

MEDFORD LAKES SCHOOL DISTRICT

Medford Lakes, New Jersey
County of Burlington

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



ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

MEDFORD LAKES SCHOOL DISTRICT

MEDFORD LAKES, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by

Medford Lakes School District Business Office

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INTRODUCTORY SECTION



MEDFORD LAKES SCHOOL DISTRICT
Neeta and Nokomis Elementary Schools
44 Neeta Trail
Medford Lakes, NJ 08055
609-654-5155
Fax 609-714-0235
<http://www.medford-lakes.k12.nj.us>

Dr. Anthony V. Dent, Superintendent/Neeta Principal

Lynn E. Shugars, Interim Business Administrator
Jennifer Summerville, Supervisor of Special Services/Child Study Team

Brianna Chapin, Director of Curriculum/Nokomis Principal
Robert Cheatley, Supervisor of Buildings and Grounds

October 20, 2025

Honorable President and Members
of the Board of Education
Medford Lakes School District
Medford Lakes, New Jersey

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Medford Lakes 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 Medford Lakes 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, and each major fund 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 Medford Lakes 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	439	-9.86%
2023-2024	487	0.41%
2022-2023	485	0.00%
2021-2022	485	-1.42%
2020-2021	492	-7.69%
2019-2020	533	2.11%
2018-2019	522	-1.88%
2017-2018	532	-2.56%
2016-2017	546	0.37%
2015-2016	544	0.18%

ECONOMIC CONDITION AND OUTLOOK

Medford Lakes is 1.2 square miles of rustic beauty in Burlington County, New Jersey. The town is part of the Pinelands Preservation area and there are 22 lakes within this small area and hundreds of lakefront and lake view properties. Of the 1,500 homes in Medford Lakes, over 150 are log cabins, giving Medford Lakes the highest concentration of log cabins in the world.

The Borough of Medford Lakes will continue to experience minimal development and no expansion is expected. All buildable lots have been developed and there is little opportunity for commercial ratables.

Those that are present are expected to remain. The Borough is experiencing moderate housing sales. The state and national economy are reflected in the employment base of the area.

The Borough is 99% residential. Commercial ratables are few and residential taxpayers carry the burden of paying for services. The Borough's tax rate is \$3.80 per \$100 of assessed property value (figures and statistics from 2021). The School District spending ratio shows that 84% of the revenue comes from local sources while only 16% of the revenue comes from state sources. The District received additional state aid after the 2024-2025 Budgets were originally approved in the spring of 2024. The District is hopeful that in the coming years, total revenue from state sources will increase as the state recognizes equal distribution of state aid to all District's in the state is needed.

In the near future, the District will begin budgeting and operating post ESSER grants. The impact will be minimal considering the District primarily purchased non-recurring items.

MAJOR INITIATIVES

Educational: The Medford Lakes School District provides a full range of educational services appropriate to grade levels PK through 8 and as outlined by the New Jersey Student Learning Standards. These include an integrated pre-school program for three and four-year-old handicapped children, a full day kindergarten program, computer assisted instruction in the classroom as well as in the Library/Media Center, a Gifted and Talented program, special education programs for identified students, and a variety of extra-curricular clubs and activities. The goal of the Medford Lakes School District is to provide all children with a curriculum that includes a balance of enriching programs, skill development, intervention support systems, and exposure to 21st Century Technologies. The goal of the instructional model is to create an environment for students to enjoy the process of learning while acquiring the skills necessary for a lifetime of continuous learning and readiness for college/career.

The Medford Lakes curriculum is aligned with the New Jersey Student Learning Standards. At the Nokomis School, a PK through grade 2 facility, a strong emphasis is placed on literacy and mathematics. Students in grades K-2 are also provided instruction in art, Spanish, music, library, comprehensive physical education/health, and technology literacy. The Neeta School serves grades 3-8. Neeta students are exposed to a multifaceted well-balanced curriculum that prepares them for the requirements of NJSLA (*New Jersey Student Learning Standards Assessment*). Students in grades 3-8 receive instruction in a

MAJOR INITIATIVES (Continued)

variety of special subject areas, including art, Spanish, music, library, comprehensive physical education/health, and technology literacy. The district also provides for the “inclusion” of our special needs students in all our classrooms.

Students in grades K-5 are evaluated throughout the school year utilizing several benchmark assessments including the following: F&P (Fountas and Pinnell) reading levels, writing prompts, various publisher developed beginning-of-year, mid-year and end-of-year assessments, and MAP (Measures of Academic Progress – grades K-8). Results of these assessments are used by classroom teachers to identify skills for intervention, reinforcement, and enrichment; and to differentiate instruction based on students' needs. Students in grades 3-8 participate in state testing using the New Jersey Student Learning Standards Assessment. The results of these assessments are analyzed by classroom teachers and district personnel to determine the students' strengths and weaknesses as well as patterns within grade levels/classrooms. The data is utilized to make adjustments to curriculum/pacing, to plan professional development, and to set district instructional goals and objectives.

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

BUDGETARY CONTROLS (Continued)

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.

BUILDINGS AND GROUNDS

The District annually budgets building maintenance, repairs, and capital improvements. Projects from the 2018 referendum have all been completed, including a roof project at Nokomis, reconfiguring the main entrance of both schools to add security vestibules, updates to bathrooms at each school, technology upgrades to all classroom with the addition of SmartBoards and lighting upgrades. These updates to the facilities will protect our assets, enable our students to engage in different learning styles and deter those that should not be in our buildings from entering.

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 and 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

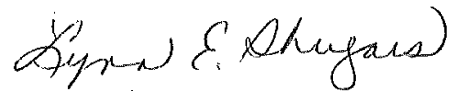
OTHER INFORMATION (Continued)

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,

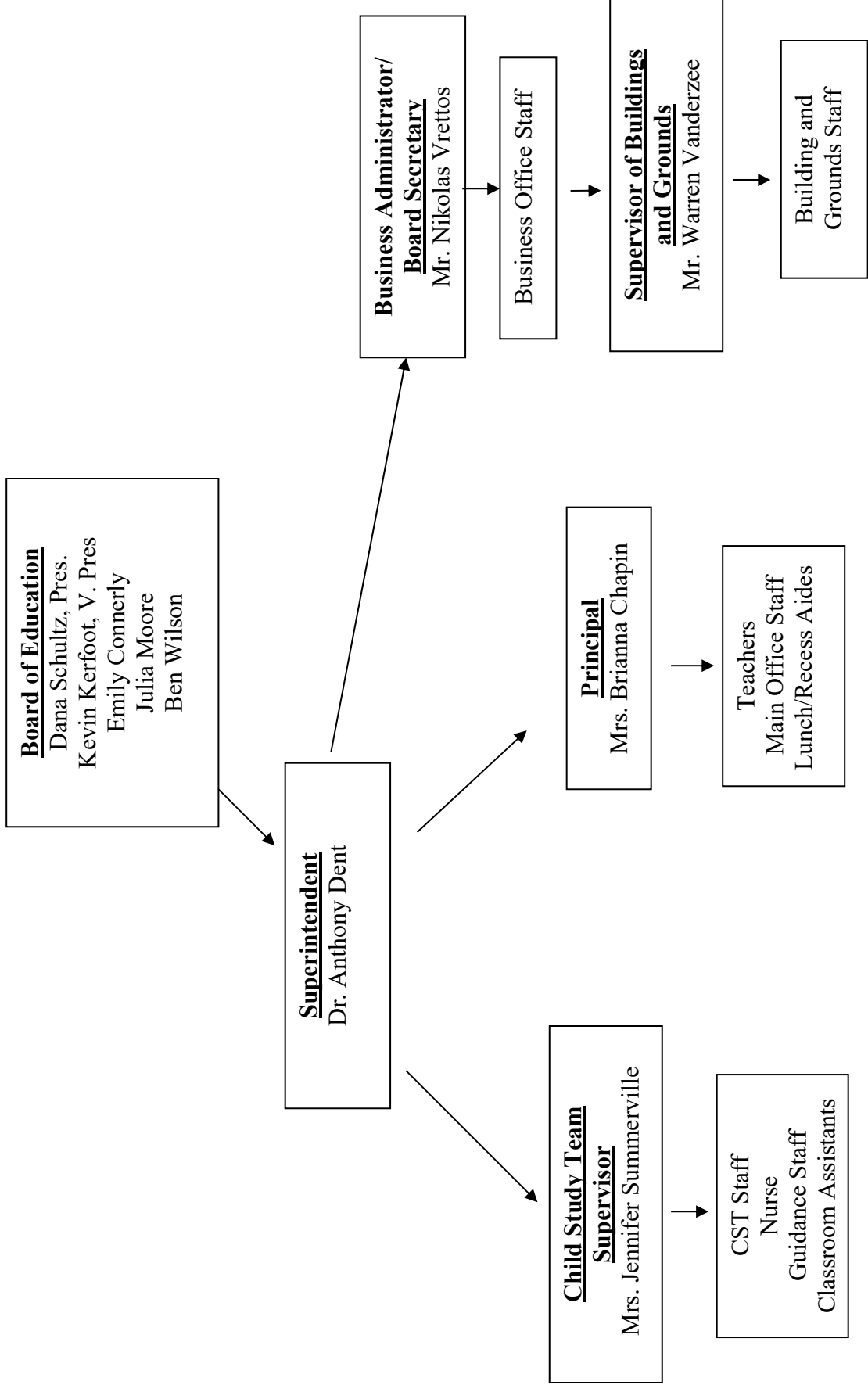
A handwritten signature in cursive script that reads "Lynn E. Shugars".

Lynn E. Shugars
Interim Board Secretary/Business Administrator

MEDFORD LAKES SCHOOLS

Organizational Chart

2024-2025



**MEDFORD LAKES SCHOOL DISTRICT
44 Neeta Trail
Medford Lakes, New Jersey**

ROSTER OF OFFICIALS

JUNE 30, 2025

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Dana Schultz, President	2027
Kevin Kerfoot, Vice President	2026
Julia Moore	2025
Emily Connerly	2026
Benjamin Wilson	2027

OTHER OFFICIALS

Anthony V. Dent, Superintendent

Nikolas Vrettos, Business Administrator/Board Secretary

Thomas Egan, Treasurer of School Monies

Frank P. Cavallo, Jr., Esq., Board Attorney

**MEDFORD LAKES SCHOOL DISTRICT
Medford Lakes, New Jersey 08055**

CONSULTANTS AND ADVISORS

AUDIT FIRM

Ryan Creamer, CPA, PSA
Holt McNally & Associates, Inc.
105 Atsion Road, Suite I
Medford, New Jersey 08055

ATTORNEY

Frank P. Cavallo, Jr., Esq.
Parker McCay
9000 Midlantic Drive, Suite 300
Mount Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Fulton Bank
2 Skeet Road
Medford NJ, 08055

FINANCIAL SECTION



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Medford Lakes School District
County of Burlington
Medford Lakes, New Jersey

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Medford Lakes 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 Medford Lakes 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 October 20, 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

Ryan Creamer
Certified Public Accountant
Public School Accountant, No. 2725

Medford, New Jersey
October 20, 2025

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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

As management of the Medford Lakes 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 flow 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.

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

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

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

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, Special Revenue Fund, Capital Projects Fund, and 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 provide the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is 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

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

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

Overview of the Basic Financial Statements (continued)

Financial Analysis of the School District as a Whole (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, <u>2025</u>	June 30, <u>2024</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 4,162,702	\$ 4,266,601	\$ (103,899)	-2.4%
Capital Assets, Net	3,528,600	3,801,062	(272,462)	-7.2%
Total Assets	<u>7,691,302</u>	<u>8,067,663</u>	<u>(376,361)</u>	-4.7%
Deferred Outflow of Resources	<u>155,398</u>	194,081	(38,683)	-19.9%
Current and other Liabilities	203,213	123,479	79,734	64.6%
Noncurrent Liabilities	2,907,219	3,269,806	(362,587)	-11.1%
Total Liabilities	<u>3,110,432</u>	<u>3,393,285</u>	<u>(282,853)</u>	-8.3%
Deferred Inflow of Resources	<u>200,323</u>	144,671	55,652	38.5%
Net Position:				
Net Investment in Capital Asset	1,591,747	1,660,715	(68,968)	-4.2%
Restricted	3,894,632	3,957,563	(62,931)	-1.6%
Unrestricted (Deficit)	(950,434)	(894,490)	(55,944)	6.3%
Total Net Position	<u>\$ 4,535,945</u>	<u>\$ 4,723,788</u>	<u>\$ (187,843)</u>	-4.0%

MEDFORD LAKES 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 shows the changes in net position for fiscal year 2025 compared to fiscal year 2024.

