

OFFICIAL STATEMENT DATED JUNE 10 2025

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the School District (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Refunding Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations. In addition, interest on the Refunding Bonds and any gain from the sale thereof are not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently executed and construed. See "TAX MATTERS" herein.

\$21,220,000
THE BOARD OF EDUCATION OF THE
TOWNSHIP OF MOUNT LAUREL
IN THE COUNTY OF BURLINGTON, NEW JERSEY
SCHOOL REFUNDING BONDS, SERIES 2025
(Tax-Exempt)

Dated: Date of Delivery

Due: September 1, as shown below

The \$21,220,000 aggregate principal amount of School Refunding Bonds, Series 2025 ("Refunding Bonds"), of The Board of Education of the Township of Mount Laurel, in the County of Burlington, New Jersey ("Board" when referring to the governing body, and "School District" when referring to the legal entity governed by the Board), shall be issued in fully registered book-entry-only form without coupons. Principal of and interest on the Refunding Bonds will be paid to DTC (as hereinafter defined) on the respective maturity dates thereof upon presentation and surrender of the Refunding Bonds to the School District or its hereinafter designated paying agent, if any. Interest on the Refunding Bonds is payable semi-annually on March 1 and September 1, commencing on September 1, 2025, in each year until maturity. The Refunding Bonds are not subject to redemption prior to their stated maturity dates.

Upon initial issuance, the Refunding Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as securities depository for the Refunding Bonds. So long as Cede & Co. is the registered owner of the Refunding Bonds, payments of the principal of and interest on the Refunding Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as herein defined) which will, in turn, remit such payments to the Beneficial Owners (as herein defined) of the Refunding Bonds. Purchasers will not receive certificates representing their ownership interest in the Refunding Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Refunding Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant to receive payment of the principal of and interest on such Refunding Bond.

The School District is issuing the Refunding Bonds pursuant to: (i) Title 18A, Chapter 24, of the New Jersey Statutes, as amended and supplemented, N.J.S.A. 18A:24-1 et seq.; (ii) a refunding bond ordinance, duly and finally adopted by the Board on May 20, 2025; and (iii) a resolution duly adopted by the Board on May 20, 2025.

The Refunding Bonds are being issued to provide funds which will be used to: (i) currently refund and redeem all of the School District's outstanding callable School Bonds, Series 2018, maturing on September 1 in the years 2026 through 2033, both dates inclusive; and (ii) pay certain costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

The full faith and credit of the School District are irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds. The Refunding Bonds are general obligations of the School District payable as to principal and interest from *ad valorem* taxes to be levied upon all taxable property in the School District without limitation as to rate or amount. The Refunding Bonds are also entitled to the benefits of and are secured under the provisions of the New Jersey School Bond Reserve Act, P.L. 1980 c.72, as amended.

MATURITY SCHEDULE, INTEREST RATES AND YIELDS*

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2025	\$115,000	4.00%	2.65%	621808KN3	2030	\$2,685,000	4.00%	2.75%	621808KT0
2026	2,335,000	4.00	2.67	621808KP8	2031	2,755,000	4.00	2.80	621808KU7
2027	2,430,000	4.00	2.65	621808KQ6	2032	2,850,000	4.00	2.91	621808KV5
2028	2,530,000	4.00	2.66	621808KR4	2033	2,885,000	4.00	2.98	621808KW3
2029	2,635,000	4.00	2.67	621808KS2					

This cover contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices attached hereto, to obtain information essential to their making of an informed investment decision.

The Refunding Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the School District, and certain other conditions described herein. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has acted as Municipal Advisor to the School District in connection with the issuance of the Refunding Bonds. Certain legal matters will be passed upon for the School District by its Solicitor, Frank P. Cavallo, Jr., Esquire, of the law firm Parker McCay P.A., Mount Laurel, New Jersey. It is anticipated that the Refunding Bonds in definitive form will be available for delivery through DTC in Brooklyn, New York, on or about June 24, 2025.

FHN Financial Capital Markets

* A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Refunding Bonds only at the time of issuance of the Refunding Bonds and the County does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Refunding Bonds is subject to being changed after the issuance of the Refunding Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunding Bonds.

**THE BOARD OF EDUCATION OF THE
TOWNSHIP OF MOUNT LAUREL,
IN THE COUNTY OF BURLINGTON, NEW JERSEY**

Board of Education

Danielle Stuffo	President
Melissa DeClementi	Vice President
Roger Gibson	Member
Curtis Green	Member
John Lasken	Member
Susan Lovato	Member
Jade Moustakas	Member
Jonathan Paradise	Member
Sapna Rustagi	Member

Superintendent of Schools

Dr. George J. Rafferty

Business Administrator/Board Secretary

Robert F. Wachter, Jr.

Auditor

Bowman & Company LLP
Voorhees and Woodbury, New Jersey

Solicitor

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

Bond Counsel

Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor

Phoenix Advisors
A division of First Security Municipal Advisors, Inc.
Hamilton, New Jersey

The information which is set forth herein has been provided by the The Board of Education of the Township of Mount Laurel, in the County of Burlington, New Jersey ("Board" when referring to the governing body, and "School District" when referring to the legal entity governed by the Board), the Depository Trust Company ("DTC") and by other sources which are believed to be reliable by the School District, but the information provided by such sources is not guaranteed as to accuracy or completeness by the School District. Certain general and financial information concerning the School District is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the School District.

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to therein. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesperson or other person has been authorized by the Board or by the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Refunding Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Refunding Bonds by any person, in any jurisdiction in which it is unlawful for such offer, solicitation or sale. The information set forth herein has been obtained from the School District and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the School District since the date hereof.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by references to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be obtained from the School District during normal business hours.

Upon issuance, the Refunding Bonds will not be registered under the Securities Act of 1933, as amended, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the School District, will have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE REFUNDING BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

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APPENDIX B: FINANCIAL STATEMENTS OF THE BOARD OF EDUCATION OF THE
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APPENDIX C: FORM OF BOND COUNSEL OPINION

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OFFICIAL STATEMENT
Relating to

\$21,220,000
THE BOARD OF EDUCATION OF THE
TOWNSHIP OF MOUNT LAUREL
IN THE COUNTY OF BURLINGTON, NEW JERSEY
SCHOOL REFUNDING BONDS, SERIES 2025

INTRODUCTION

This Official Statement, including the cover page hereof and the appendices attached hereto, sets forth certain information relating to The Board of Education of the Township of Mount Laurel, in the County of Burlington, New Jersey ("Board" when referring to the governing body and "School District" when referring to the legal entity governed by the Board) and the issuance of its \$21,220,000 aggregate principal amount of School Refunding Bonds, Series 2025 ("Refunding Bonds"), pursuant to a refunding bond ordinance and the resolution of the Board described below.

The information contained herein relating to the School District including, *inter alia*, existing facilities, enrollment and other data was furnished by the School District unless otherwise indicated.

All financial and other information presented herein has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the School District.

AUTHORIZATION FOR THE REFUNDING BONDS

The School District is issuing the Refunding Bonds pursuant to: (i) Title 18A, Chapter 24, of the New Jersey ("State") Statutes, as amended and supplemented, *N.J.S.A. 18A:24-1 et seq.* ("School Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the Board on May 20, 2025 ("Refunding Bond Ordinance"); and (iii) a resolution, duly adopted by the Board on May 20, 2025 ("Resolution").

PURPOSE OF THE REFUNDING BOND ISSUE

The Refunding Bonds are being issued to provide funds which will be used to: (i) currently refund and redeem on September 1, 2025 ("Redemption Date") all of the School District's outstanding callable School Bonds, Series 2018, maturing on September 1 in the years 2026 through and including 2033, both dates inclusive ("Refunded Bonds"); and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds.

On the Redemption Date, the Refunded Bonds will be called for redemption at a redemption price equal to 100% of the principal amount thereof ("Redemption Price"), plus accrued interest thereon.

Pursuant to an Escrow Deposit Agreement ("Escrow Agreement"), dated the date of issuance of the Refunding Bonds, by and between the School District and TD Bank, N.A., Mount Laurel, New Jersey ("Escrow Agent"), a portion of the proceeds of the Refunding Bonds will be deposited with the Escrow Agent and such proceeds will be invested in direct non-callable obligations of the United States of America ("Government Obligations"), the principal of which, together with investment earnings thereon and cash on deposit, will be sufficient to make full and timely payments of the Redemption Price on the Redemption Date and interest on the Refunded Bonds up to the Redemption Date. The School District will give irrevocable instructions to the Escrow Agent on the delivery date to have the Refunded Bonds called for redemption on the Redemption Date.

The mathematical calculations and adequacy of the deposit provided for the Refunded Bonds will be verified by Bowman & Company LLP, Voorhees, New Jersey, certified public accountants ("Verification Agent"), at the time of the delivery of the Refunding Bonds. All moneys and Government Obligations deposited for the payment of the Refunded Bonds, including interest thereon, are pledged solely and irrevocably for the benefit of the owners of the Refunded Bonds.

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds with respect to the Refunding Bonds.

Sources of Funds:

Principal Amount of Refunding Bonds	\$21,220,000.00
Reoffering Premium	<u>1,105,877.35</u>
Total Sources of Funds	<u>\$22,325,877.35</u>

Uses of Funds:

Deposit into Escrow Fund	\$22,158,335.64
Costs of Issuance ⁽¹⁾	112,764.64
Underwriter's Discount	<u>54,777.07</u>
Total Uses of Funds	<u>\$22,325,877.35</u>

(1) Includes legal fees, municipal advisory fee, accounting fee, escrow agent fee, printing costs, rating agency fee, verification agent fee, rounding amount, additional proceeds, and miscellaneous issuance expenses.

THE REFUNDING BONDS

General Description

The Refunding Bonds will be issued in the aggregate principal amount shown on the front cover page hereof, will be dated the date of delivery and will bear interest from that date. Interest on the Refunding Bonds will be payable semiannually on March 1 and September 1 ("Interest Payment Dates"), commencing September 1, 2025, in each year until maturity. The Refunding Bonds will mature on September 1, in the years and in the principal amounts, as shown on the front cover page of this Official Statement.

The Refunding Bonds will be issued in fully registered book-entry only form without coupons in the principal denominations of \$5,000 or any integral multiple thereof. The principal of the Refunding Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Refunding Bonds at the business office of the School District, or its hereafter designated paying agent, if any. Interest on each Refunding Bond shall be payable on each Interest Payment Date of such Refunding Bond to the registered owner of record thereof appearing on the registration books kept by the School District for such purpose at the business office of the School District, as of the close of business on the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date ("Record Date").

So long as The Depository Trust Company, Brooklyn, New York ("DTC"), or its nominee, Cede & Co., is the registered owner of the Refunding Bonds, payments of the principal of and interest on the Refunding Bonds will be made directly to Cede & Co., as nominee for DTC. Disbursements of such

payments to the DTC Participants (as herein defined) is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as herein defined) of the Refunding Bonds is the responsibility of the DTC Participants and not the School District or its hereafter designated paying agent, if any. See "THE REFUNDING BONDS--Book-Entry Only System" herein.

Redemption Provisions

The Refunding Bonds are not subject to redemption prior to their stated maturity dates.

Book-Entry Only System¹

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Refunding Bonds, payment of principal and interest, and other payments on the Refunding Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Refunding Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the School District. Accordingly, the School District does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Refunding Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction.

¹ Source: The Depository Trust Company

Transfers of ownership interests in the Refunding Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Refunding Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Refunding Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District or its hereafter designated paying agent, if any, as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or its hereafter designated paying agent, if any, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the School District or its hereafter designated paying agent, if any, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or its hereafter designated paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Refunding Bonds at any time by giving reasonable notice to the School District or its hereafter designated paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, Refunding Bond certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Refunding Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but neither the School District nor the Underwriter take any responsibility for the accuracy thereof.

NEITHER THE SCHOOL DISTRICT NOR ITS HEREAFTER DESIGNATED PAYING AGENT, IF ANY, WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE REFUNDING BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE REFUNDING BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE REFUNDING BONDS.

Discontinuance of Book-Entry Only System

In the event that the book-entry only system is discontinued and the Beneficial Owners become registered owners of the Refunding Bonds, the following provisions would apply: (i) the Refunding Bonds may be exchanged for an equal aggregate principal amount of Refunding Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the business office of the School District; (ii) the transfer of any Refunding Bonds may be registered on the books maintained by the School District or its hereafter designated paying agent, if any, for such purpose only upon the surrender thereof to the School District together with the duly executed assignment in form satisfactory to the School District; and (iii) for every exchange or registration of transfer of Refunding Bonds, the School District or its hereafter designated paying agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Refunding Bonds. Interest on the Refunding Bonds will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Date.

SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS

Taxing Power

The Refunding Bonds are general obligations of the School District and the full faith and credit of the School District are irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds. The Refunding Bonds are payable, if payment is not provided in any other manner, from *ad valorem* taxes to be levied upon all taxable real property located within the School District without limitation as to rate or amount, except to the extent that enforcement of such payment may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

In accordance with Section 56 of the School Bond Law, *N.J.S.A.* 18A:24-56, the Refunding Bonds shall be a lien upon the real estate situated in the School District, the personal estates of the inhabitants of the School District and the property of the School District, and such estates and property shall be liable for the payment of the Refunding Bonds.

