

LUMBERTON TOWNSHIP SCHOOL DISTRICT

Lumberton, New Jersey
County of Burlington

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



ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

LUMBERTON TOWNSHIP SCHOOL DISTRICT

LUMBERTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by

**Lumberton Township School District
Finance Department**

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INTRODUCTORY SECTION

**Lumberton Township Board of Education
33 Municipal Drive
Lumberton, NJ 08048**

**Robin Chieco
Interim Superintendent**

**Robert Kraft
Business Administrator**

November 21, 2025

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Lumberton Township School 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 Lumberton Township School District. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School 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 (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Lumberton Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for children with special needs. The School District's enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-2025	1,168	-3.23%
2023-2024	1,207	1.26%
2022-2023	1,192	9.56%
2021-2022	1,088	-1.54%
2020-2021	1,105	-5.72%
2019-2020	1,172	-5.41%
2018-2019	1,239	-1.67%
2017-2018	1,260	-7.01%
2016-2017	1,355	-1.38%

ECONOMIC CONDITION AND OUTLOOK

Lumberton Township has experienced slowdown to the development and expansion of the township. There are a few developments that will result in some additional housing. These parcels of undeveloped land have been approved for development by the Township. Lumberton Township is continuing to attempt to attract additional businesses to its previously rural and residential town. To attract the businesses in the town, the officials have agreed to abate taxes for a period. Several businesses have begun to pay their full amount of taxes to the town. The Township Officials are still working to attract businesses to move/develop within Lumberton Township.

MAJOR INITIATIVES

The Lumberton School District has prioritized the continuity and enhancement of instructional programming across all grade levels. The district maintains a 1:1 student-to-device initiative by purchasing Chromebooks to support and expand instructional delivery. In addition, iPads have been provided to all staff members to promote interactive engagement and strengthen instructional practices.

Significant investments have been made in English Language Arts (ELA), Mathematics, and Science. The district has implemented the Heinemann Units of Study in Reading and Writing for grades K–8 to build student capacity in reading and writing and to foster confident, independent learners. In mathematics, the Amplify Desmos Program for grades K–8 has been adopted, offering a problem-based approach designed to deepen conceptual understanding and improve fluency. For science, OpenSciEd has been introduced in grades 4–8 to encourage inquiry, problem-solving, and student-driven investigations of scientific phenomena.

The implementation of these programs is supported by ongoing, comprehensive professional development. Training is provided both internally by District specialists and externally through summer institutes and in-service opportunities.

Additionally, the District has expanded support in Special Education by increasing the availability of specialized classrooms to allow more students to remain within district placements alongside their peers. Staff have also received Crisis Prevention Institute (CPI) training to strengthen best practices in maintaining the least restrictive environment and ensuring student safety.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes

that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. 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 the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

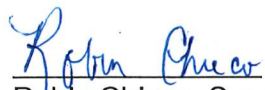
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Robin Chieco, Superintendent

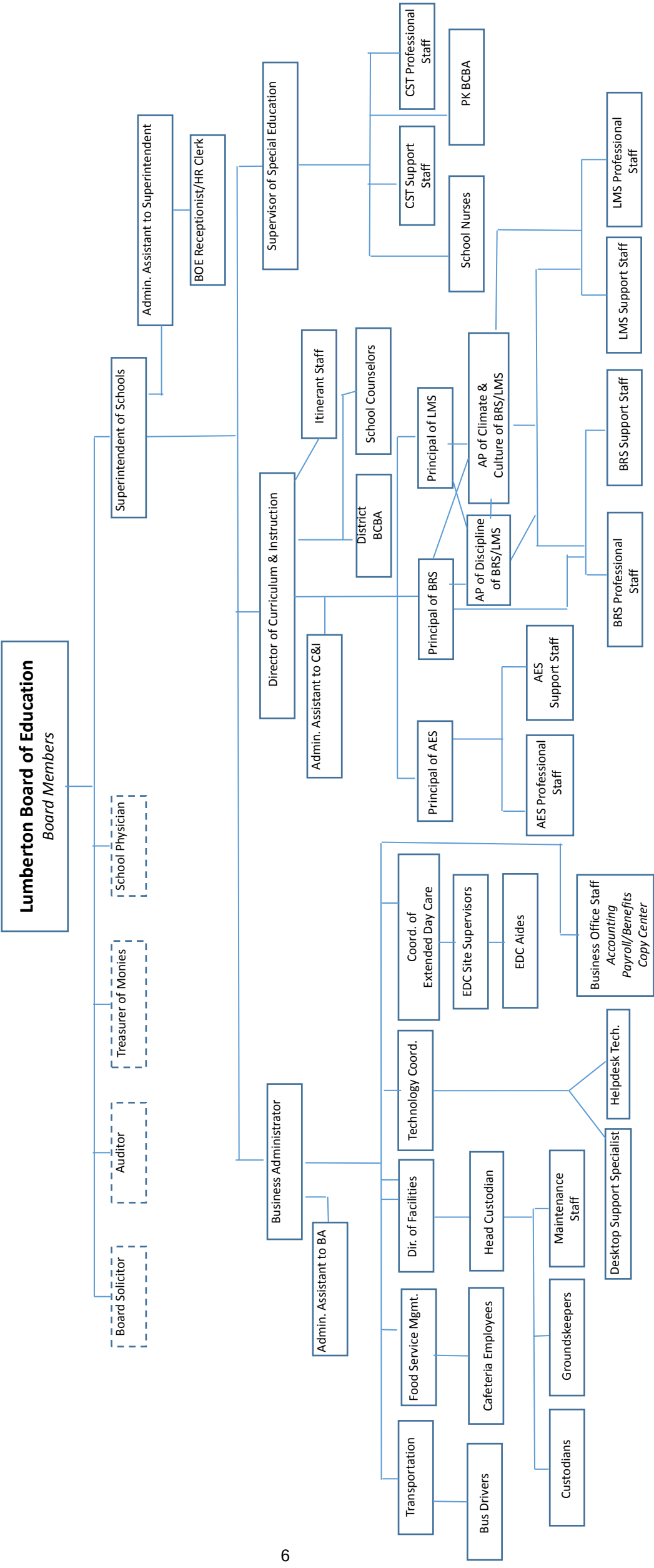


Robert Kraft, School Business Administrator/Board Secretary

Lumberton Township Board of Education

33 Municipal Drive
Lumberton, NJ 08048
(609) 267-1406

Organizational Chart



LUMBERTON TOWNSHIP SCHOOL DISTRICT
Lumberton, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2025

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Sean Earlen, President	2025
Jill Clevenger, Vice President	2026
Dennis Davis Jr.	2026
Demis Tambo	2027
Mark Santilli	2027
Thomas J. Colling	2027
Courtney McNeely	2025
Christopher Tommins	2025
Marcy Smith	2025

OTHER OFFICIALS

Colleen Murray, Superintendent

Robert Kraft, Business Administrator/Board Secretary

Constance L. Stewart, Treasurer

Frank P. Cavallo, Solicitor

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Lumberton, New Jersey

CONSULTANTS AND ADVISORS

INSURANCE AGENT

Burlington County Insurance Pool
Marlton, New Jersey

AUDIT FIRM

David T. McNally, CPA, RMA, PSA
Holt McNally & Associates, Inc.
105 Atsion Road, Suite I,
Medford, New Jersey 08055

ATTORNEY

Frank P. Cavallo, Jr.
Parker McCay P.A.
Mount Laurel, New Jersey

OFFICIAL DEPOSITORY

TD Bank
Cherry Hill, New Jersey

FINANCIAL SECTION



Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Lumberton Township School District, County of Burlington, State of New Jersey, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying combining and individual fund financial statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules, and 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

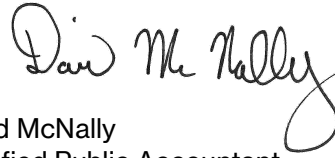
In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

A handwritten signature in black ink that reads "David McNally". The signature is written in a cursive, flowing style.

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
December 1, 2025

REQUIRED SUPPLEMENTARY INFORMATION - PART I

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

As management of the Lumberton Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund and Extended Day Care Fund.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds* and *proprietary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's enterprise funds (Food Service Fund and Extended Day Care Fund) are listed individually and are considered to be a major fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School Districts net position for the fiscal years 2025 compared to fiscal year 2024.

Table 1
Summary of Net Position

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Current & Other Assets	\$ 7,625,953	\$ 9,578,195	\$ (1,952,242)	-20.4%
Capital Assets, Net	22,090,439	22,923,504	(833,065)	-3.6%
Total Assets	<u>29,716,392</u>	<u>32,501,699</u>	<u>(2,785,307)</u>	-8.6%
Deferred Outflow of Resources	<u>427,359</u>	<u>384,874</u>	<u>42,485</u>	11.0%
Current and Other Liabilities	1,148,933	1,269,174	(120,241)	-9.5%
Noncurrent Liabilities	7,157,369	8,451,350	(1,293,981)	-15.3%
Total Liabilities	<u>8,306,302</u>	<u>9,720,524</u>	<u>(1,414,222)</u>	-14.5%
Deferred Inflow of Resources	<u>1,094,499</u>	<u>1,815,132</u>	<u>(720,633)</u>	-39.7%
Net Position:				
Net Investment in Capital Assets	18,568,752	18,414,287	154,465	0.8%
Restricted	4,980,662	5,995,342	(1,014,680)	-16.9%
Unrestricted (Deficit)	(2,806,464)	(3,058,712)	252,248	-8.2%
Total Net Position	<u>\$ 20,742,950</u>	<u>\$ 21,350,917</u>	<u>\$ (607,967)</u>	-2.8%

Table 2 shows the changes in net position for fiscal year 2025 compared to fiscal year 2024.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 2
Summary of Changes in Net Position

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Revenues:				
Program Revenues:				
Charges for Services	\$ 680,350	\$ 861,101	\$ (180,751)	-21.0%
Operating Grants & Contributions	5,410,872	5,899,484	(488,612)	-8.3%
General Revenues:				
Property Taxes	17,674,079	16,153,411	1,520,668	9.4%
Federal & State Aid	5,199,615	5,566,953	(367,338)	-6.6%
Other General Revenues	1,204,383	1,116,920	87,463	7.8%
Total Revenues	<u>30,169,299</u>	<u>29,597,869</u>	<u>571,430</u>	<u>1.9%</u>
Function/Program Expenditures:				
Regular Instruction	5,723,230	5,650,887	72,343	1.3%
Special Education Instruction	4,395,879	4,218,492	177,387	4.2%
Other Instruction	579,221	434,165	145,056	33.4%
Tuition	1,964,856	1,508,126	456,730	30.3%
Student & Instruction Related Services	4,085,600	4,189,123	(103,523)	-2.5%
General Administrative	529,429	453,362	76,067	16.8%
School Administrative Services	498,106	543,738	(45,632)	-8.4%
Central Services	389,673	373,009	16,664	4.5%
Administrative Info. Technology	229,063	330,897	(101,834)	-30.8%
Plant Operations & Maintenance	2,280,601	2,185,121	95,480	4.4%
Pupil Transportation	1,193,463	1,450,406	(256,943)	-17.7%
Unallocated Benefits	5,975,234	4,716,958	1,258,276	26.7%
On Behalf TPAF Pension and Social				
Security Contributions	583,754	1,794,800	(1,211,046)	-67.5%
Interest & Other Charges	97,119	123,256	(26,137)	-21.2%
Unallocated Depreciation	1,135,611	1,194,963	(59,352)	-5.0%
Food Service	709,258	716,414	(7,156)	-1.0%
Extended Daycare	407,169	508,577	(101,408)	-19.9%
Total Expenditures	<u>30,777,266</u>	<u>30,392,294</u>	<u>384,972</u>	<u>1.3%</u>
Change In Net Position	(607,967)	(794,425)	186,458	-23.5%
Net Position - Beginning,	21,350,917	22,145,342	(794,425)	-3.6%
Net Position - Ending	<u>\$ 20,742,950</u>	<u>\$ 21,350,917</u>	<u>\$ (607,967)</u>	<u>-2.8%</u>

Governmental Activities

During the fiscal year 2025, the net position of governmental activities decreased by \$(483,485) or -2.34%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$20,211,145 with an unrestricted deficit balance of \$2,960,389. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Governmental Activities (continued)

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (2,960,389)
Add back: PERS Pension Liability	3,065,887
Less: Deferred Outflows related to pensions	(425,961)
Add back: Deferred Inflows related to pensions	<u>474,051</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ 153,588</u>

Business-type Activities

During the fiscal year 2025, the net position of business-type activities decreased by \$(124,482) or -18.97%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$531,805.

General Fund Budgeting Highlights

Final budgeted revenues was \$22,627,808, which was increase of \$99,000 to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$286,897.

Final budgeted appropriations was \$26,045,811, which was an increase of \$556,123 from the original budget. The increase is due to prior year encumbrances. Excluding nonbudgeted expenditures, the School District's budget appropriations exceeded actual expenditures by \$1,950,923.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$5,803,770 at June 30, 2025, a decrease of \$(1,180,183) from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$6,100,661, a decrease of \$1,057,954 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$(1,069,287) to \$5,499,453 at June 30, 2025. The primary factor(s) affecting the change in fund balance of the general fund compared to the prior year is as follows:

- Increase of fund balance used to balance the 2024-2025 budget.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Governmental Funds (continued)

Special revenue fund - During the current fiscal year, the fund balance of the School District's special revenue fund increased by \$13,788 to \$30,104 at June 30, 2025. The primary factor(s) affecting the change in fund balance of the special revenue fund compared to the prior year is as follows:

- Result of activity within student activity funds.

Capital projects fund - During the current fiscal year, the fund balance of the School District's capital projects fund had no changes from the prior June 30, 2025 of \$538,938.

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund decreased by \$(2,455) to \$32,166 at June 30, 2025.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by \$(37,168) to \$337,211 at June 30, 2025. The primary factor(s) affecting the change in net position of the food service fund compared to the change in net position in the prior year is as follows:

- In the current year, the program received a food service management guarantee to offset the loss within the program.

Extended Day Program - During the current fiscal year, the net position of the School District's Extended Day Program decreased by \$(87,314) to \$194,594 at June 30, 2025. The primary factor(s) affecting the change in net position compared to the prior year change in net position is as follows:

- In the current year, Mt. Holly opted out of the program which decreased current year revenue.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2025, totaled \$22,090,439 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$833,065. Table 4 shows fiscal 2025 balances compared to 2024.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Capital Assets (continued)

Table 4
Summary of Capital Assets

Capital Asset (Net of Depreciation):	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Land	\$ 1,236,485	\$ 1,236,485	\$ -	0.0%
Construction in Progress	6,069,092	6,069,092	-	0.0%
Land Improvements	2,491,923	2,789,331	(297,408)	-10.7%
Building and Improvements	11,435,510	11,986,446	(550,936)	-4.6%
Equipment	857,429	842,150	15,279	1.8%
	<u>\$ 22,090,439</u>	<u>\$ 22,923,504</u>	<u>\$ (833,065)</u>	-3.6%

Depreciation expense for the year was \$1,155,730. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$3,490,000 which is a decrease of \$940,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District's Future

At the time these financial statements were prepared and audited, the Lumberton Township School District was aware of no existing circumstances that could significantly affect its financial health in the future.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the School Business Administrator, Lumberton Township School District, 33 Municipal Drive, Lumberton, New Jersey 08048.

BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements

LUMBERTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 5,328,409	\$ 162,062	\$ 5,490,471
Receivables, Net (Note 4)	695,630	21,107	716,737
Lease Receivable (Note 4)	620,448	-	620,448
Internal Balances	(12,936)	12,936	-
Inventory	-	9,169	9,169
Restricted Cash & Cash Equivalents	789,128	-	789,128
Capital Assets, Net (Note 5)			
Non-depreciable	7,305,577	-	7,305,577
Depreciable	14,406,982	377,880	14,784,862
Total Assets	29,133,238	583,154	29,716,392
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	425,961	-	425,961
Related to Loss on Debt Refunding	1,398	-	1,398
Total Deferred Outflow of Resources	427,359	-	427,359
LIABILITIES:			
Accounts Payable	76,972	51,349	128,321
Due to Other Governments	360,737	-	360,737
Accrued Interest	37,277	-	37,277
Unearned Revenue	622,598	-	622,598
Noncurrent Liabilities (Note 7):			
Due within one year	1,033,085	-	1,033,085
Due in more than one year	6,124,284	-	6,124,284
Total Liabilities	8,254,953	51,349	8,306,302
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	474,051	-	474,051
Related to Leases (Note 4)	620,448	-	620,448
Total Deferred Inflow of Resources	1,094,499	-	1,094,499
NET POSITION:			
Net Investment in Capital Assets	18,190,872	377,880	18,568,752
Restricted for:			
Maintenance Reserve	193,275	-	193,275
Debt Service	32,166	-	32,166
Capital Projects	956,225	-	956,225
Unemployment	178,566	-	178,566
Student Activities	28,156	-	28,156
Scholarships	1,948	-	1,948
Excess Surplus	3,590,326	-	3,590,326
Unrestricted (Deficit)	(2,960,389)	153,925	(2,806,464)
Total Net Position	\$ 20,211,145	\$ 531,805	\$ 20,742,950

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 5,723,230	\$ -	\$ -	\$ -	\$ (5,723,230)	\$ -
Special Education Instruction	4,395,879	-	1,402,691	-	(2,993,188)	-
Other Special Instruction	388,085	-	-	-	(388,085)	-
Other Instruction	191,136	-	-	-	(191,136)	-
Support Services:						
Tuition	1,964,856	-	-	-	(1,964,856)	-
Health Services	200,808	-	-	-	(200,808)	-
Student & Instruction Related Services	3,732,011	74,260	1,053,797	-	(2,603,954)	-
Educational Media Services / School Library	152,781	-	-	-	(152,781)	-
General Administrative	529,429	-	-	-	(529,429)	-
School Administrative Services	498,106	-	-	-	(498,106)	-
Central Services	389,673	-	-	-	(389,673)	-
Administrative Info. Technology	229,063	-	-	-	(229,063)	-
Plant Operations & Maintenance	2,280,601	-	-	-	(2,280,601)	-
Pupil Transportation	1,193,463	-	-	-	(1,193,463)	-
Unallocated Benefits	5,975,234	-	1,988,928	-	(3,986,306)	-
On Behalf TPAF Pension and Social Security Contributions	583,754	-	583,754	-	-	-
Interest & Other Charges	97,119	-	-	-	(97,119)	-
Unallocated Depreciation	1,135,611	-	-	-	(1,135,611)	-
Total Governmental Activities	29,660,839	74,260	5,029,170	-	(24,557,409)	-
Business-Type Activities:						
Food Service	709,258	290,315	381,702	-	(37,241)	(37,241)
Extended Day Care	407,169	315,775	-	-	(91,394)	(91,394)
Total Business-Type Activities	1,116,427	606,090	381,702	-	(128,635)	(128,635)
Total Primary Government	\$ 30,777,266	\$ 680,350	\$ 5,410,872	\$ -	(24,557,409)	(24,686,044)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					17,002,559	-
Property Taxes, Levied for Debt Service					671,520	-
Federal & State Aid Restricted					363,337	-
Federal & State Aid Not Restricted					4,836,278	-
Tuition Charges					5,438	-
Miscellaneous					1,194,792	4,153
Total General Revenues and Special Items					24,073,924	4,153
Change in Net Position					(483,485)	(124,482)
Net Position - Beginning					20,694,630	656,287
Net Position - Ending					\$ 20,211,145	\$ 531,805
						\$ 20,742,950

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

B. Fund Financial Statements

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

EXHIBIT B-1

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	\$ 4,126,415	\$ 604,729	\$ 624,528	\$ -	\$ 5,355,672
Receivables, Net:					
Interfund Receivable	104,434	-	-	59,429	163,863
Due from Other Governments:					
State	467,934	-	-	-	467,934
Federal	6,923	182,419	-	-	189,342
Other Receivables	37,201	1,153	-	-	38,354
Lease Receivable	620,448	-	-	-	620,448
Restricted Cash & Cash Equivalents	789,128	-	-	-	789,128
Total Assets	<u>\$ 6,152,483</u>	<u>\$ 788,301</u>	<u>\$ 624,528</u>	<u>\$ 59,429</u>	<u>\$ 7,624,741</u>
LIABILITIES, DEFERRED INFLOWS FUND BALANCES:					
Liabilities:					
Cash Deficit	\$ -	\$ -	\$ -	\$ 27,263	\$ 27,263
Accounts Payable	-	57,326	-	-	57,326
Payroll Deductions and Withholdings Payable	19,646	-	-	-	19,646
Interfund Payable	12,936	78,273	85,590	-	176,799
Unearned Revenue	-	622,598	-	-	622,598
Total Liabilities	<u>32,582</u>	<u>758,197</u>	<u>85,590</u>	<u>27,263</u>	<u>903,632</u>
Deferred Inflows of Resources:					
Deferred Inflows Related to Leases	<u>620,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,448</u>
Fund Balances:					
Restricted for:					
Capital Reserve	417,287	-	-	-	417,287
Maintenance Reserve	193,275	-	-	-	193,275
Excess Surplus - Current year	1,657,330	-	-	-	1,657,330
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,932,996	-	-	-	1,932,996
Capital Projects	-	-	538,938	-	538,938
Debt Service	-	-	-	32,166	32,166
Unemployment Compensation	178,566	-	-	-	178,566
Student Activities	-	28,156	-	-	28,156
Scholarships	-	1,948	-	-	1,948
Assigned to:					
Designated for Subsequent Year's Expenditures	391,902	-	-	-	391,902
Other Purposes	495,900	-	-	-	495,900
Unassigned	<u>232,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,197</u>
Total Fund Balances	<u>5,499,453</u>	<u>30,104</u>	<u>538,938</u>	<u>32,166</u>	<u>6,100,661</u>
Total Liabilities & Fund Balances	<u>\$ 6,152,483</u>	<u>\$ 788,301</u>	<u>\$ 624,528</u>	<u>\$ 59,429</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$51,473,310 and the accumulated depreciation is \$29,760,751.	21,712,559
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	425,961
Deferred Inflows related to pensions	(474,051)
Deferred Outflow related to the loss on bond refunding of debt	1,398
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.	(37,277)
Accrued pension contributions for the June 30, 2025 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(360,737)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(7,157,369)
Net Position of Governmental Activities	<u>\$ 20,211,145</u>

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 17,002,559	\$ -	\$ -	\$ 671,520	\$ 17,674,079
Tuition Charges	5,438	-	-	-	5,438
Miscellaneous	1,181,326	79,169	13,466	-	1,273,961
Total Local Sources	18,189,323	79,169	13,466	671,520	18,953,478
State Sources	10,210,936	2,298,494	-	363,337	12,872,767
Federal Sources	29,460	663,995	-	-	693,455
Total Revenues	28,429,719	3,041,658	13,466	1,034,857	32,519,700
Expenditures:					
Instruction:					
Regular Instruction	5,723,230	-	-	-	5,723,230
Special Education Instruction	2,993,188	1,402,691	-	-	4,395,879
Other Special Instruction	388,085	-	-	-	388,085
Other Instruction	191,136	-	-	-	191,136
Support Services:					
Tuition	1,964,856	-	-	-	1,964,856
Health Services	200,808	-	-	-	200,808
Student & Instruction Related Service	2,592,927	1,139,084	-	-	3,732,011
Educational Media Services / School Library	152,781	-	-	-	152,781
General Administrative	529,429	-	-	-	529,429
School Administrative Services	498,106	-	-	-	498,106
Central Services	389,673	-	-	-	389,673
Administrative Info. Technology	229,063	-	-	-	229,063
Plant Operations & Maintenance	2,278,735	-	-	-	2,278,735
Pupil Transportation	1,193,463	-	-	-	1,193,463
Unallocated Benefits	4,374,272	510,910	-	-	4,885,182
On Behalf TPAF Pension and Social Security Contributions	5,404,118	-	-	-	5,404,118
Capital Outlay	290,019	34,513	-	-	324,532
Debt Service:					
Principal	-	-	-	940,000	940,000
Interest & Other Charges	45,789	-	-	110,778	156,567
Total Expenditures	29,439,678	3,087,198	-	1,050,778	33,577,654
Excess/(Deficiency) of Revenues over Expenditures	(1,009,959)	(45,540)	13,466	(15,921)	(1,057,954)
Other Financing Sources (Uses):					
Transfers in	-	59,328	-	13,466	72,794
Transfers out	(59,328)	-	(13,466)	-	(72,794)
Total Other Financing Sources (Uses)	(59,328)	59,328	(13,466)	13,466	-
Net changes in fund balances	(1,069,287)	13,788	-	(2,455)	(1,057,954)
Fund Balance, July 1	6,568,740	16,316	538,938	34,621	7,158,615
Fund Balance, June 30	\$ 5,499,453	\$ 30,104	\$ 538,938	\$ 32,166	\$ 6,100,661

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

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

Total Net Changes in Fund Balances - Governmental Funds (B-2) \$ (1,057,954)

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 capital outlays exceeded in the period.

Depreciation Expense	\$	(1,135,611)	
Capital Outlays		<u>322,666</u>	(812,945)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.

447,889

Repayment of long-term debt principal and obligation of lease purchase agreements are 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.

940,000

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

Amorization of premium on bonds		49,628	
Amorization of loss on Bond Refunding		<u>(2,097)</u>	47,531

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 an addition in the reconciliation (+).

11,917

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 (+).

(59,923)

Change in Net Position of Governmental Activities

\$ (483,485)

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	EXTENDED DAY CARE	FOOD SERVICE	
Current Assets:			
Cash & Cash Equivalents	\$ 138,982	\$ 23,080	\$ 162,062
Accounts Receivable:			
State	-	1,172	1,172
Federal	-	19,935	19,935
Interfund	12,936	-	12,936
Inventories	-	9,169	9,169
Total Current Assets	151,918	53,356	205,274
Noncurrent Assets:			
Equipment	286,124	955,398	1,241,522
Less: Accumulated Depreciation	(243,448)	(620,194)	(863,642)
Total Noncurrent Assets	42,676	335,204	377,880
Total Assets	194,594	388,560	583,154
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	51,349	51,349
Total Current Liabilities	-	51,349	51,349
Total Liabilities	-	51,349	51,349
NET POSITION			
Investment in Capital Assets	42,676	335,204	377,880
Unrestricted	151,918	2,007	153,925
Total Net Position	\$ 194,594	\$ 337,211	\$ 531,805

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	EXTENDED	FOOD	TOTAL
	DAY CARE	SERVICE	
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs:	\$ -	\$ 197,236	\$ 197,236
Daily Sales - Nonreimbursable Programs	-	31,803	31,803
Special Functions	-	4,684	4,684
Enrollment Fees	315,775	-	315,775
FSMC Guarantee	-	56,000	56,000
Miscellaneous	-	592	592
Total Operating Revenue	315,775	290,315	606,090
Operating Expenses:			
Cost of Sales - Reimbursable Programs	-	184,767	184,767
Cost of Sales - Nonreimbursable Programs	-	29,792	29,792
Salaries	329,412	278,501	607,913
Employee Benefits	50,561	70,344	120,905
Supplies and Materials	-	34,668	34,668
Management Fee	-	57,358	57,358
Miscellaneous	23,840	37,065	60,905
Depreciation	3,356	16,763	20,119
Total Operating Expenses	407,169	709,258	1,116,427
Operating Income/(Loss)	(91,394)	(418,943)	(510,337)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	5,857	5,857
State Reduced School Lunch Program	-	3,539	3,539
State Reduced Breakfast Program	-	911	911
Working Class Families State Supplement	-	7,813	7,813
State Summer Electronic Benefit Transfer Program	-	321	321
Federal Sources:			
National School Lunch Program	-	218,089	218,089
National School Breakfast Program	-	67,708	67,708
National School Snack Program	-	2,578	2,578
Healthy Hunger Free Kids Act	-	8,904	8,904
Federal Summer Electronic Benefit Transfer Program	-	321	321
Food Distribution Program	-	65,661	65,661
Interest and Investment Revenue	4,080	73	4,153
Total Nonoperating Revenues/(Expenses)	4,080	381,775	385,855
Change in Net Position	(87,314)	(37,168)	(124,482)
Total Net Position - July 1	281,908	374,379	656,287
Total Net Position - June 30	\$ 194,594	\$ 337,211	\$ 531,805

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	EXTENDED DAY CARE	FOOD SERVICE	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 315,775	\$ 290,315	\$ 606,090
Payments to Employees	(329,412)	(278,501)	(607,913)
Payment to Employee Benefits	(50,561)	(70,344)	(120,905)
Payments to Suppliers	(23,840)	(292,334)	(316,174)
Net Cash Provided/(Used) by Operating Activities	(88,038)	(350,864)	(438,902)
Cash Flows From Noncapital Financing Activities:			
State Sources	-	18,060	18,060
Federal Sources	-	358,126	358,126
Net Cash Provided by Noncapital Financing Activities	-	376,186	376,186
Cash Flows From Investing Activities:			
Interest on Investments	4,080	73	4,153
Net Cash Provided by Investing Activities	4,080	73	4,153
Net Increase/(Decrease) in Cash & Cash Equivalents	(83,958)	25,395	(58,563)
Cash & Cash Equivalents, July 1	222,940	(2,315)	220,625
Cash & Cash Equivalents, June 30	\$ 138,982	\$ 23,080	\$ 162,062
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (91,394)	\$ (418,943)	\$ (510,337)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	3,356	16,763	20,119
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	(33)	(33)
Net Cash Provided/(Used) by Operating Activities	\$ (88,038)	\$ (350,864)	\$ (438,902)

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies

The financial statements of the Board of Education of Lumberton Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Lumberton Township School District (hereafter referred to as the "District") is a Type II district located in the County of Burlington, 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. These terms are staggered so that three members' terms expire each year. The purpose of the District is to educate students in grades kindergarten through eighth at its three schools. The District has an approximate enrollment at June 30, 2025 of 1,168 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.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units - and Amendment of GASB Statement No. 14 and GASB Statement No. 90, Majority Equity Interests - An amendment of GASB Statements*

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

No. 14 and No. 61. The District had no component units as of or for the year ended June 30, 2025.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under financed purchases and leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and the Extended Day Care program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. 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.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

As required by the New Jersey 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are special 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 proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Extended Day Care Fund – This fund accounts for the revenues and expenses pertaining to the District’s extended day care program.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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.

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

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.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2025 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Leases Receivable

Lease receivables are recorded on the government-wide financial statement and in the governmental funds. At the commencement of a lease, the District recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

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. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

Accounting Estimates

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2025.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the

District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statement became effective for the fiscal year ended June 30, 2025:

Statement No. 101, *Compensated Absences*, aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has implemented this standard for the fiscal year ended June 30, 2025, see Note 15.

Statement No. 102, *Certain Risk Disclosures*, requires a School District to disclose information about concentrations or constraints and related events that have occurred or have begun to occur that make a District vulnerable to a substantial impact. The standard will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. Statement No. 102 is effective for reporting periods beginning after June 15, 2024. Implementation of this statement had no material effect on the financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 103, *Financial Reporting Model Improvements*, requires that the information presented in the management's discussion and analysis (MD&A) be limited to the related topics discussed in five sections: 1) Overview of the Financial Statements, 2) Financial Summary, 3) Detailed Analyses, 4) Significant Capital Asset and Long-Term Financing Activity, and 5) Currently Known Facts, Decisions, or Conditions. The Statement emphasizes that the analysis provided in the MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that boilerplate discussion should be avoided by presenting only the most relevant information. Statement No. 103 is effective for reporting periods beginning after June 15, 2024. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets recognized in accordance with Statement No. 87, intangible right-to-use assets recognized in accordance with Statement No. 94 and subscription assets recognized in accordance with Statement No. 96 should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Statement No. 104 is effective for reporting periods beginning after June 15, 2024. Management has not yet determined the potential impact on the District's financial statements.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies (continued):

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

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

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2025, the District's bank balance of \$7,404,216 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 6,967,282
Uninsured and Uncollateralized	<u>436,934</u>
	<u><u>\$ 7,404,216</u></u>

Investments

The School District has no investments at June 30, 2025.