Table 2
Summary of Changes in Net Position

	June 30, <u>2025</u>	June 30, <u>2024</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 32,751	\$ 51,033	\$ (18,282)	-35.8%
Operating Grants & Contributions	873,529	1,562,536	(689,007)	-44.1%
General Revenues:				
Property Taxes	6,917,945	6,816,386	101,559	1.5%
Federal & State Aid	1,528,608	1,458,508	70,100	4.8%
Other General Revenues	397,184	335,903	61,281	18.2%
Total Revenues	<u>9,750,017</u>	<u>10,224,366</u>	<u>(474,349)</u>	-4.6%
Function/Program Expenditures:				
Regular Instruction	3,217,293	3,168,697	48,596	1.5%
Special Education Instruction	1,018,646	1,120,693	(102,047)	-9.1%
Other Instruction	102,022	91,175	10,847	11.9%
Tuition	121,781	79,055	42,726	54.0%
Student & Instruction Related Services	1,291,073	1,447,593	(156,520)	-10.8%
School Administrative Services	114,897	119,750	(4,853)	-4.1%
General Administrative	377,812	373,492	4,320	1.2%
Plant Operations & Maintenance	801,105	764,968	36,137	4.7%
Pupil Transportation	154,406	67,492	86,914	128.8%
Unallocated Benefits	1,865,161	1,531,280	333,881	21.8%
On Behalf TPAF Pension and Social				
Security Contributions	260,374	760,096	(499,722)	-65.7%
Special Schools	227,820	295,621	(67,801)	-22.9%
Interest & Other Charges	73,188	77,304	(4,116)	-5.3%
Unallocated Depreciation	308,263	311,920	(3,657)	-1.2%
Food Service	4,019	12,878	(8,859)	-68.8%
Total Expenditures	<u>9,937,860</u>	<u>10,222,014</u>	<u>(284,154)</u>	-2.8%
Change In Net Position	(187,843)	2,352	(190,195)	-8086.5%
Net Position - Beginning	4,723,788	4,721,436	2,352	0.0%
Net Position - Ending	<u>\$ 4,535,945</u>	<u>\$ 4,723,788</u>	<u>\$ (187,843)</u>	-4.0%

Governmental Activities

During the fiscal year 2025, the net position of governmental activities decreased by \$187,265 or 3.97%. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$4,532,423, with an unrestricted deficit balance of (\$953,956). 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.

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

Governmental Activities (continued)

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

**Table 3
GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$	(953,956)
Add back: PERS Pension Liability		810,238
Less: Deferred Outflows related to pensions		(155,398)
Add back: Deferred Inflows related to pensions		200,323
Unrestricted Net Position (Without GASB 68)	<u>\$</u>	(98,793)

Business-type Activities

During the fiscal year 2025, the net position of business-type activities decreased by \$578 or 14%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$3,522.

General Fund Budgeting Highlights

Final budgeted revenues were \$8,522,475, which was unchanged from the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$189,419.

Final budgeted appropriations were \$9,473,906, which was an increase of \$194,000 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increases the budget appropriations in the subsequent fiscal year's budget and a withdrawal from Capital Reserve in the amount of \$120,000 to fund HVAC repairs. Excluding nonbudgeted items, the School District's budget appropriations exceeded actual expenditures by \$676,270.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$3,953,829 at June 30, 2025, a decrease of \$85,742 from the prior year.

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

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$4,073,159, a decrease of \$183,028 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$99,569 or 2.54 % to \$3,818,609 at June 30, 2025, compared to an increase of \$27,416 in fund balance in the prior fiscal year.

Special revenue fund - During the current fiscal year, the fund balance of the School District's special revenue fund increased by \$4,759 or 55% to \$13,428 at June 30, 2025, compared to a decrease of \$17,355 in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the special revenue fund is as follows:

- Net activity in the scholarship and student activity accounts.

Capital projects fund - During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$132,157 or 100% to \$0 at June 30, 2025, compared to a decrease of \$100,583 in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the capital projects fund is as follows:

- The School District closed out the Capital Projects fund in the current fiscal year. The remaining funds were transferred into the Debt Service fund and will be used in subsequent budget years to provide relief to the taxpayers.

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$43,939, or 22%, to \$241,084 at June 30, 2025, compared to an increase of \$94,920 in fund balance in the prior fiscal year.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by \$578, or 14%, to \$3,522, at June 30, 2025, compared to a decrease of \$7,250 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- Increase in cost of goods sold for meals provided for low-income students.

**MEDFORD LAKES SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)**

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2025, totaled \$3,528,600 (net of accumulated depreciation). Capital assets include land, land improvements, buildings and improvements, construction in process, and equipment. The School District’s “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District’s capital assets for the current fiscal year in the amount of \$272,462. This decrease is primarily due to the depreciation charged during the 2024-2025 year. Table 4 shows fiscal 2025 balances compared to 2024 for the Governmental Activities and Business-Type Activities.

**Table 4
Summary of Capital Assets - Governmental Activities**

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Building and Improvements	3,439,461	3,689,564	(250,103)	-6.8%
Equipment	89,139	111,498	(22,359)	-20.1%
	<u>\$ 3,528,600</u>	<u>\$ 3,801,062</u>	<u>\$ (272,462)</u>	<u>-7.2%</u>

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 \$1,914,000, which is a decrease of \$200,000 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

The Medford Lakes School District is in excellent financial condition presently. The School District is proud of its community support and involvement in the educational program. The School District continues to monitor the legislation that comes from Trenton.

The School District’s budget had for many years experienced support from the community’s voters. While the current state law does not require the public to vote on the annual budget if it is maintained within the 2% property tax levy, the overwhelming support of parents, businesses, the Medford Lakes Education Foundation, the Medford Lakes Athletic Association and the Neeta Sports Association is noteworthy.

The Medford Lakes School District has committed itself to financial excellence for many years. In addition, the School District’s system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

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

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 Mrs. Lynn Shugars, Interim School Business Administrator/Board Secretary, at the Medford Lakes School District, 44 Neeta Trail, Medford Lakes New Jersey 08055.

BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements

MEDFORD LAKES SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Cash & Cash Equivalents	\$ 1,994,161	\$ 4,496	\$ 1,998,657
Receivables, Net (Note 4)	123,564	76	123,640
Internal Balances	1,050	(1,050)	-
Restricted Assets:			
Restricted Cash & Cash Equivalents	2,040,405	-	2,040,405
Capital Assets, Net (Note 5):			
Depreciable	3,528,600	-	3,528,600
Total Assets	7,687,780	3,522	7,691,302
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	155,398	-	155,398
Total Deferred Outflow of Resources	155,398	-	155,398
Total Assets and Deferred Outflow of Resources	7,843,178	3,522	7,846,700
LIABILITIES			
Accounts Payable	86,021	-	86,021
Accrued Interest Payable	24,805	-	24,805
Due to Other Governments	92,387	-	92,387
Noncurrent Liabilities (Note 7):			
Due Within One Year	243,493	-	243,493
Due Beyond One Year	2,663,726	-	2,663,726
Total Liabilities	3,110,432	-	3,110,432
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	200,323	-	200,323
Total Deferred Inflow of Resources	200,323	-	200,323
Total Liabilities and Deferred Inflow of Resources	3,310,755	-	3,310,755
NET POSITION			
Net Investment in Capital Assets	1,591,747	-	1,591,747
Restricted For:			
Capital Projects	1,323,476	-	1,323,476
Maintenance Reserve	466,929	-	466,929
Emergency Reserve	250,000	-	250,000
Debt Service	241,084	-	241,084
Scholarships	8,111	-	8,111
Student Activities	5,317	-	5,317
New Jersey Unemployment	15,158	-	15,158
Excess Surplus	1,584,557	-	1,584,557
Unrestricted	(953,956)	3,522	(950,434)
Total Net Position	\$ 4,532,423	\$ 3,522	\$ 4,535,945

MEDFORD LAKES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 3,217,293	\$ -	\$ 194,265	\$ (3,023,028)	\$ -	\$ (3,023,028)
Special Education	963,237	31,073	-	(932,164)	-	(932,164)
Other Special Instruction	55,409	-	-	(55,409)	-	(55,409)
Other Instruction	102,022	-	-	(102,022)	-	(102,022)
Support Services & Undistributed Costs:						
Tuition	121,781	-	-	(121,781)	-	(121,781)
Health Services	161,595	-	-	(161,595)	-	(161,595)
Student & Instruction Related Services	944,303	-	36,804	(907,499)	-	(907,499)
Educational Media Services/School Library	181,563	-	-	(181,563)	-	(181,563)
Instructional Staff Training	3,612	-	-	(3,612)	-	(3,612)
School Administrative Services	114,897	-	-	(114,897)	-	(114,897)
General Administrative Services	377,812	-	-	(377,812)	-	(377,812)
Plant Operations & Maintenance	801,105	-	4,579	(796,526)	-	(796,526)
Pupil Transportation	154,406	-	-	(154,406)	-	(154,406)
Business & Other Support Services	227,820	-	-	(227,820)	-	(227,820)
Unallocated Benefits	1,865,161	-	376,005	(1,489,156)	-	(1,489,156)
On Behalf TPAF Pension and Social Security Contribution	260,374	-	260,374	-	-	-
Interest and Charges on Long-term Debt	73,188	-	-	(73,188)	-	(73,188)
Unallocated Depreciation	308,263	-	-	(308,263)	-	(308,263)
Total Governmental Activities	9,933,841	31,073	872,027	(9,030,741)	-	(9,030,741)
Business-Type Activities:						
Food Service	4,019	1,678	1,502	-	(839)	(839)
Total Business-Type Activities	4,019	1,678	1,502	-	(839)	(839)
Total Primary Government	\$ 9,937,860	\$ 32,751	\$ 873,529	(9,030,741)	(839)	(9,031,580)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				6,847,103	-	6,847,103
Taxes Levied for Debt Service				70,842	-	70,842
Federal & State Aid Not Restricted				1,528,608	-	1,528,608
Miscellaneous Revenue				396,923	261	397,184
Total General Revenues, Special Items, Extraordinary Items & Transfers				8,843,476	261	8,843,737
Change In Net Position				(187,265)	(578)	(187,843)
Net Position - Beginning				4,719,688	4,100	4,723,788
Net Position - Ending				\$ 4,532,423	\$ 3,522	\$ 4,535,945

Governmental Funds

B. Fund Financial Statements

**MEDFORD LAKES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Cash & Cash Equivalents	\$ 1,843,923	\$ -	\$ 146,164	\$ 94,920	\$ 2,085,007
Due From Other Funds	1,050	75,308	-	146,164	222,522
Intergovernmental Accounts Receivable:					
State	94,598	27,751	-	-	122,349
Other	-	1,215	-	-	1,215
Restricted Cash & Cash Equivalents	2,040,405	-	-	-	2,040,405
Total Assets	\$ 3,979,976	\$ 104,274	\$ 146,164	\$ 241,084	\$ 4,471,498
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Overdraft	\$ -	\$ 90,846	\$ -	\$ -	\$ 90,846
Accounts Payable	62,624	-	-	-	62,624
Payroll Deductions and Withholdings Payable	23,397	-	-	-	23,397
Interfund Payable	75,308	-	146,164	-	221,472
Total Liabilities	161,329	90,846	146,164	-	398,339
Fund Balances:					
Restricted for:					
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	807,431	-	-	-	807,431
Excess Surplus - Current Year	777,126	-	-	-	777,126
Capital Reserve Account	1,323,476	-	-	-	1,323,476
Emergency Reserve Account	250,000	-	-	-	250,000
Maintenance Reserve Account	466,929	-	-	-	466,929
Scholarships	-	8,111	-	-	8,111
Student Activities	-	5,317	-	-	5,317
Unemployment Compensation	15,158	-	-	-	15,158
Other Purposes	24,987	-	-	-	24,987
Debt Service	-	-	-	241,084	241,084
Unassigned:					
General Fund	153,540	-	-	-	153,540
Total Fund Balances	3,818,647	13,428	-	241,084	4,073,159
Total Liabilities & Fund Balances	\$ 3,979,976	\$ 104,274	\$ 146,164	\$ 241,084	

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 \$15,469,687, and the accumulated depreciation is \$11,941,087 (See Note 5)	3,528,600
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the current period.	(24,805)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
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.	(44,925)
	(92,387)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7)	(2,907,219)