New Jersey School Bond Reserve Act

The Refunding Bonds will be secured under the provisions of the New Jersey School Bond Reserve Act of 1980, Chapter 56 of Title 18A of the New Jersey Statutes, as amended and supplemented, *N.J.S.A.* 18A:56-17 *et seq.* ("School Bond Reserve Act"). Pursuant to the School Bond Reserve Act, there shall be a

reserve comprised of two accounts, one in an amount equal to at least one and one-half percent (1.5%) of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued before July 1, 2003 ("Old Reserve Account") and another in an amount equal to at least one percent (1%) of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued on or after July 1, 2003 ("New Reserve Account", together with the Old Reserve Account, the "School Bond Reserve"). The amount to be held within the State Fund ("Fund") for the Support of Free Public Schools as the School Bond Reserve pledged by law to secure payments of principal and interest due on such bonds in the event of the inability of the issuer to make payment shall be determined on June 30 of each fiscal year by the State Treasurer and shall be funded in the amount determined by the State Treasurer on September 15 of the ensuing fiscal year. If the Old Reserve Account exceeds the amount determined to be required, the State Treasurer may transfer the excess to the New Reserve Account. The School Bond Reserve is required to be composed entirely of direct obligations of the United States Government or obligations guaranteed by the full faith and credit of the United States Government. The amount of the School Bond Reserve may not exceed the moneys available in the Fund. If a county, municipality or school district is unable to meet payment of principal or interest on any of its bonds issued for school purposes, it shall certify such liability to the Commissioner of Education ("Commissioner") and the Director of the Division of Local Government Services ("Director") at least ten (10) days prior to the date any such payment is due. If the Commissioner and Director approve the certification, they shall certify the same to the trustees of the Fund. The trustees of the Fund will purchase such bonds at par value or will pay to the bondholders the interest due or to become due within the limit of funds available in either account of the School Bond Reserve in accordance with the provisions of the School Bond Reserve Act. Payment by the trustees of the Fund on behalf of any county, municipality or school district shall be deducted from the appropriation or apportionment of State aid which may otherwise be payable to the school district, county or municipality, and shall not obligate the State or entitle the school district, county or municipality to the payment of any additional appropriation or apportionment. To date, there has been no occasion to call upon this Fund.

GENERAL INFORMATION REGARDING NEW JERSEY SCHOOL DISTRICTS

State's Role in Public Education

The Constitution of the State of New Jersey ("State") provides that the maintenance of and the support of a thorough and efficient system of public schools for the instruction of all children between 5 and 18 years of age is a legislative responsibility. Below is a summary of the role of the State.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the State Department of Education ("Department") which is a part of the executive branch of the State government. The Department is governed by the State Board of Education ("State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that are binding upon school districts, to acquire land and other property and to decide appeals from decisions of the Commissioner on matters of school law or State Board regulations.

The Commissioner is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State, with the advice and consent of the State Senate, for a five (5) year, salaried term. The Commissioner is responsible for the supervision of all school districts in the State and obligated to enforce the rules and regulations of the State Board. The Commissioner's consent is required for authorization to sell school bonds that exceed the statutory debt limits, and the Commissioner may also set the amount to be raised by taxation in a school district in a

fiscal year, if a school budget has not been approved by the voters of the school district or by a board of school estimate, as the case may be, or by the governing body of the municipality.

The Executive County Superintendent of Schools ("County Superintendent") is appointed in each county in the State by the Commissioner with the approval of the State Board. The Executive County Superintendent is the local representative of the Commissioner and is responsible for the daily supervision of the school districts in the county.

Structure of New Jersey School Districts

School districts are generally coterminous with the boundaries of the municipalities they serve. They are characterized by the manner in which the governing body takes office. Type I school districts, most commonly found in cities, have a board of education appointed by the mayor or chief executive officer of the municipality. In Type II districts, the board of education is elected by the voters of the school district. Almost all regional and consolidated school districts operate as Type II school districts. The School District is a Type II school district.

There is a procedure whereby a school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I school district, or the board of education in a Type II school district, or when petitioned for by fifteen percent (15%) of the voters of any school district.

STATE AID TO SCHOOL DISTRICTS

General

In 1973, the State Supreme Court ("Supreme Court") ruled that the existing method of financing school costs primarily through property taxation was unconstitutional. Pursuant to the Supreme Court's ruling, the State Legislature enacted the Public School Education Act of 1975 (P.L. 1975, c. 212) ("Act"), which required funding of the State's school aid through the State Gross Income Tax Act (P.L. 1976, c. 47). The Act also intended to provide property tax relief. A new formula (*N.J.S.A. 18A:7A-1 et seq.*), which took into account a local school district's ability to pay for its operating costs, was made available commencing July 1, 1976.

On June 5, 1990, the Supreme Court ruled in *Abbott v. Burke* that the school aid formula described above did not distribute funds fairly. The Supreme Court found that poorer urban districts were significantly disadvantaged under the then funding formula because revenues were derived primarily from property taxes. The Supreme Court found that wealthy districts were able to spend more, yet tax less for educational purposes. In urban areas, on the other hand, the Supreme Court found the opposite to be true.

The Quality Education Act of 1990

The Legislative response to *Abbott v. Burke* was the passage of the Quality Education Act of 1990 ("Quality Education Act"), (P.L. 1990, c. 52), which was signed into law on July 3, 1990. This law established a new formula for the distribution of state aid for public education commencing with the 1991-92 fiscal year. The law provided a formula that took into account property value and personal income to determine a district's capacity to raise money for public education. A budgetary limitation or "CAP" on expenditures was also provided in the law. The "CAP" was intended to control the growth in local property taxes. The Quality Education Act was amended and revised by Chapter 62 of the Pamphlet Laws of 1991 of the State, effective March 14, 1991, and further amended by Chapter 7 of the Pamphlet Laws of 1993, effective January 14, 1993.

On July 12, 1994, the Supreme Court declared the school aid formula under the Quality Education Act of 1990, as amended, unconstitutional on several grounds as it applied to the 30 special needs districts designated by the State in ongoing litigation commonly known as *Abbott v. Burke II*. No specific remediation was ordered, but the Supreme Court ultimately held that the Legislature and the Governor were required to have a new funding formula in effect by December 31, 1996 so that the new formula would be implemented in the 1997-98 fiscal year.

Comprehensive Educational Improvement and Financing Act of 1996

In keeping with the Supreme Court's deadline, then Governor Christine Todd Whitman signed into law on December 20, 1996, the Comprehensive Educational Improvement and Financing Act of 1996 ("CEIFA" or "Comprehensive Plan"). The Comprehensive Plan affects how public schools are funded by the State, beginning in the 1997-98 fiscal year.

The Comprehensive Plan departs from other funding formulas adopted in the State in defining what constitutes a "thorough and efficient" education, which is what the State Constitution requires every public school student to receive. The Comprehensive Plan further establishes the costs to provide each student with a "thorough and efficient" education.

In defining what constitutes a "thorough" education, the State Board adopted a set of Core Curriculum Content Standards. The purpose of these standards is to provide all students with the knowledge and skills that will enable them to be productive citizens when they graduate from any State high school, regardless of the school's location or socioeconomic condition. The Comprehensive Plan provides state aid assistance in the form of Core Curriculum Standards Aid based on a school district's financial ability to raise sufficient tax revenue for its students to achieve the Core Curriculum Contents Standards.

The definition of an "efficient" education under the Comprehensive Plan determines the cost to provide each student with an education that fulfills the requirements for the Core Curriculum Content Standards. The efficiency standard defines such things as optimal class size, administrator/teachers per student, schools per district, and the types and amount of classroom supplies, services, and materials. The Comprehensive Plan establishes an approximate amount per student to educate each student at various grade levels in the Core Curriculum Content Standards. This amount will be adjusted biennially for inflation by the consumer price index.

In determining how much Core Curriculum Standards Aid a school district will receive, the Comprehensive Plan considers each school district's financial ability to fund such a level of education. This component of the Comprehensive Plan is referred to as the local share requirement, namely, the amount of taxes that a school district can raise relative to other school districts based on property wealth and income levels. The purpose of the Core Curriculum Standards Aid is to provide school districts with adequate State assistance that is proportionate to their ability to pay. The purpose of this type of aid is to ensure that all school districts have the economic ability to provide their students with the ability to achieve the Core Curriculum Content Standards. In addition to the Core Curriculum Standards Aid, the Comprehensive Plan also provides per pupil assistance from the State for special education, early childhood programs, demonstrably effective programs, instructional supplement, bilingual education, county vocational schools and distance learning network.

Another form of aid that is provided by CEIFA is school facilities aid. During the 1997-98 fiscal period, this type of aid was provided to those school districts that qualified for aid under the Quality Education Act. The amount of school facilities aid that the State provided during the 1997-98 fiscal year was determined by the amount budgeted in the approved State budget.

Beginning in the 1998-99 fiscal year, State aid for school facilities consisted of a ratio that divides (i) the amount of debt service or the amount of facilities rent for lease terms that exceed five years required to be budgeted for a fiscal year period into (ii) the costs that are approved by the Department for a proposed building or renovation project. The approved facility costs under the Comprehensive Plan have not yet been determined. The Comprehensive Plan requires the Governor to submit to the legislature criteria for determining approved facilities costs, State support levels and maintenance incentives applicable to the fiscal year.

The Comprehensive Plan also limits the amount school districts can increase their annual current expense and capital outlay budgets. Generally, these budgets can increase by either two and one-half percent (2.5%) or the consumer price index, whichever is greater. Recent amendments to the Comprehensive Plan lowered the budget CAP to two and one-half percent (2.5%) from three percent (3%). Budgets can also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceed \$40,000 per pupil. Waivers are available from the Commissioner based on increasing enrollments and other fairly narrow grounds or by approval of the voters at the annual school election.

Under the Comprehensive Plan, rent payments made pursuant to a facilities lease purchase agreement for a term that exceeds five years are treated as debt service for accounting purposes. These rent payments will be eligible for aid in an amount determined in the State budget for the respective fiscal year. Rent payments under a facilities lease with a term not exceeding five years and under equipment leases are budgeted in the general fund and are subject to the school district's spending growth limitations under the Comprehensive Plan.

On May 14, 1997, the Supreme Court held that the Comprehensive Plan was unconstitutional as applied to the 28 special needs districts ("Abbott Districts") because: (1) its funding provisions fail to assure that students in such districts will receive a thorough and efficient education; and (2) supplemental programs to increase student performance in such districts have neither been adequately identified nor funded. They recognized the Core Curriculum Content Standards as a valid means of identifying what is a "thorough and efficient" education under the State Constitution, but found that the State did not adequately determine or provide the adequate funding level to allow those standards to be met in the Abbott Districts. The Comprehensive Plan was not held unconstitutional as applied to the non-Abbott Districts. The School District is not an Abbott District.

The Supreme Court ordered the State: (1) to increase State aid to the Abbott Districts for the 1997-98 school year to a level such that the per-pupil expenditure in such districts is equivalent to the average per-pupil expenditure in wealthy suburban districts; (2) through the Commissioner, to manage the additional spending to assure that it will be used to allow the students to meet the education content standards; and (3) under the supervision of the Superior Court, Chancery Division, to determine a plan to provide supplemental educational and facilities programs in the Abbott Districts.

Provisions for the additional amounts of money were appropriated in the State budgets. The Supreme Court then ruled that the Commissioner and the Department will be responsible for maintaining the educational system in accordance with the orders of the Supreme Court. In response to the order, the State enacted the Educational Facilities Construction and Financing Act discussed below.

Educational Facilities Construction and Financing Act

In response to the Supreme Court's order under CEIFA, then Governor Whitman signed into law on July 18, 2000, the Educational Facilities Construction and Financing Act ("Facilities Act"). The Facilities Act provides for full funding of the qualified costs of school facilities required in the Abbott Districts and for the funding of the qualified costs of school facilities for all other school districts in an amount equal to the ratio between their core curriculum facilities aid and their thorough and efficient budget times 115% or 40% of the qualified costs, whichever is greater. In lieu of debt service aid, school

districts may elect to receive grants for the State's share of the capital project and authorize bonds only for the local share of the capital project. School districts may receive debt service aid under the same formula for certain capital projects which were begun prior to the effective date of the Facilities Act.

A challenge was made to have the Facilities Act declared unconstitutional because it authorizes the issuance of debt paid out of the State's General Fund without voter approval. On August 21, 2002, the Supreme Court upheld the Facilities Act as constitutional advancing the guarantee of a "thorough and efficient" education.

School Funding Reform Act of 2008

On January 7, 2008, the New Jersey Legislature adopted Senate Bill No. 4000 (companion Assembly Bill No. 500) entitled the "School Funding Reform Act of 2008" ("School Funding Reform Act"), which establishes a new system for the funding of public school districts. The intent of the School Funding Reform Act is to create a fair, equitable, and predictable funding formula based on student characteristics, regardless of the community in which a student resides.

This legislation was signed into law by Governor Corzine on January 13, 2008.

The School Funding Reform Act maintains the requirements for the establishment and update by the State Board of the core curriculum content standards that define the substance of a thorough education; however it repeals certain sections of the Comprehensive Educational Improvement and Financing Act of 1996, P.L.1996, c.138, which established the State aid formulas that supported school district programs to implement such standards. In addition, the School Funding Reform Act establishes revised formulas for calculating such State aid.

The School Funding Reform Act also establishes two categorical State aid programs. The first categorical aid program will support the cost of providing services to general special education students that is not supported through the adequacy budget. The second categorical aid program will support security costs for school districts. The School Funding Reform Act also includes preschool education State aid, which will fund a significant expansion of early childhood programs. The School Funding Reform Act continues extraordinary special education aid, but with a number of revisions. In addition, the School Funding Reform Act establishes the State aid category of educational adequacy aid for certain school districts that received education opportunity aid in the 2007-2008 school year and are spending below adequacy.

