165.00	4,832,997.00	4,398,908.00	3,679,698.00	3,851,634.00	3,309,406.00	4,601,558.00	4,876,533.00
Difference between expected and actual experience				29,722,104.00		2,765,438.00		
Changes of assumptions			1,520,012.00	30,642,181.00	146,483.00		263,349.00	11,083,104.00
Member contributions	112,153.00	102,529.00	92,765.00	88,517.00	98,467.00	105,162.00	117,922.00	127,523.00
	151,916,060.00	141,354,860.00	121,182,470.00	170,670,502.00	180,110,465.00	161,655,790.00	135,261,780.00	152,309,279.00
Decreased by:								
Difference between expected and actual experience		14,715,219.00	16,107,787.00		28,442,038.00		1,018,425.00	441,496.00
Changes of assumptions	17,372,201.00	12,731,144.00				33,499,661.00		
Changes of benefit terms					158,035.00			
Gross benefit payments	3,045,775.00	2,966,548.00	3,129,416.00	2,920,391.00	3,034,009.00	3,278,065.00	3,586,989.00	3,724,287.00
Ending Balance	$ 131,498,084.00	$ 110,941,949.00	$ 101,945,267.00	$ 167,750,111.00	$ 148,476,383.00	$ 124,878,064.00	$ 130,656,366.00	$ 148,143,496.00
Covered by employee payroll	$ 35,345,896.00	$ 36,752,107.98	$ 35,683,729.00	$ 36,284,132.00	$ 38,280,181.00	$ 39,375,751.00	$ 40,702,016.00	$ 40,859,575.00
Total OPEB liability as a percentage of covered employee payroll	372.03%	301.87%	285.69%	462.32%	387.87%	317.14%	321.01%	362.57%

* 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 ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
JUNE 30, 2025

NOTE 1. SPECIAL FUNDING SITUATION

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. Accordingly, proportionate share information of the Net OPEB Liability is not reflected in the District's financial statements.

NOTE 2. CHANGES IN ASSUMPTIONS

For 2024, the discount rate changed to 3.93% from 3.65% in 2023. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 7.50% from 6.50%. For prescription drug benefits, the initial trend rate changed to 12.25% from 9.50%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 65,995,027.00	$	$ 65,995,027.00	$ 65,995,027.00	$
Tuition	3,702,385.00	190,248.00	3,892,633.00	3,225,568.00	(667,065.00)
Other Restricted Miscellaneous Revenues	39,650.00	(5,325.00)	34,325.00	33,325.00	(1,000.00)
Unrestricted Miscellaneous Revenues	187,829.00		187,829.00	401,793.31	213,964.31
Total - Local Sources	69,924,891.00	184,923.00	70,109,814.00	69,655,713.31	(454,100.69)
Intermediate Sources:					
PILOT Payments to School District	430,278.00		430,278.00	498,967.70	68,689.70
Total - Intermediate Sources	430,278.00		430,278.00	498,967.70	68,689.70
State Sources:					
Categorical Transportation Aid	363,329.00		363,329.00	363,329.00	
Extraordinary Aid	439,433.00		439,433.00	858,577.00	419,144.00
Categorical Special Education Aid	4,275,072.00		4,275,072.00	4,275,072.00	
Equalization Aid	88,682.00		88,682.00	88,682.00	
Categorical Security Aid	354,472.00		354,472.00	354,472.00	
Additional Nonpublic School Transportation Aid				39,711.00	39,711.00
State Reimbursement for Menstrual Products		2,914.00	2,914.00	2,914.00	
On Behalf T.P.A.F. Pension Contributions (non-budgeted)				11,924,027.00	11,924,027.00
On Behalf Post Retirement Medical Contributions (non-budgeted)				3,527,370.00	3,527,370.00
On Behalf T.P.A.F. Non-Contributory Group Insurance Contributions (non-budgeted)				147,707.00	147,707.00
On Behalf T.P.A.F. Long Term Disability Insurance Contributions (non-budgeted)				5,661.00	5,661.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,512,003.47	2,512,003.47
Total - State Sources	5,520,988.00	2,914.00	5,523,902.00	24,099,525.47	18,575,623.47
Federal Sources:					
Medicaid Reimbursement	35,353.00		35,353.00	9,424.29	(25,928.71)
Total - Federal Sources	35,353.00		35,353.00	9,424.29	(25,928.71)
Total Revenues	75,911,510.00	187,837.00	76,099,347.00	94,263,630.77	18,164,283.77

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	$ 535,048.00	$ 50,279.00	$ 585,327.00	$ 577,555.97	$ 7,771.03
Grades 1- 5	7,945,199.00	6,548.10	7,951,747.10	7,951,747.10	
Grades 6- 8	4,818,155.00	(109,749.31)	4,708,405.69	4,708,405.69	
Grades 9-12	7,135,210.00	(37,670.00)	7,097,540.00	7,087,068.22	10,471.78
Regular Programs - Home Instruction:					
Salaries of Teachers	28,636.00	(10,000.00)	18,636.00	12,379.50	6,256.50
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	245,675.00	20,344.98	266,019.98	266,019.98	
Purchased Professional - Educational Services	2,400.00	(2,000.00)	400.00	360.00	40.00
Other Purchased Services	744,568.00	45,781.24	790,349.24	718,589.50	71,759.74
General Supplies	670,692.00	(70,142.67)	600,549.33	546,657.73	53,891.60
Textbooks	139,280.00	(14,021.62)	125,258.38	98,943.82	26,314.56
Other Objects	1,600.00	1,390.00	2,990.00	2,941.00	49.00
Total Regular Programs - Instruction	22,266,463.00	(119,240.28)	22,147,222.72	21,970,668.51	176,554.21
Learning and/or Language Disabilities:					
Salaries of Teachers	327,707.00	(17,000.00)	310,707.00	310,189.56	517.44
Other Salaries for Instruction	283,042.00	35,811.11	318,853.11	318,853.11	
General Supplies	2,600.00	1,942.00	4,542.00	4,475.57	66.43
Total Learning and/or Language Disabilities	613,349.00	20,753.11	634,102.11	633,518.24	583.87

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Special Education (Cont'd.):					
Emotional Regulation Impairment:					
Salaries of Teachers	$ 1,601,829.00	$ (163,169.88)	$ 1,438,659.12	$ 1,438,659.12	$
Other Salaries for Instruction	335,267.00	225,186.91	560,453.91	560,453.91	
Other Purchased Services	4,200.00	600.00	4,800.00	4,195.48	604.52
General Supplies	33,066.00	471.46	33,537.46	27,392.33	6,145.13
Textbooks	450.00		450.00		450.00
Other Objects	5,500.00		5,500.00	1,711.48	3,788.52
Total Emotional Regulation Impairment	1,980,312.00	63,088.49	2,043,400.49	2,032,412.32	10,988.17
Resource Room/Resource Center:					
Salaries of Teachers	4,404,905.00	(288,434.66)	4,116,470.34	4,115,937.60	532.74
General Supplies	25,925.00	(8,094.66)	17,830.34	15,860.81	1,969.53
Total Resource Room/Resource Center	4,430,830.00	(296,529.32)	4,134,300.68	4,131,798.41	2,502.27
Autism:					
Salaries of Teachers	310,118.00	(26,394.14)	283,723.86	283,723.86	
Other Salaries for Instruction	350,180.00	100,324.74	450,504.74	447,496.10	3,008.64
Purchased Professional - Educational Services		31,760.00	31,760.00	28,760.00	3,000.00
General Supplies	12,858.00	2,325.93	15,183.93	14,335.50	848.43
Total Autism	673,156.00	108,016.53	781,172.53	774,315.46	6,857.07

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Special Education (Cont'd.):					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	$ 266,670.00	$ (92,535.00)	$ 174,135.00	$ 174,135.00	$
Other Salaries for Instruction	175,868.00	(49,081.82)	126,786.18	126,786.18	
Purchased Professional - Educational Services		12,465.00	12,465.00	12,465.00	
General Supplies	1,800.00	5,374.02	7,174.02	5,807.32	1,366.70
Total Preschool Disabilities - Part-Time	444,338.00	(123,777.80)	320,560.20	319,193.50	1,366.70
Preschool Disabilities - Full-Time:					
Salaries of Teachers	78,609.00		78,609.00	77,671.91	937.09
Other Salaries for Instruction	72,664.00	7,274.00	79,938.00	79,389.56	548.44
General Supplies	1,000.00	(874.02)	125.98	125.98	
Total Preschool Disabilities - Full-Time	152,273.00	6,399.98	158,672.98	157,187.45	1,485.53
Special Education - Home Instruction:					
Salaries of Teachers	32,462.00	(10,000.00)	22,462.00	18,528.75	3,933.25
Purchased Professional - Educational Services	39,691.00	15,000.00	54,691.00	44,266.69	10,424.31
Total Special Education - Home Instruction	72,153.00	5,000.00	77,153.00	62,795.44	14,357.56
Total Special Education	8,366,411.00	(217,049.01)	8,149,361.99	8,111,220.82	38,141.17
Basic Skills/Remedial:					
Salaries of Teachers	731,090.00	97,852.75	828,942.75	828,942.75	
General Supplies	4,300.00	(260.00)	4,040.00	3,281.67	758.33
Total Basic Skills/Remedial	735,390.00	97,592.75	832,982.75	832,224.42	758.33

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Bilingual Education:					
Salaries of Teachers	$ 77,434.00	$ 99.50	$ 77,533.50	$ 77,533.50	$
General Supplies	1,500.00		1,500.00	818.25	681.75
Total Bilingual Education	78,934.00	99.50	79,033.50	78,351.75	681.75
School - Sponsored Cocurricular Activities:					
Salaries	409,867.00	1,743.22	411,610.22	405,140.18	6,470.04
Purchased Services	10,435.00	(1,278.22)	9,156.78	8,695.02	461.76
Supplies and Materials	17,227.00	5,385.48	22,612.48	20,729.06	1,883.42
Other Objects	29,495.00	(8,003.73)	21,491.27	10,459.15	11,032.12
Total School - Sponsored Cocurricular Activities	467,024.00	(2,153.25)	464,870.75	445,023.41	19,847.34
School - Sponsored Athletics:					
Salaries	760,624.00	(40,620.12)	720,003.88	719,827.71	176.17
Purchased Services	245,356.00	39,392.00	284,748.00	268,444.74	16,303.26
Supplies and Materials	101,140.00	5,411.00	106,551.00	102,581.01	3,969.99
Other Objects	58,186.00	(2,917.00)	55,269.00	55,255.64	13.36
Total School - Sponsored Athletics	1,165,306.00	1,265.88	1,166,571.88	1,146,109.10	20,462.78
Summer School - Instruction:					
Salaries of Teachers	67,807.00	2,607.66	70,414.66	70,414.66	
Other Salaries for Instruction	49,696.00		49,696.00	48,505.11	1,190.89
Purchased Professional and Technical Services	24,324.00	20,713.00	45,037.00	44,731.02	305.98
General Supplies	250.00		250.00	67.17	182.83
Total Summer School - Instruction	142,077.00	23,320.66	165,397.66	163,717.96	1,679.70
Summer School - Support Services:					
Salaries	2,165.00		2,165.00	2,055.42	109.58
Total Summer School - Support Services	2,165.00		2,165.00	2,055.42	109.58
Total Summer School	144,242.00	23,320.66	167,562.66	165,773.38	1,789.28

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Community Services Programs/Operations:					
Salaries	$ 25,127.00	$ 21.85	$ 25,148.85	$ 25,148.85	$
Total Community Services Programs/Operations	25,127.00	21.85	25,148.85	25,148.85	
Total Instruction	33,248,897.00	(216,141.90)	33,032,755.10	32,774,520.24	258,234.86
Undistributed Expenditures - Instruction:					
Tuition to Other LEAS Within the State - Special	1,052,758.00	190,962.30	1,243,720.30	1,233,901.51	9,818.79
Tuition to County Vocational School Districts - Regular	568,500.00	13,000.00	581,500.00	577,300.00	4,200.00
Tuition to County Vocational School Districts - Special	12,000.00	2,400.00	14,400.00	14,400.00	
Tuition to County Special Services School Districts and Regional Day Schools	120,223.00	(87,973.79)	32,249.21	32,249.21	
Tuition to Private Schools for the Disabled within State	2,053,012.00	192,500.79	2,245,512.79	2,220,215.66	25,297.13
Tuition - Other	22,128.00	202,792.00	224,920.00	215,396.50	9,523.50
Total Undistributed Expenditures - Instruction	3,828,621.00	513,681.30	4,342,302.30	4,293,462.88	48,839.42
Attendance and Social Work Services:					
Purchased Professional and Technical Services	6,265.00		6,265.00		6,265.00
Total Attendance and Social Work Services	6,265.00		6,265.00		6,265.00