Net position of Governmental Activities \$ 4,532,423

**MEDFORD LAKES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Tax Levy	\$ 6,847,103	\$ -	\$ -	\$ 70,842	\$ 6,917,945
Tuition	31,073	-	-	-	31,073
Miscellaneous	382,916	59,483	14,007	-	456,406
State Sources	3,619,690	10,909	-	85,303	3,715,902
Federal Sources	-	171,586	-	-	171,586
Total Revenues	10,880,782	241,978	14,007	156,145	11,292,912
Expenditures:					
Current:					
Regular Instruction	3,023,028	194,265	-	-	3,217,293
Special Education Instruction	963,237	-	-	-	963,237
Other Special Instruction	55,409	-	-	-	55,409
Other Instruction	102,022	-	-	-	102,022
Support Services & Undistributed Costs:					
Tuition	121,781	-	-	-	121,781
Health Services\Attendance Student & Instruction Related Services	161,595	-	-	-	161,595
Educational Media Services/ School Library	912,258	32,045	-	-	944,303
Instructional Staff Training	181,563	-	-	-	181,563
General Administrative Services	3,612	-	-	-	3,612
School Administrative Services	377,812	-	-	-	377,812
Plant Operations & Maintenance	114,897	-	-	-	114,897
Pupil Transportation	796,526	4,579	-	-	801,105
Business & Other Support Services	154,406	-	-	-	154,406
Unallocated Benefits	227,820	-	-	-	227,820
Debt Service:	3,734,654	-	-	-	3,734,654
Principal	-	-	-	200,000	200,000
Interest & Other Charges	20,260	-	-	58,370	78,630
Capital Outlay	29,471	6,330	-	-	35,801
Total Expenditures	10,980,351	237,219	-	258,370	11,475,940
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(99,569)	4,759	14,007	(102,225)	(183,028)
Other Financing Sources/(Uses):					
Transfers In	-	-	-	146,164	146,164
Transfers Out	-	-	(146,164)	-	(146,164)
Total Other Financing Sources & Uses	-	-	(146,164)	146,164	-
Net Change in Fund Balances	(99,569)	4,759	(132,157)	43,939	(183,028)
Fund Balance - July 1	3,918,216	8,669	132,157	197,145	4,256,187
Fund Balance - June 30	\$ 3,818,647	\$ 13,428	\$ -	\$ 241,084	\$ 4,073,159

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

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (183,028)

Amounts reported for governmental activities in the statement of activities (A-2) are difference 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 amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	\$ (308,263)	
Capital Outlays	35,801	(272,462)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 200,000

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:

Amortization of premium on Bonds		3,494
----------------------------------	--	-------

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities. 73,276

Net difference in accrued interest on bonds is not recorded in the fund financial statements. 1,948

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 Fund, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year Compensated Absences	149,635	
Current Year Compensated Absences	(160,128)	(10,493)

Change in Net Position of Governmental Activities \$ (187,265)

Proprietary Funds

**MEDFORD LAKES SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2025**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE
Current Assets:	
Cash & Cash Equivalents	\$ 4,496
Accounts Receivable:	
Federal	76
Total Current Assets	4,572
Noncurrent Assets:	
Furniture, Machinery & Equipment	20,574
Accumulated Depreciation	(20,574)
Total Noncurrent Assets	-
Total Assets	\$ 4,572
LIABILITIES & NET POSITION	
Liabilities:	
Interfund Payable	\$ 1,050
Total Liabilities	1,050
NET POSITION	
Unrestricted	3,522
Total Net Position	\$ 4,572

**MEDFORD LAKES SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
Special Milk Program	\$ 1,678
	1,678
Total Operating Revenues	1,678
Operating Expenses:	
Cost of Sales- Reimbursable	4,019
	4,019
Total Operating Expenses	4,019
Operating Income/(Loss)	(2,341)
Nonoperating Revenues/(Expenses):	
Federal Sources:	
Special Milk Program	1,502
Interest Earnings	261
	1,763
Total Nonoperating Revenues/(Expenses)	1,763
Change in Net Position	(578)
Total Net Position - Beginning	4,100
Total Net Position - Ending	\$ 3,522

**MEDFORD LAKES SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2025**

EXHIBIT B-6

		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
		FOOD SERVICE
Cash Flows From Operating Activities:		
Receipts from Customers	\$	1,678
Payments to Suppliers		(4,019)
		<hr/>
Net Cash Provided/(Used) by Operating Activities		(2,341)
		<hr/>
Cash Flows From Noncapital Financing Activities:		
Federal Sources		1,510
		<hr/>
Net Cash Provided/(Used) by Noncapital Financing Activities		1,510
		<hr/>
Cash Flows From Investing Activities:		
Interest & Dividends		261
		<hr/>
Net Cash Provided/(Used) by Investing Activities		261
		<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents		(570)
Balances - Beginning of Year		5,066
		<hr/>
Balances - End of Year	\$	4,496
		<hr/> <hr/>

MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Medford Lakes School District (hereafter referred to as the "School 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 Medford Lakes School District is a Type II School 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 5 members elected to three-year terms. These terms are staggered so that a maximum of 2 members' terms expire each year. The School District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The operations of the School District include one elementary school and middle school located in Medford Lakes Borough. The Medford Lakes School District has an approximate enrollment at June 30, 2025 of 439 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization's board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School 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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Component Units (continued):

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 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 School 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 School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School 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 School 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 School 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 School 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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Governmental Fund Financial Statements (continued)

(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 School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund 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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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 School District's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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 School 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 governmental funds. Issuance of long-term debt and acquisitions under financed purchases 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 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 School 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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

statements, it is incorporated into governmental activities in the government-wide financial statements. The School District does not maintain any internal service funds.

The School District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the School 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 our 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 all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The School District reports the following major proprietary fund:

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

During the course of operations, the School 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 School 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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Budgets/Budgetary Control (continued)

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.

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 School 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 School 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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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 School 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.

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.

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 School 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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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 School 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.

Capital assets of the School 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 School 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 School 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 School District is eligible to realize the revenue.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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.

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 School 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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Fund Balance (continued)

- 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.
- 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 School 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 School 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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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 component 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 School 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.

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 represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Deferred Outflows and Deferred Inflows of Resources (continued):

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.

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 14.

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. Management has implemented this standard for the fiscal year ended June 30, 2025.

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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Recently Issued Accounting Pronouncements (continued):

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, 2025. 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, 2025. Management has not yet determined the potential impact on the District’s financial statements.

Note 2. Deposits and Investments

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 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2025, the School District’s bank balance of \$4,253,318 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	3,958,598
Uninsured and Uncollateralized		294,720
		4,253,318
	\$	4,253,318

Investments

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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 3. Reserve Accounts

Capital Reserve

An capital reserve account was established for the accumulation of funds for use as capital 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 School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School 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. 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 ending balance of the capital reserve at June 30, 2025 was \$1,323,476. The activity of the capital reserve accounts for the period from July 1, 2024 through June 30, 2025 is as follows:

Beginning Balance, July 1, 2024	\$	1,316,679
Increased by:		
Interest Earnings		6,797
Unspent Funds Returned		<u>120,000</u>
Decreased by:		
Board Approved Withdrawals		<u>(120,000)</u>
Ending Balance, June 30, 2025	\$	<u><u>1,323,476</u></u>

At June 30, 2025 LRFP balance of local support costs of uncompleted capital projects was \$2,407,000. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District’s Long Rang Facilities Plan.

Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 3. Reserve Accounts (continued):

Maintenance Reserve (continued):

The ending balance of the maintenance reserve at June 30, 2025 was \$466,929. The activity of the maintenance reserve accounts for the period from July 1, 2024 through June 30, 2025 is as follows:

Beginning Balance, July 1, 2024	\$	515,075
Increased by:		
Interest Earnings		1,854
Decreased by:		
Budget Withdrawals		(50,000)
Ending Balance, June 30, 2025	\$	466,929

Emergency Reserve

An emergency reserve account was established for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The ending balance of the emergency reserve at June 30, 2025 was \$250,000. The activity for the emergency reserve for the period from July 1, 2024 through June 30, 2025 is as follows:

Ending Balance, June 30, 2025 and 2024	\$	250,000
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**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2025, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Business-Type Activities</u>
Federal Awards	\$ -	\$ -	\$ -	\$ 76	\$ 76
State Awards	94,598	27,751	122,349	-	-
Other	-	1,215	1,215	-	-
Total	\$ 94,598	\$ 28,966	\$ 123,564	\$ 76	\$ 76

Note 5. Capital Assets

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

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2025</u>
Governmental Activities:				
Capital Assets being depreciated:				
Buildings and Improvements	\$ 14,746,146	\$ 35,801	\$ -	\$ 14,781,947
Equipment	687,740	-	-	687,740
Total Capital Assets being depreciated	15,433,886	35,801	-	15,469,687
Less: Accumulated Depreciation:				
Buildings and Improvements	(11,056,582)	(285,904)	-	(11,342,486)
Equipment	(576,242)	(22,359)	-	(598,601)
Total Accumulated Depreciation	(11,632,824)	(308,263)	-	(11,941,087)
Total Capital Assets being depreciated, net	3,801,062	(272,462)	-	3,528,600
Total Governmental Activities Capital Assets, net	\$ 3,801,062	\$ (272,462)	\$ -	\$ 3,528,600
Business-Type Activities:				
Equipment	\$ 20,574	\$ -	\$ -	\$ 20,574
	20,574	-	-	20,574
Less: Accumulated Depreciation:				
Equipment	(20,574)	-	-	(20,574)
	(20,574)	-	-	(20,574)
Total Business-Type Activities Capital Assets, net	\$ -	\$ -	\$ -	\$ -

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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,050	\$ 75,308
Special Revenue Fund	75,308	-
Capital Projects Fund	-	146,164
Debt Service Fund	146,164	-
Food Service Fund	-	1,050
	<u>\$ 222,522</u>	<u>\$ 222,522</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>	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Fund	\$ -	\$ 146,164
Debt Service Fund	146,164	-
	<u>\$ 146,164</u>	<u>\$ 146,164</u>

The purpose of the interfund transfers were for the finalization of capital projects.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2025 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2025</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 2,114,000	\$ -	\$ 200,000	\$ 1,914,000	\$ 240,000
Unamortized Bond Premiums	26,346	-	3,493	22,853	3,493
Compensated Absences	149,635	10,493	-	160,128	-
Net Pension Liability	979,824	-	169,586	810,238	-
	<u>\$ 3,269,805</u>	<u>\$ 10,493</u>	<u>\$ 373,079</u>	<u>\$ 2,907,219</u>	<u>\$ 243,493</u>

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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 7. Long-Term Obligations (continued):

General Obligation Bonds

On February 1, 2018, the School District issued \$2,994,000 of General School Bonds to fund general capital improvements for the Neeta and Nokomis Schools. The Bonds were issued at interest rates varying from 1.50% to 3.00% and mature on January 1, 2033.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 240,000	\$ 54,120	\$ 294,120
2027	240,000	48,720	288,720
2028	240,000	43,020	283,020
2029	240,000	35,820	275,820
2030	240,000	28,620	268,620
2031-2033	714,000	42,570	756,570
	\$ 1,914,000	\$ 252,870	\$ 2,166,870

Bonds Authorized but not Issued

As of June 30, 2025, the School 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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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 \$810,238 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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

as of June 30, 2024, was 0.00596%, which was a decrease of 0.0008% 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 \$7,864 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 16,231	\$ 2,157
Changes of Assumptions	1,007	9,219
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	37,568
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	45,773	151,379
School District Contributions Subsequent to Measurement Date	<u>92,387</u>	<u>-</u>
	<u>\$ 155,398</u>	<u>\$ 200,323</u>

\$92,387 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	\$ (148,977)
2026	115,274
2027	(66,320)
2028	(38,286)
2029	<u>997</u>
	<u>\$ (137,312)</u>

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

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

	<u>Deferred 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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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:

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 1,085,669	\$ 810,238	\$ 588,471

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, 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 \$2,612 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.

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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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 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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

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 \$17,001,357 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 0.03439%, which was a decrease of 0.00119% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the School District recognized \$(62,018) 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%

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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

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

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:

<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%
	100.00%	

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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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	20,208,520	17,001,357	14,300,320
	<u>\$ 20,208,520</u>	<u>\$ 17,001,357</u>	<u>\$ 14,300,320</u>

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:

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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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.
- 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 \$17,412 and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$12,827.

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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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

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

	TPAF/ABP	PERS	PFRS
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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

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 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 \$20,451,671. 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 0.03428%, which was an increase of 0.0001% 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 \$375,179 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%.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

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 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	\$ 23,953,287	\$ 20,451,671	\$ 17,635,645
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, 2023, 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	\$ 17,036,391	\$ 20,451,671	\$ 24,900,299
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.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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
	\$ 16,383,910,385	\$ (22,802,314,774)

** 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)
	\$	(6,418,404,389)

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
	372,741

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

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:

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, post-retirement medical costs, long-term disability and reimbursed T.P.A.F. social security were \$1,439,016, \$420,481, \$826 and \$322,392 respectively.

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 11. Risk Management (continued)

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024-2025	\$ 1,793	\$ 941	\$ 10,552	\$ 15,158
2023-2024	3,097	972	11,517	22,976
2022-2023	-	451	-	30,424

Property and Liability Insurance – The School 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.

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

Property – Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers’ Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The School 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 School 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 School 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.

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

Note 12. Contingencies (continued)

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

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning
MetLife Company
AXA Equitable

Note 14. Compensated Absences

Sick

School District employees who are employed as twelve month employees are entitled to twelve paid sick leave days per fiscal school year. School District employees who are employed as ten month employees are entitled to ten paid sick leave days per fiscal school year. Employees working less than five days per week shall be permitted to prorated days. Unused sick leave may be accumulated and carried forward to the subsequent years. Administrative Personnel are entitled to twelve sick days in accordance with individual contracts.

Payouts for accrued sick time may not exceed \$15,000 at the time of retirement. The only exception where the \$15,000 is not capped would be an employee hired prior to May 21, 2010. Payout rate is determined by salary, working days in a year, and hours worked per day. Teachers, full-time support, and part-time support who retire according to TPAF and PERS, respectively, shall receive \$60, \$40, or \$20, respectively up to 150 accumulated days. To be eligible for the payout benefit, an employee must have worked at least fifteen years in the school district while a support staff must have worked at least ten years in the district.