Moreover, the School Funding Reform Act provides a new formula for determining the amount of State aid received by a school district or county vocational school district for transportation aid.

The School Funding Reform Act also addresses issues associated with the funding of charter school students, as well as remaining choice students. The School Funding Reform Act also amends the Facilities Act to establish the category of a "SDA" district, which is a district that received education opportunity aid or preschool expansion aid in the 2007-2008 school year. For these "SDA" districts, the State share for their school facilities projects will remain at 100% and they will be constructed by the New Jersey Schools Development Authority. The School Funding Reform Act also revises numerous sections of law that are related to school funding and school budgeting procedures.

In the Supreme Court's most recent decision in *Abbott v. Burke* (decided on May 28, 2009), it was determined that the School Funding Reform Act of 2008 is constitutional as applied to the State's 31 Abbott Districts. The Supreme Court ordered the State to provide school funding to all districts during

this and the next two (2) years in accordance with the School Funding Reform Act's funding formula, subject further to mandated review after three years of implementation.

Recent Developments in State Aid

The State provides aid to school districts in accordance with amounts provided annually in the State budget. Such aid includes equalization aid, special education categorical aid, transportation aid, preschool education aid, supplemental core curriculum standards aid, choice aid, education adequacy aid, security aid, adjustment aid and other aid as determined in the discretion of the Commissioner.

The State has reduced debt service aid by fifteen percent (15%) since 2011. As a result of the debt service aid reduction for such years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, for such years, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in such years' budgets representing fifteen percent (15%) of the school district's proportionate share of such respective years' principal and interest payments on the outstanding EDA bonds issued to fund such grants.

Pursuant to Public Law 2018, c.67, signed into law by the Governor of the State on July 24, 2018, the School Funding Reform Act has been modified to adjust the distribution of State aid to school districts in the State ("SFRA Modification Law"). In particular, the SFRA Modification Law revises the School Funding Reform Act so that, after calculating the amount of State aid available per pupil, State aid will be distributed to each school district based on student enrollment. The SFRA Modification Law also eliminates the application of the State aid growth limit and adjustment aid, but includes a transition period for school districts that will receive less State aid. Under the SFRA Modification Law, most school districts that will receive reduced State aid resulting from the revised funding formula will be provided a seven-year transition period during which funding will be reduced (with the exception of the Board of Education of the City of Jersey City, where the transition period will be five years). For those school districts where State aid will increase under the Proposed Legislation, the transition period to increase funding will be one-year. The School District makes no representations as to how the SFRA Modification Law will impact the School District's State aid in future years. Any changes in the School District's State aid due to the SFRA Modification Law will be accounted for in the School District's annual budget.

FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the federal government with allocation decided by the State, which assigns a proportion to each local school district. The Every Student Succeeds Act of 2015, 20 *U.S.C.A.* § 6301 *et seq.* ("ESSA") is a federal assistance program for which a school district qualifies to receive aid. Under the ESSA, states and local educational agencies have been given flexibility with regard to the use of federal funds for education. Federal aid is generally received in the form of block grants.

SUMMARY OF CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY RELATING TO SCHOOL DISTRICTS AND SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay for those budgeted amounts which are not provided by the State. The municipalities within which a school district is situated levy and collect the required taxes and must remit them in full to the school district.

School Budgets

On January 17, 2012, Governor Christopher J. Christie signed into law S-3148 which allows a school district to hold its annual school election in either April or on the same day as the General Election in November. The change in election date can be made by resolution of the board of education or the municipality or municipalities that are members of a regional board of education, or by citizen petition. The Board has passed a resolution to officially change the date of its annual election to the first Tuesday in November.

In a Type II school district holding its annual election in April, the elected board of education develops the budget proposal and, after a public hearing, submits it for voter approval. Debt service provisions are not subject to a voter approval. If approved, the budget goes into effect. If defeated, the municipal governing body has until May 19 to fix the amount to be raised by taxation and certify that amount to the County Board of Taxation. The board of education may then appeal the action of the governing body to the Commissioner.

In a Type II school district holding its annual election in November, the elected board of education develops the budget proposal in a timeframe identical to that described above. If the budget is at or below the state cap, voter approval is not required and the budget immediately goes into effect. If the budget exceeds the state mandated cap, the budget becomes temporary and the portion exceeding the cap is then submitted for voter approval in November.

The Commissioner must also review every proposed local school district budget for the then current school year. The Commissioner has the power to increase or decrease individual line items in a budget. Any amendments in the school district's budget must be approved by the board of the school district.

Limitation of Increase in the Net Current Expense Budget

Annual increases in a school district budget are limited by law subject to certain limited exceptions. Specifically, P.L. 2007, c. 62, which became effective April 3, 2007, amended the prior limitations on a school district's ability to increase its net budget under CEIFA by placing a four percent (4%) cap on the amount that can be raised by property taxation in a given year for school district purposes (excluding debt service payments) over the prior budget year's tax levy. Appropriations for the payment of debt service on bonds, notes and lease obligations over five (5) years approved by the Commissioner were not subject to such limitations and were required to be included in full in a school district's budget.

Although P.L. 2007, c. 62 allowed for certain adjustments to the four percent (4%) tax levy cap for increases in enrollment, reductions in state aid and increases in health care costs, the bill also granted to the Commissioner discretion to grant waivers from the cap for increases in special education costs, capital outlay, and tuition charges for sending districts. During the first school budget year following the enactment of P.L. 2007, c. 62 (i.e., for the school year 2007-2008), school districts were permitted to seek voter approval to exceed the four percent (4%) levy cap. Such approval had to be obtained by a simple majority of those voting. After the first year, however, school districts were required to receive approval by at least sixty percent (60%) of the voters to exceed the levy cap.

Legislation constituting P.L. 2010, c. 44 ("Chapter 44"), was adopted on July 13, 2010 and is applicable to the next local budget year following enactment. Chapter 44 provides limitation on school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by two percent (2%) over the prior year's tax levy; with exceptions only for enrollment increases, increases for certain normal and accrued liability for pension contributions in excess of two percent (2%), certain healthcare increases, and amounts approved by a simple majority of voters voting at

a special election. The process for obtaining waivers from the Commissioner for additional increases over the tax levy or spending limitations has been eliminated under Chapter 44.

The restrictions under Chapter 44 solely apply to the property tax levy related to a school district's general fund and are not applicable to a school district's debt service fund. Accordingly, there are no restrictions imposed by Chapter 44 on a local school district's ability to raise funds through its property tax levy for debt service, and nothing contained in Chapter 44 limits the obligation of a school district to levy *ad valorem* taxes upon all taxable real property within the district to pay debt service on its bonds or notes.

Uniform System of Bookkeeping

Effective July 1, 1993, the State mandated that all school districts develop and implement accounting practices consistent with generally accepted accounting principles ("GAAP"). In addition, the school districts are required to comply with the Uniform Minimum Chart of Accounts (Federal Handbook 2R2) for their internal accounting reporting systems. The School District's financial statements since the above effective date have been prepared in accordance with the GAAP requirements.

Annual Audits

The board of education of each school district annually shall have a licensed public school accountant perform an audit of a school district's accounts and financial transactions. Within five months after the end of the school fiscal year, the Commissioner shall receive certified copies of each school district's audit. In addition, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days of its completion.

Debt Limitation

Except as provided below, no additional debt shall be authorized by a local school district if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a grade pre-kindergarten through grade eighth school district, the School District can borrow up to three percent (3%) of the average equalized valuation of taxable property in the School District. The School District is within its debt capacity.

Bonds and Notes

School district bonds and bond anticipation notes are required to be issued in conformity with the School Bond Law, which establishes debt limits on the issuance of bonds or notes. The debt limits vary depending on the type of school system and grade levels of instruction as described above.

The School District is a Type II school district. All authorizations of debt in a Type II school district not having a board of school estimate require an approving referendum. The Local Finance Board and the Commissioner must approve any proposed authorization of debt that exceeds the combined statutory debt limitations of a Type II school district and the municipality or municipalities coterminous therewith. When such obligations are issued, they are issued in the name of the school district.

Prior to final approval, all authorizations of debt must be reported by a supplemental debt statement to the Division of Local Government Services, a State agency having regulatory responsibility for all state and local debt incurrence in the State.

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of

bonds authorized for such improvement or project. A school district's temporary notes may be issued for one year periods, with the final maturity not exceeding five years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired in each year subsequent to said third anniversary date.

Exceptions to the Requirements for the Issuance of Bonds and Notes

School districts may authorize and issue refunding bonds pursuant to *N.J.S.A. 18A:24-1 et seq.* without a voter referendum for the purpose of paying for the redemption of a series of bonds previously issued by the school district, together with the costs of issuing the refunding bonds.

Additionally, pursuant to *N.J.S.A. 18A:18A-4.6*, school districts may issue "energy savings obligations" (in the same manner as refunding bonds) without voter approval to fund the costs of certain improvements that result in reduced energy use, including, but not limited to, installation of energy efficient equipment; demand response equipment; combined heat and power systems; facilities for the production of renewable energy; water conservation measures, fixtures or facilities; building envelope improvements that are part of an energy savings improvement program; and related control systems for each of the foregoing (collectively, "Energy Conservation Measures"); provided that the amount of the savings resulting from reduced energy usage will cover the cost of such Energy Conservation Measures. Energy savings obligations require the approval of the Local Finance Board prior to issuance.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements: (i) for the acquisition of equipment; (ii) for the acquisition of land and school buildings; and (iii) for the construction or the improvement of the school buildings. Generally, lease purchase agreements for equipment cannot exceed five (5) years without the approval of the Commissioner. Lease purchase agreements for Energy Conservation Measures may be for a term of up to fifteen (15) years (twenty (20) years for the lease of combined heat and power equipment); provided that the amount of the savings resulting from reduced energy usage will cover the cost of such improvements. The Facilities Act repealed the authorization to enter into facilities leases in excess of five (5) years other than for Energy Conservation Measures. Lease purchase agreements involving a ground lease of school facilities for a term of five (5) years or less must be approved by the Commissioner. The payment of rent on a lease not in excess of five (5) years (other than for Energy Conservation Measures) is treated as a current expense and is within the CAP on the school district's budget. Under CEIFA, lease purchase payments on leases in excess of five years (other than for Energy Conservation Measures) will be treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and will be outside the school district's spending limitation on the General Fund.

Related Constitutional and Statutory Provisions

In the general election of November 2, 1976, as amended by the general election of November 6, 1984, the following Article 8, Section 1, Paragraph 7, in respect of a state income tax, was added to the State Constitution:

No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a

tax so levied on personal income be levied on payments received under the federal Social Security Act, the federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

A progressive state income tax is currently in effect in the State. Interest payable on the Refunding Bonds is exempt therefrom.

The State Constitution may only be amended after: (i) approval of a proposed amendment by three-fifths of all of the members of each house of the Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all of the members of each house and approval by a majority vote in a statewide referendum. Amendments failing to receive voter approval may not be resubmitted for voter approval before the third succeeding general election after such disaffirmance.

Rights and Remedies of Owners of Refunding Bonds

The New Jersey Municipal Finance Commission Act, Chapter 27 of Title 52 of the New Jersey Statutes, as amended and supplemented ("Municipal Finance Commission Act"), provides that when it has been established by court proceeding that a municipality has defaulted for over sixty (60) days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board (which, pursuant to the Municipal Finance Commission Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the "Commission") shall take control of the fiscal affairs of the defaulting municipality.

The Municipal Finance Commission Act provides that the Commission shall remain in control in the municipality until all bonds or notes of the municipality that have become due and all bonds or notes that will become due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Municipal Finance Commission Act empowers the Commission to direct the school district coterminous with the municipality to provide for the funding of bonds or notes of the school district and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Municipal Finance Commission Act further authorizes the Commission to bring and maintain an appropriate proceeding for the levy or collection of taxes for the payment of principal of or interest on such indebtedness, which special tax shall be levied upon all the real and personal property in the school district subject to taxation.

Under Article 6 of the Municipal Finance Commission Act, while the Commission functions in a municipality having a school district coterminous therewith, no judgment, levy, or execution against the school district or its property for the recovery of the amount due on any bonds, notes or other obligations of the school district in the payment of which it has defaulted, shall be enforced unless otherwise directed by court order. However, Article 6 of the Municipal Finance Commission Act also provides that upon application of any creditor made upon notice to the school district and the Commission, a court may vacate, modify, or restrict any such statutory stay contained therein.

Limitation of Remedies Under Federal Bankruptcy Code

The undertakings of the School District should be considered with reference to Chapter 9 of the Bankruptcy Act, 11 U.S.C. Section 901 *et seq.*, as amended by Public Law 94-260, approved May 8, 1976 ("Chapter 9"), the Bankruptcy Reform Act of 1978, effective November 1, 1979, Public Law 100-597, effective November 3, 1988, the Bankruptcy Reform Act of 1994, effective November 22, 1994, and other bankruptcy laws affecting creditors' rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter 9 and permit the State or any political subdivision, public agency, or

instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under Chapter 9 shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or materials actually provided within three (3) months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to *N.J.S.A. 52:27-40 et seq.* ("State Bankruptcy Statute"), which provides that a municipality or school district has the power to file a petition in bankruptcy provided the approval of the New Jersey Municipal Finance Commission has been obtained. The powers of the New Jersey Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter 9 does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality or school district must follow in order to take advantage of the provisions of the Bankruptcy Act.