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Health Services:					
Salaries	$ 789,132.00	$ 77,327.12	$ 866,459.12	$ 866,459.12	$
Purchased Professional and Technical Services	96,750.00	34,842.00	131,592.00	55,189.28	76,402.72
Other Purchased Services	8,225.00	(3,000.00)	5,225.00	295.00	4,930.00
Supplies and Materials	11,900.00	11,239.24	23,139.24	21,154.87	1,984.37
State Reimbursement for Menstrual Products		2,914.00	2,914.00	2,914.00	
Total Health Services	906,007.00	123,322.36	1,029,329.36	946,012.27	83,317.09
Speech, OT, PT and Related Services:					
Salaries	1,122,993.00	40,347.00	1,163,340.00	1,162,408.13	931.87
Purchased Professional - Educational Services	83,645.00	116,670.00	200,315.00	192,677.64	7,637.36
Supplies and Materials	6,910.00	2,140.03	9,050.03	7,360.51	1,689.52
Total Speech, OT, PT and Related Services	1,213,548.00	159,157.03	1,372,705.03	1,362,446.28	10,258.75
Other Support Services - Students - Extraordinary Services:					
Salaries	1,177,156.00	(11,620.84)	1,165,535.16	1,165,535.16	
Purchased Professional - Educational Services	787,752.00	(266,472.53)	521,279.47	466,753.48	54,525.99
Supplies and Materials	10,350.00	1,092.00	11,442.00	10,330.39	1,111.61
Total Other Support Services - Students - Extraordinary Services	1,975,258.00	(277,001.37)	1,698,256.63	1,642,619.03	55,637.60
Guidance:					
Salaries of Other Professional Staff	1,056,962.00	(11,000.00)	1,045,962.00	1,045,050.49	911.51
Salaries of Secretarial and Clerical Assistants	186,271.00	3,881.27	190,152.27	190,152.27	
Other Purchased Professional and Technical Services	83,068.00	1,259.79	84,327.79	63,538.84	20,788.95
Other Purchased Services	500.00		500.00	483.93	16.07
Supplies and Materials	6,685.00	1,628.74	8,313.74	7,318.44	995.30
Other Objects	1,675.00		1,675.00	925.00	750.00
Total Guidance	1,335,161.00	(4,230.20)	1,330,930.80	1,307,468.97	23,461.83

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Child Study Teams:					
Salaries of Other Professional Staff	$ 1,606,887.00	$ 167,984.31	$ 1,774,871.31	$ 1,774,871.31	$
Salaries of Secretarial and Clerical Assistants	171,103.00	5,757.06	176,860.06	176,860.06	
Unused Vacation Payment to Terminated/Retired Staff		3,091.45	3,091.45	3,091.45	
Other Purchased Professional and Technical Services	24,873.00	13,907.26	38,780.26	34,663.07	4,117.19
Miscellaneous Purchased Services	35,528.00	250.00	35,778.00	35,147.51	630.49
Supplies and Materials	12,150.00	(99.00)	12,051.00	11,962.79	88.21
Total Child Study Teams	1,850,541.00	190,891.08	2,041,432.08	2,036,596.19	4,835.89
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	1,126,233.00	13,508.60	1,139,741.60	1,139,741.60	
Salaries of Other Professional Staff	44,777.00	(10,000.00)	34,777.00	34,249.00	528.00
Salaries of Secretarial and Clerical Assistants	127,352.00		127,352.00	127,201.20	150.80
Salaries of Facilitators, Math and Literacy Coaches	120,623.00		120,623.00	117,882.00	2,741.00
Other Purchased Services	8,300.00	259.46	8,559.46	5,150.29	3,409.17
Supplies and Materials	2,175.00		2,175.00	1,310.01	864.99
Other Objects	854.00	140.00	994.00	569.00	425.00
Total Improvement of Instructional Services	1,430,314.00	3,908.06	1,434,222.06	1,426,103.10	8,118.96
Educational Media Services/School Library:					
Salaries	453,235.00	36,186.55	489,421.55	489,421.55	
Purchased Professional and Technical Services	15,732.00		15,732.00	12,238.03	3,493.97
Supplies and Materials	41,573.00	(1,628.73)	39,944.27	33,943.40	6,000.87
Total Educational Media Services/School Library	510,540.00	34,557.82	545,097.82	535,602.98	9,494.84

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Instructional Staff Training Services:					
Other Salaries	$	$ 4,533.62	$ 4,533.62	$ 4,253.54	$ 280.08
Purchased Professional - Educational Services	29,180.00		29,180.00	28,270.00	910.00
Other Purchased Services	8,935.00	(302.00)	8,633.00	6,468.75	2,164.25
Supplies and Materials	2,200.00	500.00	2,700.00	2,498.23	201.77
Other Objects	1,550.00	30.00	1,580.00	345.00	1,235.00
Total Instructional Staff Training Services	41,865.00	4,761.62	46,626.62	41,835.52	4,791.10
Support Services - General Administration:					
Salaries	396,066.00	8,067.06	404,133.06	404,132.06	1.00
Legal Services	200,330.00	11,996.50	212,326.50	196,141.40	16,185.10
Audit Fees	38,000.00	29.20	38,029.20	38,029.20	
Architectural/Engineering Services	4,500.00	10,500.00	15,000.00	10,400.00	4,600.00
Other Purchased Professional Services		47,000.00	47,000.00	35,000.00	12,000.00
Purchased Technical Services	14,775.00	375.00	15,150.00	15,050.00	100.00
Communications/Telephone	171,170.00	8,263.84	179,433.84	164,592.79	14,841.05
BOE Other Purchased Services	5,850.00		5,850.00	3,996.68	1,853.32
Miscellaneous Purchased Services	64,007.00	5,851.41	69,858.41	63,090.58	6,767.83
General Supplies	7,264.00	(813.95)	6,450.05	4,578.86	1,871.19
BOE In-House Training/Meeting Supplies	300.00	(29.20)	270.80	32.96	237.84
Miscellaneous Expenditures	8,565.00		8,565.00	8,361.83	203.17
BOE Membership Dues and Fees	30,239.00		30,239.00	30,238.90	0.10
Total Support Services - General Administration	941,066.00	91,239.86	1,032,305.86	973,645.26	58,660.60
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,750,895.00	48,373.66	1,799,268.66	1,799,268.66	
Salaries of Other Professional Staff	587,827.00	40,085.00	627,912.00	618,937.27	8,974.73
Salaries of Secretarial and Clerical Assistants	1,070,494.00	(4,693.94)	1,065,800.06	1,065,800.06	
Unused Vacation Payment to Terminated/Retired Staff		56,492.00	56,492.00	56,492.00	
Purchased Professional and Technical Services		510.00	510.00	510.00	
Other Purchased Services	16,227.00	11,120.33	27,347.33	18,121.07	9,226.26
Supplies and Materials	31,459.00	6,562.85	38,021.85	35,931.98	2,089.87
Other Objects	10,055.00	(2,542.00)	7,513.00	5,300.80	2,212.20
Total Support Services - School Administration	3,466,957.00	155,907.90	3,622,864.90	3,600,361.84	22,503.06

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Central Services:					
Salaries	$ 889,401.00	$ 8,671.00	$ 898,072.00	$ 893,199.28	$ 4,872.72
Purchased Technical Services	126,919.00	19,336.39	146,255.39	135,522.17	10,733.22
Miscellaneous Purchased Services	29,750.00	2,872.54	32,622.54	28,975.75	3,646.79
Supplies and Materials	17,172.00	(293.70)	16,878.30	13,827.01	3,051.29
Miscellaneous Expenditures	8,853.00	(633.35)	8,219.65	4,648.32	3,571.33
Total Central Services	1,072,095.00	29,952.88	1,102,047.88	1,076,172.53	25,875.35
Administrative Information Technology:					
Salaries	188,780.00	259.07	189,039.07	189,038.19	0.88
Purchased Technical Services	199,111.00		199,111.00	189,176.00	9,935.00
Other Purchased Services	1,000.00	2,100.00	3,100.00	2,740.00	360.00
Supplies and Materials	1,170.00		1,170.00		1,170.00
Total Administrative Information Technology	390,061.00	2,359.07	392,420.07	380,954.19	11,465.88
Required Maintenance for School Facilities:					
Salaries	230,529.00		230,529.00	217,676.43	12,852.57
Cleaning, Repair, and Maintenance Services	249,887.00	147,532.67	397,419.67	333,029.25	64,390.42
General Supplies	74,500.00	1,759.34	76,259.34	57,900.22	18,359.12
Other Objects	10,800.00	(4,500.00)	6,300.00	2,438.00	3,862.00
Total Required Maintenance for School Facilities	565,716.00	144,792.01	710,508.01	611,043.90	99,464.11
Custodial Services:					
Salaries	2,228,901.00	53,301.07	2,282,202.07	2,268,993.07	13,209.00
Salaries of Non-Instructional Aides	491,882.00	(170,000.00)	321,882.00	314,257.66	7,624.34
Purchased Professional & Technical Services	11,000.00	11,622.00	22,622.00	16,910.10	5,711.90
Cleaning, Repair, and Maintenance Services	172,382.00	26,702.39	199,084.39	187,946.00	11,138.39
Other Purchased Property Services	103,531.00	4,803.94	108,334.94	107,834.94	500.00
Insurance	879,219.00		879,219.00	876,102.41	3,116.59
Miscellaneous Purchased Services	1,250.00		1,250.00	650.00	600.00
General Supplies	188,271.00	44,747.48	233,018.48	227,441.24	5,577.24
Energy (Natural Gas)	499,394.00	(123,391.25)	376,002.75	375,184.25	818.50
Energy (Electricity)	451,872.00	74,221.69	526,093.69	526,093.69	
Energy (Gasoline)	14,450.00	(1,264.94)	13,185.06	10,491.37	2,693.69
Other Objects	4,892.00		4,892.00	3,827.00	1,065.00
Total Custodial Services	5,047,044.00	(79,257.62)	4,967,786.38	4,915,731.73	52,054.65

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Care and Upkeep of Grounds:					
Salaries	$ 209,396.00	$ 6,669.52	$ 216,065.52	$ 216,065.52	$
Cleaning, Repair, and Maintenance Services	177,711.00	782.00	178,493.00	175,500.68	2,992.32
General Supplies	30,000.00	2,593.38	32,593.38	30,864.16	1,729.22
Total Care and Upkeep of Grounds	417,107.00	10,044.90	427,151.90	422,430.36	4,721.54
Security:					
Salaries	18,960.00	439.02	19,399.02	6,600.00	12,799.02
Purchased Professional & Technical Services	100,765.00	1,833.50	102,598.50	100,011.74	2,586.76
Cleaning, Repair, and Maintenance Services	34,672.00	17,500.00	52,172.00	46,652.00	5,520.00
General Supplies	14,700.00	(9,357.60)	5,342.40	2,296.39	3,046.01
Total Security	169,097.00	10,414.92	179,511.92	155,560.13	23,951.79
Student Transportation Services:					
Salaries for Pupil Transportation (Other Than Between Home & School)	113,887.00	30,000.00	143,887.00	134,314.09	9,572.91
Cleaning, Repair, and Maintenance Services	10,000.00	1,820.07	11,820.07	11,820.07	
Contracted Services (Between Home and School) - Vendors	221,101.00	19,750.00	240,851.00	240,850.59	0.41
Contracted Services (Other Than Between Home & School) - Vendors	235,499.00	(20,266.79)	215,232.21	214,604.22	627.99
Contracted Services (Special Education Students) - Joint Agreements	950,086.00	(10,861.09)	939,224.91	797,165.68	142,059.23
Contracted Services (Regular Students) - ESCs	203,441.00	7,600.00	211,041.00	210,839.50	201.50
Contracted Services (Special Ed. Students) - ESCs	1,736,282.00	(127,479.00)	1,608,803.00	1,474,471.99	134,331.01
Contracted Services - Aid in Lieu of Payments	87,375.00	16,831.00	104,206.00	98,044.10	6,161.90
Transportation Supplies	11,500.00	(1,367.07)	10,132.93	7,979.84	2,153.09
Total Student Transportation Services	3,569,171.00	(83,972.88)	3,485,198.12	3,190,090.08	295,108.04

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	$ 938,012.00	$ 47,577.92	$ 985,589.92	$ 985,489.25	$ 100.67
Other Retirement Contributions - PERS	1,004,587.00	(47,577.92)	957,009.08	929,711.00	27,298.08
Other Retirement Contributions - Regular	75,954.00	9,000.00	84,954.00	84,659.02	294.98
Workers' Compensation	484,114.00		484,114.00	467,707.00	16,407.00
Health Benefits	11,746,722.00	(167,744.04)	11,578,977.96	11,520,850.65	58,127.31
Tuition Reimbursement	100,500.00	1,350.00	101,850.00	93,269.00	8,581.00
Other Employee Benefits	346,077.00	14,278.98	360,355.98	358,032.24	2,323.74
Unused Sick Payment to Terminated/Retired Staff		115,144.62	115,144.62	115,144.62	
Total Unallocated Benefits - Employee Benefits	14,695,966.00	(27,970.44)	14,667,995.56	14,554,862.78	113,132.78
Total Personal Services - Employee Benefits	14,695,966.00	(27,970.44)	14,667,995.56	14,554,862.78	113,132.78
On Behalf T.P.A.F. Pension Contributions (non-budgeted)				11,924,027.00	(11,924,027.00)
On Behalf Post Retirement Medical Contributions (non-budgeted)				3,527,370.00	(3,527,370.00)
On Behalf T.P.A.F. Non-Contributory Group Insurance Contributions (non-budgeted)				147,707.00	(147,707.00)
On Behalf T.P.A.F. Long Term Disability Insurance Contributions (non-budgeted)				5,661.00	(5,661.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,512,003.47	(2,512,003.47)
Total Undistributed Expenditures	43,432,400.00	1,002,558.30	44,434,958.30	61,589,768.49	(17,154,810.19)
Total Expenditures - Current Expense	76,681,297.00	786,416.40	77,467,713.40	94,364,288.73	(16,896,575.33)