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the District by inclusion of \$1,000 on June 30, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (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 the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 3. Reserve Accounts (continued):

Beginning Balance, July 1, 2024	\$ 564,217
Increased by:	
Interest Earnings	20,928
Decreased by:	
Budget Withdrawals	<u>(167,858)</u>
Ending Balance, June 30, 2025	<u>\$ 417,287</u>

The June 30, 2025 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

B. Maintenance Reserve

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 336,162
Increased by:	
Interest Earnings	7,113
Decreased by:	
Budget Withdrawals	<u>(150,000)</u>
Ending Balance, June 30, 2025	<u>\$ 193,275</u>

Note 4. Receivables

Accounts Receivable

Accounts receivable at June 30, 2025 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 4. Receivables (continued):

Description	Governmental Funds			Proprietary Funds	
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities
Federal Awards	\$ 6,923	\$ 182,419	\$ 189,342	\$ 19,935	\$ 19,935
State Awards	467,934	-	467,934	1,172	1,172
Other	37,201	1,153	38,354	-	-
Total	<u>\$ 512,058</u>	<u>\$ 183,572</u>	<u>\$ 695,630</u>	<u>\$ 21,107</u>	<u>\$ 21,107</u>

Lease Receivable

In accordance with GASB Statement No. 87, the District is reporting a lease receivable of \$620,448 as of June 30, 2025. In March of 2021, the District entered into a lease agreement with Hampton Academy. Under this lease, Hampton Academy will pay the District an initial annual amount of \$510,000, payable in equal monthly installments of \$42,500. This fixed rent amount will increase by 3.0% on each subsequent anniversary of the commencement date. There is no stated discount rate in the lease agreement.

In the fiscal year 2025, the District recognized \$646,115 of lease revenue.

Note 5. Capital Assets

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

	Balance July 1, 2024	Additions	Retirements and Transfers	Adjustments	Balance June 30, 2025
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 1,236,485	\$ -	\$ -	\$ -	\$ 1,236,485
Construction in Progress	6,069,092	-	-	-	6,069,092
Total Capital Assets not being depreciated	<u>7,305,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,305,577</u>
Capital Assets being depreciated:					
Land Improvements	7,294,286	29,992	-	-	7,324,278
Buildings and Improvements	33,412,031	-	-	(34,051)	33,377,980
Equipment	3,271,781	292,674	-	(98,980)	3,465,475
Total Capital Assets being depreciated	<u>43,978,098</u>	<u>322,666</u>	<u>-</u>	<u>(133,031)</u>	<u>44,167,733</u>
Less: Accumulated Depreciation:					
Land Improvements	(4,504,956)	(327,399)	-	-	(4,832,355)
Buildings and Improvements	(21,649,757)	(638,684)	-	133,031	(22,155,410)
Equipment	(2,603,458)	(169,528)	-	-	(2,772,986)
Total Accumulated Depreciation	<u>(28,758,171)</u>	<u>(1,135,611)</u>	<u>-</u>	<u>133,031</u>	<u>(29,760,751)</u>
Total Capital Assets being depreciated, net	<u>15,219,927</u>	<u>(812,945)</u>	<u>-</u>	<u>-</u>	<u>14,406,982</u>
Total Governmental Activities Capital Assets, net	<u>\$ 22,525,504</u>	<u>\$ (812,945)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,712,559</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 5. Capital Assets (continued):

	Balance July 1, 2024	Additions	Retirements and Transfers	Adjustments	Balance June 30, 2025
Business-Type Activities:					
Capital Assets being depreciated:					
Buildings and Improvements	\$ 463,075	\$ -	\$ -	\$ -	\$ 463,075
Equipment	778,447	-	-	-	778,447
Total Capital Assets being depreciated	1,241,522	-	-	-	1,241,522
Less: Accumulated Depreciation:					
Buildings and Improvements	(238,903)	(11,232)	-	-	(250,135)
Equipment	(604,620)	(8,887)	-	-	(613,507)
Capital Assets being depreciated, net	(843,523)	(20,119)	-	-	(863,642)
Total Business-Type Activities Capital Assets, net	\$ 397,999	\$ (20,119)	\$ -	\$ -	\$ 377,880

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2025 are as follows:

<u>Fund</u>	Interfund Receivables	Interfund Payables
General Fund	\$ 104,434	\$ 12,936
Special Revenue Fund	-	78,273
Capital Projects Fund	-	85,590
Debt Service Fund	59,429	-
Extended Day Care Fund	12,936	-
	<u>\$ 176,799</u>	<u>\$ 176,799</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

<u>Fund</u>	Transfers In	Transfers Out
General Fund	\$ -	\$ 59,328
Special Revenue Fund	59,328	-
Capital Projects Fund	-	13,466
Debt Service Fund	13,466	-
	<u>\$ 72,794</u>	<u>\$ 72,794</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2025 the following changes occurred in long-term obligations:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 4,430,000	\$ -	\$ 940,000	\$ 3,490,000	\$ 1,000,000
Unamortized Bond Premiums	82,712	-	49,627	33,085	33,085
Compensated Absences	508,474	59,923	-	568,397	-
Net Pension Liability	3,430,164	-	364,277	3,065,887	-
	<u>\$ 8,451,350</u>	<u>\$ 59,923</u>	<u>\$ 1,353,904</u>	<u>\$ 7,157,369</u>	<u>\$ 1,033,085</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences, unamortized bond premiums, and net pension liability are liquidated by the general fund.

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2025, bonds payable consisted of the following individual issues:

On July 18, 2019 the School District issued \$4,881,000 of General Obligation Bonds. The purpose of the Bonds is to permanently finance renovations, alterations and improvements at Ashbrook Elementary School, Bobby's Run School, Lumberton Middle School and Florence L. Walther Elementary School including related work, fixtures, furnishings, equipment and site work. The General Obligation Bonds were issued at interest rates varying from 2.000% to 2.250% and mature on July 15, 2029.

On February 25, 2021 the School District issued \$2,555,000 of Refunding Bonds to refund the callable portion of the outstanding 2010 Bond Issue. The Refunding Bonds were issued at interest rates varying from 3.000% to 4.000% and mature on February 15, 2026.

Principal and Interest due on the outstanding bonds is as follows:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 7. Long-Term Obligations (continued):

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,000,000	\$ 80,641	\$ 1,080,641
2027	605,000	47,284	652,284
2028	615,000	34,322	649,322
2029	630,000	21,094	651,094
2030	640,000	7,200	647,200
	\$ 3,490,000	\$ 190,541	\$ 3,680,541

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 8. Pension Plans (continued):

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

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2025, the School District reported a liability of \$3,065,887 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The School District's proportion measured as of June 30, 2024, was 0.022563%, which was a decrease of 0.001119% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized full accrual pension expense/(benefit) of \$(140,869) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2024 measurement date. At June 30, 2025 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 61,415	\$ 8,162
Changes of Assumptions	3,809	34,883
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	142,157
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	-	288,849
School District Contributions Subsequent to Measurement Date	<u>360,737</u>	<u>-</u>
	<u>\$ 425,961</u>	<u>\$ 474,051</u>

\$360,737 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the estimated amount payable to the State due April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (443,558)
2026	343,212
2027	(197,457)
2028	(113,990)
2029	<u>2,967</u>
	<u>\$ (408,827)</u>

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
June 30, 2024	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	-
June 30, 2024	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	-	-
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00
Changes in Proportion and Differences between Contributions and Pro Year of Pension Plan Deferral:		
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04
June 30, 2023	5.08	5.08
June 30, 2024	5.08	5.08

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

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

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 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%
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.00%</u>	

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 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 7.00% as well as what the School 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 or 1-percentage point higher than the current rate:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 4,108,102	\$ 3,065,887	\$ 2,226,737

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

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2025. The State's proportionate share of the contribution associated with the special funding situation was \$9,884 as of June 30, 2025. These are based on measurements as of June 30, 2024.

B. Teachers' Pension and Annuity Fund (TPAF):

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

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

The following represents the membership tiers for TPAF:

Tier Definition

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

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

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

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, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2024 was \$44,965,254. The School District's proportionate share was \$-0-.

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 School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.090977%, which was an increase of 0.005004% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the School District recognized \$(164,026) in on-behalf pension expense/(benefit) and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense/(benefit) and revenue was based on the pension plans June 30, 2024 measurement date.

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

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

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

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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.00%</u>	

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 projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	53,447,570	44,965,254	37,821,540
	<u>\$ 53,447,570</u>	<u>\$ 44,965,254</u>	<u>\$ 37,821,540</u>

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

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,300 and is subject to adjustment in future years.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued):

- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2025, employee contributions totaled \$40,581 and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$22,135.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis.

Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 9. Other Post-Retirement Benefits (continued):

premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Basis of Presentation

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024, was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 59,650,630,530

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Actuarial assumptions used in the July 1, 2023

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 9. Other Post-Retirement Benefits (continued):

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

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2024 was \$61,799,388. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation 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 OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB 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 proportionate share of the OPEB Obligation attributable to the School District was 0.103602%, which was an decrease of 0.003196% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of 1,476,986 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

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 decreased 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 decreased to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

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

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 9. Other Post-Retirement Benefits (continued):

liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 72,380,319	\$ 61,799,388	\$ 53,290,123
State of New Jersey's Total Non- employer Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer 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 rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 51,479,340	\$ 61,799,388	\$ 75,241,931
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,689,409,509	\$ 59,650,630,530	\$ 72,625,778,279

* See Healthcare Cost Trend Assumptions for details of rates.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 9. Other Post-Retirement Benefits (continued):

Additional Information

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ -	\$ -
Differences between Expected & Actual Experience	6,378,932,312	(11,139,706,892)
Change in Assumptions	10,004,978,073	(11,662,607,882)
Contributions Made in Fiscal Year		
Year Ending 6/30/2024		
After Measurement Date	TBD	N/A
	<u>\$ 16,383,910,385</u>	<u>\$ (22,802,314,774)</u>

** Employer Contributions made after June 30, 2024 are reported as a deferred outflow of resources, but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	(369,418,659)
	<u>\$ (6,418,404,389)</u>

Plan Membership

At June 30, 2023, the Program membership consisted of the following:

	June 30, 2023
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	153,556
	<u>372,741</u>

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 9. Other Post-Retirement Benefits (continued):

Total OPEB Liability

Service Cost	\$ 2,152,062,729
Interest Cost	1,963,557,443
Difference Between Expected & Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Contributions: Member	51,347,810
Gross Benefit Payments	<u>(1,499,600,607)</u>
Net Change in Total OPEB Liability	7,288,962,291
Total OPEB Liability (Beginning)	<u>52,361,668,239</u>
Total OPEB Liability (Ending)	<u><u>\$ 59,650,630,530</u></u>
Total Covered Employee Payroll	\$ 15,845,935,573
Net OPEB Liability as a Percentage of Payroll	376%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2025, the on-behalf payments for normal costs, social security costs, post-retirement medical costs, and long-term disability were \$3,602,618, \$747,780, \$1,052,688 and \$1,032, respectively.

Note 11. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District 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 School District contributions, reimbursements to the State for

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 11. Risk Management (continued):

benefits paid and the ending balance of the School District's trust fund for the current and previous two years:

Fiscal Year	School District Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2024-2025	\$ -	\$ 43,303	\$ 3,222	\$ 16,696	\$ 178,566
2023-2024	-	26,067	2,885		148,737
2022-2023	21,957	24,267	241		119,785

Joint Insurance Pool – The School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage's:

Property – Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers' Compensation
School Board Legal Liability	Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - 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 and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 14. Deferred Compensation (continued):

of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning
AXA Equitable

Note 15. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 101 (GASB 101), "Compensated Absences". GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leaves that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2025 is \$568,397, which represents an increase of \$59,923 from the prior year.

Note 16. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 16. Tax Abatements (continued):

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.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 was \$1,657,330.

Note 18. Fund Balance

General Fund – Of the \$5,499,453 General Fund fund balance at June 30, 2025, \$417,287 has been reserved in the Capital Reserve Account; \$193,275 has been reserved in the maintenance reserve account; \$1,657,330 is restricted for current year excess surplus; \$1,932,996 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$391,902 has been assigned as designated for subsequent year's expenditures; \$178,566 is restricted for New Jersey Unemployment Compensation; \$495,900 has been assigned to other purposes; and \$232,197 is unassigned.

Special Revenue Fund – Of the \$30,104 Special Revenue Fund fund balance at June 30, 2025, \$28,156 is restricted for student activities and \$1,948 is restricted for scholarships.

Capital Projects Fund – Of the \$538,938 Capital Projects Fund fund balance at June 30, 2025, \$538,938 is restricted for future capital project payments.

Debt Service Fund – Of the \$32,166 Debt Service Fund fund balance at June 30, 2025, \$32,166 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$2,960,389. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments, and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2025. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and December 1, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 17,002,559	\$ -	\$ 17,002,559	\$ 17,002,559	\$ -
Tuition - Other LEA's Within State	10-1300	-	-	-	5,438	5,438
Interest on Maintenance Reserve	10-1000	200	-	200	7,113	6,913
Interest on Capital Reserve	10-1000	500	-	500	20,928	20,428
Miscellaneous	10-1000	925,629	-	925,629	1,153,285	227,656
Total Local Sources		17,928,888	-	17,928,888	18,189,323	260,435
State Sources:						
Categorical Transportation Aid	10-3121	73,845	-	73,845	73,845	-
Categorical Special Education Aid	10-3132	906,745	-	906,745	906,745	-
Equalization Aid	10-3176	2,546,990	-	2,546,990	2,546,990	-
Categorical Security Aid	10-3177	176,844	-	176,844	176,844	-
Non Public School Transportation Aid	10-3190	-	-	-	49,969	49,969
Extraordinary Aid	10-3131	380,000	-	380,000	384,647	4,647
Stabilization Aid	10-3246	457,882	-	457,882	457,882	-
School District Capital Aid	10-3XXX	-	99,000	99,000	99,000	-
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	1,052,688	1,052,688
Normal Pension Contributions		-	-	-	3,602,618	3,602,618
Long Term Disability Insurance		-	-	-	1,032	1,032
Reimbursed TPAF Social Security		-	-	-	747,780	747,780
Total State Sources		4,542,306	99,000	4,641,306	10,100,040	5,458,734
Federal Sources:						
Medicaid Reimbursement						
Special Education Medicaid Initiative (SEMI)	10-4210	57,614	-	57,614	29,460	(28,154)
Total Federal Sources		57,614	-	57,614	29,460	(28,154)
Total Revenues		22,528,808	99,000	22,627,808	28,318,823	5,691,015
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Local Contrib. - Trans to Special Rev - Inclusion	11-105-100-936	59,328	-	59,328	59,328	-
Preschool/Kindergarten	11-110-100-101	478,155	(49,135)	429,020	409,962	19,058
Grades 1 - 5	11-120-100-101	2,519,799	186,626	2,706,425	2,575,660	130,765
Grades 6 - 8	11-130-100-101	2,013,853	(76,008)	1,937,845	1,937,845	-
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	-	20,807	20,807	20,405	402
Purchased Professional - Educational Services	11-150-100-320	15,000	6,400	21,400	8,916	12,484
Regular Programs - Undistributed Instruction:						
Purchased Professional - Educational Services	11-190-100-320	447,093	898	447,991	443,043	4,948
Purchased Technical Services	11-190-100-340	1,000	-	-	1,000	1,000
General Supplies	11-190-100-610	416,240	(40,326)	375,914	326,854	49,060
Other Objects	11-190-100-800	1,050	-	1,050	545	505
Total Regular Programs		5,951,518	49,262	6,000,780	5,782,558	218,222
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	307,039	56,841	363,880	352,308	11,572
Other Salaries for Instruction	11-204-100-106	501,633	61,538	563,171	488,529	74,642
General Supplies	11-204-100-610	4,200	1,412	5,612	5,372	240
Total Learning &/or Language Disabilities		812,872	119,791	932,663	846,209	86,454
Behavioral Disabilities						
Salaries of Teachers	11-209-100-101	122,832	(57,886)	64,946	64,946	-
Other Salaries for Instruction	11-209-100-106	41,379	978	42,357	38,140	4,217
General Supplies	11-209-100-610	7,970	(5,307)	2,663	2,323	340
Total Behavioral Disabilities		172,181	(62,215)	109,966	105,409	4,557
Resource Room / Resource Center:						
Salaries of Teachers	11-213-100-101	1,475,084	9,599	1,484,683	1,416,311	68,372
Other Salaries for Instruction	11-213-100-106	280,492	77,699	358,191	357,255	936
General Supplies	11-213-100-610	9,150	(6,230)	2,920	2,903	17
Total Resource Room/Resource Center		1,764,726	81,068	1,845,794	1,776,469	69,325
Preschool Disabilities - Part-Time:						
Other Salaries for Instruction	11-215-100-106	40,646	(40,646)	-	-	-
Total Preschool Disabilities - Part-Time		40,646	(40,646)	-	-	-