Vacation

School District employees who are employed as twelve month employees after one year are entitled to two weeks, after five years are entitled to three weeks and after fifteen years are entitled to four weeks paid vacation leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twenty paid vacation leave days per fiscal school year. Teachers can roll over five vacation days per year, for a total of all carryover from previous years capped at five days. School District employees are entitled to three and one-half personal days. Administrative Personnel are entitled to fifteen to twenty vacations days in accordance with individual contracts. Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 14. Compensated Absences (continued):

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2025, the liability for compensated absences reported on the government-wide Statement of Net Position was \$160,128, which is an increase of \$10,493 from the prior year.

Note 15. 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.

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 16. 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 \$777,126.

Note 17. Fund Balances

General Fund – Of the \$3,818,647 General Fund fund balance at June 30, 2025, \$1,323,476 has been restricted for the Capital Reserve Account; \$466,929 has been restricted for the Maintenance Reserve Account; \$250,000 has been restricted for the Emergency Reserve Account; \$777,126 has been restricted for current year excess surplus; \$807,431 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$15,158 is restricted for unemployment compensation; \$24,987 has been assigned to other purposes and \$153,440 has been unassigned.

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 17. Fund Balances (continued):

Special Revenue Fund – Of the \$13,428 Special Revenue Fund fund balance at June 30, 2025, \$8,111 is restricted for scholarships and \$5,317 is restricted for student activities.

Capital Projects Fund – Capital Projects Fund fund balance at June 30, 2025 is \$0.

Debt Service Fund – Of the \$241,084 Debt Service Fund fund balance at June 30, 2025, \$241,084 is restricted for future Debt Service.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$953,956 at June 30, 2025. The primary causes of this deficit is 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 Employee's 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.

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and October 20, 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

**MEDFORD LAKES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	JUNE 30, 2025				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 6,847,103	\$ -	\$ 6,847,103	\$ 6,847,103	\$ -
Tuition from Individuals	10-1310	42,000	-	42,000	31,073	(10,927)
Interest Earned on Capital Reserve Funds	10-1XXX	-	-	-	6,797	6,797
Interest Earned on Maintenance Reserve Funds	10-1XXX	1	-	1	1,854	1,853
Miscellaneous	10-1XXX	221,291	-	221,291	374,265	152,974
Total Local Sources		7,110,395	-	7,110,395	7,261,092	150,697
State Sources:						
Transportation Aid	10-3121	26,367	-	26,367	26,367	-
Special Education Categorical Aid	10-3132	518,787	-	518,787	518,787	-
Equalization Aid	10-3176	784,087	-	784,087	784,087	-
Security Aid	10-3177	42,839	-	42,839	42,839	-
Nonpublic Transportation Aid	10-3190	-	-	-	9,816	9,816
Extraordinary Aid	10-3131	40,000	-	40,000	68,906	28,906
Nonbudgeted:						
On-Behalf TPAF Pension Contributions	10-3901	-	-	-	1,439,016	1,439,016
On-Behalf TPAF Post-Retirement Medical Contributions	10-3903	-	-	-	420,481	420,481
On-Behalf TPAF Long-Term Disability Insurance	10-3904	-	-	-	826	826
Reimbursed TPAF Social Security Contributions	10-3902	-	-	-	322,392	322,392
Total State Sources		1,412,080	-	1,412,080	3,633,517	2,221,437
Total Revenues		8,522,475	-	8,522,475	10,894,609	2,372,134
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	29,451	1,768	31,219	31,219	-
Kindergarten	11-110-100-101	204,436	-	204,436	203,700	736
Grades 1 - 5	11-120-100-101	1,415,483	(7,603)	1,407,880	1,407,089	791
Grades 6 - 8	11-130-100-101	912,319	8,770	921,089	920,337	752
Home Instruction:						
Salaries of Teachers	11-150-100-101	2,000	1,906	3,906	3,696	210
Purchased Professional - Educational Services	11-150-100-320	-	2,735	2,735	2,735	-
Regular Programs - Undistributed Instruction:						
Purchased Professional - Educational Services	11-190-100-320	288,000	(11,157)	276,843	248,146	28,697
Other Purchased Services	11-190-100-500	17,691	2,435	20,126	19,127	999
General Supplies	11-190-100-610	120,462	58,844	179,306	160,216	19,090
Textbooks	11-190-100-640	31,395	(20,667)	10,728	10,728	-
Miscellaneous Expenditures	11-190-100-890	21,000	(864)	20,136	16,035	4,101
Total Regular Programs - Instruction		3,042,237	36,167	3,078,404	3,023,028	55,376
Special Education Instruction						
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	732,453	32,922	765,375	765,375	-
Other Salaries for Instruction	11-213-100-106	165,299	(2,000)	163,299	127,128	36,171
Purchased Technical Services	11-213-100-340	5,000	(3,520)	1,480	-	1,480
General Supplies	11-213-100-610	3,700	690	4,390	3,789	601
Textbooks	11-213-100-640	1,000	(690)	310	-	310
Total Resource Room/Resource Center		907,452	27,402	934,854	896,292	38,562

**MEDFORD LAKES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	JUNE 30, 2025			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Preschool Disabilities - Part Time:						
Salaries of Teachers	11-215-100-101	29,452	(1,768)	27,684	27,684	-
Other Salaries for Instruction	11-215-100-106	59,711	(13,747)	45,964	38,514	7,450
General Supplies	11-215-100-600	-	747	747	747	-
Total Preschool Disabilities - Part Time		89,163	(14,768)	74,395	66,945	7,450
Total Special Education		996,615	12,634	1,009,249	963,237	46,012
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	214,289	(104,031)	110,258	55,409	54,849
Total Basic Skills/Remedial		214,289	(104,031)	110,258	55,409	54,849
School Sponsored Cocurricular Activities - Instruction:						
Salaries	11-401-100-100	46,050	7,353	53,403	51,933	1,470
Supplies and Materials	11-401-100-600	4,000	66	4,066	3,730	336
Other Objects	11-401-100-800	1,500	(66)	1,434	1,434	-
Total School Sponsored Cocurricular Activities		51,550	7,353	58,903	57,097	1,806
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	40,078	-	40,078	38,726	1,352
Purchased Prof & Tech Services (300-500 Series)	11-402-100-500	10,000	(3,430)	6,570	6,156	414
Supplies and Materials	11-402-100-600	5,000	(3,923)	1,077	43	1,034
Other Objects	11-402-100-800	1,000	-	1,000	-	1,000
Total School Sponsored Cocurricular Activities		56,078	(7,353)	48,725	44,925	3,800
Total Instruction		4,360,769	(55,230)	4,305,539	4,143,696	161,843
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEA's Special - Within State	11-000-100-562	91,429	(6,389)	85,040	85,040	-
Tuition to Private School for Disabled - Within State	11-000-100-566	-	46,307	46,307	36,741	9,566
Total Undistributed Expenditures - Instruction		91,429	39,918	131,347	121,781	9,566
Attendance & Social Work:						
Salaries	11-000-211-100	-	11,222	11,222	6,681	4,541
Purchased Professional - Technical Services	11-000-211-300	17,441	(5,000)	12,441	12,441	-
Supplies and Materials	11-000-211-600	600	(365)	235	-	235
Total Attendance & Social Work		18,041	5,857	23,898	19,122	4,776
Health Services:						
Salaries	11-000-213-100	133,986	(1,800)	132,186	130,159	2,027
Purchased Professional & Technical Services	11-000-213-300	10,300	(492)	9,808	9,808	-
Other Purchased Services	11-000-213-500	500	246	746	746	-
Supplies and Materials	11-000-213-600	4,600	(1,763)	2,837	1,760	1,077
Total Health Services		149,386	(3,809)	145,577	142,473	3,104
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	96,681	514	97,195	97,195	-
Purchased Professional - Educational Services	11-000-216-320	328,500	(13,647)	314,853	278,788	36,065
Supplies and Materials	11-000-216-600	1,000	884	1,884	1,802	82
Total Other Support Services - Students - Related Services		426,181	(12,249)	413,932	377,785	36,147

**MEDFORD LAKES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	JUNE 30, 2025			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	147,453	(11,621)	135,832	110,344	25,488
Supplies and Materials	11-000-218-600	3,000	-	3,000	1,742	1,258
Total Other Support Services - Students - Regular		150,453	(11,621)	138,832	112,086	26,746
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	232,040	4,382	236,422	235,579	843
Salaries of Secretarial & Clerical Assistants	11-000-219-105	56,304	-	56,304	56,304	-
Purchased Professional & Educational Services	11-000-219-320	11,178	(4,034)	7,144	7,144	-
Misc Purchased Services (400-500 series)	11-000-219-500	5,600	116	5,716	5,708	8
Supplies and Materials	11-000-219-600	2,000	(354)	1,646	1,592	54
Other Objects	11-000-219-800	7,000	(5,000)	2,000	1,802	198
Total Other Support Services - Students - Special Services		314,122	(4,890)	309,232	308,129	1,103
Improvement of Instruction Services/Other Support Services - Instructional Staff:						
Salaries-Supervisors of Instruction	11-000-221-102	79,289	-	79,289	70,305	8,984
Other Salaries	11-000-221-110	6,000	-	6,000	4,050	1,950
Purchased Prof. Ed. Services	11-000-221-320	30,362	(5,056)	25,306	19,020	6,286
Other Purchased Services (400-500 Series)	11-000-221-500	2,000	(311)	1,689	1,689	-
Supplies and Materials	11-000-221-600	10,400	(2,500)	7,900	7,529	371
Other Objects	11-000-221-800	15,468	(1,282)	14,186	11,665	2,521
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		143,519	(9,149)	134,370	114,258	20,112
Educational Media Services/School Library:						
Salaries	11-000-222-100	79,659	-	79,659	79,659	-
Salaries of Technolgy Coordinators	11-000-222-177	79,235	3,845	83,080	82,750	330
Other Purchased Services	11-000-222-500	5,000	(5,000)	-	-	-
Supplies and Materials	11-000-222-600	5,550	13,604	19,154	19,154	-
Total Educational Media Services/School Library		169,444	12,449	181,893	181,563	330
Instructional Staff Training Services:						
Purchased Professional Educational Services	11-000-223-320	-	1,927	1,927	677	1,250
Purchased Professional & Technical Services	11-000-223-390	-	2,894	2,894	2,879	15
Supplies and Materials	11-000-223-610	-	56	56	56	-
Total Instructional Staff Training Services		-	4,877	4,877	3,612	1,265
Support Services General Administration:						
Salaries	11-000-230-100	239,466	-	239,466	239,450	16
Legal Services	11-000-230-331	70,000	(10,000)	60,000	34,473	25,527
Audit Fees	11-000-230-332	31,500	-	31,500	28,000	3,500
Architectural/Engineering Services	11-000-230-334	2,000	-	2,000	-	2,000
Communications/Telephone	11-000-230-530	57,000	-	57,000	42,217	14,783
Travel - All Other	11-000-230-580	-	11,563	11,563	2,557	9,006
BOE Other Purchased Services	11-000-230-585	1,250	-	1,250	-	1,250
Other Purchased Services	11-000-230-590	32,358	(12,888)	19,470	13,197	6,273
Supplies and Materials	11-000-230-610	2,500	(11)	2,489	2,238	251
Judgements Against the District	11-000-230-820	5,000	(5,000)	-	-	-
Miscellaneous Expenditures	11-000-230-890	8,200	3,441	11,641	11,160	481
BOE Membership Dues	11-000-230-895	5,000	-	5,000	4,520	480
Total Support Services General Administration		454,274	(12,895)	441,379	377,812	63,567