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Custodial Services	$	$ 16,597.99	$ 16,597.99	$ 16,596.23	$ 1.76
Care and Upkeep of Grounds		70,998.30	70,998.30	68,663.68	2,334.62
Total Equipment		87,596.29	87,596.29	85,259.91	2,336.38
Facilities Acquisition & Construction Services:					
Other Objects	13,684.00		13,684.00	13,684.00	
Total Facilities. Acquisition & Construction Services	13,684.00		13,684.00	13,684.00	
Assets Acquired Under Capital Leases:					
Equipment:					
Copiers (non-budgeted)				11,760.00	(11,760.00)
Instructional Equipment - Chromebooks (non-budgeted)				154,875.00	(154,875.00)
Total Assets Acquired Under Capital Leases				166,635.00	(166,635.00)
Total Capital Outlay	13,684.00	87,596.29	101,280.29	265,578.91	(164,298.62)
Transfer of Funds to Charter School	61,860.00	56,266.00	118,126.00	118,126.00	
Total Expenditures	76,756,841.00	930,278.69	77,687,119.69	94,747,993.64	(17,060,873.95)

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (845,331.00)	$ (742,441.69)	$ (1,587,772.69)	$ (484,362.87)	$ 1,103,409.82
Other Financing Sources/(Uses):					
Additions to Unemployment Fund Balance				37,488.21	37,488.21
Capital Leases (non-budgeted)				166,635.00	166,635.00
Total Other Financing Sources/(Uses)				204,123.21	204,123.21
Excess (Deficiency) of Revenues and Other Financing Sources/(Uses) Over (Under) Expenditures and Other Financing Uses	(845,331.00)	(742,441.69)	(1,587,772.69)	(280,239.66)	1,307,533.03
Fund Balances, July 1	2,352,926.36		2,352,926.36	2,352,926.36	
Fund Balances, June 30	$ 1,507,595.36	$ (742,441.69)	$ 765,153.67	$ 2,072,686.70	$ 1,307,533.03
Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:					
Increase in Capital Reserve					
Adjustment for Pr. Year Encumbrances	$	$ (152,466.69)	$ (152,466.69)	$ (152,466.69)	$
Budgeted Fund Balance	(845,331.00)	(589,975.00)	(1,435,306.00)	(127,772.97)	1,307,533.03
Total	$ (845,331.00)	$ (742,441.69)	$ (1,587,772.69)	$ (280,239.66)	$ 1,307,533.03
Recapitulation of Fund Balance:					
Restricted for:					
Capital Reserve				$ 1.00	
Unemployment Compensation				267,878.78	
Assigned to:					
Year - End Encumbrances				163,111.06	
Designated for Subsequent Year's Expenditures				508,686.00	
Unassigned Fund Balance				1,133,009.86	
				$ 2,072,686.70	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not recognized on GAAP basis				(497,399.00)	
Fund Balance per Governmental Funds (GAAP)				$ 1,575,287.70	

Exhibit C-2

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues:					
Local Sources:					
Revenue from Local Sources	$	$ 95,749.60	$ 95,749.60	$ 816,555.27	$ 720,805.67
Total - Local Sources		95,749.60	95,749.60	816,555.27	720,805.67
State Sources:					
Nonpublic Aid	267,315.00	47,326.00	314,641.00	250,105.88	(64,535.12)
Total - State Sources	267,315.00	47,326.00	314,641.00	250,105.88	(64,535.12)
Federal Sources:					
I.D.E.A., Part B (Handicapped)	998,149.00	6,357.00	1,004,506.00	950,983.56	(53,522.44)
ESEA - Title I, Part A		3,072.00	3,072.00	3,072.00	
ESEA - Title II, Part A	52,540.00	(1,618.00)	50,922.00	50,426.00	(496.00)
ESEA - Title III, Immigrant	4,002.00	(963.00)	3,039.00	3,039.00	
High Impact Tutoring		76,199.92	76,199.92	71,194.99	(5,004.93)
ARP - ESSER III	51,950.00	(15,704.54)	36,245.46	36,245.46	
Total - Federal Sources	1,106,641.00	67,343.38	1,173,984.38	1,114,961.01	(59,023.37)
Total Revenues	1,373,956.00	210,418.98	1,584,374.98	2,181,622.16	597,247.18
Expenditures					
Instruction					
Salaries of Teachers	$ 15,054.00	$ 51,393.12	$ 66,447.12	$ 63,120.15	$ 3,326.97
Other Salaries for Instruction	6,788.00	(6,788.00)			
Purchase Professional and Technical Services		14,514.00	14,514.00	14,514.00	
Other Purchased Services	253,458.00	49,778.00	303,236.00	238,700.88	64,535.12
Tuition	907,111.00	(18,000.00)	889,111.00	889,111.00	
General Supplies	31,888.00	33,965.26	65,853.26	56,241.34	9,611.92
Textbooks	13,857.00	616.00	14,473.00	14,473.00	
Other Objects		624.00	624.00	624.00	
Total Instruction	1,228,156.00	126,102.38	1,354,258.38	1,276,784.37	77,474.01
Support Services					
Salaries of Project Directors	36,085.00	(27,110.99)	8,974.01	8,974.01	
Salaries of Other Professional Staff	6,464.00	(6,464.00)			
Other Salaries		19,463.40	19,463.40	19,175.00	288.40
Personal Services - Employee Benefits	3,765.00	21,544.81	25,309.81	23,924.75	1,385.06
Purchased Professional - Educational Services	91,038.00	28,268.00	119,306.00	62,997.56	56,308.44
Other Purchased Services (400-500 series)	8,095.00	4,166.38	12,261.38	11,730.33	531.05
Supplies and Materials	353.00	31,477.29	31,830.29	31,170.99	659.30
Student Activities				722,875.34	(722,875.34)
Total Support Services	145,800.00	71,344.89	217,144.89	880,847.98	(663,703.09)
Facilities Acquisition and Construction Services:					
Noninstructional Equipment		12,971.71	12,971.71	12,971.71	-
Total Facilities Acquisition and Construction Services	-	12,971.71	12,971.71	12,971.71	-
Total Expenditures	1,373,956.00	210,418.98	1,584,374.98	2,170,604.06	(586,229.08)
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ -	$ 11,018.10	$ 11,018.10
Fund Balance, July 1				307,644.94	
Fund Balance, June 30				$ 318,663.04	
Recapitulation:					
Restricted:					
Student Activities				$ 318,663.04	

Exhibit C-3

CRANFORD PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	$ 94,263,630.77	$ 2,181,622.16
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		
Current year		
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	454,757.00	
Current year	(497,399.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	$ 94,220,988.77	$ 2,181,622.16
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-1, C-2)	$ 94,747,993.64	$ 2,170,604.06
Differences - budget to GAAP		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	$ 94,747,993.64	$ 2,170,604.06

Supplementary Information

Special Revenue Fund

Exhibit E- 1

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Brought Forward (Ex. E-1a)	IDEA Part B Basic Reg. FY 2025	IDEA Part B Preschool FY 2025	ESEA - Title I, Part A FY 2025	ESEA - Title II, Part A FY 2025	ESEA - Title III, Immigrant FY 2025	Totals 2025
Revenues:							
State Sources	$ 250,105.88	$	$	$	$	$	$ 250,105.88
Federal Sources	107,440.45	918,561.56	32,422.00	3,072.00	50,426.00	3,039.00	1,114,961.01
Local Sources	816,555.27						816,555.27
Total Revenues	1,174,101.60	918,561.56	32,422.00	3,072.00	50,426.00	3,039.00	2,181,622.16
Expenditures:							
Instruction:							
Salaries of Teachers	63,120.15						63,120.15
Purchased Professional and Technical Services	14,514.00						14,514.00
Other Purchased Services	238,700.88						238,700.88
Tuition		889,111.00					889,111.00
General Supplies	50,130.34			3,072.00		3,039.00	56,241.34
Textbooks	14,473.00						14,473.00
Other Objects	624.00						624.00
Total Instruction	381,562.37	889,111.00		3,072.00		3,039.00	1,276,784.37
Support Services:							
Salaries of Project Directors	8,974.01						8,974.01
Other Salaries	6,902.00				12,273.00		19,175.00
Personal Services - Employee Benefits	22,985.87				938.88		23,924.75
Purchased Professional - Educational Services	1,125.00	29,450.56	32,422.00				62,997.56
Other Purchased Services (400-500 series)	4,366.21				7,364.12		11,730.33
Supplies and Materials	1,320.99				29,850.00		31,170.99
Student Activities	722,875.34						722,875.34
Total Support Services	768,549.42	29,450.56	32,422.00		50,426.00		880,847.98
Facilities Acquisition & Construction Services:							
Noninstructional Equipment	12,971.71						12,971.71
Total Facilities Acquisition & Construction Services	12,971.71						12,971.71
Total Expenditures	1,163,083.50	918,561.56	32,422.00	3,072.00	50,426.00	3,039.00	2,170,604.06
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,018.10	-	-	-	-	-	11,018.10
Fund Balance, July 1	307,644.94						307,644.94
Fund Balance, June 30	$ 318,663.04	$	$	$	$	$	$ 318,663.04

Exhibit E- 1a

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Brought Forward (Ex. E-1b)	High Impact Tutoring	ARP Act ESSER III	ARP Act ESSER III BSD	Total Carried Forward
Revenues:					
State Sources	$ 250,105.88	$	$	$	$ 250,105.88
Federal Sources		71,194.99	28,091.49	8,153.97	107,440.45
Local Sources	816,555.27				816,555.27
Total Revenues	1,066,661.15	71,194.99	28,091.49	8,153.97	1,174,101.60
Expenditures:					
Instruction:					
Salaries of Teachers	19,455.00	36,090.63		7,574.52	63,120.15
Purchased Professional and Technical Services		14,514.00			14,514.00
Other Purchased Services	238,700.88				238,700.88
Tuition					
General Supplies	39,730.92	10,399.42			50,130.34
Textbooks	14,473.00				14,473.00
Other Objects	624.00				624.00
Total Instruction	312,983.80	61,004.05		7,574.52	381,562.37
Support Services:					
Salaries of Project Directors			8,974.01		8,974.01
Other Salaries		6,902.00			6,902.00
Personal Services - Employee Benefits		3,288.94	19,117.48	579.45	22,985.87
Purchased Professional - Educational Services	1,125.00				1,125.00
Other Purchased Services (400-500 series)	4,366.21				4,366.21
Supplies and Materials	1,320.99				1,320.99
Student Activities	722,875.34				722,875.34
Total Support Services	729,687.54	10,190.94	28,091.49	579.45	768,549.42
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	12,971.71				12,971.71
Total Facilities Acquisition & Construction Services	12,971.71				12,971.71
Total Expenditures	1,055,643.05	71,194.99	28,091.49	8,153.97	1,163,083.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,018.10				11,018.10
Fund Balance, July 1	307,644.94				307,644.94
Fund Balance, June 30	$ 318,663.04	$	$	$	$ 318,663.04

Exhibit E- 1b

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Brought Forward (Ex. E-1c)	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Total Carried Forward
Revenues:						
State Sources	$ 142,884.57	$ 14,473.00	$ 36,790.00	$ 10,958.31	$ 45,000.00	$ 250,105.88
Federal Sources						
Local Sources	816,555.27					816,555.27
Total Revenues	959,439.84	14,473.00	36,790.00	10,958.31	45,000.00	1,066,661.15
Expenditures:						
Instruction:						
Salaries of Teachers	19,455.00					19,455.00
Purchased Professional and Technical Services						
Other Purchased Services	145,952.57		36,790.00	10,958.31	45,000.00	238,700.88
Tuition						
General Supplies	39,730.92					39,730.92
Textbooks		14,473.00				14,473.00
Other Objects	624.00					624.00
Total Instruction	205,762.49	14,473.00	36,790.00	10,958.31	45,000.00	312,983.80
Support Services:						
Salaries of Project Directors						
Other Salaries						
Personal Services - Employee Benefits						
Purchased Professional - Educational Services	1,125.00					1,125.00
Other Purchased Services (400-500 series)	4,366.21					4,366.21
Supplies and Materials	1,320.99					1,320.99
Student Activities	722,875.34					722,875.34
Total Support Services	729,687.54					729,687.54
Facilities Acquisition & Construction Services:						
Noninstructional Equipment	12,971.71					12,971.71
Total Facilities Acquisition & Construction Services	12,971.71					12,971.71
Total Expenditures	948,421.74	14,473.00	36,790.00	10,958.31	45,000.00	1,055,643.05
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,018.10					11,018.10
Fund Balance, July 1	307,644.94					307,644.94
Fund Balance, June 30	$ 318,663.04	$	$	$	$	$ 318,663.04

Exhibit E- 1c

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Brought Forward (Ex. E-1d)	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Handicapped Services Ch. 193			Total Carried Forward
		Compensatory Education	ESL	Supplemental Instruction	Examination & Classification	Corrective Speech	
Revenues:							
State Sources	$	$ 86,603.31	$ 1,500.93	$ 17,263.12	$ 21,800.21	$ 15,717.00	$ 142,884.57
Federal Sources							
Local Sources	816,555.27						816,555.27
Total Revenues	816,555.27	86,603.31	1,500.93	17,263.12	21,800.21	15,717.00	959,439.84
Expenditures:							
Instruction:							
Salaries of Teachers	19,455.00						19,455.00
Purchased Professional and Technical Services							
Other Purchased Services	3,068.00	86,603.31	1,500.93	17,263.12	21,800.21	15,717.00	145,952.57
Tuition							
General Supplies	39,730.92						39,730.92
Textbooks							
Other Objects	624.00						624.00
Total Instruction	62,877.92	86,603.31	1,500.93	17,263.12	21,800.21	15,717.00	205,762.49
Support Services:							
Salaries of Project Directors							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional - Educational Services	1,125.00						1,125.00
Other Purchased Services (400-500 series)	4,366.21						4,366.21
Supplies and Materials	1,320.99						1,320.99
Student Activities	722,875.34						722,875.34
Total Support Services	729,687.54						729,687.54
Facilities Acquisition & Construction Services:							
Noninstructional Equipment	12,971.71						12,971.71
Total Facilities Acquisition & Construction Services	12,971.71						12,971.71
Total Expenditures	805,537.17	86,603.31	1,500.93	17,263.12	21,800.21	15,717.00	948,421.74
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,018.10						11,018.10
Fund Balance, July 1	307,644.94						307,644.94
Fund Balance, June 30	$ 318,663.04	$	$	$	$	$	$ 318,663.04