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	126,832	80	126,912	126,912	-
Other Salaries for Instruction	11-216-100-106	61,719	5,719	67,438	63,252	4,186
General Supplies	11-216-100-600	2,000	(1,502)	498	482	16
Total Preschool Disabilities - Full-Time		190,551	4,297	194,848	190,646	4,202
Home Instruction						
Purchased Prof.- Ed Services	11-219-100-320	56,000	33,295	89,295	74,455	14,840
Total Home Instruction		56,000	33,295	89,295	74,455	14,840
Total Special Education		3,036,976	135,590	3,172,566	2,993,188	179,378
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	252,608	18,538	271,146	271,146	-
General Supplies	11-230-100-610	1,000	(757)	243	242	1
Total Basic Skills/Remedial - Instruction		253,608	17,781	271,389	271,388	1
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	127,224	(10,741)	116,483	116,200	283
General Supplies	11-240-100-610	2,250	(1,750)	500	497	3
Textbooks	11-240-100-640	10,000	(10,000)	-	-	-
Total Bilingual Education - Instruction		139,474	(22,491)	116,983	116,697	286
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	124,167	8,431	132,598	132,598	-
Supplies and Materials	11-401-100-600	5,200	-	5,200	4,678	522
Total School Sponsored Cocurricular - Activities		129,367	8,431	137,798	137,276	522
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	37,034	(4,796)	32,238	32,238	-
Supplies and Materials	11-402-100-600	3,670	-	3,670	1,848	1,822
Other Objects	11-402-100-800	4,000	1,000	5,000	4,122	878
Total School Sponsored Athletics - Instruction		44,704	(3,796)	40,908	38,208	2,700
Before/After School - Instruction:						
Salaries - Teacher Tutors	11-421-100-178	5,400	-	5,400	-	5,400
Total Before/After School Programs- Instruction:		5,400	-	5,400	-	5,400
Summer School - Instruction:						
Salaries - Teacher	11-422-100-101	14,000	(3,161)	10,839	10,839	-
Other Salaries for Instruction	11-422-100-106	6,500	(1,474)	5,026	4,813	213
Total Summer School - Instruction		20,500	(4,635)	15,865	15,652	213
Total - Instruction		9,581,547	180,142	9,761,689	9,354,967	406,722
Undistributed Expenditures						
Instruction:						
Tuition to Other LEAs Within State Regular	11-000-100-561	66,000	(29,842)	36,158	36,158	-
Tuition to Other LEAs Within State Special	11-000-100-562	217,936	113,102	331,038	314,776	16,262
Tuition to CSSD & Regional Day School	11-000-100-565	696,151	(8,828)	687,323	677,257	10,066
Tuition to Private Schools for Disabled Within the State	11-000-100-566	1,073,750	(57,879)	1,015,871	829,026	186,845
Tuition to Private Disabled & Other LEA O/S State	11-000-100-567	-	130,121	130,121	107,639	22,482
Total Undistributed Expenditures - Instruction		2,053,837	146,674	2,200,511	1,964,856	235,655
Attendance and Social Work Services:						
Purchased Technical Services	11-000-211-340	750	2,500	3,250	1,890	1,360
Total Attendance and Social Work Services		750	2,500	3,250	1,890	1,360
Health Services:						
Salaries	11-000-213-100	188,950	824	189,774	189,774	-
Purchased Professional & Technical Services	11-000-213-300	10,700	-	10,700	9,050	1,650
Supplies and Materials	11-000-213-600	4,500	69	4,569	1,924	2,645
Other Objects	11-000-213-800	860	-	860	60	800
Total Health Services		205,010	893	205,903	200,808	5,095
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	422,753	3,139	425,892	409,603	16,289
Purchased Professional - Educational Services	11-000-216-320	531,880	161,416	693,296	604,038	89,258
Supplies and Materials	11-000-216-600	5,500	245	5,745	5,504	241
Total Other Support Services - Students - Related Services		960,133	164,800	1,124,933	1,019,145	105,788

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	345,982	3,864	349,846	349,516	330
Salaries of Secretarial & Clerical Assistants	11-000-218-105	33,559	(9,280)	24,279	24,115	164
Total Other Support Services - Students - Regular		379,541	(5,416)	374,125	373,631	494
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	677,535	26,771	704,306	696,723	7,583
Salaries of Secretarial & Clerical Assistants	11-000-219-105	43,367	-	43,367	43,289	78
Purchased Professional - Educational Services	11-000-219-320	18,900	-	18,900	18,606	294
Supplies and Materials	11-000-219-600	7,800	484	8,284	4,783	3,501
Other Objects	11-000-219-800	2,385	-	2,385	890	1,495
Total Other Support Services - Students - Special Services		749,987	27,255	777,242	764,291	12,951
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	115,634	7,308	122,942	122,942	-
Salaries of Other Professional Staff	11-000-221-104	195,526	(7,856)	187,670	174,624	13,046
Total Improvement of Instruction Services		311,160	(548)	310,612	297,566	13,046
Educational Media Services/School Library:						
Salaries	11-000-222-100	78,522	7,856	86,378	85,422	956
Purchased Professional & Technical Services	11-000-222-300	11,500	(3,399)	8,101	8,019	82
Other Purchase Services	11-000-222-500	61,900	20,693	82,593	48,257	34,336
Supplies and Materials	11-000-222-600	13,675	-	13,675	11,083	2,592
Total Educational Media Services/School Library		165,597	25,150	190,747	152,781	37,966
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	8,350	(2,500)	5,850	5,125	725
Salaries of Secretarial & Clerical Assistants	11-000-223-105	20,711	-	20,711	18,211	2,500
Purchased Professional - Educational Services	11-000-223-320	36,800	(2,600)	34,200	24,948	9,252
Purchased Professional & Technical Services	11-000-223-390	82,869	-	82,869	82,813	56
Other Purchased Services	11-000-223-500	5,080	-	5,080	4,167	913
Other Objects	11-000-223-800	1,932	-	1,932	1,140	792
Total Instructional Staff Training Services		155,742	(5,100)	150,642	136,404	14,238
Support Services General Administration:						
Salaries	11-000-230-100	230,823	-	230,823	230,823	-
Legal Services	11-000-230-331	60,000	15,000	75,000	65,102	9,898
Audit Services	11-000-230-332	46,750	17,850	64,600	58,517	6,083
Other Purchased Professional Services	11-000-230-339	8,000	(3,941)	4,059	3,507	552
Purchased Technical Services	11-000-230-340	50,000	5,202	55,202	55,202	-
Communications/Telephone	11-000-230-530	46,550	17,919	64,469	64,468	1
Travel - All Other	11-000-230-580	-	5,282	5,282	5,281	1
BOE Other Purchased Services	11-000-230-585	9,000	(2,953)	6,047	6,047	-
General Supplies	11-000-230-610	18,250	(2,484)	15,766	15,278	488
Miscellaneous Expenditures	11-000-230-890	7,100	988	8,088	8,039	49
BOE Membership Dues & Fees	11-000-230-895	19,230	(2,048)	17,182	17,165	17
Total Support Services General Administration		495,703	50,815	546,518	529,429	17,089
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	307,926	(3,057)	304,869	304,576	293
Salaries of Secretarial & Clerical Assistants	11-000-240-105	188,896	(6,403)	182,493	182,250	243
Supplies and Materials	11-000-240-600	9,198	(487)	8,711	5,687	3,024
Other Objects	11-000-240-800	5,600	614	6,214	5,593	621
Total Support Services School Administration		511,620	(9,333)	502,287	498,106	4,181
Central Services:						
Salaries	11-000-251-100	339,193	(2,500)	336,693	336,567	126
Purchased Professional Services	11-000-251-330	39,600	5,584	45,184	44,548	636
Purchased Professional Services-Public Relations Costs	11-000-251-335	5,000	-	5,000	5,000	-
Other Purchased Services	11-000-251-592	3,500	-	3,500	794	2,706
Supplies and Materials	11-000-251-600	2,500	(774)	1,726	834	892
Miscellaneous Expenditures	11-000-251-890	6,450	(1,810)	4,640	1,930	2,710
Total Central Services		396,243	500	396,743	389,673	7,070
Administration Information Technology:						
Salaries	11-000-252-100	158,542	6,317	164,859	164,516	343
Purchased Technical Services	11-000-252-340	47,900	286	48,186	39,138	9,048
Supplies and Materials	11-000-252-600	47,585	(5,369)	42,216	25,409	16,807
Total Administration Information Technology		254,027	1,234	255,261	229,063	26,198

EXHIBIT C-1

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	49,132	-	49,132	-	49,132
Cleaning, Repair & Maintenance Services	11-000-261-420	542,418	54,906	597,324	447,246	150,078
General Supplies	11-000-261-610	130,000	(7,130)	122,870	83,452	39,418
Other Objects	11-000-261-800	9,750	-	9,750	150	9,600
Total Allowable Maintenance for School Facilities		731,300	47,776	779,076	530,848	248,228
Other Operation & Maintenance of Plant:						
Salaries	11-000-262-100	782,433	24,770	807,203	779,173	28,030
Purchased Professional & Technical Services	11-000-262-300	15,000	8,442	23,442	16,167	7,275
Cleaning, Repair & Maintenance Services	11-000-262-420	135,300	28,799	164,099	93,201	70,898
Other Purchased Property Services	11-000-262-490	125,000	8,904	133,904	78,392	55,512
Insurance	11-000-262-520	183,575	-	183,575	162,663	20,912
General Supplies	11-000-262-610	108,000	-	108,000	106,318	1,682
Energy (Natural Gas)	11-000-262-621	135,000	-	135,000	85,032	49,968
Energy (Electricity)	11-000-262-622	450,000	-	450,000	311,281	138,719
Energy (Gasoline)	11-000-262-626	7,500	2,352	9,852	3,535	6,317
Other Objects	11-000-262-800	3,000	-	3,000	2,580	420
Total Other Operation & Maintenance of Plant		1,944,808	73,267	2,018,075	1,638,342	379,733
Care & Upkeep of Grounds:						
Other Purchased Professional Salaries	11-000-263-100	93,985	107	94,092	94,091	1
Technical Services	11-000-263-300	3,500	-	3,500	-	3,500
General Supplies	11-000-263-610	26,000	-	26,000	15,454	10,546
Total Care & Upkeep of Grounds		123,485	107	123,592	109,545	14,047
Security:						
Other Purchased Property Services	11-000-266-300	-	1,100	1,100	-	1,100
Total Security		-	1,100	1,100	-	1,100
Student Transportation Services:						
Contracted Services (Aid in Lieu of Payments)	11-000-270-503	128,000	11,750	139,750	139,749	1
Contracted Services (Between Home & School) - Vendors	11-000-270-511	634,937	(18,634)	616,303	616,043	260
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	21,927	7,762	29,689	16,202	13,487
Contracted Services (Between Home & School) - Joint	11-000-270-513	15,000	(9,667)	5,333	-	5,333
Contracted Services (Special Education Students) - Vendors	11-000-270-514	90,000	(68,153)	21,847	21,847	-
Contracted Services (Special Education Students) - Joint	11-000-270-515	30,000	(30,000)	-	-	-
Contracted Services (Regular Students) - ESC's	11-000-270-517	130,000	11,702	141,702	23,448	118,254
Contracted Services (Special Education Students) - ESC's	11-000-270-518	420,000	35,000	455,000	376,174	78,826
Total Student Transportation Services		1,469,864	(60,240)	1,409,624	1,193,463	216,161
Unallocated Benefits - Employee Benefits:						
Group Insurance	11-000-291-210	15,000	(7,729)	7,271	7,271	-
Social Security	11-000-291-220	290,000	(15,928)	274,072	274,071	1
Other Retirement Contributions- PERS	11-000-291-241	335,000	-	335,000	307,223	27,777
Other Retirement Contributions - Regular	11-000-291-249	28,000	1,882	29,882	29,882	-
Unemployment Compensation	11-000-291-250	15,000	8,888	23,888	23,886	2
Workmen's Compensation	11-000-291-260	129,550	-	129,550	106,003	23,547
Health Benefits	11-000-291-270	3,871,437	(282,766)	3,588,671	3,567,664	21,007
Tuition Reimbursements	11-000-291-280	43,000	(3,922)	39,078	8,812	30,266
Other Employee Benefits	11-000-291-290	5,000	-	5,000	3,460	1,540
Unused Vacation Payment to Term/Ret. Staff	11-000-291-299	50,000	-	50,000	46,000	4,000
Total Unallocated Benefits		4,781,987	(299,575)	4,482,412	4,374,272	108,140
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	1,052,688	(1,052,688)
Normal Pension Contributions		-	-	-	3,602,618	(3,602,618)
Long Term Disability Insurance		-	-	-	1,032	(1,032)
Reimbursed TPAF Social Security		-	-	-	747,780	(747,780)
Total Undistributed Expenditures		15,690,794	161,859	15,852,653	19,808,231	(3,955,578)
Interest Earned on Maintenance Reserve	10-606-000-000	200	-	200	-	200
Total Expenditures - Current Expense		25,272,541	342,001	25,614,542	29,163,198	(3,548,656)
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604-000-000	500	-	500	-	500
Total Increase in Capital Reserve		500	-	500	-	500

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Equipment:						
Regular Programs - Instruction:						
Home Instruction	12-150-100-730	-	8,413	8,413	8,413	-
Home Instruction	12-219-100-730	-	3,035	3,035	2,876	159
Administrative Info Technology	12-000-252-730	3,000	1,000	4,000	-	4,000
Required Maintenance	12-000-261-730	-	167,858	167,858	167,858	-
Total Equipment		3,000	180,306	183,306	179,147	4,159
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	167,858	29,653	197,511	106,709	90,802
Infrastructure	12-000-400-780	-	4,163	4,163	4,163	-
Assessment for Debt Service	12-000-400-896	45,789	-	45,789	45,789	-
Total Facilities Acquisition & Construction Services		213,647	33,816	247,463	156,661	90,802
Total Capital Outlay		217,147	214,122	431,269	335,808	95,461
Total Expenditures		25,489,688	556,123	26,045,811	29,499,006	(3,453,195)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,960,880)	(457,123)	(3,418,003)	(1,180,183)	2,237,820
Fund Balances, July 1		6,983,953	-	6,983,953	6,983,953	-
Fund Balances, June 30		<u>\$ 4,023,073</u>	<u>\$ (457,123)</u>	<u>\$ 3,565,950</u>	<u>\$ 5,803,770</u>	<u>\$ 2,237,820</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	<u>\$ 457,123</u>
Total	<u>\$ 457,123</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Reserved Excess Surplus Designated of Subsequent Year's Expenditures	\$ 1,932,996
Maintenance Reserve	193,275
Capital Reserve	417,287
Excess Surplus	1,657,330
Unemployment Compensation	178,566
Assigned Fund Balance:	
Year-End Encumbrances	495,900
Designated for Subsequent Year's Expenditures	391,902
Unassigned Fund Balance	<u>536,514</u>
Subtotal	5,803,770
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(304,317)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 5,499,453</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2025**

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Local Sources	\$ 97,240	\$ -	\$ 97,240	\$ 79,169	\$ (18,071)
State Sources	2,225,316	-	2,225,316	2,034,211	(191,105)
Federal Sources	544,456	126,469	670,925	649,403	(21,522)
Total Revenues	2,867,012	126,469	2,993,481	2,762,783	(230,698)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	689,594	(47,911)	641,683	641,683	-
Other Salaries	185,340	1,067	186,407	180,858	5,549
Purchased Educational Services	-	53,406	53,406	53,406	-
Tuition	321,264	65,416	386,680	386,680	-
General Supplies	68,829	78,075	146,904	139,851	7,053
Total Instruction	1,265,027	150,053	1,415,080	1,402,478	12,602
Support Services:					
Salaries	491,173	36,384	527,557	514,210	13,347
Personal Services - Employee Benefits	468,832	42,078	510,910	510,910	-
Purchased Professional Services	401,300	(3,019)	398,281	237,628	160,653
Other Purchased Services	25,121	54,059	79,180	72,003	7,177
Supplies & Materials	54,504	(45,812)	8,692	6,101	2,591
Other Objects	500	-	500	-	500
Student Activities	97,000	6,335	103,335	60,232	43,103
Scholarships	240	-	240	240	-
Total Support Services	1,538,670	90,025	1,628,695	1,401,324	227,371
Facilities Acquisition & Construction Services:					
Instructional Equipment	40,000	(37,348)	2,652	2,652	-
Non-Instructional Equipment	82,643	(76,261)	6,382	1,869	4,513
Total Facilities & Construction Services	122,643	(113,609)	9,034	4,521	4,513
Total Expenditures	2,926,340	126,469	3,052,809	2,808,323	244,486
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(59,328)	-	(59,328)	(45,540)	13,788
Other Financing Sources/(Uses):					
Transfers from Operating Budget - Pre K	59,328	-	59,328	59,328	-
Total Other Financing Sources/(Uses):	59,328	-	59,328	59,328	-
Net Change in Fund Balance	-	-	-	13,788	13,788
Fund Balance, July 1	-	-	-	16,316	16,316
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 30,104	\$ 30,104