THE ABOVE REFERENCES TO CHAPTER 9 AND THE STATE BANKRUPTCY STATUTE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE SCHOOL DISTRICT EXPECTS TO RESORT TO THE PROVISIONS OF CHAPTER 9 AND THE STATE BANKRUPTCY STATUTE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE BONDS.

INFORMATION REGARDING THE SCHOOL DISTRICT

General

General information concerning the School District, including statistical, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement.

Financial

Appendix "B" to this Official Statement contains audited financial statements of the School District for the Fiscal Year 2024. A copy of the 2024 audit prepared by Bowman & Company LLP, Voorhees and Woodbury, New Jersey, containing the financial statements and complete Reports of Audit may be obtained upon request to the office of the Business Administrator/Board Secretary.

LITIGATION

Upon delivery of the Refunding Bonds, the School District shall furnish an opinion of Frank P. Cavallo, Jr., Esquire, of the law firm Parker McCay P.A., Mount Laurel, New Jersey, the School District's solicitor ("Solicitor"), dated the date of delivery of the Refunding Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Refunding Bonds, or in any way contesting or affecting the validity of the Refunding Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Refunding Bonds. In addition, such opinion shall state that there is no litigation of any nature now pending or threatened by or against the School District wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the School District or adversely affect the power to levy, collect and enforce the collection of taxes and other revenues for the payment of its Refunding Bonds.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Refunding Bonds are subject to the approval of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the School District, whose approving legal opinion will be delivered with the Refunding Bonds substantially in the form set forth as Appendix "C" hereto. Certain legal matters will be passed on for the School District by the Solicitor.

The various legal opinions to be delivered concurrently with the delivery of the Refunding Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the School District, assuming continuing compliance by the School District with the tax covenants described below, under existing law, interest on the Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code") and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the School District with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the School District to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain

limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the “modified adjusted gross income” of the taxpayer and certain other individuals. “Modified adjusted gross income” means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by Banks, Thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. The School District has not designated the Bonds as “qualified tax-exempt obligations” for the purposes of Section 265(b)(1) of the Code.

Owners of the Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey

Bond Counsel is also of the opinion that interest on the Refunding Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Refunding Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Refunding Bonds.

PROSPECTIVE PURCHASERS OF THE REFUNDING BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LAW AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE REFUNDING BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 ("Rule"), promulgated under the Securities Exchange Act of 1934, as amended, by the Securities and Exchange Commission ("Commission"), the School District will, prior to the issuance of the Refunding Bonds, enter into an agreement substantially in the form set forth in Appendix "D" ("Continuing Disclosure Agreement").

The Board has previously entered into secondary market disclosure undertakings in accordance with the Rule. The Board appointed Phoenix Advisors, Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

CERTAIN RISK FACTORS

Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law on March 12, 2021 and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan provided funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the School District received \$2,952,227 in funding ("Plan Funds"). The deadline to obligate the Plan Funds was December 31, 2024 and to spend the Plan Funds is December 31, 2026. Such Plan Funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment.

While the effects of COVID-19 have abated significantly, the School District cannot predict, and does not predict, whether or if the Coronavirus or any similar viral disease (including any variants or sub-variants thereof) may reemerge in the future and, if such reemergence occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the School District.

Cyber Security

The School District relies on a large and complex technology environment to conduct its various operations. As a result, the School District faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the School District has invested in multiple forms of cybersecurity and operational safeguards.

Climate Change

The State of New Jersey is naturally susceptible to the effects of extreme weather events and natural disasters including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the School District as well as resulting in economic impacts such as loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the School District.

UNDERWRITING

The Refunding Bonds have been purchased from the School District at a public sale by FHN Financial Capital Markets, as underwriter ("Underwriter"), pursuant to a Certificate of Determination and Award, dated June 10, 2025. The Underwriter has purchased the Refunding Bonds in accordance with the Notice of Sale and the Official Form of Proposal at a purchase price of \$22,271,100.28 ("Purchase Price"). The Purchase Price reflects the principal amount of the Refunding Bonds, plus a premium of \$1,051,100.28. The Underwriter is obligated to purchase all of the Refunding Bonds if any Refunding Bonds are purchased.

The Underwriter intends to offer the Refunding Bonds to the public initially at the offering yields set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Refunding Bonds to the public. The Underwriter may offer and sell the Refunding Bonds to certain dealers (including dealers depositing Refunding Bonds into investment trusts) at yields higher than the public offering yields set forth on the cover page, and such yields may be changed, from time to time, by the Underwriter without prior notice.

NO DEFAULT

There is no record of default in the payment of the principal of or interest on the bonds or notes of the School District.

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Board in connection with the issuance of the Refunding Bonds (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Refunding Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the arithmetic computations supporting the conclusion that the principal amounts of, and interest earned on, the Government Obligations to be acquired with a portion of the proceeds of the Refunding Bonds, are sufficient to pay the Redemption Price on the Redemption Date and interest on the Refunded Bonds up to the Redemption Date will be independently verified by Bowman & Company LLP, certified public accountants, Voorhees, New Jersey.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("Rating Agency"), has assigned a rating of "AA" the Refunding Bonds based on the creditworthiness of the School District. The Refunding Bonds are further secured by the New Jersey School Bond Reserve Act.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The School District furnished to the Rating Agency certain information and materials concerning the Refunding Bonds and the School District. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Refunding Bonds.

PREPARATION OF OFFICIAL STATEMENT

The School District hereby states that the descriptions and statements herein and in the Appendices attached hereto, including financial and statistical statements, are true and correct in all material respects, and it will confirm the same to the purchasers of the Refunding Bonds by certificates signed by various officers and officials of the School District upon issuance and delivery of the Refunding Bonds.

All of the information has been obtained from sources which the School District considers to be reliable and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

Bond Counsel has not verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, assumes no responsibility therefore and will express no opinion with respect thereto.

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the Board and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

LEGALITY FOR INVESTMENT

Applicable laws of the State provide that the Refunding Bonds are legal investments for funds held by, *inter alia*, banks, savings banks, trust companies, insurance companies or associations and fiduciaries.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement may be directed to Robert F. Wachter, Jr., Business Administrator/Board Secretary, Mount Laurel Township School District, at (856) 235-3387 or the Municipal Advisor at (609) 291-0130.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement with the owners of the Refunding Bonds.

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement has been duly executed and delivered by the School District.

**THE BOARD OF EDUCATION OF THE
TOWNSHIP OF MOUNT LAUREL, IN THE
COUNTY OF BURLINGTON, NEW JERSEY**

By: /s/ Robert F. Wachter, Jr.

**ROBERT F. WACHTER, JR.,
Business Administrator/Board Secretary**

Dated: June 10, 2025

APPENDIX A

Economic and Demographic Information Relating to the School District and the Township of Mount Laurel, New Jersey

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

The public school system in the Township of Mount Laurel ("Township") is operated by the Board as a Type II school district. It functions independently of the Township through a nine (9) member board, elected by the voters in alternate three (3) year terms.

The Township's public school system has a total of eight (8) schools - seven (7) elementary schools and one (1) middle school. Students in grades nine through twelve attend Lenape Regional High School. The Lenape Regional High School District ("High School District") is comprised of the following Burlington County municipalities: Evesham Township, Medford Township, Medford Lakes Borough, Mount Laurel Township, Shamong Township, Southampton Township, Tabernacle Township, and Woodland Township. The High School District has four senior high schools, Cherokee – North and South, Lenape, Shawnee, and Seneca High School. The High School District also has a transition high school, Sequoia. Students in grades nine through twelve may also elect to attend the Burlington County Vocational School.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT SCHOOL ENROLLMENTS (1)

<u>Grade</u>	<u>2024</u>	<u>2023</u>	<u>October 15,</u> <u>2022</u>	<u>2021</u>	<u>2020</u>
PreK- K	432	443	439	441	364
1	379	379	390	407	389
2	392	381	407	380	349
3	380	415	372	367	379
4	416	386	365	380	405
5	392	361	386	398	384
6	379	385	399	385	418
7	401	402	384	415	415
8	418	391	415	420	408
Spec. Ed.	<u>588</u>	<u>604</u>	<u>600</u>	<u>571</u>	<u>551</u>
Total	<u>4,177</u>	<u>4,147</u>	<u>4,157</u>	<u>4,164</u>	<u>4,062</u>

School Facilities, Enrollment and Capacity (1)

The School District currently consists of eight (8) schools including grades K to 8. Below is a schedule of school facilities with current enrollments.

<u>Facilities</u>	<u>Date Constructed</u>	<u>Renovations/ Additions</u>	<u>Grades</u>	<u>Enrollment 10/15/24</u>	<u>Functional Capacity</u>
Countryside	1971	1987/2003/2019	K-4	292	418
Fleetwood	1963	1987/2003/2019	K-4	405	417
Hillside	1954	1959/1987/1998/2003/2019	K-4	386	443
Parkway	1966	1987/2003/2019	K-4	366	405
Harrington Middle	1969	2001/2003/2019	7-8	951	1,213
Larchmont	1990	2003/2019	K-4	368	444
Hartford School	1995	2001/2003/2019	5-6	930	1,178
Springville	2001	2019	K-4	<u>479</u>	<u>502</u>
Total				<u>4,177</u>	<u>5,020</u>

(1) Source: Local School District officials

Lenape Regional High School District School Enrollments (1)(2)

	<u>2024</u>	<u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>2021</u>	<u>2020</u>
Totals	<u>1,955</u>	<u>1,954</u>	<u>1,929</u>	<u>1,960</u>	<u>1,989</u>

Budget/Referendum History

<u>Budget Year</u>	<u>Outcome of Election</u>	<u>Amount of Current Expense</u>
2024-25	(3)	\$99,974,843
2023-24	(3)	91,618,965
2022-23	(3)	83,056,179
2021-22	(3)	80,162,445
2020-21	(3)	78,555,354

School District Employees

	<u>2024</u>	<u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>2021</u>	<u>2020</u>
Permanent Employees	<u>850</u>	<u>849</u>	<u>815</u>	<u>775</u>	<u>756</u>

Employee Collective Bargaining Units

The following is a schedule of employee collective bargaining units, number of employees represented and dates of expiration of current contracts:

	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
Mount Laurel Educational Association	658	6/30/2027
Mount Laurel Administrators' Association	17	6/30/2027

Compensated Absences

School District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin accumulating and vesting upon commencement of employment. The Board shall pay each employee retiring from the District for each accumulated unused sick day in accordance with the Board's schedule up to a maximum of 200 days. For additional information regarding compensated absences, see Appendix B: Note 14 to the Financial Statements as of June 30, 2024.

Pension Plans

Those School District employees who are eligible for pension coverage are enrolled in one of three pension systems established for school districts by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension plans, see Appendix B: Note 8 to the Financial Statements as of June 30, 2024.

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- (1) Source: Regional District officials
 - (2) Township of Mount Laurel students only
 - (3) Not subject to voter approval since levy was within State Cap.

HIGHER EDUCATION FACILITIES

Rowan College at Burlington County (Formerly Burlington County College)

Rowan College at Burlington County (formerly Burlington County College) (“RCBC” or “County College”) is a comprehensive, publicly supported, coeducational, two-year institution developed by the County and the State and accredited by the Middle States Association of Colleges and Schools. The County College was founded in October 1965 and opened in September 1969. The Board of County Commissioners (formally Board of Chosen Freeholders) sponsors the County College, appointing nine of the twelve Trustees.

In June 2015, the Rowan University Board of Trustees approved a resolution to partner with the County College thereby allowing students to obtain a bachelor's degree from Rowan University on the County College's Mount Laurel Campus. The unique partnership provides students the opportunity to seamlessly transition from the community college to the university. RCBC is the first community college in the region to offer junior-level courses as part of the “3+1” program in which students complete 75 percent of a Rowan University degree with the community college before completing their senior year at the university.

In July 2015, RCBC announced a transition from its original Pemberton Campus to the more accessible and modern Mount Laurel Campus. Located at the intersection of Route 38 and I-295, the 100-acre Mount Laurel campus is already home to the Technology and Engineering Center. Joining it as part of the transformed Mount Laurel campus is a new Health Sciences Center as well as a new Student Success Center – a 78,000 square foot, \$25.4 million state-of-the-art building that features a one-stop for student services from enrollment to academic planning, social spaces, library, bookstore, dining area and state-of-the-art technology. This building serves as the gateway to the newly transformed Mount Laurel campus with a total investment of \$55 million and renovation of 240,000 square feet.

RCBC's fall 2024 enrollment in academic courses was 6,620 students. In addition, the County College serves thousands of other County residents each semester through youth programs, Learning for Everyone, workforce development, theatrical productions, guest speakers, and art exhibitions.

The Board of Trustees governs the County College and certain fiscal matters are subject to review by the Board of School Estimate. The County College is not permitted to borrow for capital expenditures. Instead, the Board of Trustees and the Board of School Estimate certify the need for funding to the Board, which either currently appropriates the amount certified or authorizes the issuance of County Debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

Burlington County Institute of Technology

The Burlington County Board of Vocational Education was created by the Board in 1962 after a favorable referendum. The enrollment for the two campuses, Westampton and Medford, for the academic year 2023-2024 was 2,070 students.