**MEDFORD LAKES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	JUNE 30, 2025			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	52,859	-	52,859	46,870	5,989
Salaries of Secretarial & Clerical Assistants	11-000-240-105	55,183	(6,221)	48,962	48,852	110
Misc Pur Service (400-500 Series)	11-000-240-500	6,662	-	6,662	6,662	-
Supplies and Materials	11-000-240-600	9,000	13,000	22,000	3,349	18,651
Other Objects	11-000-240-800	13,841	-	13,841	9,164	4,677
Total Support Services School Administration		137,545	6,779	144,324	114,897	29,427
Business & Other Support Services:						
Salaries	11-000-251-100	186,542	-	186,542	183,359	3,183
Purchased Professional Services	11-000-251-330	3,000	2,940	5,940	1,000	4,940
Purchased Technical Services	11-000-251-340	31,368	-	31,368	30,324	1,044
Miscellaneous Purchased Services	11-000-251-592	11,500	858	12,358	7,238	5,120
Supplies and Materials	11-000-251-600	12,500	(4,664)	7,836	2,374	5,462
Other Objects	11-000-251-890	5,000	(82)	4,918	3,525	1,393
Total Business & Other Support Services		249,910	(948)	248,962	227,820	21,142
Regular Maintenance School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	90,000	40,163	130,163	121,813	8,350
General Supplies	11-000-261-610	36,500	8,757	45,257	36,884	8,373
Total Regular Maintenance School Facilities		126,500	48,920	175,420	158,697	16,723
Custodial Services:						
Salaries	11-000-262-100	353,030	(950)	352,080	330,302	21,778
Salaries of Non-Instructional Aides	11-000-262-107	15,404	-	15,404	14,969	435
Purchased Professional & Technical Services	11-000-262-300	18,100	(13,650)	4,450	4,449	1
Cleaning, Repair & Maintenance Services	11-000-262-420	1,500	540	2,040	2,040	-
Other Purchased Property Services	11-000-262-490	9,000	(2,292)	6,708	6,555	153
Insurance	11-000-262-520	45,825	-	45,825	45,825	-
Travel	11-000-262-580	-	1,000	1,000	728	272
Miscellaneous Purchased Services	11-000-262-590	3,000	130	3,130	3,087	43
General Supplies	11-000-262-610	25,000	(1,473)	23,527	22,979	548
Energy (Natural Gas)	11-000-262-621	61,000	2,760	63,760	63,533	227
Energy (Electricity)	11-000-262-622	115,000	4,418	119,418	119,418	-
Energy (Gasoline)	11-000-262-626	1,000	(590)	410	410	-
Total Custodial Services		647,859	(10,107)	637,752	614,295	23,457
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Services	11-000-263-420	5,000	(2,465)	2,535	2,535	-
General Supplies	11-000-263-610	2,500	(2,500)	-	-	-
Total Care & Upkeep of Grounds		7,500	(4,965)	2,535	2,535	-
Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	15,000	5,719	20,719	20,719	-
General Supplies	11-000-266-610	2,500	(2,220)	280	280	-
Total Security		17,500	3,499	20,999	20,999	-

**MEDFORD LAKES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	JUNE 30, 2025			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Student Transportation Services:						
Contracted Services - Aid in Lieu of Payments	11-000-270-503	23,000	425	23,425	23,425	-
Contracted Services (Between Home & School) - Vendors	11-000-270-511	-	16,200	16,200	16,200	-
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	16,380	2,176	18,556	18,214	342
Contracted Services (Between Home & School)	11-000-270-513	6,500	514	7,014	4,530	2,484
Contracted Services - (Special Education) Joint Agreements	11-000-270-514	-	22,400	22,400	22,400	-
Contracted Services - (Special Education)- Joint Agreements	11-000-270-515	20,000	(5,692)	14,308	13,376	932
Contracted Services - ESC & CTS: Regular Students	11-000-270-517	18,000	(16,200)	1,800	1,472	328
Special Education Students	11-000-270-518	6,000	51,607	57,607	54,789	2,818
Total Student Transportation Services		89,880	71,430	161,310	154,406	6,904
Unallocated Benefits Employee Benefits:						
Social Security Contributions - Other	11-000-291-220	97,730	152	97,882	93,486	4,396
PERS Contributions	11-000-291-241	97,000	(8,576)	88,424	81,139	7,285
Other Retirement Contributions	11-000-291-249	16,986	-	16,986	12,827	4,159
Unemployment Compensation	11-000-291-250	10,000	7,467	17,467	17,467	-
Workmen's Compensation	11-000-291-260	61,100	-	61,100	61,100	-
Health Benefits	11-000-291-270	1,391,517	(176,930)	1,214,587	1,110,271	104,316
Tuition Reimbursements	11-000-291-280	16,000	(4,823)	11,177	1,275	9,902
Other Employee Benefits	11-000-291-290	15,000	159,374	174,374	174,374	-
Total Unallocated Benefits - Employee Benefits		1,705,333	(23,336)	1,681,997	1,551,939	130,058
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	1,439,016	(1,439,016)
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	420,481	(420,481)
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	826	(826)
Reimbursed TPAF Social Security Contributions		-	-	-	322,392	(322,392)
Total Undistributed Expenditures		4,898,876	99,760	4,998,636	6,786,924	(1,788,288)
Total Expenditures - Current Expense		9,259,645	44,530	9,304,175	10,930,620	(1,626,445)
Capital Outlay:						
Interest Earned on Maintenance Reserve	10-606	1	(1)	-	-	-
Equipment						
Undistributed Expenditures: Instruction	12-000-100-730	-	149,471	149,471	29,471	120,000
Total Equipment		-	149,471	149,471	29,471	120,000

**MEDFORD LAKES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBER	JUNE 30, 2025			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Facilities Acquisition & Construction Services: Assessment for Debt Service on SDA Funding	12-000-400-896	20,260	-	20,260	20,260	-
Total Facilities Acquisition & Construction Services		20,260	-	20,260	20,260	-
Total Capital Outlay		20,261	149,470	169,731	49,731	120,000
Total Expenditures		9,279,906	194,000	9,473,906	10,980,351	(1,506,445)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures		(757,431)	(194,000)	(951,431)	(85,742)	865,689
Excess/(Deficiency) of Revenues & Other Financing Sources/(Uses) Over/(Under) Expenditures & Other Financing Uses		(757,431)	(194,000)	(951,431)	(85,742)	865,689
Fund Balances, July 1		4,039,571	-	4,039,571	4,039,571	-
Fund Balances, June 30		<u>\$ 3,282,140</u>	<u>\$ (194,000)</u>	<u>\$ 3,088,140</u>	<u>\$ 3,953,829</u>	<u>\$ 865,689</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 74,000
Withdrawal from Capital Reserve	120,000
Total	<u>\$ 194,000</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ 777,126
Capital Reserve	1,323,476
Maintenance Reserve	466,929
Emergency Reserve	250,000
New Jersey Unemployment	15,158
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	807,431
Assigned Fund Balance:	
Year-End Encumbrances	24,987
Unassigned Fund Balance	<u>288,722</u>
Subtotal	3,953,829
Reconciliation to Governmental Fund Schedules (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(135,182)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 3,818,647</u>

**MEDFORD LAKES SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	JUNE 30, 2025				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:					
Federal Sources	\$ 127,404	\$ 48,610	\$ 176,014	\$ 177,165	\$ 1,151
State Sources	10,909	-	10,909	10,909	-
Local Sources	13,950	37,991	51,941	59,483	7,542
Total Revenues	152,263	86,601	238,864	247,557	8,693
EXPENDITURES:					
Instruction:					
Salaries	-	29,514	29,514	28,656	858
Purchased Professional-Educational Services	-	19,760	19,760	19,760	-
Other Purchased Services	-	18,641	18,641	18,499	142
Tuition	115,095	(15,095)	100,000	100,000	-
General Supplies	-	35,460	35,460	32,929	2,531
Other Objects	10,909	(5,409)	5,500	-	5,500
Total Instruction	126,004	82,871	208,875	199,844	9,031
Support Services:					
Salaries	-	10,000	10,000	10,000	-
Other Purchased Services	12,309	(3,231)	9,078	9,078	-
General Supplies	13,948	(13,948)	-	-	-
Scholarships Awarded	-	-	-	300	(300)
Student Activities	2	-	2	12,667	(12,665)
Total Support Services	26,259	(7,179)	19,080	32,045	(12,965)
Facilities Acquisition & Construction Services:					
Non Instructional Equipment	-	10,909	10,909	10,909	-
Total Facilities Acquisition & Construction Services	-	10,909	10,909	10,909	-
Total Expenditures	152,263	86,601	238,864	242,798	(3,934)
Total Outflows	152,263	86,601	238,864	242,798	(3,934)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	4,759	4,759
Fund Balance, July 1	8,669	-	8,669	8,669	-
Fund Balance, June 30	\$ 8,669	\$ -	\$ 8,669	\$ 13,428	\$ 4,759
Recapitulation:					
Restricted:					
Scholarships				\$ 8,111	
Student Activities				5,317	
Total Fund Balance				\$ 13,428	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

**MEDFORD LAKES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2025**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 10,894,609	\$ 247,557
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(5,579)
State aid revenue adjustment due to last state aid payment not being recognized in accordance with GASB No. 33		
Prior Year	121,355	-
Current Year	(135,182)	-
Total Revenues as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 10,880,782	\$ 241,978
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 10,980,351	\$ 242,798
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.	-	(5,579)
Total Expenditures as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 10,980,351	\$ 237,219

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

**MEDFORD LAKES SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
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	0.00596%	0.00676%	0.00677%	0.00746%	0.00651%	0.00647%	0.00664%	0.00740%	0.00695%	0.00662%
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	\$ 810,238	\$ 979,824	\$ 1,022,118	\$ 883,544	\$ 1,061,728	\$ 1,166,610	\$ 1,308,322	\$ 1,722,373	\$ 2,059,064	\$ 1,485,189
District's covered-employee payroll	503,071	531,322	519,898	540,297	491,760	486,374	485,423	466,956	459,925	502,133
Plan fiduciary net position as a percentage of the total pension liability	161.06%	184.41%	196.60%	163.53%	215.90%	239.86%	269.52%	368.85%	447.70%	295.78%
	68.22%	65.23%	40.13%	70.33%	58.31%	56.27%	53.60%	48.10%	40.14%	56.31%

MEDFORD LAKES SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 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	\$ 81,138	\$ 90,412	\$ 85,409	\$ 87,345	\$ 71,224	\$ 62,978	\$ 66,094	\$ 68,544	\$ 61,763	\$ 56,881
Contributions in relation to the contractually required contribution	81,138	90,412	85,409	87,345	71,224	62,978	66,094	68,544	61,763	56,881
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 531,322	\$ 519,898	\$ 540,297	\$ 491,760	\$ 486,374	\$ 486,374	\$ 466,956	\$ 459,925	\$ 502,133	\$ 467,756
Contributions as a percentage of covered payroll	15.27%	17.39%	15.81%	17.76%	14.64%	12.95%	14.15%	14.90%	12.30%	12.16%

**MEDFORD LAKES SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
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	17,001,357	18,160,689	18,411,840	16,509,316	23,117,782	21,086,744	21,181,740	22,590,675	26,517,402	18,554,680
District's covered-employee payroll	\$ 4,379,848	\$ 3,491,030	\$ 4,232,714	\$ 4,046,714	\$ 4,086,592	\$ 3,911,181	\$ 3,699,904	\$ 3,726,632	\$ 3,596,456	\$ 3,457,755
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%	28.7%

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

**MEDFORD LAKES SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

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

MEDFORD LAKES 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*

	Fiscal Year Date Ending June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability								
Service Cost	\$ 705,507	\$ 723,451	\$ 928,035	\$ 998,672	\$ 544,644	\$ 540,234	\$ 614,569	\$ 737,167
Interest Cost	673,221	632,049	483,388	560,759	537,168	679,535	750,388	647,793
Differences Between Expected and Actual Differences	93,058	(1,209,120)	568,796	(4,380,316)	4,632,212	(3,225,786)	(2,267,796)	-
Changes of Assumptions	1,530,057	36,172	(4,893,128)	21,326	4,538,076	223,814	(1,978,405)	(2,579,799)
Contributions: Member	17,605	16,197	15,360	14,336	13,109	13,659	15,933	17,541
Gross Benefit Payments	(514,149)	(492,693)	(478,811)	(441,721)	(432,507)	(460,790)	(460,998)	(476,365)
Net Change in District's Total OPEB Liability	2,505,299	(293,944)	(3,376,360)	(3,226,944)	9,832,702	(2,229,334)	(3,326,309)	(1,653,663)
District's Total OPEB Liability (Beginning)	17,946,372	18,240,316	21,616,676	24,843,620	15,010,918	17,240,252	20,566,561	22,220,224
District's Total OPEB Liability (Ending)	<u>\$ 20,451,671</u>	<u>\$ 17,946,372</u>	<u>\$ 18,240,316</u>	<u>\$ 21,616,676</u>	<u>\$ 24,843,620</u>	<u>\$ 15,010,918</u>	<u>\$ 17,240,252</u>	<u>\$ 20,566,561</u>
District's Covered Employee Payroll	\$ 4,882,919	\$ 4,022,352	\$ 4,752,612	\$ 4,587,011	\$ 4,578,352	\$ 4,397,555	\$ 4,185,327	\$ 4,193,588
District's Net OPEB Liability as a Percentage of Payroll	419%	446%	384%	471%	543%	341%	412%	490%

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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

**MEDFORD LAKES SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL 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, 2023, to 3.93% as of June 30, 2024.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