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:

Scholarships	\$ 1,948
Student Activities	28,156
	<u>\$ 30,104</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI - PART II
FOR FISCAL YEAR ENDED JUNE 30, 2025**

**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-Series)	\$ 28,318,823	\$ 2,822,111
 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	-	286,172
Current Year	-	(7,297)
 State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	415,213	-
 State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(304,317)	-
 Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 28,429,719</u>	<u>\$ 3,100,986</u>
 Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	29,499,006	2,808,323
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	278,875
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 29,499,006</u>	<u>\$ 3,087,198</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.02256%	0.02368%	0.02382%	0.02444%	0.02614%	0.02743%	0.02939%	0.03159%	0.03274%	0.03107%
School District's proportionate share of the net pension liability	\$ 3,065,887	\$ 3,430,164	\$ 3,594,818	\$ 2,895,185	\$ 4,263,117	\$ 4,941,727	\$ 5,786,813	\$ 7,354,788	\$ 9,697,166	\$ 6,974,000
School District's covered payroll	\$ 2,161,627	\$ 2,012,951	\$ 1,923,069	\$ 1,850,977	\$ 1,753,009	\$ 1,808,602	\$ 1,922,441	\$ 2,092,361	\$ 2,149,630	\$ 2,192,147
School District's proportionate share of the net pension liability as a percentage of its covered payroll	141.83%	170.40%	186.93%	156.41%	243.19%	273.23%	301.01%	351.41%	451.11%	318.14%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's contractually required contribution	\$ 307,021	\$ 316,514	\$ 300,386	\$ 286,211	\$ 285,983	\$ 266,773	\$ 292,339	\$ 292,693	\$ 290,873	\$ 267,096
Contributions in relation to the contractually required contribution	(307,021)	(316,514)	(300,386)	(286,211)	(285,983)	(266,773)	(292,339)	(292,693)	(290,873)	(267,096)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 2,161,627	\$ 2,012,951	\$ 1,923,069	\$ 1,850,977	\$ 1,753,009	\$ 1,808,602	\$ 1,922,441	\$ 2,092,961	\$ 2,149,630	\$ 2,192,147
Contributions as a percentage of covered payroll	14.20%	15.72%	15.62%	15.46%	16.31%	15.21%	13.98%	14.11%	13.53%	12.18%

LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS*

	Measurement Date Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	44,965,254	43,874,298	43,855,220	42,560,545	61,012,873	59,653,633	62,517,273	69,617,672	80,497,849	59,538,110
	\$ 44,965,254	\$ 43,874,298	\$ 43,855,220	\$ 42,560,545	\$ 61,012,873	\$ 59,653,633	\$ 62,517,273	\$ 69,617,672	\$ 80,497,849	\$ 59,538,110
School District's covered payroll	\$ 10,495,839	\$ 10,026,577	\$ 10,677,988	\$ 9,695,437	\$ 9,797,982	\$ 9,759,042	\$ 10,038,054	\$ 10,278,649	\$ 10,492,779	\$ 10,173,303
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)

LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST EIGHT FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability Associated with the School District								
Service Cost	\$ 1,902,483	\$ 1,823,435	\$ 2,284,551	\$ 2,800,232	\$ 1,655,014	\$ 1,738,739	\$ 2,063,213	\$ 2,478,437
Interest Cost	2,034,289	1,969,478	1,389,912	1,591,255	1,579,130	1,943,759	2,125,872	1,828,460
Differences between Expected and Actual Experiences	(1,181,614)	1,053,062	2,833,709	(12,411,901)	11,590,501	(8,110,977)	(6,092,832)	-
Changes of Benefit Terms	-	-	-	(65,290)	-	-	-	-
Changes of Assumptions	4,623,416	112,714	(14,069,463)	60,518	12,892,387	656,843	(5,638,656)	(7,386,667)
Contributions: Member	53,197	50,471	44,167	40,681	37,243	40,086	45,410	49,423
Gross Benefit Payments	(1,553,620)	(1,535,240)	(1,376,749)	(1,253,463)	(1,228,725)	(1,352,314)	(1,313,892)	(1,342,184)
Net Change in Total OPEB Liability	5,878,151	3,473,920	(3,893,873)	(9,237,968)	26,525,550	(5,082,864)	(8,810,885)	(4,372,531)
Total OPEB Liability (Beginning)	55,921,237	52,447,317	61,341,190	70,579,158	44,053,608	49,136,472	57,947,357	62,319,888
Total OPEB Liability (Ending)	\$ 61,799,388	\$ 55,921,237	\$ 52,447,317	\$ 61,341,190	\$ 70,579,158	\$ 44,053,608	\$ 49,136,472	\$ 57,947,357
District's Covered Employee Payroll	\$ 12,657,466	\$ 12,039,528	\$ 12,601,057	\$ 11,546,414	\$ 11,550,991	\$ 11,567,644	\$ 11,960,495	\$ 12,371,610
District's Net OPEB Liability as a Percentage of Payroll	488%	464%	436%	487%	611%	455%	421%	483%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2025**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.65% as of June 30, 2024, to 3.93% as of June 30, 2025.

OTHER SUPPLEMENTARY INFORMATION

E. Special Revenue Fund

LUMBERTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	TITLE I	TITLE II - PART A	TITLE III	TITLE III - IMMIGRANT	I.D.E.A. PART B BASIC	I.D.E.A. PART B PRESCHOOL	ARP - NJ HIGH IMPACT TUTORING COMPETITIVE	EVIDENCE BASED SUMMER LEARNING	PRESCHOOL EDUCATION AID	LOCAL	STUDENT ACTIVITIES	SCHOLARSHIP ACCOUNTS
Revenues:												
Local Sources	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,909	\$ 74,214	\$ 46
State Sources	-	-	-	-	-	-	-	-	2,034,211	-	-	-
Federal Sources	200,928	29,163	7,353	10,03	356,632	30,048	14,178	10,098	-	-	-	-
Total Revenues	200,928	29,163	7,353	10,03	356,632	30,048	14,178	10,098	2,034,211	4,909	74,214	46
Expenditures:												
Instruction:												
Salaries of Teachers	109,005	-	3,289	-	-	-	8,133	7,981	513,275	-	-	-
Other Salaries	-	-	-	-	-	-	-	-	180,858	-	-	-
Purchased Educational Services	-	-	-	-	-	-	6,045	-	47,361	-	-	-
Tuition	-	-	-	-	356,632	30,048	-	-	-	-	-	-
Supplies	10,795	-	1,794	941	-	-	-	2,117	119,295	4,909	-	-
Total Instruction	119,800	-	5,083	941	356,632	30,048	14,178	10,098	860,789	4,909	-	-
Support Services:												
Salaries	-	-	165	-	-	-	-	-	514,045	-	-	-
Employee Benefits	81,128	-	-	-	-	-	-	-	429,782	-	-	-
Other Purchased Professional Services	-	25,450	2,105	-	-	-	-	-	210,073	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-	72,003	-	-	-
Supplies	-	3,713	-	62	-	-	-	-	2,326	-	-	-
Student Activities	-	-	-	-	-	-	-	-	-	-	60,232	-
Scholarships	-	-	-	-	-	-	-	-	-	-	-	240
Total Support Services	81,128	29,163	2,270	62	-	-	-	-	1,228,229	-	60,232	240
Facilities Acquisition & Construction												
Services:												
Instructional Equipment	-	-	-	-	-	-	-	-	2,652	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-	-	1869	-	-	-
Total Facilities Services	-	-	-	-	-	-	-	-	4,521	-	-	-
Total Expenditures	200,928	29,163	7,353	10,03	356,632	30,048	14,178	10,098	2,093,539	4,909	60,232	240
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	-	-	(59,328)	-	13,982	(194)
Other Financing Sources/(Uses):												
Transfer from Operating Budget - Pre K	-	-	-	-	-	-	-	-	59,328	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	59,328	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	14,174	2,142
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,156	\$ 1948

LUMBERTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	ARP ESSER	ARP - NJ HIGH IMPACT TUTORING COMPETITIVE	BEYOND THE SCHOOL DAY	NJTSS MENTAL HEALTH	ARP HOMELESS	TOTAL
Revenues:						
Local Sources	-	\$	-	\$	-	\$ 79,169
State Sources	-	-	-	-	-	2,034,211
Federal Sources	-	-	-	-	-	649,403
Total Revenues	-	-	-	-	-	2,762,783
Expenditures:						
Instruction:						
Salaries of Teachers	-	-	-	-	-	\$ 641,683
Salaries Aides	-	-	-	-	-	180,858
Purchased Educational Services	-	-	-	-	-	53,406
Tuition	-	-	-	-	-	386,680
Travel	-	-	-	-	-	-
Supplies	-	-	-	-	-	139,851
Other Objects	-	-	-	-	-	-
Total Instruction	-	-	-	-	-	1,402,478
Support Services:						
Salaries	-	-	-	-	-	514,210
Employee Benefits	-	-	-	-	-	510,910
Other Purchased Professional Services	-	-	-	-	-	237,628
Other Purchased Services	-	-	-	-	-	72,003
Supplies	-	-	-	-	-	6,101
Student Activities	-	-	-	-	-	60,232
Scholarships	-	-	-	-	-	240
Total Support Services	-	-	-	-	-	1,401,324
Facilities Acquisition & Construction Services:						
Instructional Equipment	-	-	-	-	-	2,652
Non-Instructional Equipment	-	-	-	-	-	1,869
Total Facilities Services	-	-	-	-	-	4,521
Total Expenditures	-	-	-	-	-	2,808,323
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	(45,540)
Other Financing Sources/(Uses):						
Transfer from Operating Budget - Pre K	-	-	-	-	-	59,328
Total Other Financing Sources/(Uses)	-	-	-	-	-	59,328
Fund Balance, July 1	-	-	-	-	-	16,316
Fund Balance, June 30	-	\$	\$	\$	-	\$ 30,104

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 513,275	\$ 513,275	\$ -
Other Salaries for Instruction	186,407	180,858	5,549
Purchased Professional Services	47,361	47,361	-
Supplies	119,685	119,295	390
Total Instruction	866,728	860,789	5,939
Support Services:			
Director Salary	93,318	93,318	-
Program Salary	38,189	38,042	147
Teacher Salary	142,336	120,332	22,004
Clerical Salary	56,748	56,748	-
Other Salaries	53,734	52,679	1,055
Parent Liason	54,183	52,679	1,504
Master Teachers	100,247	100,247	-
Employee Benefits	429,784	429,782	2
Other Purchased Professional Services	357,217	210,073	147,144
Other Purchased Services	79,180	72,003	7,177
Supplies	3,446	2,326	1,120
Miscellaneous	500	-	500
Total Support Services	1,408,882	1,228,229	180,653
Facilities Acquisition & Construction Services:			
Instructional Equipment	2,652	2,652	-
Non-Instructional Equipment	6,382	1,869	4,513
Total Facilities Acquisition & Construction Services	9,034	4,521	4,513
Total Expenditures	\$ 2,284,644	\$ 2,093,539	\$ 191,105

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2024-2025 Preschool Education Aid Allocation	\$ 1,909,125
Add: Actual Preschool Education Aid Carryover (June 30, 2024)	690,446
Add: Budgeted Transfer from the General Fund 2024-25	59,328
Total Preschool Education Aid Funds Available for 2024-2025 Budget	2,658,899
Less: 2024-2025 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	(2,284,644)
Available & Unbudgeted Preschool Education Aid Funds June 30, 2025	374,255
Add: June 30, 2025 Unexpended Preschool Education Aid	191,105
Total Actual Preschool Education Aid Carryover	\$ 565,360
2024-2025 Preschool Education Aid Carryover Budgeted in 2025-2026	\$ 690,446

F. Capital Projects Fund

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2025**

PROJECT TITLE/ISSUE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		TRANSFER TO DEBT SERVICE FUND	UNEXPENDED BALANCE JUNE 30, 2025
			PRIOR YEARS	CURRENT YEAR		
To undertake the acquisition & installation of solar energy panels at the Ashbrook Elementary School, Florence L. Walther Elementary School, Lumberton Middle School and Bobby's Run Elementary School as well as related work for acquisition and installation of the panels.	8/4/2011	\$ 7,000,000	\$ 6,136,847	\$ -	\$ 788,942	\$ 74,211
2019 Bond Referendum Projects						
Florence L. Walther Elementary School Various Improvement		746,737	615,274	-	-	131,463
Lumberton Middle School Various Improvements		2,429,564	2,096,300	-	-	333,264
Total		\$ 10,176,301	\$ 8,848,421	\$ -	\$ 788,942	\$ 538,938

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Revenues & Other Financing Sources:

Miscellaneous	\$ 13,466
Total Revenues & Other Sources	13,466

Expenditures & Other Financing Uses:

Transfer to Debt Service	13,466
Total Expenditures & Other Financing Uses	13,466

Excess/(Deficiency) of Revenues & Other Financing Sources

Over/(Under) Expenditures & Other Financing Uses	-
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Fund Balances, July 1	538,938
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Fund Balances, June 30	\$ 538,938
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**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
LUMBERTON - SOLAR PROJECT
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$7,000,000	\$ -	\$ 7,000,000	\$7,000,000
Total Revenues	7,000,000	-	7,000,000	7,000,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	508,146	-	508,146	508,146
Construction Services	5,624,284	-	5,624,284	6,487,437
Other Objects	4,417	-	4,417	4,417
Total Expenditures	6,136,847	-	6,136,847	7,000,000
Transfer to Debt Service Fund	788,942	-	788,942	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 74,211	\$ -	\$ 74,211	\$ -

Additional Project Information:

DOE Project Number	N/A
SDA Project Number	N/A
Grant Number	N/A
Grant Date	N/A
Bond Authorization Date	8/4/2010
Bonds Authorization	7,000,000
Bonds Issued	7,000,000
Original Authorized Cost	7,000,000
Additional Authorized Cost	-
Revised Authorized Cost	7,000,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FLORENCE L. WALTHER ELEMENTARY SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 746,737	\$ -	\$ 746,737	\$ 746,737
Total Revenues	746,737	-	746,737	746,737
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	95,723	-	95,723	103,658
Construction Services	517,453	-	517,453	568,469
Supplies	782	-	782	672
Other Objects	1,316	-	1,316	73,938
Total Expenditures & Other Financing Uses	615,274	-	615,274	746,737
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 131,463	\$ -	\$ 131,463	\$ -

Additional Project Information:

Bond Authorization Date	6/29/2019
Bonds Authorization	746,737
Bonds Issued	746,737
Original Authorized Cost	746,737
Additional Authorized Cost	-
Revised Authorized Cost	746,737
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	82%
Original Target Completion Date	2020-2021
Revised Target Completion Date	N/A

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
LUMBERTON MIDDLE SCHOOL
VARIOUS CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 2,429,564	\$ -	\$ 2,429,564	\$ 2,429,564
Total Revenues	2,429,564	-	2,429,564	2,429,564
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	147,329	-	147,329	210,330
Construction Services	1,939,547	-	1,939,547	1,966,809
Supplies	783	-	783	672
Other Objects	8,641	-	8,641	251,753
Total Expenditures & Other Financing Uses	2,096,300	-	2,096,300	2,429,564
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 333,264	\$ -	\$ 333,264	\$ -

Additional Project Information:

Bond Authorization Date	6/29/2019
Bonds Authorization	N/A
Bonds Issued	2,429,564
Original Authorized Cost	2,429,564
Additional Authorized Cost	-
Revised Authorized Cost	2,429,564
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	86%
Original Target Completion Date	2020-2021
Revised Target Completion Date	N/A