The Burlington County Institute of Technology (“BCIT”) is governed by a consolidated Board of Education of the Special Services School District and the Vocational School District of the County of Burlington and certain fiscal matters are subject to the review of the Board of School Estimate. BCIT is not permitted to borrow for capital expenditures. Instead, the Board of Education and the Board of School Estimate certify the need for funding to the Board which either currently appropriates the amount certified or authorizes the issuance of County debt, generally in accordance with the provisions of the Local Bond Law except that no down payment is required.

BCIT contributes to the County workforce each year an average of 462 high school seniors certified in one of thirty-three career and technical programs and, through its Adult School Division, approximately 760 adults who have completed either a certification or licensing program in one of the thirty-five career programs offered. The Superintendent of BCIT is the liaison between the education community of the County and business and industry.

Burlington County Special Services School District

The Burlington County Special Services School District ("Special Services School District") was created by the Board in June, 1972. The Special Services School District is comprised of state-of-the-art facilities located in the Townships of Westampton, Lumberton and Mount Laurel which provide comprehensive educational and therapeutic programs for preschool and school-age students, ranging in age from three to eighteen, as well as young adults, ranging in age from eighteen to twenty-one. Students at the Special Service School District have access to the following programs: Sensory, Autism, Multiple Disabilities, Behavior Disabilities, Preschool Disabilities, Auditory Impaired, Career and Technical Education, and Transitions, a program designed to prepare students to be a self-sufficient, productive member of the community. The enrollment for the Special Services School District for the 2024-2025 academic year was 498 students.

SCHOOL DISTRICT BUDGETS

	<u>2024-25*</u>	<u>2023-24*</u>
Revenues/Sources:		
General Fund:		
Budgeted Fund Balance	\$ 4,340,729	\$ 5,330,689
Withdrawal from Cap Res-Transfer to Debt Service Fund	150,000	225,000
Withdrawal from Cap Res-for Local Share	695,307	
Withdrawal from Bus Advertising Reserve for Fuel Costs	1,170	
Withdrawal from Unemployment Fund Balance	500,000	
	<hr/>	<hr/>
Subtotal	5,687,206	5,555,689
Revenues from Local Sources:		
Local Tax Levy	69,225,895	67,232,100
Interest Earned on Capital Reserve Funds	500	500
Advertising Fees - School Buses	5,500	5,500
Other Restricted Miscellaneous Revenues	1,069,768	469,768
Unrestricted Miscellaneous Revenues	950,903	719,903
	<hr/>	<hr/>
Subtotal	71,252,566	68,427,771
Revenues from State Sources:		
Categorical Special Education Aid	4,651,691	4,403,215
Categorical Security Aid	477,126	455,081
Categorical Transportation Aid	2,508,070	2,505,704
Extraordinary Aid	1,000,000	
	<hr/>	<hr/>
Subtotal	8,636,887	7,364,000
Revenue from Federal Sources:		
Medicaid Reimbursement	67,283	63,028
	<hr/>	<hr/>
Subtotal	67,283	63,028
	<hr/>	<hr/>
Total General Fund	85,643,942	81,410,488
Special Revenue Fund:		
Student Activity Fund Revenue	101,163	112,856
	<hr/>	<hr/>
Total Revenues from Local Sources	101,163	112,856
Revenues from State Sources:		
Preschool Education Aid-Prior Year Carryover	188,218	
Preschool Education Aid	7,958,321	3,671,645
Other Restricted Entitlements	11,636	14,886
	<hr/>	<hr/>
Total Revenues from State Sources	8,158,175	3,686,531
Revenues from Federal Sources:		
Title I	296,049	198,649
Title II	59,367	45,125
Title III	27,346	14,844
I.D.E.A. Part B	899,459	798,505
ARP - ESSER		910,589
CRRSA Act - Learning Acceleration Grant		41,935
Other		43,277
CRRSA Act - Mental Health Grant		21,176
	<hr/>	<hr/>
Total Revenues from Federal Sources	1,282,221	2,074,100
Transfers from Operating Budget-Prek (Special Education)	1,450,174	979,390
Actual Revenues (Over)/Under Expenditures-Student Activity Fund	11,693	
	<hr/>	<hr/>
Total Special Revenue Fund	11,003,426	6,852,877

* As Originally Approved

SCHOOL DISTRICT BUDGETS

	<u>2024-25*</u>	<u>2023-24*</u>
Debt Service Fund:		
Budgeted Fund Balance	\$ 193,851	\$ 175,618
Transfers from Capital Reserve	150,000	225,000
Subtotal	343,851	400,618
Revenues from Local Sources:		
Local Tax Levy	2,011,367	1,980,296
Total Revenues from Local Sources	2,011,367	1,980,296
Revenues from State Sources:		
Debt Service Aid Type II	972,257	974,686
Total Debt Service Fund	3,327,475	3,355,600
Total Revenues/Sources	\$ 99,974,843	\$ 91,618,965
Deduct Revenues Included in Multiple Funds due to Transfers:		
Transfers from Operating Budget-Pre-Kindergarten (Special Education)	1,450,174	979,390
Transfers from Capital Reserve	150,000	225,000
Total Revenues/Sources Net of Transfers	\$ 98,374,669	\$ 90,414,575
Expenditures/Appropriations		
General Current Expense:		
Regular Programs-Instruction	\$ 28,645,738	\$ 27,511,397
Special Education-Instruction	9,869,849	9,667,947
Basic Skills/Remedial-Instruction	645,668	628,819
Bilingual Education-Instruction	330,907	326,907
School-Spon. Cocurricular Activities-Instruction	121,252	121,252
School Sponsored Athletics-Instruction	130,950	127,484
Other Instructional Programs-Instruction	85,000	85,000
Undistributed Expenditures:		
Instruction (Tuition)	2,102,184	1,469,342
Health Services	1,033,516	1,002,522
Other Support Services-Speech, OT, PT and Related Services	867,528	842,355
Guidance	1,201,149	1,166,469
Child Study Teams	2,170,880	2,110,971
Improvement of Instructional Services	786,354	771,820
Education Media Services - School Library	931,731	908,565
Instructional Staff Training Services	589,309	485,708
Support Services-General Administration	1,175,483	1,143,912
Support Services-School Administration	2,465,979	2,397,698
Central Services & Information Technology	1,755,747	1,700,808
Operation and Maintenance of Plant Services	6,346,848	6,581,224
Student Transportation Services	4,634,702	3,764,263
Personal Services-Employee Benefits	18,221,796	17,147,038
Total General Current Expenses	84,112,570	79,961,501
Capital Outlay:		
Interest Deposit to Capital Reserve	500	500
Equipment	299,807	269,807
Facilities Acquisition and Construction Services	695,307	479,424
Capital Reserve-Transfer to Repayment of Debt	150,000	225,000
Total Capital Outlay	1,145,614	974,731

* As Originally Approved

SCHOOL DISTRICT BUDGETS

	<u>2024-25*</u>	<u>2023-24*</u>
Special Schools Expenses:		
Summer School:		
Instruction	\$ 366,627	\$ 449,494
Total Summer School	366,627	449,494
Total Special Schools	366,627	449,494
General Fund:		
Transfer of Funds to Charter Schools	19,131	24,762
General Fund Grand Total	85,643,942	81,410,488
Special Revenue Fund:		
Student Activity Fund	112,856	112,856
State Projects:		
Preschool Education Aid - Instruction	1,084,057	1,047,162
Preschool Education Aid - Support Services	8,460,115	3,331,672
Preschool Education Aid - Facility Acquisition and Construction Services	52,541	272,201
Nonpublic Textbooks	1,272	1,980
Nonpublic Handicapped Services		2,136
Nonpublic Nursing Services	2,640	3,360
Nonpublic Technology Initiative		1,260
Nonpublic Security Aid	7,724	6,150
Total State Projects	9,608,349	4,665,921
Federal Projects:		
Title I	296,049	198,649
Title II	59,367	45,125
Title III	27,346	14,844
I.D.E.A. Part B	899,459	798,505
Other Projects		43,277
ARP - ESSER		910,589
CRRSA Act - ESSER II		
CRRSA Act - Learning Acceleration Grant		41,935
CRRSA Act - Mental Health Grant		21,176
Total Federal Projects	1,282,221	2,074,100
Total Special Revenue Fund	11,003,426	6,852,877
Debt Service Fund:		
Debt Service-Regular	3,327,475	3,355,600
Total Debt Service Fund	3,327,475	3,355,600
Total Expenditures/Appropriations	\$ 99,974,843	\$ 91,618,965
Deduct Revenues Included in Multiple Funds due to Transfers:		
Transfers Local Contribution-Transfer to Special Revenues-Inclusion	\$ 1,450,174	\$ 979,390
Transfers from Capital Reserve-Transfer to Repayment of Debt	150,000	225,000
Total Expenditures Net of Transfers	\$ 98,374,669	\$ 90,414,575

* As Originally Approved

HISTORICAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES (1)

	Fiscal Year Ending June 30,				
	2024	2023	2022	2021	2020
Revenues					
Tax levy	\$ 69,212,396.00	\$ 67,863,880.00	\$ 66,965,085.00	\$ 65,711,426.00	\$ 64,697,486.00
Miscellaneous	2,076,469.03	1,273,448.48	1,598,262.45	1,604,861.81	1,589,984.22
Local sources	151,930.86	121,839.70	87,310.07	38,868.42	-
State sources	33,195,221.12	28,670,567.08	25,947,121.55	21,078,680.13	18,161,540.08
Federal sources	2,656,422.53	2,656,609.14	2,709,341.94	2,275,590.99	1,733,248.14
Total revenue	107,292,439.54	100,586,344.40	97,307,121.01	90,709,427.35	86,182,258.44
Expenditures					
Instruction					
Regular instruction	30,402,615.84	26,539,838.49	25,140,968.30	24,017,662.22	23,374,432.50
Special education instruction	9,354,037.76	8,938,647.81	8,941,303.54	8,924,013.64	9,001,410.90
Other special instruction	786,494.61	692,714.27	670,195.45	736,077.81	770,655.28
Other instruction	643,985.58	715,548.56	635,042.26	211,710.85	502,998.80
Support services:					
Tuition	2,946,614.24	2,746,494.86	2,070,152.32	2,028,503.31	2,003,900.21
Student & inst. related services	11,900,905.23	9,958,426.62	8,231,630.52	7,806,742.28	7,401,239.85
General administration	1,178,221.22	1,142,104.78	1,034,850.68	1,134,812.41	1,034,987.24
School administrative services	2,329,541.52	2,249,172.76	2,190,661.87	2,014,075.71	2,084,068.00
Central services	896,054.21	855,572.70	891,935.46	836,290.37	919,880.87
Admin. information technology	770,191.31	856,305.87	705,081.29	842,568.03	724,985.33
Plant operations and maintenance	5,877,333.08	5,698,679.92	5,473,073.43	5,156,285.98	5,568,064.56
Pupil transportation	4,830,901.08	3,533,789.88	3,205,294.64	2,971,874.34	3,464,940.58
Unallocated benefits	34,603,916.40	32,195,756.35	31,646,987.29	27,295,776.78	24,547,618.19
Special schools	391,167.84	436,608.90	411,477.50	121,536.84	426,904.20
Capital outlay	1,107,554.31	2,125,210.18	2,308,112.48	4,402,376.91	9,414,198.19
Debt service:					
Principal	2,300,000.00	2,250,000.00	2,200,000.00	2,100,000.00	2,555,000.00
Interest and other charges	1,044,524.00	1,101,399.00	1,157,024.00	1,210,774.00	1,611,632.61
Total expenditures	111,364,058.23	102,036,270.95	96,913,791.03	91,811,081.48	95,406,917.31
Excess (deficiency) of revenues over (under) expenditures	(4,071,618.69)	(1,449,926.55)	393,329.98	(1,101,654.13)	(9,224,658.87)
Other financing sources (uses)					
Financed Purchases/Leases	-	-	-	1,500,000.00	-
Transfers in	1,219,185.18	769,390.80	50,617.57	114,577.69	500,000.00
Transfers out	(1,219,185.18)	(769,390.80)	(50,617.57)	(114,577.69)	-
Total other financing sources (uses)	-	-	-	1,500,000.00	500,000.00
Net change in fund balances	(4,071,618.69)	(1,449,926.55)	393,329.98	398,345.87	(8,724,658.87)
Fund Balances, July 1	16,431,690.40	17,881,616.95	17,488,286.97	17,089,941.10	24,511,064.63
Fund Balances, June 30	\$ 12,360,071.71	\$ 16,431,690.40	\$ 17,881,616.95	\$ 17,488,286.97	\$ 15,786,405.76

Note: GASB 84 was implemented for June 30, 2021 year end

(1) Source: School District Reports of Audit

HISTORICAL REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
ALL PROPRIETARY FUND TYPES (1)