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

	E.S.E.A.	I.D.E.A.	I.D.E.A.	I.D.E.A.	SCHOOL	STUDENT	SCHOLARSHIPS	TOTALS
	CONSOLIDATED	PART B	PART B	PART B	SECURITY	ACTIVITIES		
	TITLE I	TITLE IIIA	TITLE IV	TITLE I	GRANT	GRANTS		
Revenues:								
Federal Sources	\$ 17,227	\$ 9,078	\$ 10,000	\$ 19,760	\$ -	\$ -	\$ -	\$ 177,165
State Sources	-	-	-	-	10,909	-	-	10,909
Local Sources	-	-	-	-	-	41,757	698	59,483
Total Revenues	\$ 17,227	\$ 9,078	\$ 10,000	\$ 19,760	\$ 10,909	\$ 41,757	\$ 698	\$ 247,557
Expenditures:								
Instruction:								
Salaries	\$ 5,141	\$ -	\$ -	\$ 5,929	\$ -	\$ 15,086	\$ -	\$ 28,666
Purchased Professional Services	-	-	-	19,760	-	2,500	-	19,760
Other Purchased Services	-	-	-	-	-	18,499	-	18,499
Tuition	-	-	100,000	-	-	-	-	100,000
General Supplies	12,086	-	-	-	-	85	-	32,929
Total Instruction	17,227	-	119,760	5,929	-	15,171	-	199,844
Support Services:								
Salaries of Other Staff	-	-	10,000	-	-	-	-	10,000
Other Purchased Services	-	9,078	-	-	-	-	-	9,078
Scholarships Awarded	-	-	-	-	-	-	300	300
Student Activities	-	-	-	-	-	12,667	-	12,667
Total Support Services	-	9,078	10,000	-	-	12,667	300	32,045
Facilities Acquisition & Construction Services:								
Non Instructional Equipment	-	-	-	-	10,909	-	-	10,909
Total Facilities Acquisition & Construction Services	-	-	-	-	10,909	-	-	10,909
Total Expenditures	17,227	9,078	10,000	119,760	10,909	15,171	300	242,798
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	4,361	398	4,759
Fund Balance, July 1	-	-	-	-	-	956	7,713	8,669
Fund Balance, June 30	-	-	-	-	-	5,317	8,111	13,428

F. Capital Projects Fund

**MEDFORD LAKES 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			UNEXPENDED BALANCE JUNE 30, 2025
			PRIOR YEARS	CURRENT YEAR	TRANSFER TO DEBT SERVICE	
Neeta Elementary Capital Improvements	2/1/2018	\$ 1,525,543	\$ 1,393,386	\$ -	\$ 132,157	\$ -
	Total		\$ 1,393,386	\$ -	\$ 132,157	\$ -

**MEDFORD LAKES 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:	
Interest Earnings	<u>\$ 14,007</u>
Total Revenue	<u>14,007</u>
Expenditures & Other Financing Uses:	
Transfer to Debt Service	<u>146,164</u>
Total Expenditures	<u>146,164</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(132,157)</u>
Fund Balance - Beginning	<u>132,157</u>
Fund Balance - Ending	<u><u>\$ -</u></u>

**MEDFORD LAKES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
NEETA ELEMENTARY SCHOOL CAPITAL IMPROVEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 1,525,543	\$ -	\$ 1,525,543	\$ 1,525,543
Total Revenues	1,525,543	-	1,525,543	1,525,543
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	211,245	-	211,245	154,214
Construction Services	842,710	-	842,710	1,371,329
Transfer to Debt Service	339,431	132,157	471,588	-
Total Expenditures	1,393,386	132,157	1,525,543	1,525,543
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 132,157	\$ (132,157)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Bond Authorization Date	2/1/2018
Bonds Authorized	
Bonds Issued	\$ -
Original Authorized Cost	\$ 1,525,543
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,525,543
Percentage Increase Over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	6/30/2019
Revised Target Completion Date	Complete

I. Long-Term Debt

**MEDFORD LAKES SCHOOL DISTRICT
LONG-TERM DEBT ACCOUNT GROUP
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2024	RETIRED	BALANCE JUNE 30, 2025
			DATE	AMOUNT				
2018 General Bonds	2/1/2018	\$ 2,994,000	1/15/26	\$ 240,000	2.250%	\$ 2,114,000	\$ 200,000	\$ 1,914,000
			1/15/27	240,000	2.375%			
			1/15/28	240,000	3.00%			
			1/15/29	240,000	3.00%			
			1/15/30	240,000	3.00%			
			1/15/31	240,000	3.00%			
			1/15/32	240,000	3.00%			
			1/15/33	234,000	3.00%			
Total						<u>\$ 2,114,000</u>	<u>\$ 200,000</u>	<u>\$ 1,914,000</u>

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

	JUNE 30, 2025				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 70,842	\$ -	\$ 70,842	\$ 70,842	\$ -
State Sources					
Debt Service Aid	85,303	-	85,303	85,303	-
Total Revenues	156,145	-	156,145	156,145	-
Expenditures:					
Regular Debt Service:					
Interest	58,370	-	58,370	58,370	-
Redemption of Principal	200,000	-	200,000	200,000	-
Total Expenditures	258,370	-	258,370	258,370	-
Other Financing Sources/(Uses):					
Transfer In	-	-	-	146,164	146,164
Total Other Financing Sources/(Uses)	-	-	-	146,164	146,164
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures	(102,225)	-	(102,225)	43,939	146,164
Fund Balance, July 1	197,145	-	197,145	197,145	-
Fund Balance, June 30	\$ 94,920	\$ -	\$ 94,920	\$ 241,084	\$ 146,164

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.

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 1,591,747	\$ 1,660,715	\$ 1,762,007	\$ 3,753,177	\$ 3,477,399	\$ 3,228,931	\$ 2,828,463	\$ 846,585	\$ 3,011,010	\$ 2,948,667
Restricted	3,894,632	3,957,563	3,453,250	338,219	3,154,730	2,558,845	2,004,233	3,242,217	1,030,089	703,887
Unrestricted	(953,956)	(898,590)	(505,171)	(1,143,249)	(1,469,694)	(1,482,202)	(1,447,909)	(1,394,930)	(1,279,462)	(1,254,889)
Total Governmental Activities Net Position	\$ 4,532,423	\$ 4,719,688	\$ 4,710,086	\$ 2,948,147	\$ 5,162,435	\$ 4,305,574	\$ 3,384,787	\$ 2,693,872	\$ 2,761,637	\$ 2,397,665
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ -	\$ 2,058	\$ 4,118	\$ 6,175	\$ 8,232	\$ 10,289	\$ 12,346
Unrestricted	3,522	4,100	11,350	12,707	12,361	11,208	11,040	11,677	9,395	8,169
Total Business-Type Activities Net Position	\$ 3,522	\$ 4,100	\$ 11,350	\$ 12,707	\$ 14,419	\$ 15,326	\$ 17,215	\$ 19,909	\$ 19,684	\$ 20,515
Government-Wide:										
Net Investment in Capital Assets	\$ 1,591,747	\$ 1,660,715	\$ 1,762,007	\$ 3,753,177	\$ 3,479,457	\$ 3,233,049	\$ 2,834,638	\$ 854,817	\$ 3,021,299	\$ 2,961,013
Restricted	3,894,632	3,957,563	3,453,250	3,338,219	3,154,730	2,558,845	2,004,233	3,242,217	1,030,089	703,887
Unrestricted	(950,434)	(894,490)	(493,821)	(1,130,542)	(1,457,333)	(1,470,994)	(1,436,869)	(1,383,253)	(1,270,067)	(1,246,720)
Total Government Net Position	\$ 4,535,945	\$ 4,723,788	\$ 4,721,436	\$ 5,960,854	\$ 5,176,854	\$ 4,320,900	\$ 3,402,002	\$ 2,713,781	\$ 2,781,321	\$ 2,418,180

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Instruction:										
Regular	\$ 3,217,293	\$ 3,168,697	\$ 2,780,919	\$ 2,862,856	\$ 2,641,078	\$ 2,752,328	\$ 2,658,321	\$ 2,764,912	\$ 2,566,490	\$ 2,466,529
Special Education	963,237	962,180	978,320	988,545	969,920	925,016	876,784	1,127,542	1,073,386	1,056,285
Other Special Instruction	55,409	158,513	196,797	158,534	131,892	-	140,998	42,000	40,357	42,059
Other Instruction	102,022	91,175	77,683	68,726	15,633	35,079	34,640	41,860	27,532	39,198
Support Services & Undistributed Costs:										
Tuition	121,781	79,055	-	26,000	-	47,810	108,530	81,032	135,311	36,909
Health Services	161,595	167,238	168,048	162,033	156,507	152,500	154,064	172,343	138,104	133,716
Student & Instruction Related Services	944,303	1,124,560	1,145,936	781,890	693,005	685,832	704,404	700,127	583,452	559,820
Educational Media Services/School Library	181,563	155,621	148,633	140,404	142,042	137,234	109,604	63,971	65,481	61,214
Instructional Staff Training	3,612	174	-	-	-	-	-	4,400	-	14
School Administrative Services	114,897	119,750	113,605	121,753	117,716	115,758	136,655	114,976	119,561	148,276
General Administrative Services	377,812	373,492	367,598	351,457	416,256	324,704	376,149	343,449	312,810	296,379
Plant Operations & Maintenance	801,105	764,968	704,388	558,857	559,035	587,994	550,246	562,924	508,870	526,179
Pupil Transportation	154,406	67,492	42,559	60,633	25,656	31,522	54,424	126,772	126,135	98,052
Business & Other Support Services	227,820	295,621	314,815	281,716	300,887	275,572	270,116	273,588	228,404	233,226
Administration Information Technology	-	-	-	-	-	-	-	-	-	-
Unallocated Benefits	1,865,161	1,531,280	1,665,785	2,032,910	2,191,356	1,261,335	1,787,027	3,396,534	1,279,094	1,184,475
On Behalf TPAF Pension and Social Security Contributions	260,374	760,096	804,582	684,660	1,730,797	1,529,509	1,491,899	1,818,375	957,219	-
Interest on Long-Term Debt	73,188	77,304	81,303	89,055	109,254	131,071	182,966	145,901	115,510	125,863
Change in Compensated Absences	-	-	-	-	-	-	-	(29,830)	3,627	17,643
Unallocated Depreciation	308,263	311,920	506,908	335,883	332,074	185,545	183,966	183,966	195,526	213,827
Total Governmental Activities Expenses	9,933,841	10,209,136	10,097,879	9,705,912	10,533,108	9,178,809	9,820,793	11,934,842	8,476,869	7,239,664
Business-Type Activities:										
Food Service	4,019	12,878	9,587	8,782	2,058	11,918	14,728	12,499	13,401	16,754
Total Business-Type Activities Expense	4,019	12,878	9,587	8,782	2,058	11,918	14,728	12,499	13,401	16,754
Total District Expenses	\$ 9,937,860	\$ 10,222,014	\$ 10,107,466	\$ 9,714,694	\$ 10,535,166	\$ 9,190,727	\$ 9,835,521	\$ 11,947,341	\$ 8,490,270	\$ 7,256,418
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 903,100	\$ 1,608,151	\$ 1,660,200	\$ 1,866,117	\$ 2,899,664	\$ 1,770,923	\$ 2,271,050	\$ 3,151,390	\$ 1,386,288	\$ 151,731
Total Governmental Activities Program Revenues	903,100	1,608,151	1,660,200	1,866,117	2,899,664	1,770,923	2,271,050	3,151,390	1,386,288	151,731

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Business-Type Activities:										
Charges for Services:										
Food Service	1,678	3,023	6,024	4,660	519	7,209	7,695	8,073	8,226	9,565
Operating Grants & Contributions	1,502	2,395	2,175	2,404	626	2,820	4,339	4,651	4,344	4,862
Total Business Type Activities Program Revenues	3,180	5,418	8,199	7,064	1,145	10,029	12,034	12,724	12,570	14,427
Total District Program Revenues	\$ 906,280	\$ 1,613,569	\$ 1,668,399	\$ 1,873,181	\$ 2,900,809	\$ 1,780,952	\$ 2,283,084	\$ 3,164,114	\$ 1,398,858	\$ 166,158
Net (Expense)/Revenue:										
Governmental Activities	\$ (9,030,741)	\$ (8,600,985)	\$ (8,437,679)	\$ (7,839,795)	\$ (7,633,444)	\$ (7,407,886)	\$ (7,549,743)	\$ (8,783,452)	\$ (7,090,581)	\$ (7,087,933)
Business-Type Activities	(839)	(7,460)	(1,388)	(1,718)	(913)	(1,889)	(2,694)	225	(831)	(2,327)
Total Government-Wide Net Expense	\$ (9,031,580)	\$ (8,608,445)	\$ (8,439,067)	\$ (7,841,513)	\$ (7,634,357)	\$ (7,409,775)	\$ (7,552,437)	\$ (8,783,227)	\$ (7,091,412)	\$ (7,090,260)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property Taxes, Levied for General Purposes, Net	\$ 6,847,103	\$ 6,663,523	\$ 6,532,866	\$ 6,404,771	\$ 6,279,187	\$ 6,156,066	\$ 6,035,359	\$ 5,917,019	\$ 5,800,999	\$ 5,687,254
Taxes Levied for Debt Service	70,842	152,863	146,426	387,091	400,805	561,547	578,125	452,250	449,000	453,074
Federal & State Aid Not Restricted	1,528,608	1,458,508	2,080,200	1,739,796	1,665,918	1,633,952	1,556,802	2,262,159	1,111,264	1,103,320
Miscellaneous Revenue	396,923	335,693	136,244	93,849	91,656	128,386	70,372	84,259	93,290	82,569
Tuition Received	-	-	-	-	-	-	-	-	-	122,288
Cancellation of Prior Year's Accounts Payable	-	-	-	-	(4,197)	-	-	-	-	-
Total Governmental Activities	8,843,476	8,610,587	8,895,736	8,625,507	8,433,369	8,479,951	8,240,658	8,715,687	7,454,553	7,448,505
Business-Type Activities:										
Investment Earnings	261	210	31	6	6	-	-	-	-	-
Total Business-Type Activities	261	210	31	6	6	-	-	-	-	-
Total District-Wide	\$ 8,843,737	\$ 8,610,797	\$ 8,895,767	\$ 8,625,513	\$ 8,433,375	\$ 8,479,951	\$ 8,240,658	\$ 8,715,687	\$ 7,454,553	\$ 7,448,505
Change in Net Position:										
Governmental Activities	\$ (187,265)	\$ 9,602	\$ 458,057	\$ 785,712	\$ 799,925	\$ 1,072,065	\$ 690,915	\$ (67,765)	\$ 363,972	\$ 360,572
Business-Type Activities	(578)	(7,250)	(1,357)	(1,712)	(907)	(1,889)	(2,694)	225	(831)	(2,327)
Total District	\$ (187,843)	\$ 2,352	\$ 456,700	\$ 784,000	\$ 799,018	\$ 1,070,176	\$ 688,221	\$ (67,540)	\$ 363,141	\$ 358,245