G. Proprietary Funds

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2025**

ASSETS	EXTENDED DAY CARE	FOOD SERVICE FUND	TOTAL
Current Assets:			
Cash & Cash Equivalents	\$ 138,982	\$ 23,080	\$ 162,062
Accounts Receivable:			
State	-	1,172	1,172
Federal	-	19,935	19,935
Interfund	12,936	-	12,936
Inventories	-	9,169	9,169
Total Current Assets	151,918	53,356	205,274
Noncurrent Assets:			
Equipment	286,124	955,398	1,241,522
Less: Accumulated Depreciation	(243,448)	(620,194)	(863,642)
Total Noncurrent Assets	42,676	335,204	377,880
Total Assets	194,594	388,560	583,154
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	51,349	51,349
Total Current Liabilities	-	51,349	51,349
NET POSITION			
Investment in Capital Assets	42,676	335,204	377,880
Unrestricted	151,918	2,007	153,925
Total Net Position	\$ 194,594	\$ 337,211	\$ 531,805

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2025**

	EXTENDED DAY CARE	FOOD SERVICE FUND	TOTAL
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 197,236	\$ 197,236
Daily Sales - Nonreimbursable Programs	-	31,803	31,803
Special Functions	-	4,684	4,684
Enrollment Fees	315,775	-	315,775
FSMC Guarantee	-	56,000	56,000
Miscellaneous	-	592	592
Total Operating Revenue	315,775	290,315	606,090
Operating Expenses:			
Salaries	329,412	278,501	607,913
Payroll Taxes & Benefits	50,561	70,344	120,905
Supplies and Materials	-	34,668	34,668
Management Fee	-	57,358	57,358
Depreciation	3,356	16,763	20,119
Miscellaneous	23,840	37,065	60,905
Cost of Sales - Reimbursable	-	184,767	184,767
Cost of Sales - Non Reimbursable	-	29,792	29,792
Total Operating Expenses	407,169	709,258	1,116,427
Operating Income/(Loss)	(91,394)	(418,943)	(510,337)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	5,857	5,857
State Reduced School Lunch Program	-	3,539	3,539
State Reduced Breakfast Program	-	911	911
Working Class Families State Supplement	-	7,813	7,813
State Summer Electronic Benefit Transfer Program	-	321	321
Federal Sources:			
National School Lunch Program	-	218,089	218,089
National School Breakfast Program	-	67,708	67,708
National School Snack Program	-	2,578	2,578
Healthy Hunger Free Kids Act	-	8,904	8,904
State Summer Electronic Benefit Transfer Program	-	321	321
Food Distribution Program	-	65,661	65,661
Interest Revenue	4,080	73	4,153
Total Nonoperating Revenues/(Expenses)	4,080	381,775	385,855
Change in Net Position	(87,314)	(37,168)	(124,482)
Total Net Position - Beginning	281,908	374,379	656,287
Total Net Position - Ending	\$ 194,594	\$ 337,211	\$ 531,805

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2025**

	EXTENDED DAY CARE	FOOD SERVICE FUND	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 315,775	\$ 290,315	\$ 606,090
Payments to Employees	(329,412)	(278,501)	(607,913)
Payment to Employee Benefits	(50,561)	(70,344)	(120,905)
Payments to Suppliers	(23,840)	(292,334)	(316,174)
Net Cash Provided/(Used) by Operating Activities	(88,038)	(350,864)	(438,902)
Cash Flows From Noncapital Financing			
State Sources	-	18,060	18,060
Federal Sources	-	358,126	358,126
Net Cash Provided by Noncapital Financing Activities	-	376,186	376,186
Cash Flows From Investing Activities:			
Interest on Investments	4,080	73	4,153
Net Cash Provided by Investing Activities	4,080	73	4,153
Net Increase/(Decrease) in Cash & Cash Equivalents	(83,958)	25,395	(58,563)
Cash and Cash Equivalents, July 1	222,940	(2,315)	220,625
Cash and Cash Equivalents, June 30	<u>\$ 138,982</u>	<u>\$ 23,080</u>	<u>\$ 162,062</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (91,394)	\$ (418,943)	\$ (510,337)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	3,356	16,763	20,119
(Increase)/Decrease in Inventory	-	(33)	(33)
(Decrease)/Increase in Accounts Payable	-	51,349	51,349
Net Cash Provided/(Used) by Operating Activities	<u>\$ (88,038)</u>	<u>\$ (350,864)</u>	<u>\$ (438,902)</u>

I. Long-Term Debt

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT**

SCHEDULE OF SERIAL BONDS PAYABLE

		JUNE 30, 2025				BALANCE JULY 1, 2024						BALANCE JUNE 30, 2025
ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	INTEREST RATE	AMOUNT	ISSUED	RETIRED	ISSUED	RETIRED	ISSUED	RETIRED	BALANCE JUNE 30, 2025
2019 School Bonds	7/18/2019	4,881,000	7/15/25	2.125%	445,000	\$	3,350,000	\$	-	\$	415,000	\$ 2,935,000
			7/15/26	2.125%	605,000							
			7/15/27	2.125%	615,000							
			7/15/28	2.125%	630,000							
			7/15/29	2.250%	640,000							
2021 Refund School Bonds	2/25/2021	2,555,000	2/15/2026	4.000%	555,000		1,080,000		-		525,000	555,000
Total						\$	4,430,000	\$	-	\$	940,000	\$ 3,490,000

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 671,520	\$ -	\$ 671,520	\$ 671,520	\$ -
State Sources:					
Debt Service Aid Type II	363,337	-	363,337	363,337	-
Total Revenues	1,034,857	-	1,034,857	1,034,857	-
Expenditures					
Regular Debt Service:					
Interest	110,778	-	110,778	110,778	-
Redemption of Principal	940,000	-	940,000	940,000	-
Total Expenditures	1,050,778	-	1,050,778	1,050,778	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources(Uses)	(15,921)	-	(15,921)	(15,921)	-
Other Financing Sources/(Uses):					
Operating Transfers In/(Out)	-	-	-	13,466	13,466
Total Other Financing Uses	-	-	-	13,466	13,466
Excess/(Deficiency) of Revenues Over (Under) Expenditures After Other Financing Sources/(Uses)	(15,921)	-	(15,921)	(2,455)	13,466
Fund Balance, July 1	34,621	-	34,621	34,621	-
Fund Balance, June 30	\$ 18,700	\$ -	\$ 18,700	\$ 32,166	\$ 13,466

STATISTICAL SECTION (Unaudited)

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FISCAL YEAR ENDING JUNE 30,											
Governmental Activities:											
Net Investment in Capital Assets											
Restricted	\$	18,190,872	\$ 18,016,288	\$ 17,950,128	\$ 16,495,323	\$ 16,199,849	\$ 12,951,425	\$ 14,893,680	\$ 13,793,008	\$ 13,799,757	\$ 12,844,641
Unrestricted		4,980,662	5,995,342	7,405,747	8,340,969	8,096,065	9,077,553	5,156,200	4,827,892	4,121,635	3,778,568
		(2,960,389)	(3,317,000)	(3,923,717)	(5,081,024)	(7,289,482)	(7,961,809)	(7,677,823)	(8,464,479)	(7,916,034)	(6,686,383)
Total Governmental Activities											
Net Position	\$	20,211,145	\$ 20,694,630	\$ 21,432,158	\$ 19,755,268	\$ 17,006,432	\$ 14,067,169	\$ 12,372,057	\$ 10,156,421	\$ 10,005,358	\$ 9,936,826
Business-Type Activities:											
Investment in Capital Assets											
Unrestricted	\$	377,880	\$ 397,999	\$ 419,200	\$ 292,329	\$ 268,421	\$ 212,094	\$ 195,341	\$ 186,124	\$ 112,156	\$ 123,556
		153,925	258,288	293,984	320,594	251,088	394,494	534,314	515,098	834,967	730,081
Total Business-Type Activities											
Net Position	\$	531,805	\$ 656,287	\$ 713,184	\$ 612,923	\$ 519,509	\$ 606,588	\$ 729,655	\$ 701,222	\$ 947,123	\$ 853,637
District-Wide:											
Net Investment in Capital Assets											
Restricted	\$	18,568,752	\$ 18,414,287	\$ 18,369,328	\$ 16,787,652	\$ 16,468,270	\$ 13,163,519	\$ 15,089,021	\$ 13,979,132	\$ 13,911,913	\$ 12,968,197
Unrestricted		4,980,662	5,995,342	7,405,747	8,340,969	8,096,065	9,077,553	5,156,200	4,827,892	4,121,635	3,778,568
		(2,806,464)	(3,058,712)	(3,629,733)	(4,760,430)	(7,038,394)	(7,567,315)	(7,143,509)	(7,949,381)	(7,081,067)	(5,956,302)
Total District Net Position	\$	20,742,950	\$ 21,350,917	\$ 22,145,342	\$ 20,368,191	\$ 17,525,941	\$ 14,673,757	\$ 13,101,712	\$ 10,857,643	\$ 10,952,481	\$ 10,790,463

LUMBERTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,723,230	\$ 5,650,887	\$ 5,516,497	\$ 5,800,536	\$ 5,801,083	\$ 5,895,289	\$ 5,780,706	\$ 6,117,102	\$ 6,146,521	\$ 6,162,092
Special Education	4,395,879	4,218,492	4,167,132	3,267,446	3,133,491	2,777,557	2,817,511	2,833,627	3,004,548	3,157,159
Other Special Instruction	388,085	303,628	158,109	783,695	464,467	535,958	478,450	479,154	476,231	436,729
Other Instruction	191,136	130,537	128,271	135,029	68,546	108,391	107,447	101,545	105,862	110,522
Support Services & Undistributed Costs:										
Tuition	1,964,856	1,508,126	1,579,288	939,534	1,354,604	1,044,618	1,050,953	1,114,772	858,921	729,211
Health Services	200,808	192,931	186,766	216,101	214,615	212,047	261,821	254,277	247,904	249,208
Student & Instruction Related Services	3,732,011	3,850,223	3,688,365	2,461,740	2,005,509	2,085,014	2,051,330	2,225,081	1,989,227	1,810,057
Educational Media Services/School Library	152,781	145,969	166,172	156,375	124,028	222,368	268,562	249,332	301,528	239,574
School Administrative Services	498,106	543,738	530,981	568,848	532,492	534,210	636,360	728,300	704,436	898,050
Other Administrative Services	1,148,165	1,157,268	1,164,994	1,305,831	1,230,695	1,207,564	1,313,355	1,254,580	1,217,127	1,201,506
Plant Operations & Maintenance	2,280,601	2,185,121	2,510,071	2,123,745	2,271,292	1,980,855	2,343,913	1,909,748	1,961,728	2,147,694
Pupil Transportation	1,193,463	1,450,406	788,109	853,563	803,030	782,211	863,521	1,047,922	968,116	1,013,986
Employee Benefits	6,558,988	6,511,758	5,929,086	7,207,871	10,795,661	9,165,937	10,383,447	13,460,961	7,665,974	9,455,693
Transfers to Charter Schools	97,119	123,256	146,412	168,277	298,172	249,271	177,994	214,670	250,266	285,699
Interest & Other Charges	-	-	-	-	-	-	-	-	-	-
Reduction of Capital Leases	-	-	-	-	-	-	-	-	-	-
Reduction in Fixed Assets	-	-	-	-	-	-	-	-	-	-
Unallocated	1,135,611	1,194,963	1,185,107	1,161,075	1,150,764	1,223,498	1,296,964	1,293,441	1,319,105	1,320,464
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	29,660,839	29,167,303	27,845,360	30,248,449	28,204,788	29,832,334	33,284,512	27,217,494	29,217,644	30,639,867
Business-Type Activities:										
Food Service	709,258	716,414	748,027	820,030	561,331	557,527	532,124	575,076	479,717	484,972
Extended Day Care	407,169	508,577	466,303	439,343	277,797	405,850	362,132	695,479	426,504	414,856
Total Business-Type Activities Expense	1,116,427	1,224,991	1,214,330	1,259,373	839,128	963,377	894,256	1,270,555	906,221	899,828
Total District Expenses	\$ 30,777,266	\$ 30,392,294	\$ 29,059,690	\$ 31,087,822	\$ 28,988,165	\$ 30,726,590	\$ 34,555,067	\$ 28,123,715	\$ 30,117,472	\$ 31,568,232

LUMBERTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 5,029,170	\$ 5,537,606	\$ 7,039,703	\$ 6,130,914	\$ 8,541,675	\$ 5,574,027	\$ 7,025,671	\$ 9,622,852	\$ 3,413,890	\$ 5,962,745
Charges for Services	74,260	60,673	75,201	50,292	-	-	-	-	-	-
Total Governmental Activities Program Revenues	5,103,430	5,598,279	7,114,904	6,181,206	8,541,675	5,574,027	7,025,671	9,622,852	3,413,890	5,962,745
Business-Type Activities:										
Charges for Services:										
Food Service	290,315	240,782	297,146	61,784	2,796	207,736	292,085	311,955	315,611	299,214
Extended Day Care	315,775	559,646	550,179	442,495	72,985	303,048	362,264	406,451	453,901	409,110
Operating Grants & Contributions	381,702	361,878	465,440	848,450	632,384	327,831	234,509	224,615	229,420	212,198
Adjustment to Fixed Assets	-	-	-	-	43,613	-	-	80,015	-	-
Total Business-Type Activities Program Revenues	987,792	1,162,306	1,312,765	1,352,729	751,778	838,615	888,858	1,023,036	998,932	920,522
Total District Program Revenues	\$ 6,091,222	\$ 6,760,585	\$ 8,427,669	\$ 7,533,935	\$ 9,293,453	\$ 6,412,642	\$ 7,914,529	\$ 10,645,888	\$ 4,412,822	\$ 6,883,267
Net/(Expense)/Revenue:										
Governmental Activities	\$ (24,557,409)	\$ (23,569,024)	\$ (20,730,456)	\$ (20,968,460)	\$ (21,706,774)	\$ (22,450,761)	\$ (22,806,663)	\$ (23,661,660)	\$ (23,803,604)	\$ (23,254,899)
Business-Type Activities	(128,635)	(62,685)	98,435	93,356	(87,350)	(124,762)	(5,398)	(247,519)	92,711	20,694
Total District-Wide Net Expense	\$ (24,686,044)	\$ (23,631,709)	\$ (20,632,021)	\$ 20,875,104	\$ (21,794,124)	\$ (22,575,523)	\$ (22,812,061)	\$ (23,909,179)	\$ (23,710,893)	\$ (23,234,205)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 17,002,559	\$ 15,470,936	\$ 15,167,584	\$ 14,870,821	\$ 14,651,051	\$ 14,258,226	\$ 14,075,765	\$ 13,799,770	\$ 13,305,006	\$ 12,856,287
Taxes Levied for Debt Service	671,520	682,475	685,961	680,468	694,564	957,463	837,556	887,854	904,126	1,310,472
Unrestricted/Restricted Grants & Contributions	5,199,615	5,566,953	5,710,682	7,148,495	7,674,233	8,439,471	8,807,420	8,928,049	8,889,736	8,996,152
Tuition Received	5,438	59,450	-	66,317	89,082	29,626	246,033	116,969	141,816	94,030
Investment Earnings	1,194,792	1,051,682	843,119	951,495	245,675	361,087	474,124	279,787	515,270	616,257
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Unallocated Amortization	-	-	-	-	-	-	-	-	-	-
Reduction in Compensated Absences	-	-	-	-	-	-	-	-	-	57,614
Special Items	-	-	-	-	-	-	-	(199,706)	116,182	-
Total Governmental Activities	24,073,924	22,831,496	22,407,346	23,717,296	23,354,605	24,145,873	24,440,898	23,812,723	23,872,136	23,930,812
Business-Type Activities:										
Investment Earnings	4,153	5,788	1,826	58	271	1,695	1,553	1,618	775	20
Total Business-Type Activities	4,153	5,788	1,826	58	271	1,695	1,553	1,618	775	20
Total District-Wide	\$ 24,078,077	\$ 22,837,284	\$ 22,409,172	\$ 23,717,354	\$ 23,354,876	\$ 24,147,568	\$ 24,442,451	\$ 23,814,341	\$ 23,872,911	\$ 23,930,832
Change in Net Position:										
Governmental Activities	\$ (483,485)	\$ (737,528)	\$ 1,676,890	\$ 2,748,836	\$ 1,647,831	\$ 1,695,122	\$ 1,634,235	\$ 151,063	\$ 68,532	\$ 675,913
Business-Type Activities	(124,482)	(56,897)	100,261	93,414	(87,079)	(123,067)	(3,845)	(245,901)	93,486	20,714
Total District	\$ (607,967)	\$ (794,425)	\$ 1,777,151	\$ 2,842,250	\$ 1,560,752	\$ 1,572,045	\$ 1,630,390	\$ (94,838)	\$ 162,018	\$ 696,627