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Brought Forward (Ex. E-1e)	LAS PTA Donations	Union County Dig In Grant	HAS PTA Donations	School Program Donations	Memorial Field Donations	BAS PTA Donations	Friends of the PA Donations	Total Carried Forward
Revenues:									
State Sources	$	$	$	$	$	$	$	$	$
Federal Sources									
Local Sources	784,413.79	1,996.00	72.77	8,982.00	4,053.00	12,971.71	998.00	3,068.00	816,555.27
Total Revenues	784,413.79	1,996.00	72.77	8,982.00	4,053.00	12,971.71	998.00	3,068.00	816,555.27
Expenditures:									
Instruction:									
Salaries of Teachers	7,479.00	1,996.00		8,982.00			998.00		19,455.00
Purch. Professional and Technical Services									
Other Purchased Services								3,068.00	3,068.00
Tuition									
General Supplies	35,605.15		72.77		4,053.00				39,730.92
Textbooks									
Other Objects	624.00								624.00
Total Instruction	43,708.15	1,996.00	72.77	8,982.00	4,053.00		998.00	3,068.00	62,877.92
Support Services:									
Salaries of Project Directors									
Other Salaries									
Personal Services - Employee Benefits									
Purch. Professional - Educational Services	1,125.00								1,125.00
Other Purchased Services (400-500 series)	4,366.21								4,366.21
Supplies and Materials	1,320.99								1,320.99
Student Activities	722,875.34								722,875.34
Total Support Services	729,687.54								729,687.54
Facilities Acquisition & Construction Services:									
Noninstructional Equipment						12,971.71			12,971.71
Total Facilities Acq. & Constr. Services						12,971.71			12,971.71
Total Expenditures	773,395.69	1,996.00	72.77	8,982.00	4,053.00	12,971.71	998.00	3,068.00	805,537.17
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,018.10								11,018.10
Fund Balance, July 1	307,644.94								307,644.94
Fund Balance, June 30	$ 318,663.04	$	$	$	$	$	$	$	$ 318,663.04

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	CFEE Grants	OAS PTA Donations	Full Value Donations	NJCIC Grant	College Board Grant	Student Activity Fund	Total Carried Forward
Revenues:							
State Sources	$	$	$	$	$	$	$
Federal Sources							
Local Sources	33,535.58	6,481.00	4,067.99	5,966.83	468.95	733,893.44	784,413.79
Total Revenues	33,535.58	6,481.00	4,067.99	5,966.83	468.95	733,893.44	784,413.79
Expenditures:							
Instruction:							
Salaries of Teachers		6,481.00	998.00				7,479.00
Purchased Professional and Technical Services							
Other Purchased Services							
Tuition							
General Supplies	33,535.58			2,069.57			35,605.15
Textbooks							
Other Objects			624.00				624.00
Total Instruction	33,535.58	6,481.00	1,622.00	2,069.57			43,708.15
Support Services:							
Salaries of Project Directors							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional - Educational Services			1,125.00				1,125.00
Other Purchased Services (400-500 series)				3,897.26	468.95		4,366.21
Supplies and Materials			1,320.99				1,320.99
Student Activities						722,875.34	722,875.34
Total Support Services			2,445.99	3,897.26	468.95	722,875.34	729,687.54
Facilities Acquisition & Construction Services:							
Noninstructional Equipment							
Total Facilities Acquisition & Construct.							
Total Expenditures	33,535.58	6,481.00	4,067.99	5,966.83	468.95	722,875.34	773,395.69
Excess (Deficiency) of Revenues Over (Under) Expenditures						11,018.10	11,018.10
Fund Balance, July 1						307,644.94	307,644.94
Fund Balance, June 30	$	$	$	$	$	$ 318,663.04	$ 318,663.04

Capital Projects Fund

Exhibit - F-1

CRANFORD PUBLIC SCHOOL DISTRICT
SUMMARY STATEMENT OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
FISCAL YEAR ENDED JUNE 30, 2025

PROJECT TITLE/ISSUE	APPROPRIATION	EXPENDITURES TO DATE PRIOR YEARS	EXPENDITURES TO DATE CURRENT YEAR	UNEXPENDED BALANCE
Various Capital Improvements - January 2024 Referendum Issuance of School Bonds	$ 75,031,000.00	$ 712,620.15	$ 5,134,118.28	$ 69,184,261.57
TOTALS	$ 75,031,000.00	$ $712,620.15	$ 5,134,118.28	$ 69,184,261.57

Exhibit - F-2

CRANFORD PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

Revenues and Other Financing Sources:	
Investment Earnings	$ 2,350,791.73
Total Revenues and Other Financing Sources	2,350,791.73
Expenditures and Other Financing Uses:	
Legal Services	224,224.01
Other Purchased Professional and Technical Services	2,499,577.17
Construction Services	2,410,317.10
Operating Transfers Out:	
Transfer to Debt Service Fund - Investment Earnings	2,350,791.73
Total Expenditures and Other Financing Uses	7,484,910.01
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,134,118.28)
Fund Balance (Deficit) - Beginning	74,318,379.85
Fund Balance (Deficit) - Ending	$ 69,184,261.57

Recapitulation of Fund Balance at June 30, 2025:

Reserve for Encumbrances	$ 28,313,368.57
Available for Capital Project Expenditures	40,870,893.00
Total Fund Balance - Budgetary Basis	69,184,261.57
Total Fund Balance per Governmental Funds (GAAP)	$ 69,184,261.57

Exhibit - F-2a

CRANFORD PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS CAPITAL IMPROVEMENTS - 2024 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	$ 75,031,000.00	$	$ 75,031,000.00	$ 75,031,000.00
Investement Earnings		2,350,791.73	2,350,791.73	
Total Revenues and Other Financing Sources	75,031,000.00	2,350,791.73	77,381,791.73	75,031,000.00
Expenditures and Other Financing Uses:				
Legal Services	139.85	224,224.01	224,363.86	224,363.86
Other Purchased Professional and Technical Services	712,480.30	2,499,577.17	3,212,057.47	3,212,057.47
Construction Services		2,410,317.10	2,410,317.10	2,410,317.10
Transfer to Debt Service Fund - Investment Earnings		2,350,791.73	2,350,791.73	
Total Expenditures and Other Financing Uses	712,620.15	7,484,910.01	8,197,530.16	5,846,738.43
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 74,318,379.85	$ (5,134,118.28)	$ 69,184,261.57	$ 69,184,261.57

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	1/23/2024
Bonds Authorized	$ 75,031,992.00
Bonds Issued	$ 75,031,000.00
Original Authorized Cost	$ 75,031,992.00
Additional Authorized Cost	$ (992.00)
Revised Authorized Cost	$ 75,031,000.00
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	7.79%
Original Target Completion Date	2028
Revised Target Completion Date	N/A

Long-Term Debt

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issue	Date of Issue	Amount of Original Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2024	Retired	Balance June 30, 2025
2021 Refunding School Bonds	8/11/2021	$ 5,478,000.00	11/1/2025	$ 613,000.00	1.430%	$ 4,358,000.00	$ 600,000.00	$ 3,758,000.00
			11/1/2026	631,000.00	1.430%			
			11/1/2027	658,000.00	1.430%			
			11/1/2028	644,000.00	1.430%			
			11/1/2029	619,000.00	1.430%			
			11/1/2030	593,000.00	1.430%			
2024 School Bonds	6/26/2024	75,031,000.00	7/15/2026	1,751,000.00	1.000%	75,031,000.00		75,031,000.00
			7/15/2027	1,775,000.00	1.000%			
			7/15/2028	1,875,000.00	1.000%			
			7/15/2029	2,000,000.00	1.000%			
			7/15/2030	2,125,000.00	3.000%			
			7/15/2031	3,065,000.00	4.000%			
			7/15/2032	3,190,000.00	4.000%			
			7/15/2033	3,310,000.00	4.000%			
			7/15/2034	3,440,000.00	4.000%			
			7/15/2035	3,500,000.00	4.000%			
			7/15/2036	3,500,000.00	4.000%			
			7/15/2037	3,500,000.00	4.000%			
			7/15/2038	3,500,000.00	4.000%			
			7/15/2039	3,500,000.00	4.000%			
			7/15/2040	3,500,000.00	4.000%			
			7/15/2041	3,500,000.00	4.000%			
			7/15/2042	3,500,000.00	4.000%			
			7/15/2043	3,500,000.00	4.000%			
			7/15/2044	3,500,000.00	4.000%			
			7/15/2045	3,500,000.00	4.000%			
			7/15/2046	3,500,000.00	4.000%			
			7/15/2047	3,500,000.00	4.000%			
			7/15/2048	3,500,000.00	4.000%			
			7/15/2049	3,500,000.00	4.000%			
Totals						$ 79,389,000.00	$ 600,000.00	$ 78,789,000.00

Exhibit - I-2

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES PAYABLE
LONG-TERM DEBT
JUNE 30, 2025

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2024	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2025
Equipment - Copiers (District Wide)	Various	$ Various	$ 239,966.38	$ 11,760.00	$ 81,999.60	$ 169,726.78 *
Equipment - Chromebooks	1.6300%	569,300.00	115,884.72		115,884.72	
Equipment - Smartboards/Chromebooks	0.9796%	1,192,000.00	479,533.08		238,597.89	240,935.19
Equipment - IT	4.6800%	619,366.82	619,366.82		130,737.55	488,629.27
Equipment - Chromebooks	4.4500%	154,875.00		154,875.00		154,875.00
			$ 1,454,751.00	$ 166,635.00	$ 567,219.76	$ 1,054,166.24

* Includes principal and interest requirements on monthly lease payments.

Exhibit I-3

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	$ 658,029.00	$	$ 658,029.00	$ 658,029.00	$
Total Revenues	658,029.00		658,029.00	658,029.00	
Expenditures:					
Regular Debt Service:					
Interest	58,030.00		58,030.00	58,029.40	0.60
Redemption of Principal	600,000.00		600,000.00	600,000.00	
Total Regular Debt Service	658,030.00		658,030.00	658,029.40	0.60
Total Expenditures	658,030.00		658,030.00	658,029.40	0.60
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)		(1.00)	(0.40)	0.60
Other Financing Sources (Uses):					
Operating Transfers In:					
Investment Earnings from Capital Projects Fund				2,350,791.73	2,350,791.73
Total Other Financing Sources (Uses)				2,350,791.73	2,350,791.73
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1.00)		(1.00)	2,350,791.33	2,350,792.33
Fund Balance - July 1	1.02		1.02	1.02	
Fund Balance - June 30	$ 0.02	$	$ 0.02	$ 2,350,792.35	$ 2,350,792.33

Recapitulation of Fund Balance:	
Restricted for Debt Service:	
Designated for Subsequent Year's Expenditures	$ 649,346.00
Available for Future Debt Service Obligations	1,701,446.35
	$ 2,350,792.35

Statistical Section

Financial Trends

Exhibit J-1

Cranford Public School District
Net Position by Component
Last Ten Fiscal Years

Unaudited

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023	2024	2025
Governmental activities										
Net Investment in capital assets	$ 47,740,561.97	$ 47,684,306.96	$ 47,719,096.13	$ 47,285,630.44	$ 46,832,587.63	$ 46,465,732.80	$ 47,602,145.84	$ 47,601,924.82	$ 47,340,854.60	$ 46,775,356.20
Restricted	3,717,548.84	2,995,874.17	2,429,708.22	2,060,209.72	2,316,992.13	3,743,225.13	2,109,070.30	644,777.17	538,037.53	2,937,335.17
Unrestricted (deficit)	(17,778,712.46)	(19,339,205.50)	(20,610,149.72)	(20,639,917.70)	(18,844,246.82)	(17,213,695.27)	(14,274,012.63)	(12,491,328.77)	(13,104,191.46)	(21,743,899.00)
Total governmental activities net position	$ 33,679,398.35	$ 31,340,975.63	$ 29,538,654.63	$ 28,705,922.46	$ 30,305,332.94	$ 32,995,262.66	$ 35,437,203.51	$ 35,755,373.22	$ 34,774,700.67	$ 27,968,792.37
Business-type activities										
Investment in capital assets	$ 13,030.89	$ 9,362.86	$ 6,055.53	$ 3,386.20	$ 1,274.46					
Unrestricted (deficit)	(16,881.01)	(9,236.28)	(7,921.78)	(13,578.67)	1,061.56	$ 677.89	$ 2,727.03	$ 12,128.42	$ 58,754.14	$ 41,176.79
Total business-type activities net position	$ (3,850.12)	$ 126.58	$ (1,866.25)	$ (10,192.47)	$ 2,336.02	$ 677.89	$ 2,727.03	$ 12,128.42	$ 58,754.14	$ 41,176.79
District-wide										
Net Investment in capital assets	$ 47,753,592.86	$ 47,693,669.82	$ 47,725,151.66	$ 47,289,016.64	$ 46,833,862.09	$ 46,465,732.80	$ 47,602,145.84	$ 47,601,924.82	$ 47,340,854.60	$ 46,775,356.20
Restricted	3,717,548.84	2,995,874.17	2,429,708.22	2,060,209.72	2,316,992.13	3,743,225.13	2,109,070.30	644,777.17	538,037.53	2,937,335.17
Unrestricted (deficit)	(17,795,593.47)	(19,348,441.78)	(20,618,071.50)	(20,653,496.37)	(18,843,185.26)	(17,213,017.38)	(14,271,285.60)	(12,479,200.35)	(13,045,437.32)	(21,702,722.21)
Total district-wide net position	$ 33,675,548.23	$ 31,341,102.21	$ 29,536,788.38	$ 28,695,729.99	$ 30,307,668.96	$ 32,995,940.55	$ 35,439,930.54	$ 35,767,501.64	$ 34,833,454.81	$ 28,009,969.16

Source: ACFR Exhibit (A-1)

Note: Reflects implementation of GASB 68 for 2014 and subsequent years

Note: GASB 84 was implemented during the 2021 fiscal year, which required the restatement of beginning net position in the amount of $439,544.77.