	Fiscal Year Ended June 30,				
	2024	2023	2022	2021	2020
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 329,058.05	\$ 323,464.55			\$ 283,838.77
Daily Sales - Non-Reimbursable Programs	396,199.97	315,366.28			202,356.92
Other Miscellaneous			\$ 9,601.88		47,088.25
Tuition and Daycare Fees	813,556.76	658,664.25	548,364.50	\$ 178,022.75	695,353.26
Total Operating Revenues	1,538,814.78	1,297,495.08	557,966.38	178,022.75	1,228,637.20
OPERATING EXPENSES:					
Salaries	1,272,933.52	1,289,147.42	1,234,492.49	953,871.44	1,006,746.14
Employee Benefits	54,687.99	61,437.93	35,198.18	21,193.35	72,382.29
Supplies and Materials	49,480.71	42,950.12	49,729.14	34,493.53	50,974.26
Cost of Sales-Reimbursable Programs	400,508.68	415,367.25	437,369.35	206,066.85	246,644.75
Cost of Sales-Non-Reimbursable Programs	158,614.53	124,486.45	2,911.83		93,285.63
Management Fee	82,500.00	77,805.00	74,550.00	72,800.00	71,400.00
Insurance	16,630.51	17,275.24	15,217.61	7,577.44	14,226.16
Office Supplies				2,693.15	1,784.15
Service Contracts	67,274.25	29,140.00	28,588.91	31,364.59	58,402.23
Fees				3,621.60	8,533.60
Professional Fees					5,000.00
Miscellaneous	73,976.65	59,282.26	39,994.40	37,897.49	44,992.02
Depreciation and Amortization	85,139.65	97,491.64	88,378.73	69,425.70	65,590.00
Total Operating Expenses	2,261,746.49	2,214,383.31	2,006,430.64	1,441,005.14	1,739,961.23
Operating Income (Loss)	(722,931.71)	(916,888.23)	(1,448,464.26)	(1,262,982.39)	(511,324.03)
NONOPERATING REVENUES (EXPENSES):					
State Sources:					
State School Lunch Program	24,885.86	20,272.10	29,513.80	23,519.89	9,353.63
State School Breakfast Program	1,048.60	452.10			
Federal Sources:					
National School Lunch Program	390,518.11	440,524.88	1,168,173.99	465,901.20	250,561.62
National School Breakfast Program	21,897.53	23,464.03	39,104.53	247,120.11	20,568.20
Food Distribution Program	128,039.19	128,957.29	83,559.27	61,435.23	95,204.25
Pandemic EBT Admin			1,242.00		
COVID19 Supply Chain	104,975.08	115,130.79	84,952.55		
COVID19 EMOP			35,694.96		
Total Nonoperating Revenues (Expenses)	671,364.37	728,801.19	1,442,241.10	797,976.43	375,687.70
Income before Other Revenues, Expenses, Gains, Losses, and Transfers	(51,567.34)	(188,087.04)	(6,223.16)	(465,005.96)	(135,636.33)
OTHER REVENUES, EXPENSES, GAINS, LOSSES, AND TRANSFERS:					
Transfer to Governmental General Fund					(500,000.00)
Loss on Disposal of Noncurrent Assets			(6,864.00)		(9,962.00)
Total Other Revenues, Expenses, Gains, Losses, and Transfers	-	-	(6,864.00)	-	(509,962.00)
Change in Net Position	(51,567.34)	(188,087.04)	(13,087.16)	(465,005.96)	(645,598.33)
Net Position, July 1	4,089,503.31	4,277,590.35	4,290,677.51	4,755,683.47	5,401,281.80
Net Position, June 30	\$ 4,037,935.97	\$ 4,089,503.31	\$ 4,277,590.35	\$ 4,290,677.51	\$ 4,755,683.47

(1) Source: School District Reports of Audit

GENERAL INFORMATION ON THE TOWNSHIP

History

The Township was incorporated in 1872. It is located in the Northwestern section of the County, bordered on the north by Moorestown Township, on the south by Evesham Township and on the west by Cherry Hill Township in Camden County. The land area of the Township is approximately 22.15 square miles with a resident population of 44,633, according to the 2020 census.

The Township encompasses the unincorporated communities of Amberfield, Ashurst Glen, Autumnwood Estates, Bedford Walk, Bedford Walk Estates, Bedford Walk Manor, Birchfield, Bobby's Hunt, Bridlewood, Courts of Brookfield, Cambridge Estates, Canterbury Greene, Chalfonte Estates, Chamonix, Christopher's Crossing, Claridge Estates, Connelly Tract, Country Club Villas, Countryside Farms, Devonshire, Eagle Pointe, Enclave, Fairfield Estates, Fox Run, Gables, Grande at Springville, Haddon Point, Hartford, Hartford Woods, Heather Glen, Hickory Knoll, Hidden Lake Estate, Holiday-on-the-Green, Holiday Village, Holiday Village East, Hunters Crossing, Innisfree, Ivy Ridge, Jerrick Court, Krysta Court, Larchmont (including Devonshire Village, the Lakes and Brentwood Village), Larchmont Estates, Larchmont Manor, Laurel Creek, Laurel Knoll, Laurel Knoll East, Laurel Place, Laurel Pond, Laurel Ridings, Laurelton, Laurelwood, Ethel R. Lawrence, Longwood, Madison Place, Maple Glen, Masonville, Michaelson's Gate, Mill Run, Park Place, Parkers Creek, Pembroke, Pennoak, Pheasantmere, Ramblewood, Ramblewood Farms, Ramblewood Mews, Ramblewood-on-the-Green, Rancocas Pointe, Rancocas Woods, Ravenscliff, Rolling Glen, Saratoga Farms, Saybrooke, Signature Place, Springville, Spring Valley Estates, Stonegate, Stone Mill Estates, Stoney Hill, Tara Estates, Timbercrest, Tricia Meadows, Trotter's Landing, Union Mill Farms, Union Mill Terrace, Wellesley Reserve, Wilderness Run, Wildflowers, Willowmere, Wellsey Hunt and Wellington Estates.

Police

The Township has a full-time police department that has been accredited by the New Jersey State Association of Chiefs of Police since 2009. The department's professional and well trained staff consists of approximately eighty-six (86) sworn officers and is arranged into four divisions; Office of The Chief of Police, Operations Division, Administrative Division and the Office of Professional Standards. Many of the department's support and logistical functions are handled by its six (6) civilian employees, two (2) full time and two (2) part time Special Law Enforcement Officers II. Four (4) Special Law Enforcement Officers III are assigned to Mount Laurel Schools. Dispatch and 911 services for the Mount Laurel Police Department are handled by Burlington County Central Communications.

Emergency Medical Services

Mount Laurel Township Emergency Medical Services (MLEMS) is an emergency services organization that utilizes both career and volunteer personnel to provide emergency basic life support (BLS) ambulance services to the community. MLEMS is a licensed BLS provider through the NJ Department of Health. MLEMS is funded and operated as a township department. The organization is composed of approximately 40 career and 15 volunteer members. Career members include a combination of full-time, part-time, and per-diem personnel. Mount Laurel EMS, Inc., (MLEMS, Inc.) is a separate non-profit organization that serves as the volunteer component. MLEMS, Inc. provides volunteer staffing to supplement career personnel. Emergency services personnel operate under the direction of the EMS Director.

Personnel respond from one of three stations: Station 369 (Rodger Sharp Building), 201 Masonville Road; Station 368 (Charles Kritz, Sr. Building), 1051 South Church Street; and Station 367 (Mount Laurel Fire Department Station 362), 3824 Church Road.

MLEMS' standard of coverage consists of two (2) ambulances, 24/7/365, that are housed at Station 369 and Station 368, and a "power rig" ambulance that is staffed seven (7) days a week, from 8

AM to 8 PM that is housed at Station 367. MLEMS' fleet consists of seven (7) ambulances, three (3) command vehicles, two (2) support vehicles, and a pick-up truck/plow.

Emergency Management

Mount Laurel Office of Emergency Management (MLOEM) is a Township Department that is responsible for local emergency preparedness, response, recovery and mitigation following an "All-Hazard" approach to community safety. MLOEM is staffed by an Emergency Management Coordinator (NJCEM-Certified), three (3) Deputy Coordinators and sixteen (16) EOP Annex Coordinators. MLOEM operates a state of the art, fixed facility, Emergency Operations Center and communicates with the community thru direct engagement at meetings and public events, and via Social Media, Nixle, and CivicReady notification applications. Mount Laurel Township is a FEMA EMAA Funded Town. MLOEM has a supplemental staff of volunteers including a Community Emergency Response Team (CERT) with approximately fifteen (15) members. MLOEM has a two (2) SUV's and two (2) trailers stocked with disaster supplies to operate a one hundred ten (110) person Shelter Facility and a Medical Counter Measures – Point of Distribution (POD) facility. MLOEM, in cooperation with the Local Emergency Management Committee (LEMC) maintains a NJ State Approved Township Emergency Operation Plan which is updated and tested annually. Our LEMC is composed of representatives from OEM, Police, Fire, EMS, MUA, Public Works, Board of Education, Township Management, and Rowan College Public Safety. MLOEM also participates in the Burlington County Multi-Jurisdictional All Hazards Mitigation Plan.

Public Works

The Township's Department of Public Works is headed by a Director and is responsible for weekly trash collection, which is outsourced to a private company, road repair, snow removal, leaf pick up, brush removal and maintenance and upkeep of all public buildings and parks. In addition, the Township participates in a recycling program for glass, paper, aluminum and used motor oil. There are a total of forty-four (44) employees in the Township's Department of Public Works who operate various equipment owned by the Township.

Recreation

Twenty-six (26) parks and other various recreational areas are located in the Township including nineteen (19) tennis courts, twenty-six (26) baseball fields, fourteen (14) tot lots, fourteen (14) basketball courts, twenty-four (24) soccer fields, nine (9) volleyball courts and two (2) football fields. The Township maintains a senior citizen building for the Township's senior citizens. All parks and recreational areas are maintained by the Township's Parks and Recreation Division. The Township has four (4) large parks, Laurel Acres, Trotters, Spencer and Memorial Complex. Laurel Acres, a full ninety-eight (98) acre recreational facility, has six (6) soccer fields, seven (7) ball fields, walking/biking paths, two (2) fenced-in dog runs, two (2) pavilions, barbecue areas, a lake, volleyball courts, playground equipment, a maintenance building and rest rooms. Trotters is situated on one hundred fifty three (153) acres, has five (5) soccer fields. The Memorial Multi-Sport facility has two (2) turf-fields, two (2) multipurpose grass fields and a concession stand utilized by football, lacrosse, field hockey and soccer. There is a turf field on Marne highway. Spencer Park is a ten (10)-acre section of Rancocas State Park leased and maintained by the Township and contains five (5) softball fields. The PAWS Sports Complex is owned by the board of education and is situated on thirty-four (34) acres, has two (2) football/soccer fields, two (2) ball fields, four (4) sand volleyball courts and one (1) basketball court. In the last fifteen (15) years, the Township purchased over 741 acres of land for open space purposes.

Library

The Township's Free Public Library opened its doors in September 1975 and the building was expanded in 1992. The library currently houses 133,409 volumes of books, audio books, DVDs, CDs and other formats. The library provides access to over 2,000,000 digital items as well as programs and activities for the community. There are currently 17,502 active library card holders.

Mount Laurel Municipal Utilities Authority

The Mount Laurel Municipal Utilities Authority ("MUA") furnishes water and sewer services to Township residents. The MUA was organized by an ordinance of the Township Council on December 6, 1965.

In conjunction with the Utility System Revenue Bond Resolution dated July 1, 1992, as amended and supplemented, the MUA has entered into a service agreement with the Township. In the unlikely event that it becomes necessary, the Township has agreed to advance to the MUA sufficient monies to eliminate any deficiency in the MUA's revenues required for its operation and administrative expenses, including certain debt service requirements, and to meet certain coverage requirements. Any monies advanced in accordance with this agreement would be refunded at such time as the MUA deems appropriate.

The computation of sufficiency of revenues of the MUA for the years ended June 30, 2023, 2022, 2021, 2020, and 2019 as defined by the Utility System Revenue Bond Resolution is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues:					
Utility Service Charges	\$20,089,417	\$19,541,381	\$19,316,936	\$18,938,682	\$18,499,488
Connection Fees	2,935,101	379,105	999,199	1,749,091	2,429,188
Investment and Misc. Income	<u>1,478,382</u>	<u>388,982</u>	<u>552,245</u>	<u>1,073,666</u>	<u>1,211,762</u>
Total Revenues	<u>24,502,900</u>	<u>20,309,468</u>	<u>20,868,380</u>	<u>21,761,439</u>	<u>22,140,438</u>
Operating Expenses:					
Cost of Providing Services	11,689,226	10,879,983	11,511,783	11,431,998	11,106,756
Administrative	2,324,177	2,000,188	2,195,562	2,366,807	2,393,502
Other Operating Expenses	<u>400,000</u>	<u>397,724</u>	<u>384,918</u>	<u>389,382</u>	<u>388,002</u>
Total Operating Expenses	<u>14,413,404</u>	<u>13,277,895</u>	<u>14,092,263</u>	<u>14,188,186</u>	<u>13,888,259</u>
Excess of Revenues	10,089,496	7,031,573	6,776,117	7,573,253	8,252,179
110% of Current Fiscal Year's Annual Debt Service Requirement	<u>2,443,777</u>	<u>2,424,979</u>	<u>2,468,733</u>	<u>2,472,875</u>	<u>2,311,184</u>
Sufficiency of Revenues	<u>\$7,645,719</u>	<u>\$4,606,594</u>	<u>\$4,307,384</u>	<u>\$5,100,378</u>	<u>\$5,940,994</u>

The Township approved a resolution on June 11, 2018 approving the plans of the MUA to undertake multiple capital improvements and consenting in accordance with and pursuant to the aforementioned service agreement between the Township and the MUA authorizing Utility System Revenue Bonds or Notes not to exceed \$17,500,000. Subsequently on September 12, 2022 the Township approved resolution 200-2022; which approved additional funds for projects in the amount not to exceed \$20,000,000.