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Restricted	\$ 4,379,454	\$ 5,405,467	\$ 6,785,497	\$ 7,622,092	\$ 7,378,581	\$ 8,151,536	\$ 6,356,279	\$ 4,703,679	\$ 3,931,877	\$ 3,468,439
Assigned	887,802	676,790	1,032,979	465,987	341,354	111,554	634,957	481,168	918,454	472,999
Unassigned	232,197	486,483	308,684	857,920	507,925	(115,527)	(284,133)	(191,873)	(261,230)	-
Total General Fund	\$ 5,499,453	\$ 6,568,740	\$ 8,127,160	\$ 8,227,860	\$ 8,147,563	\$ 6,707,103	\$ 4,992,974	\$ 4,589,101	\$ 3,941,438	\$ 3,622,083
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	\$ 30,104	\$ 16,316	\$ 61,258	\$ (48,717)	\$ 32,336	\$ -	\$ -	\$ -	\$ -	\$ 353,194
Capital Projects Fund	538,938	538,938	538,938	642,145	663,313	918,010	(1,200,081)	139,211	204,211	-
Debt Service Fund	32,166	34,621	20,054	6,675	10,548	8,007	2	50,002	50,547	50,547
Total All Other Governmental Funds	\$ 601,208	\$ 589,875	\$ 620,250	\$ 706,197	\$ 926,017	\$ (1,200,079)	\$ 189,213	\$ 254,758	\$ 403,741	\$ 772,606

LUMBERTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Local Tax Levy	\$ 17,674,079	\$ 16,153,411	\$ 15,853,545	\$ 15,551,289	\$ 15,345,615	\$ 15,315,689	\$ 14,913,321	\$ 14,687,624	\$ 14,209,132	\$ 14,166,759
Tuition	5,438	59,450	-	66,317	89,082	29,626	246,033	116,959	141,816	94,030
Miscellaneous	1,273,961	1,117,428	978,320	1,001,787	256,871	361,087	474,124	279,787	515,270	616,257
State Sources	12,872,767	12,898,206	12,976,301	13,014,938	11,930,992	11,927,699	12,281,216	12,030,179	11,694,344	11,456,100
Federal Sources	693,455	1,150,701	2,237,256	1,000,524	899,271	565,696	604,841	611,325	609,282	686,738
Total Revenue	32,519,700	31,379,196	32,045,422	30,634,855	28,521,831	28,199,797	28,519,535	27,725,884	27,169,844	27,019,884
Expenditures:										
Instruction	10,698,330	10,303,544	9,970,009	9,986,706	9,467,587	9,317,195	9,184,114	9,531,428	9,733,162	9,866,502
Undistributed Instruction	21,458,225	21,466,306	20,077,546	17,741,776	16,390,787	15,782,164	16,171,607	16,140,376	15,175,449	14,657,652
Capital Outlay	324,532	102,914	1,697,382	1,197,331	1,809,686	2,863,236	1,295,032	134,388	186,770	533,693
Debt Service	1,096,567	1,095,227	1,098,177	1,097,997	1,185,380	1,551,646	1,543,945	1,581,384	1,575,783	2,011,547
Total Expenditures	33,577,654	32,967,991	32,843,114	30,023,810	28,853,440	29,514,241	28,194,698	27,387,556	26,671,164	27,069,394
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,057,954)	(1,588,795)	(797,692)	611,045	(331,609)	(1,314,444)	324,837	338,328	498,680	(49,510)
Other Financing Sources/(Uses):										
Proceeds from Borrowing	-	-	-	-	2,803,139	4,881,000	-	-	-	-
Proceeds from Borrowing	-	-	-	-	(2,725,488)	-	-	-	-	-
Cancellation of Grant Receivable	-	-	-	-	-	-	-	-	-	-
Transfers to Charter Schools	-	-	-	-	-	-	-	-	-	-
Transfers in	72,794	161,854	139,311	89,685	2,541	8,006	65,000	65,000	65,000	185,992
Transfers Out	(72,794)	(161,854)	(139,311)	(89,685)	(2,541)	(8,006)	(65,000)	(65,000)	(65,000)	(185,992)
Total Other Financing Sources/(Uses)	-	-	-	-	77,651	4,881,000	-	-	-	-
Net Change in Fund Balances	\$ (1,057,954)	\$ (1,588,795)	\$ (797,692)	\$ 611,045	\$ (253,958)	\$ 3,566,556	\$ 324,837	\$ 338,328	\$ 498,680	\$ (49,510)
Debt Service as a Percentage of Noncapital Expenditures	3.3%	3.3%	3.3%	3.7%	5.3%	5.5%	5.8%	5.9%	7.4%	7.6%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDED JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TUITION	TOTAL
2025	\$ 169,478	\$ 1,011,848	\$ 5,438	\$ 1,186,764
2024	183,152	849,830	59,450	1,092,432
2023	85,714	688,283	53,201	827,198
2022	7,627	939,736	66,317	1,013,680
2021	20,950	222,184	89,082	332,216
2024	62,237	296,111	24,359	382,707
2019	40,880	433,244	246,033	720,157
2018	4,694	275,093	116,969	396,756
2017	7,097	508,173	141,816	657,086
2016	4,701	611,556	94,030	710,287

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED DECEMBER 31,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2025	\$ 21,196,200	1,111,498,800	20,584,500	1,608,400	150,604,600	75,537,623	29,233,200	\$ 1,410,263,323	\$ 100	\$1,410,263,423	2.073	\$2,030,616,736
2024	21,790,400	1,112,208,850	21,359,800	1,606,900	152,503,300	66,037,623	33,733,200	1,409,240,073	75	1,409,240,148	1.753	1,877,642,157
2023	19,102,800	1,113,126,600	20,982,800	1,606,100	150,801,500	64,337,623	29,033,200	1,398,990,623	1,694,177	1,400,684,800	1.648	1,627,533,585
2022	13,471,100	1,111,836,800	20,383,600	1,635,500	136,042,700	64,337,623	29,033,200	1,377,671,623	1,894,498	1,379,583,154	1.646	1,425,787,199
2021	13,471,100	1,113,047,100	20,331,600	1,674,400	135,776,600	64,337,623	29,033,200	1,379,313,823	1,911,531	1,379,313,823	1.636	1,347,024,992
2018	14,047,900	1,116,587,800	20,496,900	1,678,900	133,073,500	64,337,623	29,091,200	1,374,958,863	1,882,105	1,376,862,047	1.614	1,381,195,928
2019	12,351,900	1,115,666,300	19,978,000	1,880,340	131,763,500	64,227,623	29,091,200	1,376,966,740	1,903,184	1,378,869,924	1.581	1,378,869,924
2018	12,629,500	1,114,412,500	20,737,800	1,886,440	132,281,700	65,927,600	29,091,200	1,381,877,163	1,903,184	1,383,760,671	1.545	1,378,869,924
2017	12,824,500	1,119,987,200	19,457,100	1,886,140	132,703,400	65,927,623	29,091,200	1,388,175,993	1,883,508	1,390,079,001	1.491	1,359,561,595
2016	13,099,100	1,126,496,400	19,155,300	1,898,170	132,408,200	66,027,623	29,091,200	1,389,375,723	1,903,008	1,391,372,996	1.442	1,325,005,976

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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED DECEMBER 31,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE	
	LOCAL SCHOOL	REGIONAL SCHOOL		LUMBERTON TOWNSHIP	MUNICIPAL			BURLINGTON COUNTY
		TOTAL	DIRECT		OPEN SPACE			
2025	1.431	0.642	2.073	0.426	0.040	0.500	3.039	
2024	1.250	0.503	1.753	0.400	0.040	0.469	2.662	
2023	1.153	0.495	1.648	0.400	0.040	0.415	2.503	
2022	1.150	0.496	1.646	0.400	0.010	0.377	2.433	
2021	1.127	0.509	1.636	0.350	0.010	0.350	2.346	
2020	1.111	0.503	1.614	0.389	0.010	0.351	2.364	
2019	1.113	0.468	1.581	0.400	0.010	0.399	2.390	
2018	1.082	0.463	1.545	0.405	0.010	0.389	2.349	
2017	1.061	0.430	1.491	0.411	0.010	0.398	2.310	
2016	1.023	0.419	1.442	0.421	0.010	0.387	2.260	

Source: Municipal Tax Collector

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2025		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
CVS New York	\$ 31,950,000	1	2.32%
The Estaugh	29,244,800	2	2.16%
M Shen Assoc LLC	14,122,400	3	0.94%
Whitehall Apartments Association	12,900,000	4	0.87%
BF Saul Holdings LTD Partnership	12,000,000	5	0.75%
Newman Development Group of Hainesport	10,354,400	6	0.73%
Wal-Mart	10,116,600	7	0.64%
East Coast Lumberton Apartments, LLC	8,400,000	8	0.61%
Mount Holly Real Property LLC	8,180,000	9	0.51%
Mt Holly Garage IV, LLC	7,032,300	10	0.44%
Total	<u>\$ 144,300,500</u>		<u>10.23%</u>

2016		
TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
INFORMATION CURRENTLY UNAVAILABLE		

EXHIBIT J-9

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2025	\$ 17,674,079	\$ 17,674,079	100.00%
2024	16,153,411	16,153,411	100.00%
2023	15,853,545	15,853,545	100.00%
2022	15,551,289	15,551,289	100.00%
2021	15,345,615	15,345,615	100.00%
2018	15,315,689	15,315,689	100.00%
2019	14,913,321	14,913,321	100.00%
2018	14,687,624	14,687,624	100.00%
2017	14,209,132	14,209,132	100.00%
2016	14,166,759	14,166,759	100.00%

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

EXHIBIT J-10

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT	
2025	\$ 3,490,000	\$ -	\$ 3,490,000	N/A
2024	4,430,000	-	4,430,000	343.78
2023	5,345,000	-	5,345,000	415.89
2022	6,240,000	-	6,240,000	488.30
2021	7,115,000	-	7,115,000	583.44
2020	8,086,000	-	8,086,000	661.32
2019	4,570,000	-	4,570,000	374.84
2018	5,890,000	-	5,890,000	482.59
2017	7,175,000	36,119	7,211,119	590.16
2016	8,420,000	71,482	8,491,482	692.79

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

EXHIBIT J-11

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2025	\$ 3,490,000	\$ -	\$ 3,490,000	0.25%	N/A
2024	4,430,000	-	4,430,000	0.38%	343.78
2023	5,345,000	-	5,345,000	0.38%	415.89
2022	6,240,000	-	6,240,000	0.45%	488.30
2021	7,115,000	-	7,115,000	0.52%	583.44
2020	8,086,000	-	8,086,000	0.59%	661.32
2019	4,570,000	-	4,570,000	0.33%	374.84
2018	5,890,000	-	5,890,000	0.43%	482.59
2017	7,175,000	-	7,175,000	0.52%	587.20
2016	8,420,000	-	8,420,000	0.61%	686.95

EXHIBIT J-12

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lumberton Township	\$ 14,325,223	100.00%	\$ 14,325,223
Burlington County	173,076,920	3.093%	5,353,525
Rancocas Valley Regional High School	24,420,000	30.479%	7,442,870
Subtotal, Overlapping Debt			27,121,618
Lumberton Township Board of Education			3,490,000
Total Direct & Overlapping Debt			<u>\$ 30,611,618</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$ 48,799,471	\$ 48,799,471	\$ 44,349,381	\$ 42,112,009	\$ 41,651,103	\$ 41,437,747	\$ 41,014,834	\$ 40,699,634	\$ 40,580,720	\$ 40,292,510
Total Net Debt Applicable to Limit	3,490,000	4,430,000	5,345,000	6,240,000	7,115,000	8,086,000	4,570,000	5,890,000	7,175,000	8,425,000
Legal Debt Margin	\$ 45,309,471	\$ 44,369,471	\$ 39,004,381	\$ 34,536,103	\$ 33,351,747	\$ 36,444,834	\$ 34,809,634	\$ 31,872,510	\$ 33,709,075	\$ 31,341,946
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.15%	9.08%	12.05%	14.82%	17.08%	19.51%	11.14%	14.47%	17.68%	20.00%

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized Valuation Basis
2023	\$ 1,857,661,475
2022	\$ 1,601,419,708
2021	1,420,865,948
	<u>\$ 4,879,947,131</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,626,649,044</u>
Debt Limit (3 % of Average Equalization Value)	\$ 48,799,471
Net Bonded School Debt	<u>3,490,000</u>
Legal Debt Margin	<u>\$ 45,309,471</u>

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

EXHIBIT J-14

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION	BURLINGTON COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE
2025	12,974	N/A	5.30%
2024	12,886	74,684	4.00%
2023	12,852	70,448	3.40%
2022	12,779	69,496	5.10%
2021	12,195	46,401	7.70%
2018	12,227	44,399	6.60%
2019	12,192	44,820	3.30%
2018	12,205	34,444	4.00%
2017	12,219	59,659	4.60%
2016	12,257	57,469	5.00%

Source: NJ Dept of Labor and Workforce Development

EXHIBIT J-15

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2025	2016
	EMPLOYEES	EMPLOYEES
CVS Corporation	1,200	N/A
Lumberton Township School District	220	N/A
Total	1,420	N/A

Source: Burlington County Economic Development

EXHIBIT J-16

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

INFORMATION CURRENTLY UNAVAILABLE

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/ TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2025	1,168	\$ 32,156,555	\$ 27,531	4.60%	123	9.50/1	1,169	1,095	0.00%	93.67%
2024	1,207	31,769,850	26,321	47.29%	121	9.98/1	1,169	1,094	0.00%	93.58%
2023	1,192	30,047,555	25,208	-1.09%	121	9.85/1	1,197	1,113	9.92%	92.98%
2022	1,088	27,728,482	25,486	8.91%	117	9.30/1	1,089	1,049	-0.27%	96.33%
2021	1,105	25,858,374	23,401	9.27%	112	9.87/1	1,092	1,052	-7.06%	96.34%
2020	1,172	25,099,359	21,416	4.65%	120	10.33/1	1,175	1,125	-3.85%	95.74%
2019	1,239	25,355,721	20,465	0.44%	114	10.87/1	1,222	1,167	-2.40%	95.50%
2018	1,260	25,671,804	20,374	14.15%	124	10.10/1	1,252	1,197	-7.05%	95.61%
2017	1,355	24,524,154	17,849	13.77%	126	10.75/1	1,347	1,289	-6.83%	95.64%
2016	1,374	23,548,402	15,688	1.50%	122	11.26/1	1,377	1,317	-1.27%	95.94%

Sources: District records

Note: Enrollment based on annual October district count.

a. Operating expenditures equal total expenditures less debt service and capital outlay.

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).