Note: The increase in the governmental activities unrestricted deficit in 2025 is the result of the implementation of GASB Statement No. 101. The 2024 fiscal year column was not restated as a result of the implementation.

Cranford Public School District
Changes in Net Position
Last Ten Fiscal Years

Unaudited

	Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 18,543,400.80	$ 18,565,855.80	$ 18,814,158.13	$ 32,387,554.88	$ 32,208,119.75	$ 36,688,575.90	$ 32,579,277.51	$ 31,711,731.60	$ 32,649,859.22	$ 31,900,097.55
Special education	7,276,759.81	7,506,295.84	7,292,599.73	13,020,106.04	12,518,016.14	13,588,714.49	12,448,256.85	12,264,714.88	12,712,462.95	11,778,823.57
Other special instruction	613,849.23	602,629.53	658,954.22	1,182,398.92	1,155,522.36	347,072.22	1,248,299.73	1,120,588.45	1,283,756.79	1,328,258.32
Other instruction	1,307,969.30	1,284,118.38	1,318,967.29	2,007,170.69	1,899,371.52	2,049,829.97	2,097,373.12	2,344,317.06	2,440,357.33	2,382,424.20
Support Services:										
Tuition	2,500,476.95	3,110,579.22	4,079,169.11	4,811,936.46	4,793,730.96	4,565,767.00	4,870,382.22	5,059,556.17	5,188,213.99	5,333,162.88
Student & instruction related services	6,849,663.73	7,122,028.49	7,247,410.74	12,280,765.57	11,912,167.54	14,357,634.65	13,693,352.44	13,475,635.71	13,981,617.77	14,030,329.82
General administration	794,006.63	771,353.93	835,517.48	2,363,773.68	1,151,102.54	2,503,597.22	3,328,765.51	3,116,189.34	3,204,639.23	3,142,902.74
School administrative services	2,769,743.60	2,878,915.32	2,898,156.49	5,131,190.78	5,142,062.76	5,603,820.00	4,884,921.27	4,797,617.98	4,998,117.43	5,208,633.89
Central services	758,988.75	856,191.78	902,248.59							
Administrative information technology	289,703.58	308,088.53	311,382.89							
Plant operations and maintenance	5,550,161.59	5,687,367.86	5,733,119.69	8,405,681.63	8,965,251.89	7,855,980.83	6,850,897.62	7,591,183.12	7,597,931.03	7,021,820.95
Pupil transportation	1,337,024.11	1,485,522.75	1,542,601.66	1,994,141.82	1,959,233.32	2,055,307.44	2,847,898.55	3,571,902.41	3,627,136.34	3,340,753.37
Unallocated benefits	19,000,752.54	34,443,135.15	36,584,783.80							
Charter schools							21,512.00	36,969.00	61,531.00	118,126.00
Interest on long-term debt	375,593.75	351,437.50	325,599.16	310,632.50	296,782.50	281,249.17	113,982.75	81,158.77	107,359.59	2,676,073.53
Unallocated depreciation and amortization	40,561.61	59,042.26	31,920.19							
Total governmental activities expenses	68,008,655.98	85,032,562.34	88,576,589.17	83,895,352.97	82,001,361.28	89,897,548.89	84,984,919.57	85,171,564.49	87,852,982.67	88,261,406.82
Business-type activities:										
Food service	776,270.26	863,681.75	905,142.73	925,004.60	673,800.97	110,812.28	716,236.41	1,091,281.94	1,103,331.48	1,187,332.98
Total business-type activities expense	776,270.26	863,681.75	905,142.73	925,004.60	673,800.97	110,812.28	716,236.41	1,091,281.94	1,103,331.48	1,187,332.98
Total district expenses	$ 68,784,926.24	$ 85,896,244.09	$ 89,481,731.90	$ 84,820,357.57	$ 82,675,162.25	$ 90,008,361.17	$ 85,701,155.98	$ 86,262,846.43	$ 88,956,314.15	$ 89,448,739.80
Program Revenues										
Governmental activities:										
Charges for services				$ 3,595,061.26	$ 3,646,805.28	$ 3,750,805.84	$ 3,393,930.97	$ 3,565,866.22	$ 4,189,674.95	$ 3,959,461.44
Operating grants and contributions	$ 10,807,575.05	$ 24,544,381.26	$ 26,890,249.08	1,219,457.44	1,284,523.24	1,793,719.16	2,550,113.89	2,617,457.55	2,472,152.07	1,447,728.72
Total governmental activities program revenues	10,807,575.05	24,544,381.26	26,890,249.08	4,814,518.70	4,931,328.52	5,544,525.00	5,944,044.86	6,183,323.77	6,661,827.02	5,407,190.16
Business-type activities:										
Charges for services										
Food service	760,043.35	867,311.93	902,410.15	915,680.94	647,137.16	9,520.76	508,251.23	1,054,155.77	1,148,656.43	1,168,703.70
Total business type activities program revenues	760,043.35	867,311.93	902,410.15	915,680.94	647,137.16	9,520.76	508,251.23	1,054,155.77	1,148,656.43	1,168,703.70
Total district program revenues	$ 11,567,618.40	$ 25,411,693.19	$ 27,792,659.23	$ 5,730,199.64	$ 5,578,465.68	$ 5,554,045.76	$ 6,452,296.09	$ 7,237,479.54	$ 7,810,483.45	$ 6,575,893.86
Net (Expense)/Revenue										
Governmental activities	$ (57,201,080.93)	$ (60,488,181.08)	$ (61,686,340.09)	$ (79,080,834.27)	$ (77,070,032.76)	$ (84,353,023.89)	$ (79,040,874.71)	$ (78,988,240.72)	$ (81,191,155.65)	$ (82,854,216.66)
Business-type activities	(16,226.91)	3,630.18	(2,732.58)	(9,323.66)	(26,663.81)	(101,291.52)	(207,985.18)	(37,126.17)	45,324.95	(18,629.28)
Total district-wide net expense	$ (57,217,307.84)	$ (60,484,550.90)	$ (61,689,072.67)	$ (79,090,157.93)	$ (77,096,696.57)	$ (84,454,315.41)	$ (79,248,859.89)	$ (79,025,366.89)	$ (81,145,830.70)	$ (82,872,845.94)

Cranford Public School District
Changes in Net Position
Last Ten Fiscal Years

Unaudited

	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	$ 51,962,474.00	$ 53,971,870.00	$ 55,279,312.00	$ 57,690,562.00	$ 58,844,363.00	$ 60,021,250.00	$ 61,221,675.00	$ 61,981,406.00	$ 63,791,038.00	$ 65,995,027.00
Taxes levied for debt service	462,703.00	132,770.00	840,545.00	852,647.00	859,233.00	863,908.00	876,782.00	620,429.00	433,803.00	658,029.00
Federal and State aid not restricted		10,157.51	6,922.69	18,633,284.53	18,210,652.23	25,991,671.32	18,969,767.75	15,645,691.31	15,235,708.65	13,377,090.76
Tuition Received	3,860,792.91	3,876,090.78	3,564,901.64							
Investment earnings	21,803.70	31,420.52	29,827.75							
Miscellaneous income	152,825.11	134,350.18	282,728.21	1,071,608.57	216,767.48	265,619.99	624,590.81	1,104,383.61	749,933.45	3,322,366.94
Other restricted miscellaneous income						128.25				
Transfers					98,882.76	(99,623.95)	(210,000.00)	(45,499.49)		
Special item(s)- closeout of SDA grants			(110,500.42)							
Special item(s)-disposal of assets	(27,806.85)	(6,900.63)	(9,717.78)							
Total governmental activities	56,432,791.87	58,149,758.36	59,884,019.09	78,248,102.10	78,229,898.47	87,042,953.61	81,482,815.56	79,306,410.43	80,210,483.10	83,352,513.70
Business-type activities:										
Transfers					38,439.24	99,623.95	210,000.00	45,499.49		
Investment earnings	233.05	346.52	739.75	997.44	753.06	9.44	34.32	1,028.07	1,300.77	1,051.93
Total business-type activities	233.05	346.52	739.75	997.44	39,192.30	99,633.39	210,034.32	46,527.56	1,300.77	1,051.93
Total district-wide	$ 56,433,024.92	$ 58,150,104.88	$ 59,884,758.84	$ 78,249,099.54	$ 78,269,090.77	$ 87,142,587.00	$ 81,692,849.88	$ 79,352,937.99	$ 80,211,783.87	$ 83,353,565.63
Change in Net Position/Assets										
Governmental activities	$ (768,289.06)	$ (2,338,422.72)	$ (1,802,321.00)	$ (832,732.17)	$ 1,159,865.71	$ 2,689,929.72	$ 2,441,940.85	$ 318,169.71	$ (980,672.55)	$ 498,297.04
Business-type activities	(15,993.86)	3,976.70	(1,992.83)	(8,326.22)	12,528.49	(1,658.13)	2,049.14	9,401.39	46,625.72	(17,577.35)
Total district	$ (784,282.92)	$ (2,334,446.02)	$ (1,804,313.83)	$ (841,058.39)	$ 1,172,394.20	$ 2,688,271.59	$ 2,443,989.99	$ 327,571.10	$ (934,046.83)	$ 480,719.69

Source: ACFR Schedule (A-2)

GASB 84 was implemented during the 2021 fiscal year, which required the recognition of student activity revenue reported as charges for services. This amount is not reflected in the June 30th prior revenue balances above.

Exhibit J-3

Cranford Public School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Funds:					(Restated)					
Restricted For:										
Excess Surplus - Current Year	$ 50,454.96	$ 20,863.58	$ -	$ -	$ 283,395.46	$ 1,625,374.54	$ -	$ -	$ -	$ -
Excess Surplus - Prior Year - Designated For Subsequent Year Expenditures		50,454.96	20,863.58			283,395.46	1,625,374.54			
Capital Reserve Account	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Capital Projects Fund	1,740,069.32	1,740,069.32	1,594,050.90	1,594,050.90	1,594,050.90	1,594,050.90			74,318,379.85	69,184,261.57
Debt Service Fund	393,355.43	2.93	2.43	2.93	3.43	2.93	206,621.01	0.51	0.02	1,701,446.35
Unemployment Compensation					90,809.83		40,851.65	181,156.97	230,390.57	267,878.78
Student Activities					248,734.94	240,403.23	263,635.57	276,828.51	307,644.94	318,663.04
Assigned To:										
Year-End Encumbrances										
General Fund	112,308.13	179,573.34	173,483.89	133,532.89	498,584.41	266,176.08	626,061.88	1,244,252.54	152,466.69	163,111.06
General Fund -Designated For Subsequent Year Expenditures	1,421,360.00	1,004,909.04	641,306.42	332,622.00	166,556.00	217,442.54	1,189,247.46	2,203,667.00	845,331.00	508,686.00
Debt Service Fund -Designated For Subsequent Year Expenditures					2.00	3.00	3.00	206,621.00	1.00	649,346.00
Unassigned:										
General Fund	520,959.39	563,413.36	55,263.94	321,939.40	1,442,685.65	2,922,611.19	2,303,279.14	546,908.43	669,980.10	635,610.86
Total Fund Balances	$4,238,508.23	$3,559,287.53	$2,484,972.16	$2,382,149.12	$4,324,823.62	$7,149,460.87	$6,255,075.25	$4,659,435.96	$76,524,195.17	$73,429,004.66

Source: ACFR Schedule B-1 and District records

GASB 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for Unemployment Compensation and Student Activity accounts.