MEDFORD LAKES SCHOOL DISTRICT
 FUND BALANCES AND GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Restricted	\$ 3,640,120	\$ 3,619,592	\$ 3,092,262	\$ 2,956,603	\$ 2,588,531	\$ 1,860,653	\$ 1,263,563	\$ 890,301	\$ 1,023,475	\$ 722,888
Assigned	24,987	74,000	375,951	198,285	66,565	120,851	119,545	117,926	148,861	78,879
Unassigned	153,540	224,624	422,587	151,939	138,290	98,653	138,968	162,104	144,413	142,927
Total General Fund	\$ 3,818,647	\$ 3,918,216	\$ 3,890,800	\$ 3,306,827	\$ 2,793,386	\$ 2,080,157	\$ 1,522,076	\$ 1,170,331	\$ 1,316,749	\$ 944,694
All Other Governmental Funds:										
Assigned, Reported in:										
Special Revenue Fund	13,428	8,669	26,024	25,396	26,932	-	-	-	-	-
Capital Projects Fund	-	132,157	232,740	333,338	507,337	507,337	552,557	2,337,802	6,614	6,614
Debt Service Fund	241,084	197,145	102,224	22,882	31,930	190,855	188,113	14,114	-	(1)
Total All Other Governmental Funds	\$ 254,512	\$ 337,971	\$ 360,988	\$ 381,616	\$ 566,199	\$ 698,192	\$ 740,670	\$ 2,351,916	\$ 6,614	\$ 6,613

MEDFORD LAKES SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Tax Levy	\$ 6,917,945	\$ 6,816,386	\$ 6,679,292	\$ 6,791,862	\$ 6,679,992	\$ 6,717,613	\$ 6,613,484	\$ 6,369,269	\$ 6,249,999	\$ 6,140,328
Tuition Charges	31,073	48,010	42,330	95,211	6,222	50,356	38,530	61,602	256,035	122,288
Rents and Royalties	-	1,950	-	-	-	-	-	-	-	-
Miscellaneous	456,406	387,921	150,233	120,941	121,050	152,771	90,922	84,259	93,290	82,569
State Sources	3,715,902	3,686,981	4,275,172	3,858,504	3,295,767	-	2,817,348	2,327,395	2,166,447	1,981,479
Federal Sources	171,586	535,774	427,213	159,144	135,183	41,768	115,087	135,824	125,070	136,617
Total Revenue	11,292,912	11,477,022	11,574,240	11,025,662	10,238,214	6,962,508	9,675,371	8,978,349	8,890,841	8,463,281
Expenditures										
Current Expense:										
Instruction	4,337,961	4,380,565	4,033,719	4,078,661	3,758,523	3,863,701	3,710,743	3,976,314	3,707,765	3,604,071
Undistributed Expenditures	6,823,548	6,802,294	6,609,677	5,912,745	5,277,922	4,856,674	4,872,263	4,668,443	4,291,760	4,078,233
Capital Outlay	35,801	7,135	80,869	44,868	19,288	61,561	1,710,345	676,458	20,260	26,910
Debt Service	278,630	282,630	286,630	660,530	658,180	659,830	641,521	452,250	449,000	453,075
Total Expenditures	11,475,940	11,472,624	11,010,895	10,696,804	9,713,913	9,441,766	10,934,872	9,773,465	8,468,785	8,162,289
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(183,028)	4,398	563,345	328,858	524,301	(2,479,258)	(1,259,501)	(795,116)	422,056	300,992
Other Financing Sources/(Uses):										
Cancellation of Prior Year Accounts Payable	-	-	-	-	(4,197)	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	2,994,000	-	-
Transfers in	146,164	117,803	11,342	181,807	15,074	16,856	173,999	20,728	1	-
Transfers Out	(146,164)	(117,803)	(11,342)	(181,807)	(15,074)	(16,856)	(173,999)	(20,728)	(1)	-
Total Other Financing Sources/(Uses)	-	-	-	-	(4,197)	-	-	2,994,000	-	-
Net Change in Fund Balances	\$ (183,028)	\$ 4,398	\$ 563,345	\$ 328,858	\$ 520,104	\$ (2,479,258)	\$ (1,259,501)	\$ 2,198,884	\$ 422,056	\$ 300,992
Debt Service as a Percentage of Noncapital Expenditures	2.44%	2.47%	2.62%	6.20%	6.79%	7.03%	6.95%	4.97%	5.31%	5.57%

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.

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

FISCAL YEAR ENDED JUNE 30,	INTEREST EARNINGS	TUITION	MISCELLANEOUS	TOTAL
2025	\$ 201,622	\$ 31,073	\$ 181,294	\$ 413,989
2024	173,628	48,010	142,895	364,533
2023	1,900	42,330	123,585	167,815
2022	1,958	95,211	84,083	181,252
2021	9,336	6,222	67,246	82,804
2020	40,572	50,356	70,958	161,886
2019	-	38,530	52,413	90,943
2018	-	61,602	34,739	96,341
2017	-	256,035	45,326	301,361
2016	-	122,288	47,837	170,125

Source: District records

**MEDFORD LAKES SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2025	\$ 677,700	\$ 444,894,000	\$ 6,704,000	452,275,700	\$ 67	452,275,767	2.494	\$ 676,772,904
2024	677,700	443,997,900	6,704,000	451,379,600	67	451,379,667	2.372	611,601,057
2023	614,900	443,890,200	6,827,900	451,333,000	281,809	451,614,809	2.355	611,678,449
2022	614,900	442,831,800	6,619,800	450,066,500	3,085,722	453,152,222	2.224	503,851,311
2021	630,200	441,557,400	6,813,200	449,000,800	312,842	449,313,642	2.247	479,815,092
2020	630,200	440,576,900	8,339,900	449,547,000	314,997	449,861,997	2.173	472,046,581
2019	1,154,500	439,717,700	8,473,400	449,345,600	330,890	449,676,490	1.992	453,972,602
2018	872,900	440,105,200	8,473,400	449,451,500	335,593	449,787,093	1.970	450,141,350
2017	954,800	440,338,200	8,473,400	449,766,400	336,134	450,102,534	1.885	456,460,836
2016	1,078,100	441,031,300	8,473,400	450,582,800	407,702	450,990,502	1.830	450,990,502

Source: Burlington County Abstract of Ratables

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	BOROUGH OF MEDFORD LAKES	BURLINGTON COUNTY	TOTAL
						DIRECT AND OVERLAPPING TAX RATE
2025	1.601	1.032	2.633	0.818	0.470	4.023
2024	1.533	0.961	2.494	0.779	0.438	3.802
2023	1.509	0.863	2.372	0.740	0.483	3.595
2022	1.479	0.876	2.355	0.705	0.457	3.517
2021	1.507	0.793	2.300	0.685	0.439	3.424
2020	1.483	0.741	2.224	0.671	0.435	3.330
2019	1.495	0.752	2.247	0.651	0.426	3.324
2018	1.470	0.703	2.173	0.647	0.420	3.240
2017	1.416	0.631	2.047	0.636	0.411	3.094
2016	1.390	0.602	1.992	0.617	0.408	3.017

Source: Burlington County Abstract of Ratables

**MEDFORD LAKES SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

TAXPAYER	2025		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Medford Lakes Colony Club	\$1,857,600	1	0.41%
SCF RC Funding IV, LLC	\$1,722,800	2	0.38%
Donnelly, Wilhelmina L Trustree	\$980,500	3	0.22%
Tiger Pines, LLLC	\$928,100	4	0.21%
Garron, Matthew	\$897,200	5	0.20%
Latti, Carol	\$893,300	6	0.20%
Plasha, Dennis Jr & Sarah	\$881,500	7	0.19%
Kim, David H	\$840,600	8	0.19%
Kent, Edward t & Megan K	\$820,900	9	0.18%
Big Timbers Lodge, LLC	\$813,600	10	0.18%
Total	<u>\$ 10,636,100</u>		<u>2.36%</u>

TAXPAYER	2016		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer #1			
Taxpayer #2			
Taxpayer #3			
Taxpayer #4			
Taxpayer #5		Not Available	
Taxpayer #6			
Taxpayer #7			
Taxpayer #8			
Taxpayer #9			
Taxpayer #10			
Total	<u>\$ -</u>		<u>0.00%</u>

Source: Municipal Tax Assessor

**MEDFORD LAKES 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	\$ 6,917,945	\$ 6,917,945	100.00%
2024	6,816,386	6,816,386	100.00%
2023	6,679,292	6,679,292	100.00%
2022	6,791,862	6,791,862	100.00%
2021	6,679,992	6,679,992	100.00%
2020	6,717,613	6,717,613	100.00%
2019	6,613,484	6,613,484	100.00%
2018	6,369,269	6,369,269	100.00%
2017	6,249,999	6,249,999	100.00%
2016	6,140,328	6,140,328	100.00%

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

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 a historical view of the School District's outstanding debt and its debt capacity.

**MEDFORD LAKES SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			PER CAPITA
	GENERAL OBLIGATION BONDS	FINANCED PURCHASES	TOTAL DISTRICT	
2025	\$ 1,914,000		\$ 1,914,000	N/A
2024	2,114,000	-	2,114,000	493
2023	2,314,000	-	2,314,000	540
2022	2,514,000	-	2,514,000	590
2021	3,064,000	-	3,064,000	783
2020	3,589,000	-	3,589,000	916
2019	4,094,000	-	4,094,000	1,038
2018	4,584,000	-	4,584,000	1,146
2017	1,945,000	-	1,945,000	481
2016	2,289,000	-	2,289,000	563

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

EXHIBIT J-11

**MEDFORD LAKES 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	\$ 1,914,000	\$ -	\$ 1,914,000	0.42%	N/A
2024	2,114,000	-	2,114,000	0.47%	493
2023	2,314,000	-	2,314,000	0.51%	540
2022	2,514,000	-	2,514,000	0.55%	590
2021	3,064,000	-	3,064,000	0.68%	783
2020	3,589,000	-	3,589,000	0.80%	916
2019	4,094,000	-	4,094,000	0.91%	1,038
2018	4,584,000	-	4,584,000	1.02%	1,146
2017	1,945,000	-	1,945,000	0.43%	481
2016	2,280,000	-	2,280,000	0.51%	563

EXHIBIT J-12

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Medford Lakes	\$ 4,059,941	100.00%	\$ 4,059,941
Lenape Regional School District	79,675,000	2.580%	2,055,615
Burlington County	173,076,920	1.062%	1,838,077
Subtotal, Overlapping Debt			7,953,633
Medford Lakes School District			2,114,000
Total Direct & Overlapping Debt			\$ 10,067,633

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

MEDFORD LAKES SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$ 20,324,058	\$ 18,346,005	\$ 16,614,587	\$ 14,493,077	\$ 14,775,680	\$ 14,450,253	\$ 14,053,950	\$ 9,034,347	\$ 13,569,680	\$ 13,821,526
Total Net Debt Applicable to Limit	1,914,000	2,114,000	2,314,000	2,514,000	3,064,000	3,589,000	4,094,000	4,584,000	1,945,000	2,290,000
Legal Debt Margin	\$ 18,410,058	\$ 16,232,005	\$ 14,300,587	\$ 11,979,077	\$ 11,711,680	\$ 10,861,253	\$ 9,959,950	\$ 4,450,347	\$ 11,624,680	\$ 11,531,526
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.42%	11.52%	13.93%	17.35%	20.74%	24.84%	29.13%	50.74%	14.33%	16.57%

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized Valuation Basis	
2024	\$ 744,324,662
2023	676,684,502
2022	611,396,640
	<u>\$ 2,032,405,804</u>
Average Equalized Valuation of Taxable Property	<u>\$ 677,468,601</u>
Debt Limit (3 % of Average Equalization Value)	\$ 20,324,058
Net Bonded School Debt	-
Legal Debt Margin	<u>\$ 20,324,058</u>

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

Demographic and Economic Information

Demographic and Economic information is intended to (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial 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's operates.