Township Population (1)

2020 Federal Census	44,633
2010 Federal Census	41,864
2000 Federal Census	40,221
1990 Federal Census	30,270
1980 Federal Census	17,164

(1) Source: U.S. Department of Commerce, Bureau of Census

Selected Census 2023 Data for the Township (1)

Median household income	\$114,629
Per capita income	64,584

Labor Force(2)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Township					
Labor Force	26,840	26,691	25,961	25,201	24,547
Employment	25,882	25,788	25,172	24,003	22,818
Unemployment	958	903	789	1,198	1,729
Unemployment Rate	3.6%	3.4%	3.0%	4.8%	7.0%
County					
Labor Force	248,122	246,548	240,684	235,227	232,816
Employment	237,708	236,845	232,054	221,531	213,811
Unemployment	10,414	9,703	8,630	13,696	19,005
Unemployment Rate	4.2%	3.9%	3.6%	5.8%	8.2%
State					
Labor Force	4,898,008	4,867,113	4,756,002	4,654,243	4,643,700
Employment	4,676,064	4,659,779	4,572,879	4,342,075	4,204,301
Unemployment	221,944	207,334	183,123	312,168	439,399
Unemployment Rate	4.5%	4.3%	3.9%	6.7%	9.5%

Business and Industry

Commercial development within the Township has kept pace with the population increase and residential housing construction. The Route 73 corridor has complete hotel build out and is now experiencing retail development with a super Wal-Mart that opened in June 2018, and provides over 200 jobs within the Fellowship Road Redevelopment Area. Lifetime Fitness, also incentivized by the redevelopment area, is now complete.

Commercial growth in the entertainment sector is highlighted by a new Top Golf facility that opened October 2018, adjacent to Centerton Square. The facility is a premier recreational social center providing three stories of tee off space with computer tracked balls for driving performance and stats. A club restaurant will be the social heart of the venue. Metro Storage facility opened in 2019 complementing the influx of new residents.

On the northern side of the Township, along the Route 38 corridor, there is a surge in commercial growth. Two new hotels, a new super WaWa, a Royal Farms, infill retail centers (Taylor Rental Center site), and the expansion of Rowan University at Burlington all combine to make Mount Laurel a vibrant hub in the county. The opening of the Bancroft Neuro Health Campus on Walton Avenue has brought a cutting edge medical treatment facility to the mix of current commercial growth. In conjunction, the northern side of the Township has seen a spurt in residential growth (catering to young professionals) with a mix of high end apartments and townhouses at Signature Place. Additionally, we have Haddon Point on the corner of Route 38 and Fostertown Road and the Gables on Marne Highway that are both currently under construction.

(1) Source: U.S. Department of Commerce, Bureau of Census

(2) Source: New Jersey Department of Labor

The Township of Mount Laurel adopted an ordinance 2022, amended in 2023, to implement provisions of the New Jersey Cannabis Regulatory, Enforcement Assistance and Marketplace Modernization Act. This ordinance allows for a maximum of seven retail cannabis dispensaries and a maximum of five cannabis manufacturers. The ordinance also established a tax and other taxes or fees at a uniformed percentage rate of 2% or 1%, depending on whether there are sales from a cannabis cultivator, manufacturer, wholesaler or retail establishment in the Township of Mount Laurel.

All seven retail cannabis licenses have been applied for and approved by the Township Council. One retail cannabis dispensary is currently operating as of September 12th of 2023. The other six cannabis dispensaries are in various other phases of the construction approval process. One cannabis manufacturer license has been applied for and approved by the Township Council and is currently undergoing other construction approvals prior to becoming operational.

TEN LARGEST NON-GOVERNMENTAL EMPLOYERS (1)

<u>Employer</u>	<u>Nature of Business</u>
Holman	U.S. Global Headquarters
TD Bank	U.S. Headquarters
Title Resource Group (TRG)	Supports Real Estate Transactions
NFL Films	Headquarters/Production Facility
AnnieMac Home Mortgage	Mortgage Lender
PEAC Solutions	Global Equipment Financing Provider
Johnson & Towers	Commercial Truck Repair and Service Provider
Roosevelt Paper	Distributor of Generic Printing Paper
inTEST Corporation	Global Supplier of Innovative Test and Process Technology Solutions
South Jersey Radiology	Diagnostic Imaging Center

Building, Zoning and Development Codes

The Township has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

The Township building codes conform to standards of the Uniform Construction Code of New Jersey. These codes and other municipal codes are codified as a basis for improved administration and regulation.

The Township adopted the Municipal Land Use Law to give the Township Planning Board and the Township Zoning Board of Adjustment authority to regulate most land use other than single-family residential use. Accordingly, the Township is able to guide the approximate use or development of land to promote the public health, safety and general welfare.

Building Permits (2)

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Construction</u>
2025 (3)	769	\$16,054,747.00
2024	2,492	89,785,061.00
2023	2,617	52,729,731.45
2022	3,288	79,554,761.57
2021	3,095	63,276,991.00
2020	2,753	54,294,500.00

(1) Source: Township officials

(2) Source: Township construction officials

(3) As of April 30, 2025

CERTAIN TAX INFORMATION

TEN LARGEST REAL PROPERTY TAXPAYERS(1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	2025	
		Assessed	Valuation
Centerton Square Owners LLC	Retail Shopping Center	\$	66,379,400
CNLI OMLNJ c/o Carlyle Net Lease Inc.	Office Buildings		64,129,800
BNTR Mt Laurel c/o Brookfield Prop MF	Apartments		45,377,700
Laurel Corporate Center LLC	Office Space		44,802,900
PFI VPN c/o Brandywine	Real Estate Leasing and Rentals		41,842,100
CHC Mount Laurel, LLC	Apartments		38,020,200
Marne Developers LLC	Real Estate Development Company		37,550,600
Country Club Parkway LLC	Apartments		37,210,700
Top Terraces Inc.	Office Buildings		36,900,100
Gateway Park, LLC	Office Buildings		33,244,600

CURRENT TAX COLLECTIONS (2)

<u>Year</u>		<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Outstanding Dec. 31</u>	
			<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2024	(3)	\$ 186,866,053	\$ 184,458,874	98.71%	\$ 1,883,625	1.01%
2023		178,870,328	176,505,383	98.68%	1,771,452	0.99%
2022		177,669,231	176,038,897	99.08%	1,082,676	0.61%
2021		173,196,856	171,547,237	99.05%	1,388,261	0.80%
2020		170,520,448	168,810,761	99.00%	1,582,724	0.93%

DELINQUENT TAXES (2)

<u>Year</u>		<u>Outstanding</u>		<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
		<u>Jan. 1</u>	<u>Added</u>	<u>Amount</u>	<u>Percentage</u>			
2024	(3)	\$ 1,771,702	\$ 14,500	\$ 1,753,676	98.18%	\$ 30,363	\$ 560	\$ 1,603
2023		1,083,182	16,500	934,371	84.97%	3,071	161,990	250
2022		1,400,539	20,000	585,893	41.24%	65	834,075	506
2021		1,601,427	24,750	1,300,866	80.00%	25,953	287,079	12,278
2020		1,411,223	22,000	1,251,029	87.29%	8,876	154,615	18,703

(1) Source: Township Tax Assessor

(2) Source: Township Reports of Audit

(3) Source: Information from Annual Compiled Financial Statement

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Added by</u> <u>Sales and</u> <u>Transfers</u>	<u>Collected</u>	<u>Cancellations/</u> <u>Foreclosures</u>	<u>Balance</u> <u>Dec. 31</u>
2024 (2) \$	27,754	\$ 85,659	\$ 1,461	\$ -	\$ 111,952
2023	27,098	14,673	14,016	-	27,754
2022	92,566	26,423	91,892	-	27,098
2021	27,213	71,385	6,032	-	92,566
2020	2,394	24,924	105	-	27,213

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance</u> <u>Jan. 1</u>	<u>Gain/(Loss)</u> <u>On Sale</u>	<u>Added by</u> <u>Transfer</u>	<u>Adjustment</u> <u>to Assessed</u> <u>Valuation</u>	<u>Receipts in</u> <u>Misc. Revenue</u> <u>Not Anticipated</u>	<u>Balance</u> <u>Dec. 31</u>
2024 (2) \$	1,522,696	\$ -	\$ -	\$ -	\$ -	\$ 1,522,696
2023	1,522,696	-	-	-	-	1,522,696
2022	1,589,996	2,700	-	-	(70,000)	1,522,696
2021	1,590,996	-	-	-	(1,000)	1,589,996
2020	1,591,496	-	-	(500)	-	1,590,996

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (4)

<u>Tax Rate (5)</u>										
<u>Year</u>	<u>Net Valuation</u> <u>Taxable</u>	<u>Total</u> <u>Rate</u>	<u>County</u>	<u>County/</u> <u>Farm</u> <u>Open</u> <u>Space</u>	<u>Municipal</u>	<u>Municipal</u> <u>Open</u> <u>Space</u>	<u>Municipal</u> <u>Library</u>	<u>Local</u> <u>School</u>	<u>Regional</u> <u>High</u> <u>School</u>	<u>Fire</u> <u>District</u>
2024	\$5,865,618,679	\$ 3.157	\$ 0.396	\$ 0.048	\$ 0.375	\$ 0.040	\$ 0.045	\$ 1.214	\$ 0.809	\$ 0.230
2023	5,837,207,579	3.038	0.380	0.031	0.375	0.040	0.042	1.186	0.753	0.231
2022	5,825,435,084	3.028	0.384	0.030	0.352	0.080	0.040	1.165	0.761	0.216
2021	5,811,323,589	2.971	0.385	0.023	0.352	0.080	0.037	1.153	0.746	0.195
2020	5,789,619,291	2.913	0.380	0.023	0.352	0.080	0.036	1.135	0.726	0.181

(1) Source: Township Reports of Audit

(2) Source: Information from Annual Compiled Financial Statement

(3) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.

(4) Source: Township Assessor

(5) Per \$100 of assessed valuation

**RATIO OF ASSESSED VALUATION TO TRUE VALUE
AND TRUE VALUE PER CAPITA (1)**

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (2)</u>
2024	\$ 5,865,618,600	73.40%	\$ 7,991,305,995	\$ 179,045
2023	5,837,207,500	79.36%	7,355,352,193	164,796
2022	5,825,435,000	83.84%	6,948,276,479	155,676
2021	5,811,323,500	88.62%	6,557,575,604	146,922
2020	5,789,619,200	90.57%	6,392,424,865	143,222

REAL PROPERTY CLASSIFICATION (3)

<u>Year</u>	<u>Assessed Value of land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Farmland & Industrial</u>	<u>Apartments</u>
2024	\$ 5,865,618,600	\$ 49,555,500	\$ 3,967,861,900	\$1,441,170,600	\$ 153,091,300	\$ 253,939,300
2023	5,837,207,500	58,825,000	3,930,176,000	1,471,754,500	153,203,400	223,248,600
2022	5,825,435,000	38,289,100	3,920,401,900	1,495,804,400	151,107,900	219,831,700
2021	5,811,323,500	44,650,500	3,904,920,600	1,504,427,100	152,301,000	205,024,300
2020	5,789,619,200	42,222,600	3,893,863,500	1,516,291,500	153,245,900	183,995,700

(1) Source: State of New Jersey, Department of Treasury, Division of Taxation

(2) Based upon 2020 Federal Census from U.S. Department of Commerce of 44,633

(3) Source: Township Assessor

**TOWNSHIP OF MOUNT LAUREL
STATEMENT OF INDEBTEDNESS (1)**

The following table summarizes the direct debt of the Township in accordance with the requirements of the Local Bond Law of the State (N.J.S.A. 40A:2-2 et seq.). The gross debt is comprised of short and long-term debt issued, including General, debt of the Local School District and the Regional High School District. Deductions from gross debt to arrive at net debt include deductible school debt, as well as reserve for payment of debt. The resulting net debt of \$49,048,181 represents .603% of the average of equalized valuations for the Township for the last three years, within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	<u>Debt Issued</u>		<u>Debt Auth. But Not Issued</u>	<u>Gross Debt</u>	<u>Deductions</u>		<u>Net Debt</u>
	<u>Bonds</u>	<u>Notes</u>			<u>School Debt</u>	<u>Reserve for Payment of Debt</u>	
General	\$ 40,585,000	\$ 12,236,000	\$ 950	\$ 52,821,950		\$ 3,773,769	\$ 49,048,181
School - Local	24,340,000			24,340,000	\$ 24,340,000		
School - Regional	28,319,373			28,319,373	28,319,373		
	<u>\$ 93,244,373</u>	<u>\$ 12,236,000</u>	<u>\$ 950</u>	<u>\$ 105,481,323</u>	<u>\$ 52,659,373</u>	<u>\$ 3,773,769</u>	<u>\$ 49,048,181</u>

(1) As of December 31, 2024

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad Property for 2024, 2023, and 2022	\$	8,127,623,733
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2024, 2023, and 2022		0.60%
2024 Net Valuation Taxable	\$	5,865,618,679
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$	7,991,306,074
Gross Debt (2)		
As a Percentage of 2024 Net Valuation Taxable		1.80%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		1.32%
Net Debt (2)		
As a Percentage of 2024 Net Valuation Taxable		0.84%
As a Percentage of 2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications		0.61%
Gross Debt per Capita(3)	\$	2,363
Net Debt per Capita(3)	\$	1,099

TOWNSHIP BORROWING CAPACITY (1)

3.5% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$8,127,623,733)	\$	284,466,831
Net Debt		49,048,181
Remaining Borrowing Capacity	\$	235,418,650

(1) As of December 31, 2024

(2) Excluding Overlapping Debt

(3) Based upon 2020 Federal Census from U.S. Department of Commerce of 44,633

LOCAL SCHOOL DISTRICT BORROWING CAPACITY (1)

3.0% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$8,127,623,733)	\$ 243,828,712
Local School Debt	<u>24,340,000</u>
Remaining Borrowing Capacity	<u>\$ 219,488,712</u>

REGIONAL HIGH SCHOOL DISTRICT BORROWING CAPACITY (1)

3.0% of Average (2022-24) Equalized Valuation of Real Property with Improvements and Second Class Railroad Property (\$24,426,460,526)	\$ 732,793,816
Regional School Debt (2)	<u>85,110,000</u>
Remaining Borrowing Capacity	<u>\$ 647,683,816</u>

(1) As of December 31, 2024

(2) Mount Laurel's share \$28,319,373.