Exhibit J-4

Cranford Public School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 52,425,177.00	$ 54,104,640.00	$ 56,119,857.00	$ 58,543,209.00	$ 59,703,596.00	$ 60,885,158.00	$ 62,098,457.00	$ 62,601,835.00	$ 64,224,841.00	$ 66,653,056.00
Tuition charges	3,860,792.91	3,876,090.78	3,564,901.64	3,595,061.26	3,646,805.28	3,464,051.69	2,892,479.77	2,888,128.77	3,481,846.20	3,225,568.00
Miscellaneous	174,628.81	165,770.70	312,555.96	249,408.57	216,767.48	265,748.24	131,808.39	365,002.73	270,421.65	435,118.31
PILOT Payments to School District							424,454.93	599,075.56	430,278.20	498,967.70
Local sources	52,943.78	106,732.26	60,924.38	51,626.34	114,990.00	345,487.16	606,729.75	789,896.52	838,916.88	816,555.27
State sources	9,685,201.59	10,488,255.78	12,067,782.64	14,025,716.50	14,282,058.81	17,151,475.87	21,217,913.31	22,399,333.69	23,865,048.05	24,306,989.35
Federal sources	1,069,429.68	1,058,689.73	1,026,393.75	1,034,635.13	1,051,758.66	1,574,016.60	2,120,100.00	2,129,191.34	1,962,101.89	1,124,385.30
Total revenue	67,268,173.77	69,800,179.25	73,152,415.37	77,499,656.80	79,015,976.23	83,685,937.56	89,491,943.15	91,772,463.61	95,073,453.87	97,060,639.93
Expenditures										
Instruction										
Regular instruction	18,510,143.80	18,693,429.72	18,851,218.11	19,218,925.24	19,508,253.61	20,698,428.93	21,471,869.05	21,733,565.73	22,530,452.19	22,358,341.88
Special education instruction	7,323,228.16	7,430,588.10	7,264,012.82	7,550,311.82	7,417,524.40	7,394,188.69	7,966,028.08	8,191,707.28	8,525,182.98	8,111,220.82
Other special instruction	613,849.23	602,629.53	658,954.22	681,451.01	680,762.04	188,450.23	795,748.07	745,788.76	857,250.84	910,576.17
Other instruction	1,273,233.86	1,266,312.32	1,278,676.47	1,293,833.38	1,231,092.15	1,244,768.78	1,460,663.41	1,717,704.86	1,792,090.67	1,782,054.74
Support Services:										
Tuition	2,500,476.95	3,110,579.22	4,079,169.11	4,689,921.46	4,675,253.96	4,450,927.00	4,742,045.22	4,930,779.17	5,060,980.99	5,182,573.88
Student & inst. related services	6,851,377.10	7,182,971.18	7,228,084.77	7,571,640.60	7,460,085.10	8,627,156.75	9,555,417.38	9,704,404.57	10,129,295.72	10,155,607.57
General administration	818,167.60	756,809.82	785,880.54	859,175.17	894,729.04	847,123.82	2,546,775.59	2,400,159.63	2,465,490.86	2,430,771.98
School administrative services	2,779,113.76	2,899,575.56	2,902,947.53	2,975,677.02	3,052,701.04	3,066,191.66	3,133,063.83	3,212,313.37	3,356,586.18	3,600,361.84
Central services	758,988.75	856,191.78	902,248.59	890,266.24	893,507.29	921,153.80				
Admin. information technology	289,703.58	308,088.53	311,382.89	317,376.36	359,505.87	383,113.32				
Plant operations and maintenance	4,597,663.19	4,682,211.37	4,751,826.64	5,047,367.36	5,189,192.46	5,161,956.88	5,707,518.20	6,595,516.02	5,819,939.77	6,104,766.12
Pupil transportation	1,328,477.07	1,474,315.48	1,538,903.90	1,872,278.55	1,849,244.26	1,927,744.68	2,720,208.87	3,431,434.65	3,477,305.57	3,190,090.08
Employee benefits	18,483,078.54	19,870,026.15	22,180,886.80	23,650,395.14	23,254,390.58	25,006,580.11	27,806,627.70	29,599,698.23	31,847,083.54	32,695,556.00
Charter Schools							21,512.00	36,969.00	61,531.00	118,126.00
Capital outlay	143,056.33	485,332.29	195,964.03	953,402.99	186,254.96	801,592.41	1,244,964.04	759,445.76	2,385,361.28	5,412,668.90
Debt service:										
Principal	825,000.00	865,000.00	902,000.00	540,000.00	560,000.00	580,000.00	610,000.00	546,000.00	574,000.00	600,000.00
Interest and other charges	381,017.50	357,362.50	331,897.50	312,657.50	299,232.50	283,907.50	65,725.57	74,431.50	66,423.49	58,029.40
Closing costs/cost of issuance							59,673.00			
Total expenditures	67,476,575.42	70,841,423.55	74,164,053.92	78,424,679.84	77,511,729.26	81,583,284.56	89,907,840.01	93,679,918.53	98,948,975.08	102,710,745.38
Excess (Deficiency) of revenues over (under) expenditures	(208,401.65)	(1,041,244.30)	(1,011,638.55)	(925,023.04)	1,504,246.97	2,102,653.00	(415,896.86)	(1,907,454.92)	(3,875,521.21)	(5,650,105.45)
Other Financing sources (uses)										
Financed purchases (non-budgeted)	92,556.00	362,023.60	47,823.60	822,200.00	137,322.00	721,608.20	1,192,000.00	217,009.80	660,046.82	166,635.00
Transfer out - food service fund					(38,439.24)	(99,623.95)	(210,000.00)	(45,499.49)		
Unemployment fund balance							68,327.49	140,305.32	49,233.60	37,488.21
Serial bonds issued									75,031,000.00	
Refunding bonds issued							5,478,000.00			
Refunding bonds premium/discount							(7,006,816.25)			
Investment Earnings										2,350,791.73
Closeout of 2009 SDA grants			(110,500.42)							
Total other financing sources (uses)	92,556.00	362,023.60	(62,676.82)	822,200.00	98,882.76	621,984.25	(478,488.76)	311,815.63	75,740,280.42	2,554,914.94
Net change in fund balances	$ (115,845.65)	$ (679,220.70)	$ (1,074,315.37)	$ (102,823.04)	$ 1,603,129.73	$ 2,724,637.25	$ (894,385.62)	$ (1,595,639.29)	$ 71,864,759.21	$ (3,095,190.51)
Debt service as a percentage of noncapital expenditures	1.23%	1.23%	1.22%	0.70%	0.72%	0.72%	0.76%	0.59%	0.66%	0.68%

Source: ACFR Schedule B-2

Exhibit J-5

Cranford Public School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Admissions	Rentals	Misc.	Annual Totals
2016	$ 3,860,792.91	$ 21,803.70	$ 17,526.00	$ 36,559.75	$ 98,739.36	$ 4,035,421.72
2017	3,876,090.78	31,420.52	21,287.00	38,416.50	74,646.68	4,041,861.48
2018	3,564,901.64	79,165.87	15,997.00	42,587.75	174,805.34	3,877,457.60
2019	3,595,061.26	109,573.74	19,094.00	27,777.00	92,963.83	3,844,469.83
2020	3,646,805.28	87,984.84	18,643.00	24,687.50	85,452.14	3,863,572.76
2021	3,464,051.69	11,708.10	3,939.00	10,000.00	240,101.14	3,729,799.93
2022	3,464,051.69	6,142.86	20,767.00	13,397.50	91,501.03	3,595,860.08
2023	2,888,128.77	104,377.48	28,181.00	17,885.00	214,559.25	3,253,131.50
2024	3,481,846.20	110,014.49	22,703.00	14,890.00	122,814.16	3,752,267.85
2025	3,225,568.00	167,317.00	24,857.00	18,167.50	224,776.81	3,660,686.31

Source: District records

Revenue Capacity

Exhibit J-6

Cranford Public School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Business Personal Property [a]	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [b]
2016	$ 3,982,700	$ 1,363,423,500	$ 202,100	$ 220,678,000	$ 46,192,400	$ 21,732,500	$ 1,656,211,200	$ 2,613,267	$ 1,658,824,467	$ 4,058,688,905	$ 3.202
2017	7,050,000	1,367,533,800	207,100	210,576,300	44,730,700	22,383,700	1,652,481,600	2,540,191	1,655,021,791	4,240,302,912	3.352
2018	6,920,200	1,373,673,600	207,100	205,640,500	44,224,400	22,383,700	1,653,049,500	2,367,905	1,655,417,405	4,559,643,354	3.464
2019	11,464,100	1,378,740,900	207,100	205,914,200	43,224,400	21,183,700	1,660,734,400	2,372,411	1,663,106,811	4,690,459,030	3.556
2020	11,974,400	1,380,494,800	207,100	204,978,100	43,136,100	22,404,700	1,663,195,200	2,364,517	1,665,559,717	4,760,144,059	3.621
2021	4,027,100	1,386,146,700	207,100	209,724,700	44,736,100	22,437,200	1,667,278,900	2,183,718	1,669,462,618	4,718,136,552	3.684
2022	3,117,900	1,395,163,200	207,100	202,143,800	45,784,500	23,916,600	1,670,333,100	2,134,364	1,672,467,464	4,874,257,353	3.721
2023	13,391,100	1,405,628,900	207,100	189,963,800	45,784,500	23,916,600	1,678,892,000	2,093,916	1,680,985,916	5,221,681,127	3.767
2024	13,324,100	1,415,042,900	207,100	189,902,200	46,234,500	23,916,600	1,688,627,400	2,034,429	1,690,661,829	5,389,195,495	3.878
2025	13,855,700	1,420,975,600	207,100	190,007,700	46,657,500	23,916,600	1,695,620,200	1,906,144	1,697,526,344	5,798,901,576	4.185

Source: Municipal Tax Assessor and Union County Abstract of Ratables

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

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

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

b Tax rates are per $100

Cranford Public School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Unaudited
(rate per $100 of assessed value)

	Cranford School District Direct Rate			Overlapping Rates		
Calendar Year	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate	Township of Cranford	Union County	Total Direct and Overlapping Tax Rate
2016	$3.193	$0.009	$3.202	$1.435	$1.320	$5.957
2017	$3.301	$0.051	$3.352	$1.459	$1.371	$6.182
2018	$3.413	$0.051	$3.464	$1.484	$1.454	$6.402
2019	$3.505	$0.051	$3.556	$1.501	$1.463	$6.520
2020	$3.570	$0.051	$3.621	$1.503	$1.438	$6.562
2021	$3.633	$0.051	$3.684	$1.521	$1.378	$6.583
2022	$3.684	$0.037	$3.721	$1.570	$1.321	$6.612
2023	$3.741	$0.026	$3.767	$1.631	$1.269	$6.667
2024	$3.839	$0.039	$3.878	$1.682	$1.219	$6.779
2025	$4.004	$0.181	$4.185	$1.823	$1.240	$7.248

Source: Municipal Tax Collector and Union County Abstract of Ratables

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
b Rates for debt service are based on each year's requirements.

Cranford Public School District
Principal Property Taxpayers,
Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2025 Taxable Assessed Value	2025 Rank [Optional]	2025 % of Total District Net Assessed Value	2015 Taxable Assessed Value	2015 Rank [Optional]	2015 % of Total District Net Assessed Value
Riverfront Developers LLC	$ 16,155,600	1	0.95%	$ 16,155,600	1	0.99%
WP Cranford LLC	14,630,000	2	0.86%			
750 Walnut Development LLC	11,000,000	3	0.65%			
Commerce Drive LLC	9,000,000	4	0.53%	10,242,800	2	0.63%
Cranford Development LLC	7,200,000	5	0.42%	7,200,000	3	0.44%
US Real Estate Holdings LLC	6,393,100	6	0.38%			
East Coast Cranford Crossing LLC				6,967,900	6	0.43%
Cranford Business Park	5,871,000	7	0.35%	6,994,000	5	0.43%
Jackson LLC	5,800,000	8	0.34%			
CRNC Property, LLC	4,500,000	9	0.27%	4,500,000	9	0.28%
Apple Seven Hospitality Ownership	4,400,000	10	0.26%	4,400,000	10	0.27%
H-Cranford Credit Ltd. Partnership				7,000,000	4	0.43%
Long Island Holding				6,393,100	7	0.39%
Central Cranford Assoc.				5,500,000	8	0.34%
Total	$ 84,949,700		5.00%	$ 75,353,400		4.59%

Source: Municipal Tax Assessor

Exhibit J-9

Cranford Public School District
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 [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$52,425,177.00	$52,425,177.00	100.00%	-
2017	54,104,640.00	54,104,640.00	100.00%	-
2018	56,119,857.00	56,119,857.00	100.00%	-
2019	58,543,209.00	58,543,209.00	100.00%	-
2020	59,703,596.00	59,703,596.00	100.00%	-
2021	60,885,158.00	60,885,158.00	100.00%	-
2022	62,098,457.00	62,098,457.00	100.00%	-
2023	62,601,835.00	62,601,835.00	100.00%	-
2024	64,224,841.00	64,224,841.00	100.00%	-
2025	66,653,056.00	66,653,056.00	100.00%	-

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

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

Debt Capacity

Exhibit J-10

Cranford Public School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				
	General Obligation Bonds	Financed Purchases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2016	$ 10,935,000.00	$ 323,742.85	$ 11,258,742.85	0.53%	$ 319.53
2017	10,070,000.00	501,631.10	10,571,631.10	0.59%	363.10
2018	9,168,000.00	375,634.42	9,543,634.42	0.68%	436.32
2019	8,628,000.00	879,099.94	9,507,099.94	0.72%	486.97
2020	8,068,000.00	729,936.39	8,797,936.39	0.80%	557.24
2021	7,488,000.00	1,024,597.61	8,512,597.61	0.89%	668.42
2022	5,478,000.00	1,638,298.21	7,116,298.21	1.10%	864.61
2023	4,932,000.00	1,254,088.40	6,186,088.40	1.33%	1,100.30
2024	79,389,000.00	1,454,751.00	80,843,751.00	0.11%	93.92
2025	78,789,000.00	1,054,166.24	79,843,166.24	N/A	N/A

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

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

N/A At the time of ACFR completion, this data was not yet available

Exhibit J-11

Cranford Public School District
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	$ 10,935,000.00		$ 10,935,000.00	0.66%	$ 395.38
2017	10,070,000.00		10,070,000.00	0.61%	376.97
2018	9,168,000.00		9,168,000.00	0.55%	357.38
2019	8,628,000.00		8,628,000.00	0.52%	352.99
2020	8,068,000.00		8,068,000.00	0.48%	339.17
2021	7,488,000.00		7,488,000.00	0.45%	338.33
2022	5,478,000.00		5,478,000.00	0.33%	256.92
2023	4,932,000.00		4,932,000.00	0.29%	242.06
2024	79,389,000.00		79,389,000.00	4.70%	4,091.82
2025	78,789,000.00		78,789,000.00	4.64%	N/A