EXHIBIT J-14

**MEDFORD LAKES SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME	BURLINGTON COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE
2025	4,347	N/A	N/A	N/A
2024	4,291	N/A	N/A	3.5%
2023	4,287	320,170,308	74,684	3.0%
2022	4,260	296,052,960	69,496	2.9%
2021	3,911	262,639,294	67,154	4.9%
2020	3,919	248,966,232	63,528	7.9%
2019	3,945	241,197,300	61,140	2.7%
2018	4,000	237,084,000	59,271	3.1%
2017	4,042	232,750,486	57,583	3.5%
2016	4,068	227,502,900	55,925	3.9%

EXHIBIT J-15

**MEDFORD LAKES BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

	<u>2025</u>	<u>2016</u>
JUNE 30, 2025	EMPLOYEES	EMPLOYEES
Medford Lakes Board of Education	<u>103</u>	<u>102</u>
Total	<u><u>103</u></u>	<u><u>102</u></u>

The Borough has no other employers with more than 100 Full Time Employees

EXHIBIT J-16

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

INFORMATION NOT CURRENTLY AVAILABLE

Operations Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial 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.

**MEDFORD LAKES 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) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2025	439	\$ 9,218,943	\$ 21,000	16.50%	58	8/1	443.0	420.9	-8.28%	95.88%
2024	487	8,778,715	18,026	2.89%	58	9/1	483.0	458.6	-0.72%	94.17%
2023	485	8,497,114	17,520	5.06%	58	11.9/1	486.5	460.6	0.25%	94.96%
2022	485	8,087,741	16,676	8.07%	61	8.1/1	485.3	456.2	-0.49%	94.06%
2021	492	7,602,546	15,452	8.07%	61	8.1/1	487.7	468.7	-8.03%	95.26%
2020	533	7,621,226	14,299	-1.55%	55	9.7/1	530.3	513.5	2.35%	96.34%
2019	522	7,581,518	14,524	-0.15%	53	9.8/1	518.1	495.3	-2.89%	94.89%
2018	532	7,738,159	14,545	10.24%	46	12/1	533.5	505.7	-1.30%	95.06%
2017	546	7,204,097	13,194	2.95%	43	13/1	540.5	513.7	-0.81%	94.08%
2016	544	6,971,746	12,816	0.83%	43	13/1	544.9	520.7	0.29%	95.72%

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).

**MEDFORD LAKES SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary Schools:										
Neeta School:										
Square Feet	65,573	65,573	65,573	65,573	65,573	65,573	65,573	65,573	65,573	65,573
Capacity (Students)	489	489	489	489	489	489	489	489	489	489
Enrollment	282	329	326	328	342	364	364	358	373	380
Nokomis School:										
Square Feet	20,030	20,030	20,030	20,030	20,030	20,030	20,030	20,030	20,030	20,030
Capacity (Students)	160	160	160	160	160	160	160	160	160	160
Enrollment	157	158	159	157	150	169	158	174	167	169

Number of Schools at June 30, 2025:

- Elementary = 1
- Middle School = 1

Source: District Facilities Office

**MEDFORD LAKES SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

		NEETA SCHOOL		NOKOMIS SCHOOL		TOTAL
2025	\$	103,153	\$	55,544	\$	158,697
2024		81,385		66,413		147,798
2023		50,848		26,214		77,062
2022		45,511		22,615		68,126
2021		32,408		23,786		56,194
2020		32,271		23,786		56,057
2019		32,795		16,874		49,669
2018		35,852		23,311		59,163
2017		33,379		23,191		56,570
2016		33,346		13,272		46,618

* 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

**INSURANCE SCHEDULE
JUNE 30, 2025**

School Package Policy - Burlington County Insurance Pool - Joint Insurance Fund - BCIPJIF:	COVERAGE	DEDUCTIBLE
Specialty National Insurance Co.:		
Property - Blanket Building and Contents	\$ 175,000,000	\$ 500
Crime	500,000	500
General & Automobile Liability	27,000,000	-
Worker's Compensation	Statutory	-
Educator's Legal Liability	27,000,000	-
Travelers Insurance Company:		
Boiler & Machinery	125,000,000	1,000
AIG Insurance Company:		
Pollution Legal Liability	3,000,000	25,000

Source: District records.

SINGLE AUDIT SECTION



HOLT MCNALLY & ASSOCIATES

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 AND AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable President and Members
of the Board of Education
Medford Lakes School District
County of Burlington
Medford Lakes, 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 Medford Lakes 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 October 20, 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

Ryan Creamer
Certified Public Accountant
Public School Accountant, No. 2725

Medford, New Jersey
October 20, 2025



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Medford Lakes School District
County of Burlington
Medford Lakes, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Medford Lakes School District's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2025. The School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *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 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 auditing standards generally accepted in the United States of America; *Government Auditing Standards*, New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

Ryan Creamer
Certified Public Accountant
Public School Accountant, No. 2725

Medford, New Jersey
October 20, 2025

MEDFORD LAKES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS - THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) JUNE 30, 2025	UNEARNED REVENUE JUNE 30, 2025
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
Special Milk Program	10.556	251NJ304N1099	100-010-3350-026	\$ 1,502	7/1/24-6/30/25	\$ -	\$ 1,426	\$ (1,502)	\$ -	\$ (76)	\$ -
Special Milk Program	10.556	241NJ304N1099	100-010-3350-026	2,395	7/1/23-6/30/24	(84)	84	-	-	-	-
Total Child Nutrition Cluster						(84)	1,510	(1,502)	-	(76)	-
Total U.S. Department of Agriculture						(84)	1,510	(1,502)	-	(76)	-
U.S. Department of Education Passed Through New Jersey Department of Education:											
Title I Part A	84.010	S010A250030	100-034-5063-194	17,487	7/1/24-9/30/25	-	17,227	(17,227)	-	-	-
Subtotal						-	17,227	(17,227)	-	-	-
Title II Part A	84.367A	S367A250029	100-034-5063-290	9,078	7/1/24-9/30/25	-	9,078	(9,078)	-	-	-
Title II Part A	84.367A	S367A240029	100-034-5063-290	5,426	7/1/23-9/30/24	(209)	209	-	-	-	-
Title II Part A	84.367A	S367A230029	100-034-5063-290	5,666	7/1/22-9/30/23	(1,366)	1,366	-	-	-	-
Subtotal						(1,575)	10,653	(9,078)	-	-	-
Title IV	84.424	S424A250031	100-034-5063-348	10,000	7/1/24-9/30/25	-	10,000	(10,000)	-	-	-
Special Education Cluster:											
ID.E.A. Part B, Basic Regular	84.027A	H027A250100	100-034-5065-016	119,760	7/1/24-9/30/25	-	119,760	(119,760)	-	-	-
Subtotal						-	119,760	(119,760)	-	-	-
ID.E.A. Preschool	84.173A	H173A250114	100-034-5065-020	5,929	7/1/24-9/30/25	-	5,929	(5,929)	-	-	-
Subtotal						-	5,929	(5,929)	-	-	-
Total Special Education Cluster						-	125,689	(125,689)	-	-	-
Education Stabilization Fund:											
ARP ESSER	84.425U	S425U210027	100-034-5120-513	125,000	3/13/20-6/30/24	(30,943)	30,944	(1)	-	-	-
ARP Evidence Based Summer Learning	84.425U	S425U210027	100-034-5120-513	40,000	3/13/20-6/30/24	(1,736)	15,670	(13,934)	-	-	-
ARP Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	100-034-5120-513	40,000	3/13/20-6/30/24	(19,818)	21,054	(1,236)	-	-	-
ARP NJTSS Mental Health	84.425U	S425U210027	100-034-5120-513	45,000	3/13/20-6/30/24	(4,637)	4,637	-	-	-	-
Subtotal						(57,134)	72,305	(15,171)	-	-	-
Total U.S. Department of Education						(58,709)	235,874	(177,165)	-	-	-
Total Expenditures of Federal Awards						\$ (58,793)	\$ 237,384	\$ (178,667)	\$ -	\$ (76)	\$ -

MEDFORD LAKES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2025

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	JUNE 30, 2025 (ACCOUNTS RECEIVABLE)	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
STATE DEPARTMENT OF EDUCATION:									
General Fund:									
Equalization Aid	495-034-5120-078	\$ 784,087	7/1/24-6/30/25	\$ -	\$ 784,087	\$ (784,087)	\$ -	\$ 77,251	\$ 784,087
Special Education Categorical Aid	495-034-5120-089	518,787	7/1/24-6/30/25	-	518,787	(518,787)	-	51,113	518,787
Security Aid	495-034-5120-084	42,839	7/1/24-6/30/25	-	42,839	(42,839)	-	4,221	42,839
Total State Aid- Public				-	1,345,713	(1,345,713)	-	132,585	1,345,713
Transportation Aid	495-034-5120-014	26,367	7/1/24-6/30/25	-	26,367	(26,367)	-	2,597	26,367
Additional Nonpublic Transportation Aid	495-034-5120-014	9,816	7/1/24-6/30/25	-	-	(9,816)	(9,816)	-	9,816
Additional Nonpublic Transportation Aid	495-034-5120-014	7,735	7/1/23-6/30/24	(7,735)	7,735	-	-	-	-
Extraordinary Aid	495-034-5120-044	68,906	7/1/24-6/30/25	-	-	(68,906)	(68,906)	-	68,906
Extraordinary Aid	495-034-5120-044	88,244	7/1/23-6/30/24	(88,244)	88,244	-	-	-	-
Reimbursed TPAF Social Security Contribution	495-034-5094-003	322,392	7/1/24-6/30/25	-	306,516	(322,392)	(15,876)	-	322,392
Reimbursed TPAF Social Security Contribution	495-034-5094-003	313,941	7/1/23-6/30/24	(16,404)	16,404	-	-	-	-
Noncash Assistance: On-Behalf TPAF Pension									
Contributions	495-034-5094-002	1,439,016	7/1/24-6/30/25	-	1,439,016	(1,439,016)	-	-	1,439,016
On-Behalf TPAF Post-Retirement Medical	495-034-5094-001	420,481	7/1/24-6/30/25	-	420,481	(420,481)	-	-	420,481
On-Behalf TPAF Long Term Disability Insurance Contribution	495-034-5094-004	826	7/1/24-6/30/25	-	826	(826)	-	-	826
Total General Fund				(112,383)	3,651,302	(3,633,517)	(94,598)	135,182	3,633,517
Special Revenue Fund									
SDA Emergent	Unavailable	10,909	12/6/23-12/5/24	-	10,909	(10,909)	-	-	10,909
SDA School Security Grant	24E00624	27,751	12/1/23-12/31/24	(27,751)	-	-	(27,751)	-	-
Total Special Revenue Fund				(27,751)	10,909	(10,909)	(27,751)	-	10,909
Debt Service Fund									
Debt Service Type II	495-034-5120-075	85,303	7/1/24-6/30/25	-	85,303	(85,303)	-	-	85,303
Total State Financial Assistance				\$ (140,134)	\$ 3,747,514	\$ (3,729,729)	\$ (122,349)	\$ 135,182	\$ 3,729,729

Less State Financial Assistance Programs not subject to Calculation for Major Program Determination:

On Behalf TPAF Pension Contributions (Non-Budgeted)	495-034-5094-002	1,439,016	7/1/24-6/30/25			1,439,016			
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	495-034-5094-001	420,481	7/1/24-6/30/25			420,481			
On-Behalf TPAF Long Term Disability Insurance Contribution	495-034-5094-004	826	7/1/24-6/30/25			826			
Total State Financial Assistance subject to Calculation for Major Program Determination						<u>\$ (1,869,406)</u>			

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

**MEDFORD LAKES 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 Medford Lakes 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 15-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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.

**MEDFORD LAKES 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 (\$13,827) for the general fund and (\$5,579) 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	\$ -	\$ 3,619,690	\$ 3,619,690
Special Revenue Fund	171,586	10,909	182,495
Debt Service Fund	-	85,303	85,303
Food Service Fund	1,502	-	1,502
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 173,088</u>	<u>\$ 3,715,902</u>	<u>\$ 3,888,990</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Medford Lakes School District had no loan balances outstanding at June 30, 2025.

**MEDFORD LAKES 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 - SECTION IS NOT APPLICABLE

Internal control over major programs:

1) Material weakness(es) identified? yes no

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

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

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**MEDFORD LAKES 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

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

495-034-5120-078

495-034-5120-084

495-034-5120-089

State Aid - Public:

Equalization Aid

Categorical Security Aid

Categorical Special Education Aid

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

Section II – Financial Statement Findings- N/A

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 Office of School Finance, Department of Education, State of New Jersey.

None.

**MEDFORD LAKES 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 – N/A

STATE FINANCIAL ASSISTANCE – N/A

**MEDFORD LAKES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
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 – N/A

Federal Awards – N/A

State Financial Assistance – N/A