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary Schools:										
Bobby's Run School:										
Square Feet	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110	61,110
Capacity (Students)	415	415	415	415	415	415	415	415	415	415
Enrollment	437	446	447	331	327	365	268	290	314	333
Florence L. Walther School:										
Square Feet	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945	54,945
Capacity (Students)	471	471	471	471	471	471	471	471	471	471
Enrollment	0	0	0	0	400	335	239	226	217	256
Ashbrook School:										
Square Feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity (Students)	402	402	402	402	402	402	402	402	402	402
Enrollment	375	396	361	320	0	0	217	237	271	271
Middle School:										
Lumberton Middle School:										
Square Feet	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106	91,106
Capacity (Students)	634	634	634	634	634	634	634	634	634	634
Enrollment	356	365	384	437	378	476	505	507	532	514

Number of Schools at June 30, 2025:

Elementary = 2

Middle School = 1

Source: District Facilities Office

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

SCHOOL FACILITIES	PROJECT #	FISCAL YEAR ENDING JUNE 30,									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Bobby's Run School	Required Maintenance	\$ 148,421	\$ 229,508	\$ 195,206	\$ 171,101	\$ 150,687	\$ 71,588	\$ 109,412	\$ 80,843	\$ 55,318	\$ 49,562
Lumberton Middle School	Required Maintenance	221,786	342,163	291,023	255,086	224,652	106,728	51,375	74,664	74,536	72,331
Florence L. Walther School	Required Maintenance	14,028	-	-	-	135,485	64,366	35,095	33,560	48,147	38,752
Ashbrook School	Required Maintenance	146,613	200,176	170,258	149,234	131,429	62,439	23,750	28,686	30,943	29,334
District-Wide Items	Required Maintenance	-	-	-	-	-	-	-	2,556	-	-
Total		\$530,848	\$ 771,847	\$ 656,487	\$ 642,253	\$ 305,122	\$ 219,632	\$220,309	\$ 189,979	\$ 212,852	\$ 162,070

* 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

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025**

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool Joint Insurance Fund (BCIP JIF)		
Property / Inland Marine / Automobile Physical Damage - JIF Self Insured Retention	\$ 250,000	\$ 500
Crime - JIF Self Insured Retention	250,000	500
General Liability / Auto Liability - JIF Self Insured Retention	250,000	
Educators Legal Liability - JIF Self Insured Retention	250,000	
Workers Compensation - JIF Self Insured Retention	250,000	
School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)**		
Property / Inland Marine / Automobile Physical Damage	175,000,000	
Crime	500,000	
Workers Compensation	Statutory	
- Employers Liability	10,000,000	
General Liability / Auto Liability	27,000,000	
Educators' Legal Liability	27,000,000	
Travelers Insurance Company		
Boiler and Machinery	125,000,000	1,000
Beazley / Lloyd's of London Insurance		
Environmental / Pollution Legal Liability	3,000,000	25,000 - 250,000
Starr Indemnity & Liability Compan		
Cyber Liability	2,000,000	50,000 - 100,000
Lloyd's of London Insurance		
Crisis Protection & Disaster Management Services	1,000,000	10,000
Surety - Board Secretary	300,000	

SINGLE AUDIT SECTION



Certified Public Accountants & Advisors

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Lumberton Township School District (the "School District"), in the County of Burlington, State of New Jersey as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

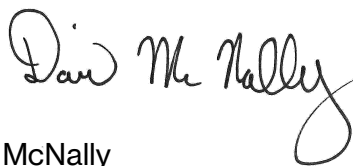
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

A handwritten signature in black ink, appearing to read "David McNally", with a stylized flourish at the end.

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
December 1, 2025



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Lumberton Township School District
County of Burlington
Lumberton, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Lumberton Township School District's (the "School 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 School District's major federal and state programs for the fiscal year ended June 30, 2025. The School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

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 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.

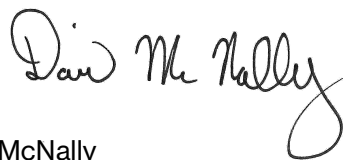
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

A handwritten signature in black ink, appearing to read "David McNally", with a stylized flourish at the end.

David McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
December 1, 2025

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

ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO PRIOR YEAR BALANCES	REPAYMENT OF PRIOR YEAR BALANCES	BALANCE, JUNE 30, 2025	
										ADJUSTMENTS	UNREARNED DUE TO GRANTOR REVENUE
U.S. Department of Health and Human Services											
93.778	2505NJMAP	100-064-7540-211	\$ 29,460	7/1/24-6/30/25	\$ -	\$ 22,538	-	\$ -	\$ -	\$ -	\$ -
93.778	2405NJMAP	100-064-7540-211	42,419	7/1/23-6/30/24	(10,254)	10,254	-	-	-	(6,922)	-
Total U.S. Department of Health and Human Services											
U.S. Department of Agriculture											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
School Breakfast Program											
10.553	25NJ50-AN099	100-010-3350-100	67,708	7/1/24-6/30/25	-	62,999	-	-	-	(4,709)	-
10.553	24NJ50-AN099	100-010-3350-100	61,177	7/1/23-6/30/24	(3,549)	35,445	-	-	-	(4,709)	-
National School Lunch Program											
10.555	25NJ50-AN099	100-010-3350-098	218,089	7/1/24-6/30/25	(10,716)	203,646	-	-	-	(14,443)	-
10.555	24NJ50-AN099	100-010-3350-098	235,608	7/1/23-6/30/24	-	10,716	-	-	-	-	-
10.555	25NJ50-AN099	100-010-3350-098	25,778	7/1/24-6/30/25	(111)	2,393	-	-	-	(95)	-
10.555	24NJ50-AN099	100-010-3350-098	1,841	7/1/23-6/30/24	-	111	-	-	-	(987)	-
10.555	25NJ50-AN099	100-010-3350-098	8,304	7/1/24-6/30/25	(428)	8,317	-	-	-	-	-
10.555	24NJ50-AN099	100-010-3350-098	7,762	7/1/23-6/30/24	-	428	-	-	-	-	-
10.555	25NJ50-AN099	Unavailable	65,661	-	(11,259)	65,661	-	-	-	(15,225)	-
			291,262	-	-	291,262	-	-	-	-	-
Total Child Nutrition Cluster											
			321	7/1/24-6/30/25	-	321	(321)	-	-	-	-
Summer Electronic Benefit Transfer Program For Children											
10.646	25NJ304S9019	100-010-3350-129	-	-	-	321	-	-	-	-	-
			321	-	-	-	-	-	-	-	-
Total U.S. Department of Agriculture											
U.S. Department of Education											
Passed Through New Jersey Department of Education:											
IDEA, Part B (Special Education Cluster)											
84.027	H027A240100	100-034-5065-016	386,680	7/1/24-9/30/25	-	296,742	-	-	-	(59,890)	-
84.027	H027A230100	100-034-5065-016	370,042	7/1/23-9/30/24	(78,313)	79,313	-	-	-	-	-
			370,042	-	(78,313)	379,953	-	-	-	(59,890)	-
84.173	H173A240114	100-034-5065-020	30,048	7/1/24-9/30/25	(4,446)	30,048	-	-	-	-	-
84.173	H173A230114	100-034-5065-020	30,653	7/1/23-9/30/24	(4,446)	4,446	-	-	-	-	-
			34,934	-	(4,446)	34,934	-	-	-	-	-
Total Special Education Cluster											
			409,549	-	(82,759)	409,549	-	-	-	(59,890)	-
84.010	S010A240030	100-034-5064-184	191,043	7/1/24-9/30/25	-	107,927	-	-	(1)	(93,002)	-
84.010	S010A230030	100-034-5064-184	234,866	7/1/23-9/30/24	(144,357)	144,357	-	-	(1)	(93,002)	-
			234,866	-	(144,357)	252,284	-	-	(1)	(93,002)	-
Title I - Part A											
84.367	S367A240029	100-034-5063-280	31,401	7/1/24-9/30/25	(1,397)	35,894	-	-	-	-	6,731
84.367	S367A230029	100-034-5063-280	31,401	7/1/23-9/30/24	(1,397)	1,397	-	-	-	-	6,731
			37,291	-	(1,397)	37,291	-	-	-	-	-
Title II - English Language Acquisition											
84.365	S365A240030	100-034-5063-280	13,545	7/1/24-9/30/25	-	7,188	-	-	-	(165)	-
84.365	S365A240030	100-034-5063-280	1,192	7/1/24-9/30/25	-	1,192	-	-	-	(1,003)	-
84.365	S365A201030	100-034-5063-280	938	7/1/21-9/30/22	(489)	7,188	-	-	-	(489)	-
			7,188	-	(489)	7,188	-	-	-	(1,657)	-
COVID-19 Coronavirus Response & Relief Suppl. Appropriation Act											
84.425D	S425D210027	100-034-5120-518	487,482	3/13/20-9/30/23	(1,444)	-	-	-	-	-	-
			-	-	(1,444)	-	-	-	-	-	-
COVID-19 American Rescue Plan Consolidated:											
84.425U	S425U210027	100-034-5120-523	1,095,608	3/13/20-9/30/24	(28,347)	283,347	-	-	-	-	-
84.425U	S425U200227	100-034-5120-523	40,000	3/13/20-9/30/24	(28,017)	10,098	-	-	-	-	-
84.425U	S425U200227	100-034-5120-523	29,925	3/13/20-9/30/24	(197)	29,925	-	-	(203)	-	-
84.425U	S425D210027	100-034-5120-523	88,501	3/13/20-9/30/24	(6,807)	188	-	-	-	-	-
84.425W	S425D210027	100-034-5064-233	14,764	3/13/20-9/30/24	(62,368)	5,807	-	-	(1)	-	-
			72,670	-	(62,368)	72,670	-	-	(204)	-	-
COVID-19 American Rescue Plan - Emergency Assistance to State and Local Governments:											
84.425V	S425V240031	100-034-5120-527	76,000	10/1/23-9/31/24	(31,129)	28,668	-	-	-	8,505	-
21.027	Unavailable	100-034-5063-369	16,000	7/1/24-6/30/25	-	8,134	-	-	-	(8,505)	-
Total Education Stabilization Funds											
			-	-	(84,941)	109,472	-	-	-	(8,505)	-
Safe and Drug-Free Schools and Communities											
84.184	S164G200252	100-034-5120-513	-	10/1/21-9/30/24	(48,990)	29,625	-	-	-	(19,365)	-
			-	-	(48,990)	29,625	-	-	-	(19,365)	-
Total U.S. Department of Education											
			845,409	-	(372,933)	845,409	-	-	-	(182,471)	6,731
Total Expenditures of Federal Awards											
			\$ 1,236,328	-	(397,987)	\$ 1,236,328	-	-	-	\$ (209,275)	\$ 6,731

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENT	MEMO		
										BALANCE, JUNE 30, 2025	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
										ACCOUNTS RECEIVABLE		
New Jersey Department of Education:												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 2,546,990	7/1/24-6/30/25	\$ -	\$ -	\$ 2,546,990	\$ (2,546,990)	\$ -	\$ -	\$ -	\$ 209,234	\$ 2,546,990
Security Aid	495-034-5120-084	176,844	7/1/24-6/30/25	-	-	176,844	(176,844)	-	-	-	14,528	176,844
Special Education	495-034-5120-089	906,745	7/1/24-6/30/25	-	-	906,745	(906,745)	-	-	-	74,489	906,745
Supplemental Stabilization Aid	495-034-5120-078	457,882	7/1/24-6/30/25	-	-	457,882	(457,882)	-	-	-	-	457,882
Total State Aid Public				-	-	4,088,461	(4,088,461)	-	-	-	298,251	4,088,461
Total State Aid Nonpublic:												
Transportation Aid	495-034-5120-014	73,845	7/1/24-6/30/25	-	-	73,845	(73,845)	-	-	-	6,066	73,845
Additional Nonpublic School Transportation Aid	495-034-5120-014	49,969	7/1/24-6/30/25	-	-	49,969	(49,969)	-	-	-	-	49,969
Additional Nonpublic School Transportation Aid	495-034-5120-014	55,510	7/1/24-6/30/24	(55,510)	-	55,510	-	-	-	(49,969)	-	-
Extraordinary Aid	495-034-5120-044	384,647	7/1/24-6/30/25	-	-	384,647	(384,647)	-	-	-	-	384,647
Extraordinary Aid	495-034-5120-044	379,667	7/1/23-6/30/24	(379,667)	-	379,667	-	-	-	(384,647)	-	-
School District Capital Aid	495-034-5120-100	99,000	7/1/24-6/30/25	-	-	99,000	(99,000)	-	-	-	-	99,000
Reimbursed TPAF Social Security Contributions	495-034-5120-003	747,780	7/1/24-6/30/25	-	-	714,462	(714,462)	-	-	(33,318)	-	747,780
Reimbursed TPAF Social Security Contributions	495-034-5094-003	716,939	7/1/23-6/30/24	(31,998)	-	31,998	-	-	-	-	-	-
TPAF - Post Retirement	495-034-5094-001	1,052,688	7/1/24-6/30/25	-	-	1,052,688	(1,052,688)	-	-	-	-	1,052,688
TPAF - Pension	495-034-5094-002	3,602,618	7/1/24-6/30/25	-	-	3,602,618	(3,602,618)	-	-	-	-	3,602,618
TPAF - Long-Term Disability	495-034-5094-004	1,032	7/1/24-6/30/25	-	-	1,032	(1,032)	-	-	-	-	1,032
Insurance (Noncash Assistance)				(467,175)	-	10,099,281	(10,100,040)	-	-	(467,934)	304,317	10,100,040
Total General Fund												
Special Revenue Fund:												
SDA Emergent Needs	100-034-5120-086	28,235	7/1/22-6/30/23	28,235	-	-	-	-	(28,235)	-	-	-
Preschool Education Aid	495-034-5120-086	1,909,125	7/1/24-6/30/25	-	-	1,909,125	(1,343,765)	-	-	-	190,912	1,343,765
Preschool Education Aid	495-034-5120-086	2,004,156	7/1/23-6/30/24	690,446	-	-	(690,446)	-	-	-	-	690,446
Total Special Revenue Fund				718,681	-	1,909,125	(2,034,211)	-	(28,235)	-	190,912	2,034,211
Debt Service Fund:												
Debt Service Fund:	495-034-5120-075	363,337	7/1/24-6/30/25	-	-	363,337	(363,337)	-	-	-	-	363,337
Debt Service Aid Type II				-	-	363,337	(363,337)	-	-	-	-	363,337
Total Debt Service Fund												
New Jersey Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program	495-010-3350-001	5,857	7/1/24-6/30/25	-	-	5,435	(5,857)	-	-	(422)	-	5,857
National School Lunch Program	495-010-3350-001	6,244	7/1/23-6/30/24	(34,4)	-	344	-	-	-	-	-	-
State Reduced Lunch Program	495-010-3350-002	3,539	7/1/24-6/30/25	-	-	3,354	(3,539)	-	-	(185)	-	3,539
State Reduced Lunch Program	495-010-3350-002	4,196	7/1/23-6/30/24	(228)	-	228	-	-	-	-	-	-
State Reduced Breakfast Program	495-010-3350-002	911	7/1/24-6/30/25	-	-	848	(911)	-	-	(63)	-	911
State Reduced Breakfast Program	495-010-3350-002	1,528	7/1/23-6/30/24	(83)	-	83	-	-	-	-	-	-
Working Class Families State Supplement	495-010-3350-006	7,813	7/1/24-6/30/25	-	-	7,311	(7,813)	-	-	(502)	-	7,813
Working Class Families State Supplement	495-010-3350-006	1,753	7/1/23-6/30/24	(136)	-	136	-	-	-	-	-	-
Summer Electronic Benefit Transfer Program for Children	100-010-3370-003	321	7/1/24-6/30/25	-	-	321	(321)	-	-	-	-	321
Total Enterprise Fund				(791)	-	18,060	(18,441)	-	-	(1,172)	-	18,441
Total State Financial Assistance				\$ 250,715	\$ -	\$ 12,389,803	\$ (12,516,029)	\$ -	\$ (28,235)	\$ (469,106)	\$ 495,229	\$ 12,516,029
State Financial Assistance Programs not subject to Calculation for Major Program Determination:												
TPAF - Post Retirement	495-034-5094-001	\$ 1,052,688	7/1/24-6/30/25			\$	1,052,688					
Medical (Noncash Assistance)												
TPAF - Pension	495-034-5094-002	3,602,618	7/1/24-6/30/25				3,602,618					
Contributions (Noncash Assistance)												
TPAF - Long-Term Disability							1,032					
Insurance (Noncash Assistance)	495-034-5094-004	1,032	7/1/24-6/30/25									
Total State Financial Assistance subject to Calculation for Major Program Determination							\$ (7,859,691)					

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Lumberton Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of 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's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2025. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2025.

LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$110,896 for the general fund and \$278,875 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 29,460	\$ 10,210,936	\$ 10,240,396
Special Revenue Fund	663,995	2,298,494	2,962,489
Debt Service Fund	-	363,337	363,337
Food Service Fund	363,261	18,441	381,702
Total Awards & Financial Assistance	<u>\$ 1,056,716</u>	<u>\$ 12,891,208</u>	<u>\$ 13,947,924</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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. Federal and State Loans Outstanding

The Lumberton Township School District had no loan balances outstanding at June 30, 2025.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

2) Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes X no

Identification of major programs:

ALN Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
<u>84.010</u>	<u>S010A240030</u>	<u>Title I Grants To Local Educational Agencies</u>
<u>84.027, 84.173</u>	<u>H027A240100, H173A240114</u>	<u>Special Education Cluster (IDEA)</u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? yes X no

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

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

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? yes X no

Internal control over major programs:

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

2) Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>495-034-5120-078</u>	<u>State Aid - Public:</u>
<u>495-034-5120-084</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Categorical Security Aid</u>
<u>495-034-5120-078</u>	<u>Categorical Special Education Aid</u>
<u>495-034-5120-078</u>	<u>Supplemental Stabilization Aid</u>
<u>495-034-5120-086</u>	<u>Preschool Education Aid</u>

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings

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

None.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**LUMBERTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, 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's Circular 15-08.

Financial Statement Findings

None.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.