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

N/A At the time of ACFR completion, this data was not yet available

Exhibit J-12

Cranford Public School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025
Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Cranford	$ 53,218,635.08	100.00%	$ 53,218,635.08
County of Union	482,595,186.00	5.31%	25,625,804.38
Subtotal, overlapping debt			78,844,439.46
Cranford School District Direct Debt			78,789,000.00
Total direct and overlapping debt			$ 157,633,439.46

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

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

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

Exhibit J-13

Cranford Public School District
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2025:

Equalized valuation basis			
2024		$	5,796,867,147.00
2023			5,338,289,348.00
2022			5,176,117,447.00
	[A]	$	16,311,273,942.00
Average equalized valuation of taxable property	[A/3]	$	5,437,091,314.00
Debt limit (4% of average equalized value)	[B]		217,483,652.56 a
Total Debt Applicable to Limit	[C]		78,789,000.00
Legal Debt Margin	[B-C]	$	138,694,652.56

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 154,363,971.36	$ 160,699,996.81	$ 170,280,805.49	$ 178,949,576.67	$ 185,651,299.13	$ 187,623,475.71	$ 191,367,172.85	$ 191,208,750.57	$ 204,815,303.77	$ 217,483,652.56
Total net debt applicable to limit	10,935,000.00	10,070,000.00	9,168,000.00	8,628,000.00	8,068,000.00	7,488,000.00	5,478,000.00	4,932,000.00	79,389,000.00	78,789,000.00
Legal debt margin	$ 143,428,971.36	$ 150,629,996.81	$ 161,112,805.49	$ 170,321,576.67	$ 177,583,299.13	$ 180,135,475.71	$ 185,889,172.85	$ 186,276,750.57	$ 125,426,303.77	$ 138,694,652.56
Total net debt applicable to the limit as a percentage of debt limit	7.08%	6.27%	5.38%	4.82%	4.35%	3.99%	2.86%	2.58%	38.76%	36.23%

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

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

Demographic and Economic Information

Exhibit J-14

Cranford Public School District
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2016	23,984	$ 1,438,536,336	$ 59,979	3.50%
2017	24,047	1,489,855,932	61,956	3.20%
2018	24,101	1,555,237,530	64,530	2.90%
2019	24,065	1,637,430,730	68,042	2.40%
2020	24,028	1,682,392,504	70,018	6.60%
2021	23,983	1,809,085,656	75,432	4.40%
2022	23,801	1,866,950,440	78,440	2.70%
2023	23,741	1,958,679,982	82,502	3.30%
2024	24,513	2,136,028,806	87,139	3.40%
2025	N/A	N/A	N/A	N/A

Source: [a] Population information provided by the US Bureau of the Census, Population Division - Estimates.

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

[c] Per capita personal income represents County of Union provided by the Regional Economic Information System, Bureau of Economic Analysis through 2023 and estimated for 2024.

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

N/A At the time of ACFR completion, this data was not yet available

Exhibit J-15

Cranford Public School District
Principal Employers,
Current Year and Ten Years Ago
Unaudited

	2025			2015		
Employer	Employees *	Rank [Optional]	Percentage of Total Municipal Employment	Employees *	Rank [Optional]	Percentage of Total Municipal Employment
Cranford Public School District	899 **	1	7.32%	600	2	5.35%
Union County College	750	2	6.10%	750	1	6.69%
Metalico, Inc	500	3	4.07%			
Township of Cranford	450	4	3.66%	350	3	3.12%
Kopper's Chocolate	450	5	3.66%			
All-State Legal Supply	350	6	2.85%	250	4	2.23%
Cranford Health & Extended Care	250	7	2.03%	250	5	2.23%
EII Inc.	250	8	2.03%	250	6	2.23%
Weeks Marine Inc.	250	9	2.03%			
All State International, Inc	150	10	1.22%			
Atria Cranford	150	11	1.22%	150	8	1.34%
Centennial Avenue Pool	150	12	1.22%	150	10	1.34%
Lerner David	150	13	1.22%			
M P Howlett Inc.	150	14	1.22%			
Madan Plastics. Inc.	150	15	1.22%	150	12	
Proaccess Insurance	150	16	1.22%			
Partners Healthcare Inc.				250	7	2.23%
Birdsall Services Group				150	9	1.34%
Graber-Rogg Inc.				150	11	1.34%
Paragon Computer Professionals				150	13	1.34%
Registrar & Transfer Company				150	14	1.34%
Willis of New Jersey, Inc.				150	15	1.34%
	5,199		42.31%	3,900		33.02%

* Number of employees are estimated.
** Number of Active Employees who received a W-2

Source: Union County Economic Development Corporation and other sources.

Operating Information

Exhibit J-16

Cranford Public School District
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	247	245	246	248	247	250	247	246	246	247
Special education	137	130	125	127	125	126	127	124	128	126
Other instruction	10	10	10	10	10	2	10	10	10	10
Support Services:										
Student & instruction related services	93	94	103	104	107	105	111	109	109	115
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	38	38	38	38	38	38	38	39	39	39
Central services	8	8	8	8	8	8	8	8	8	8
Administrative Information Technology	4	4	4	4	4	2	2	2	2	2
Plant operations and maintenance	65	63	64	64	65	58	58	65	65	65
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Total	606	596	602	607	608	593	605	607	611	616

Source: District Personnel Records

Exhibit J-17

Cranford Public School District
Operating Statistics,
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio: Elementary	Pupil/Teacher Ratio: Middle School	Pupil/Teacher Ratio: Senior High School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	3,851.80	$ 64,866,848.48	$ 16,840.66	2.68%	340.00	14	11.5	11	3,851.80	3,676.41	1.54%	95.45%
2017	3,825.06	67,901,980.31	17,751.87	5.41%	332.00	11.9	10.1	10.1	3,825.06	3,644.93	-0.69%	95.29%
2018	3,806.80	71,536,764.17	18,791.84	5.86%	333.00	11.9	10.1	12.1	3,806.80	3,664.00	-0.48%	96.25%
2019	3,868.00	75,401,226.91	19,493.60	3.73%	336.00	11.6	10.1	12.1	3,868.00	3,700.20	1.61%	95.66%
2020	3,799.93	75,192,388.56	19,787.84	1.51%	335.00	12.6	9.6	11.1	3,799.93	3,689.41	-1.76%	97.09%
2021	3,692.23	77,733,779.63	21,053.34	6.40%	337.00	13.1	8.6	12.1	3,692.23	3,590.82	-2.83%	97.25%
2022	3,707.02	84,881,222.43	22,897.43	8.76%	343.00	11.9	8.6	11.1	3,707.02	3,521.85	0.40%	95.00%
2023	3,763.00	88,985,977.17	23,647.62	3.28%	342.00	12.1	9.1	11.1	3,763.00	3,550.21	1.51%	94.35%
2024	3,732.42	92,736,221.62	24,846.14	5.07%	340.00	12.1	10.1	11.1	3,732.42	3,524.70	-0.81%	94.43%
2025	3,746.52	94,364,288.73	25,187.18	1.37%	333.00	12.5	10.5	10.0	3,746.52	3,546.81	0.38%	94.67%

Sources: District records

Note: Enrollment based on Average Daily Enrollment.

a Operating expenditures equal total General Fund expenditures less charter schools and capital outlay (includes "on-behalf" payments by State of New Jersey for T.P.A.F. pension and social security).
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Cranford Public School District
School Building Information
Last Ten Fiscal Years
Unaudited

District Buildings	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary										
Bloomingdale Avenue (1957)										
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	225	225	225	225	225	225	225	225	225	225
Enrollment	222	253	250	253	253	229	241	238	239	225
Brookside Place School (1953)										
Square Feet	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080
Capacity (students)	377	377	377	377	377	377	377	377	377	377
Enrollment	363	348	340	365	358	372	353	355	352	365
Livingston Avenue School (1957)										
Square Feet	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915
Capacity (students)	274	274	274	274	274	274	274	274	274	274
Enrollment	238	250	258	250	259	258	259	256	256	268
Walnut Avenue School (1954)										
Square Feet	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	332	325	315	326	318	296	319	304	322	306
Middle Schools										
Hillside Avenue School (1960)										
Square Feet	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070
Capacity (students)	863	863	863	863	863	863	863	863	863	863
Enrollment	738	718	678	663	665	662	668	712	721	717
Orange Avenue School (1963)										
Square Feet	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070
Capacity (students)	859	859	859	859	859	859	859	859	859	859
Enrollment	766	766	760	743	704	724	761	772	784	749
High School										
Cranford Senior High School (1937)										
Square Feet	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000
Capacity (students)	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751
Enrollment	1,159	1,170	1,178	1,189	1,162	1,129	1,065	1,036	1,046	1,093
Other										
Lincoln School (1913)										
Square Feet	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185
Capacity (students)	120	120	120	120	120	120	120	120	120	120
Enrollment	83	75	81	74	63	73	68	63	71	64

Number of Schools at June 30, 2025:
- Elementary = 4
- Middle School = 2
- Senior High School = 1
- Other = 1

Source: District records

Notes: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.
Enrollment is based on year end district count and includes half-day students.

Cranford Public School District
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years
Unaudited

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

*School Facilities Project # (s)	Cranford Senior High School	Hillside Avenue School	Orange Avenue School	Bloomingdale Avenue School	Brookside Place School	Lincoln School	Livingston Avenue School	Walnut Avenue School	Total
2016	$ 256,631	$ 80,632	$ 69,924	$ 43,787	$ 24,392	$ 41,174	$ 46,705	$ 27,864	$ 591,109
2017	208,835	58,100	56,880	44,329	21,588	38,355	49,785	58,490	536,362
2018	170,678	68,784	85,019	20,899	20,706	56,984	140,288	33,217	596,575
2019	189,608	70,875	122,678	20,427	23,032	41,920	21,128	30,959	520,627
2020	376,386	112,468	77,910	25,964	28,624	85,539	29,410	36,556	772,857
2021	315,922	77,053	89,134	20,499	28,501	118,322	71,222	27,729	748,382
2022	309,029	81,802	80,129	24,772	55,735	108,966	22,081	35,201	717,715
2023	752,395	61,644	62,875	29,519	25,451	72,638	18,306	48,351	1,071,179
2024	189,285	85,813	88,825	26,669	49,097	79,649	56,405	35,696	611,439
2025	262,305	94,303	83,322	30,736	34,696	44,389	28,910	32,383	611,044
Total School Facilities	$ 3,371,750	$ 856,511	$ 890,118	$ 317,757	$ 331,896	$ 750,327	$ 501,678	$ 451,513	$ 7,471,550

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

Source: District records

Exhibit J-20

Cranford Public School District
Insurance Schedule
June 30, 2025
Unaudited

	Coverage	Deductible
Blanket Building & Contents including		
Personal Property of Others	$164,993,996.00	$5,000.00
Program Blanket Limit	500,000,000.00	
Excess Liability Policy CAP (shared)	25,000,000.00	
Excess Liability Policy CAP (unshared)	30,000,000.00	
Food Spoilage (within Blanket Limit)		
Electronic Data Processing (within Blanket Limit)		
Automobile and General Liability Each Occurrence*	10,000,000.00	
Employee Benefits Liability*	10,000,000.00	1,000.00
Automobile Liability*	10,000,000.00	
Uninsured Motorist Liability	15,000.00/30,000.00/5,000.00	
Boiler and Machinery (within Blanket Limit)	100,000,000 per occurrence	5,000.00
Crime:		
Blanket Employee Dishonesty - Per Loss	500,000.00	1,000.00
Forgery and Alteration	50,000.00	1,000.00
Theft, Disappearance & Destruction	2,500,000.00	1,000.00
Workers Compensation:		
Limit per Accident	5,000,000.00	
Disease per Policy Limit	5,000,000.00	
Disease Each Employee Limit	5,000,000.00	
School Professional Legal Liability*	10,000,000.00	10,000.00
Public Officials Bond:		
Treasurer of School Monies/ Business Administrator/Board Secretary	375,000.00	

* $5,000,000.00 primary insurance plus $5,000,000.00 excess coverage.

Source: District Records

Single Audit Section

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 Auditors' Report

Honorable President and Members
of the Board of Education
Cranford Public School District
County of Union
Cranford, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the Cranford Public School District, in the County of Union, New Jersey (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 15, 2026.

Report on Internal Control Over Financial Reporting

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

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 15, 2026

Anthony Branco

Anthony Branco, CPA
Licensed Public School Accountant, No. 2515

Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB Circular 15-08

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Cranford Public School District
County of Union
Cranford, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Cranford Public School District's, in the County of Union, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2025. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*), the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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.

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 15, 2026

Anthony Branco

Anthony Branco, CPA
Licensed Public School Accountant, No. 2515

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program/Cluster Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024	Adjustments	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 Accounts Receivable	Balance at June 30, 2025 Unearned Revenue	Balance at June 30, 2025 Due to Grantor	Amount Provided to Subrecipients
U.S. Department of Education:													
Passed-through State Department of Education:													
General Fund:													
Medicaid Cluster													
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	N/A	7/1/24-6/30/25	$ 9,424.29	$	$	$ 9,424.29	$ (9,424.29)	$ -	$	$	$
Total U.S. Department of Education								9,424.29	(9,424.29)				
Total General Fund						-	-	9,424.29	(9,424.29)	-	-	-	-
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Special Education Cluster (IDEA)													
I.D.E.A. Part B, Basic Regular	84.027A	H027A240100	IDEA-xxxx-25	7/1/24-9/30/25	939,326.00			916,561.00	(918,561.56)	(2,000.56)			
I.D.E.A. Part B, Preschool	84.173	H173A240114	IDEA-xxxx-25	7/1/24-9/30/25	32,422.00			32,422.00	(32,422.00)				
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	IDEA-xxxx-24	7/1/23-9/30/24	964,391.00	(105,829.00)		105,829.00					
Total Special Education Cluster (IDEA)						(105,829.00)	-	1,054,812.00	(950,983.56)	(2,000.56)	-	-	-
Title I, Part A													
ESEA - Title I, Part A	84.010	S010A240030	ESEA-xxxx-25	7/1/24-9/30/25	3,072.00			3,072.00	(3,072.00)				
ESEA - Title I, Part A	84.010	S010A230030	ESEA-xxxx-24	7/1/23-9/30/24	69,535.00	(33,835.46)	0.46	33,835.00					
Total Title I, Part A						(33,835.46)	0.46	36,907.00	(3,072.00)	-			
Title II, Part A													
ESEA - Title II, Part A	84.367A	S367A240029	ESEA-xxxx-25	7/1/24-9/30/25	50,922.00			47,395.00	(50,426.00)	(3,031.00)			
ESEA - Title II, Part A	84.367A	S367A230029	ESEA-xxxx-24	7/1/23-9/30/24	56,509.00	(4,451.09)	0.09	4,451.00					
Total Title II, Part A						(4,451.09)	0.09	51,846.00	(50,426.00)	(3,031.00)	-	-	-
Title III, Part A - Immigrant													
ESEA - Title III, Part A	84.365A	S365A240030	ESEA-xxxx-25	7/1/24-9/30/25	3,039.00			3,039.00	(3,039.00)				
Total Title III, Part A - Immigrant						-	-	3,039.00	(3,039.00)	-	-	-	
Coronavirus State and Local Fiscal Recovery Funds													
High-Impact Tutoring	21.027	E2400422	24-AB01-H02	7/1/24-6/30/25	76,200.00			70,664.92	(71,194.99)	(530.07)			
High-Impact Tutoring	21.027	E2500422	24-AB01-H02	10/11/23-8/31/24	154,000.00	(66,018.08)		66,018.08					
Total Coronavirus State and Local Fiscal Recovery Funds						(66,018.08)	-	136,683.00	(71,194.99)	(530.07)	-	-	
Education Stabilization Fund													
COVID-19 ARP/ESSER III- Accelerated Learning Coach and Educator Support	84.425U	S425U210027	N/A	3/13/20-9/30/24	286,622.00	(16,982.00)		16,982.00					
COVID-19 ARP/ESSER III- Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	N/A	3/13/20-9/30/24	40,000.00	(1,773.00)		1,773.00					
COVID-19 ARP/ESSER III- Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	N/A	3/13/20-9/30/24	40,000.00	(8,044.03)		16,198.00	(8,153.97)				
COVID-19 ARP/ESSER III- NJTSS Mental Health Support Staffing	84.425U	S425U210027	N/A	3/13/20-9/30/24	45,000.00	(1,024.00)		1,024.00					
COVID- 19 American Rescue Plan	84.425U	S425U210027	N/A	3/13/20-9/30/24	984,785.00	(171,810.51)		199,902.00	(28,091.49)				
Total Education Stabilization Fund						(199,633.54)	-	235,879.00	(36,245.46)	-	-	-	-
Total U.S. Department of Education						(409,767.17)	0.55	1,519,166.00	(1,114,961.01)	(5,561.63)	-	-	-

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program/Cluster Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024	Adjustments	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 Accounts Receivable	Balance at June 30, 2025 Unearned Revenue	Balance at June 30, 2025 Due to Grantor	Amount Provided to Subrecipients
U.S. Department of the Treasury:													
Passed-through State Department of Education:													
Special Revenue Fund:													
ACSERS	21.027	N/A	N/A	7/1/23-6/30/24	$ 304,193.00	$ (170,030.00)	$ -	$ 170,030.00	$ -	$ -	$ -	$ -	$ -
Total U.S. Department of the Treasury, Passed-through State Department of Education						(170,030.00)	-	170,030.00	-	-	-	-	-
Total Special Revenue Fund						$ (579,797.17)	0.55	1,689,196.00	(1,114,961.01)	(5,561.63)	-	-	-
Total Federal Awards						$ (579,797.17)	$ 0.55	$ 1,698,620.29	$ (1,124,385.30)	$ (5,561.63)	$ -	$ -	$ -

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.
N/A - Not available/applicable.

CRANFORD PUBLIC SCHOOL DISTRICT
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 at June 30, 2024 Unearned Revenue/ (Accounts Receivable)	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments/ Repayment Prior Years Balances	Balance at June 30, 2025 Unearned Revenue/ (Accounts Receivable)	Balance at June 30, 2025 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Special Education Categorical Aid	25-495-034-5120-089	7/1/24-6/30/25	$ 4,275,072.00	$	$	$ 3,856,614.15	$ (4,275,072.00)	$	$	$	$ (418,457.85)	$ (4,275,072.00)
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	3,977,346.00	(396,966.17)		396,966.17						
Categorical Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	363,329.00			327,765.19	(363,329.00)				(35,563.81)	(363,329.00)
Categorical Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	354,868.00	(35,418.24)		35,418.24						
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	88,682.00			80,001.52	(88,682.00)				(8,680.48)	(88,682.00)
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	88,682.00	(8,851.07)		8,851.07						
Categorical Security Aid	25-495-034-5120-084	7/1/24-6/30/25	354,472.00			319,775.14	(354,472.00)				(34,696.86)	(354,472.00)
Categorical Security Aid	24-495-034-5120-084	7/1/23-6/30/24	135,477.00	(13,521.52)		13,521.52						
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	858,577.00				(858,577.00)		(858,577.00)			(858,577.00)
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	995,283.00	(995,283.00)		995,283.00						
Nonpublic Transportation Cost Reimb.	25-495-034-5120-014	7/1/24-6/30/25	39,711.00				(39,711.00)		(39,711.00)			(39,711.00)
Nonpublic Transportation Cost Reimb.	24-495-034-5120-014	7/1/23-6/30/24	34,125.00	(34,125.00)		34,125.00						
On Behalf T.P.A.F. Pension Contributions	25-495-034-5095-002	7/1/24-6/30/25	11,924,027.00			11,924,027.00	(11,924,027.00)					(11,924,027.00)
On Behalf Post Retirement Medical Contrib.	25-495-034-5095-001	7/1/24-6/30/25	3,527,370.00			3,527,370.00	(3,527,370.00)					(3,527,370.00)
On Behalf T.P.A.F. Non-Contributory Group Insurance	25-495-034-5095-004	7/1/24-6/30/25	147,707.00			147,707.00	(147,707.00)					(147,707.00)
On Behalf T.P.A.F. Long Term Disability Insurance	25-495-034-5095-004	7/1/24-6/30/25	5,661.00			5,661.00	(5,661.00)					(5,661.00)
Reimb. T.P.A.F. Social Security Contrib.	25-495-034-5095-003	7/1/24-6/30/25	2,512,003.47			2,389,485.12	(2,512,003.47)		(122,518.35)			(2,512,003.47)
Reimb. T.P.A.F. Social Security Contrib.	24-495-034-5095-003	7/1/23-6/30/24	2,468,392.87	(120,322.29)		120,322.29						
Reimbursement for Menstrual Products	N/A	7/1/24-6/30/25	2,914.00				(2,914.00)		(2,914.00)			(2,914.00)
Total General Fund				(1,604,487.29)		24,182,893.41	(24,099,525.47)		(1,023,720.35)		(497,399.00)	(24,099,525.47)
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	14,473.00			14,473.00	(14,473.00)					(14,473.00)
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	16,302.00		87.42			(87.42)				
Auxiliary Services:												
Compensatory Education	25-100-034-5120-067	7/1/24-6/30/25	115,307.00			115,307.00	(86,603.31)			28,703.69		(86,603.31)
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	127,669.00		13,136.40			(13,136.40)				
English as a Second Language	25-100-034-5120-067	7/1/24-6/30/25	1,766.00			1,766.00	(1,500.93)			265.07		(1,500.93)
English as a Second Language	24-100-034-5120-067	7/1/23-6/30/24	1,831.00		1,831.00			(1,831.00)				
Handicapped Services:												
Supplemental Instruction	25-100-034-5120-066	7/1/24-6/30/25	24,780.00			24,780.00	(17,263.12)			7,516.88		(17,263.12)
Examination & Classification	25-100-034-5120-066	7/1/24-6/30/25	28,253.00			28,253.00	(21,800.21)			6,452.79		(21,800.21)
Examination & Classification	24-100-034-5120-066	7/1/23-6/30/24	29,488.00		7,300.13			(7,300.13)				
Corrective Speech	25-100-034-5120-066	7/1/24-6/30/25	21,390.00			21,390.00	(15,717.00)			5,673.00		(15,717.00)
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	17,670.00		279.00			(279.00)				
Nursing Services	25-100-034-5120-070	7/1/24-6/30/25	36,790.00			36,790.00	(36,790.00)					(36,790.00)
Technology Initiative	25-100-034-5120-373	7/1/24-6/30/25	13,867.00			13,867.00	(10,958.31)			2,908.69		(10,958.31)
Technology Initiative	24-100-034-5120-373	7/1/23-6/30/24	13,818.00		79.87			(79.87)				
Security Aid	25-100-034-5120-509	7/1/24-6/30/25	58,015.00			58,015.00	(45,000.00)			13,015.00		(45,000.00)
Security Aid	24-100-034-5120-509	7/1/23-6/30/24	57,810.00		810.00			(810.00)				
Total Special Revenue Fund				-	23,523.82	314,641.00	(250,105.88)	(23,523.82)	-	64,535.12	-	(250,105.88)
Total State Financial Assistance				$ (1,604,487.29)	$ 23,523.82	$ 24,497,534.41	$ (24,349,631.35)	$ (23,523.82)	$ (1,023,720.35)	$ 64,535.12	$ (497,399.00)	$ (24,349,631.35)

State Financial Assistance Not Subject to Audit Determination:

General Fund:		
On Behalf T.P.A.F. Pension Contributions	(11,924,027.00)	11,924,027.00
On Behalf Post Retirement Medical Contrib.	(3,527,370.00)	3,527,370.00
On Behalf T.P.A.F. Non-Contributory Group Insurance	(147,707.00)	147,707.00
On Behalf T.P.A.F. Long Term Disability Insurance	(5,661.00)	5,661.00
Total State Financial Assistance Subject to Audit Determination	$ 8,892,769.41	$ (8,744,866.35)

Note: See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.
N/A - Not available/applicable.

CRANFORD PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the Township of Cranford Public School District. The District is defined in Note 1(A) to the Board's basic financial statements (GASB 34 Model – basic financial statements). All federal awards and state assistance received directly from federal and state agencies, as well as federal awards and state assistance passed through other government agencies are included on the schedule of expenditures of federal awards and schedule of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of NJ OMB Circular 15-08, which requires compliance with the requirements of Title 2, US Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for state financial assistance programs. Therefore, some amounts presented in this schedule may differ from amounts present in, or used in the preparation of, the basic financial statements. The District does not charge any indirect costs to any state financial assistance program.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current 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 budget year due to the state deferral and recording of the last two 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

CRANFORD PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D.)

recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last 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 $ 42,642 for the general fund. See note 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 (C-3).

Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$ 9,424.29	$ 24,056,883.47	$ 24,066,307.76
Special Revenue Fund	1,114,961.01	250,105.88	1,365,066.89
Total Assistance	$ 1,124,385.30	$ 24,306,989.35	$ 25,431,374.65

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of the Social Security for TPAF members for the year ended June 30, 2025. The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2025 amounted to $15,604,765.00. Since on-behalf post retirement, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

NOTE 6. INDIRECT COSTS

The District elected not use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part I - Summary of Auditors' Results

Financial Statements Section

Type of report the auditors issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified			
Internal control over financial reporting:				
Are any material weaknesses identified?		Yes	X	No
Are any significant deficiencies identified?		Yes	X	None Reported
Is any noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major federal programs:				
Are any material weaknesses identified?		Yes	X	No
Are any significant deficiencies identified?		Yes	X	None Reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes	X	No

Identification of major programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
		Special Education Cluster:
84.027	H027A240100	I.D.E.A. Part B, Basic Regular
84.173	H173A240114	I.D.E.A. Part B, Preschool

Dollar threshold used to distinguish between Type A and B programs:			$ 750,000.00	
Auditee qualified as low-risk auditee?	X	Yes		No

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part I - Summary of Auditors' Results

State Financial Assistance

Internal control over major state programs:

Are any material weaknesses identified?		Yes	X	No
Are any significant deficiencies identified?		Yes	X	None Reported
Type of auditors' report issued on compliance for major state programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08?		Yes	X	No

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
	Public State Aid Cluster:
25-495-034-5120-089	Special Education Categorical Aid
25-495-034-5120-078	Equalization Aid
25-495-034-5120-084	Categorical Security Aid

Dollar threshold used to distinguish between Type A and B programs:			$ 750,000.00	
Auditee qualified as low-risk auditee?	X	Yes		No

Part II - Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

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

No federal award or state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 section .516(a) or NJ OMB Circular Letter 15-08.