**TOWNSHIP OF MOUNT LAUREL
OVERLAPPING DEBT
AS OF DECEMBER 31, 2024**

	DEBT ISSUED					Debt Auth. but not Issued
	<u>Debt Outstanding</u>	<u>Deductions</u>	<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>		
County of Burlington:						
General						
Bonds	\$ 129,015,000	\$ 17,421,051 (1)	\$ 111,593,949	\$ 13,871,128 (2)		
Notes	-				(2)	\$ 58,025,107
Loans	3,457,864		3,457,864	429,812 (2)		
Bonds Issued by Other Public Bodies						
Guaranteed by the County	361,231,900	361,231,900 (3)				
Solid Waste Utility	22,565,000	22,565,000				37,394,130
Township of Mount Laurel Fire District No. 1 (4)	1,250,000		1,250,000	1,250,000		
Township of Mount Laurel MUA (4)	15,675,136		15,675,136	15,675,136		
	<u>\$ 533,194,900</u>	<u>\$ 401,217,951</u>	<u>\$ 131,976,949</u>	<u>\$ 31,226,076</u>		<u>\$ 95,419,237</u>

- (1) Includes cash on hand, accounts receivable and County College Bonds paid with State Aid.
(2) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuations on which County taxes are apportioned, which is 12.43% .
(3) Deductible in accordance with N.J.S. 40:37A-80.
(4) Source: Entity's Audit Report

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
SCHEDULE OF LONG-TERM DEBT SERVICE(1)

Fiscal Year Ended				
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2026	\$ 2,400,000.00	\$ 837,100.00	\$ 3,237,100.00	
2027	2,475,000.00	763,975.00	3,238,975.00	
2028	2,550,000.00	688,600.00	3,238,600.00	
2029	2,625,000.00	610,975.00	3,235,975.00	
2030	2,725,000.00	517,100.00	3,242,100.00	
2031	2,775,000.00	407,100.00	3,182,100.00	
2032	2,850,000.00	294,600.00	3,144,600.00	
2033	2,950,000.00	178,600.00	3,128,600.00	
2034	2,990,000.00	59,800.00	3,049,800.00	
Total	<u>\$ 24,340,000.00</u>	<u>\$ 4,357,850.00</u>	<u>\$ 28,697,850.00</u>	

(1) As of May 1, 2025

Source: School District Audit

APPENDIX B

Financial Statements of The Board of Education of the Township of Mount Laurel, in the County of Burlington, New Jersey

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Mount Laurel School District
Mount Laurel, New Jersey 08054

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Mount Laurel School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Township of Mount Laurel School District, in the County of Burlington, State of New Jersey, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America we:

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

Other Information

Management is responsible for the other information included in this annual report. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS 00238100

Woodbury, New Jersey
January 3, 2025

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 9,979,214.71	\$ 3,970,776.79	\$ 13,949,991.50
Accounts Receivables	2,971,564.73	23,592.88	2,995,157.61
Internal Balances	40,077.72	(40,077.72)	
Inventory		27,010.67	27,010.67
Capital Assets, net	64,334,106.48	621,641.84	64,955,748.32
Total Assets	77,324,963.64	4,602,944.46	81,927,908.10
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	2,135,234.00		2,135,234.00
Total Deferred Outflows of Resources	2,135,234.00	-	2,135,234.00
LIABILITIES:			
Accounts Payable	1,872,436.48	105,476.27	1,977,912.75
Payable to State Government	5,383.00		5,383.00
Accrued Interest	310,616.67		310,616.67
Outstanding Bonds and Coupons	10,053.51		10,053.51
Unearned Revenue	228,294.46	459,532.22	687,826.68
Noncurrent Liabilities:			
Due within One Year	2,740,992.29		2,740,992.29
Due beyond One Year	42,093,630.72		42,093,630.72
Total Liabilities	47,261,407.13	565,008.49	47,826,415.62
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	2,501,902.00		2,501,902.00
Total Deferred Inflows of Resources	2,501,902.00	-	2,501,902.00
NET POSITION:			
Net Investment in Capital Assets	37,266,694.81	621,641.84	37,888,336.65
Restricted for:			
Debt Service	303,646.04		303,646.04
Capital Projects	2,785,053.00		2,785,053.00
Other Purposes	5,778,594.55		5,778,594.55
Unrestricted (Deficit)	(16,437,099.89)	3,416,294.13	(13,020,805.76)
Total Net Position	\$ 29,696,888.51	\$ 4,037,935.97	\$ 33,734,824.48

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 34,151,666.78	\$ 458,102.40	\$ 2,380,329.53	\$ -	\$ (31,313,234.85)	\$ -	\$ (31,313,234.85)
Special Education	9,562,318.37				(9,562,318.37)		(9,562,318.37)
Other Special Instruction	786,494.61				(786,494.61)		(786,494.61)
Other Instruction	643,985.58				(643,985.58)		(643,985.58)
Support Services:							
Tuition	2,946,614.24		548,981.00		(2,397,633.24)		(2,397,633.24)
Student and Instruction Related Services	11,900,905.23		3,329,825.60		(8,571,079.63)		(8,571,079.63)
General Administrative Services	1,178,221.22				(1,178,221.22)		(1,178,221.22)
School Administrative Services	2,537,822.13				(2,537,822.13)		(2,537,822.13)
Central Services	896,054.21				(896,054.21)		(896,054.21)
Administrative Information Technology	770,191.31				(770,191.31)		(770,191.31)
Plant Operations and Maintenance	5,427,799.73		50,189.74		(5,377,609.99)		(5,377,609.99)
Pupil Transportation	4,830,901.08				(4,830,901.08)		(4,830,901.08)
Unallocated Benefits	25,151,100.26		11,989,102.43		(13,161,997.83)		(13,161,997.83)
Special Schools	391,167.84	246,069.50			(145,098.34)		(145,098.34)
Interest on Long-Term Debt	985,216.05				(985,216.05)		(985,216.05)
Unallocated Depreciation and Amortization	591,485.57				(591,485.57)		(591,485.57)
Total Governmental Activities	102,751,944.21	704,171.90	18,298,428.30	-	(83,749,344.01)	-	(83,749,344.01)
Business-Type Activities:							
Food Service	1,481,059.13	725,258.02	671,364.37			(84,436.74)	(84,436.74)
Daycare	780,687.36	813,556.76				32,869.40	32,869.40
Total Business-Type Activities	2,261,746.49	1,538,814.78	671,364.37	-	-	(51,567.34)	(51,567.34)
Total Government	\$ 105,013,690.70	\$ 2,242,986.68	\$ 18,969,792.67	\$ -	(83,749,344.01)	(51,567.34)	(83,800,911.35)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					67,232,100.00		67,232,100.00
Property Taxes, Levied for Debt Service					1,980,296.00		1,980,296.00
Federal and State Aid - Unrestricted					10,100,167.62		10,100,167.62
Federal and State Aid - Restricted					195,297.00		195,297.00
Miscellaneous					1,351,310.72		1,351,310.72
Total General Revenues					80,859,171.34	-	80,859,171.34
Change in Net Position					(2,890,172.67)	(51,567.34)	(2,941,740.01)
Net Position, July 1					32,587,061.18	4,089,503.31	36,676,564.49
Net Position, June 30					\$ 29,696,888.51	\$ 4,037,935.97	\$ 33,734,824.48

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 9,280,765.71	\$ 67,195.78	\$ 516,394.91	\$ 114,858.31	\$ 9,979,214.71
Interfunds Receivable	40,077.72			198,841.24	238,918.96
Intergovernment Accounts Receivable:					
Other	781,873.13				781,873.13
Federal		276,745.69			276,745.69
State	1,912,945.91				1,912,945.91
Total Assets	\$ 12,015,662.47	\$ 343,941.47	\$ 516,394.91	\$ 313,699.55	\$ 13,189,698.40
LIABILITIES, AND FUND BALANCES:					
Liabilities:					
Interfunds Payable			\$ 198,841.24		\$ 198,841.24
Accounts Payable		\$ 6,701.77	246,285.69		252,987.46
Payable to State Government		5,383.00			5,383.00
Outstanding Bond and Coupons				\$ 10,053.51	10,053.51
Payroll Deductions and Withholdings Payable	\$ 7,912.14				7,912.14
Unemployment Compensation Claims Payable	126,154.88				126,154.88
Unearned Revenue		228,294.46			228,294.46
Total Liabilities	134,067.02	240,379.23	445,126.93	10,053.51	829,626.69
Fund Balances:					
Restricted:					
Capital Reserve	2,785,053.00				2,785,053.00
School Bus Advertising - Current Year	520.00				520.00
School Bus Advertising - Prior Year	1,170.00				1,170.00
Excess Surplus - Current Year	1,476,482.97				1,476,482.97
Excess Surplus - Prior Year	2,988,217.66				2,988,217.66
Capital Projects			71,267.98		71,267.98
Debt Service				303,646.04	303,646.04
Unemployment	1,208,641.68				1,208,641.68
Student Activities		103,562.24			103,562.24
Assigned:					
Other Purposes	336,779.87				336,779.87
Designated for Subsequent Year's Expenditures	1,352,511.34				1,352,511.34
Unassigned	1,732,218.93				1,732,218.93
Total Fund Balances	11,881,595.45	103,562.24	71,267.98	303,646.04	12,360,071.71
Total Liabilities, and Fund Balances	\$ 12,015,662.47	\$ 343,941.47	\$ 516,394.91	\$ 313,699.55	

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 \$145,714,033.41, and the accumulated depreciation and amortization is \$81,379,926.93.	64,334,106.48
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(310,616.67)
Long-term liabilities, including bonds payable, lease liability, financed purchases and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.	(28,737,073.01)
Net Pension Liability	(16,097,550.00)
Accounts Payable related to the April 1, 2025 Required PERS pension contribution that is not liquidated with current financial resources.	(1,485,382.00)
Deferred Outflows of Resources - Related to Pensions	2,135,234.00
Deferred Inflows of Resources - Related to Pensions	(2,501,902.00)
Net Position of Governmental Activities	\$ 29,696,888.51

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 67,232,100.00			\$ 1,980,296.00	\$ 69,212,396.00
Miscellaneous Revenues	2,061,673.85		\$ 14,795.18		2,076,469.03
Local Sources		\$ 151,930.86			151,930.86
State Sources	28,497,430.93	3,723,104.19		974,686.00	33,195,221.12
Federal Sources	47,821.12	2,608,601.41			2,656,422.53
Total Revenues	97,839,025.90	6,483,636.46	14,795.18	2,954,982.00	107,292,439.54
EXPENDITURES:					
Current:					
Regular Instruction	28,022,286.31	2,380,329.53			30,402,615.84
Special Education Instruction	9,354,037.76				9,354,037.76
Other Special Instruction	786,494.61				786,494.61
Other Instruction	643,985.58				643,985.58
Support Services and Undistributed Costs:					
Tuition	2,397,633.24	548,981.00			2,946,614.24
Student and Instruction Related Services	7,591,689.63	4,309,215.60			11,900,905.23
General Administrative Services	1,178,221.22				1,178,221.22
School Administrative Services	2,329,541.52				2,329,541.52
Central Services	896,054.21				896,054.21
Administrative Information Technology	770,191.31				770,191.31
Plant Operations and Maintenance	5,827,143.34	50,189.74			5,877,333.08
Pupil Transportation	4,830,901.08				4,830,901.08
Unallocated Benefits	34,603,916.40				34,603,916.40
Special Schools	391,167.84				391,167.84
Debt Service:					
Principal				2,300,000.00	2,300,000.00
Interest and Other Charges	83,924.00			960,600.00	1,044,524.00
Capital Outlay	487,663.81	195,297.00	424,593.50		1,107,554.31
Total Expenditures	100,194,851.86	7,484,012.87	424,593.50	3,260,600.00	111,364,058.23
Excess (Deficiency) of Revenues over Expenditures	(2,355,825.96)	(1,000,376.41)	(409,798.32)	(305,618.00)	(4,071,618.69)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In		979,390.00		239,795.18	1,219,185.18
Operating Transfers Out	(1,204,390.00)		(14,795.18)		(1,219,185.18)
Total Other Financing Sources and Uses	(1,204,390.00)	979,390.00	(14,795.18)	239,795.18	-
Net Change in Fund Balances	(3,560,215.96)	(20,986.41)	(424,593.50)	(65,822.82)	(4,071,618.69)
Fund Balance, July 1	15,441,811.41	124,548.65	495,861.48	369,468.86	16,431,690.40
Fund Balance, June 30	\$ 11,881,595.45	\$ 103,562.24	\$ 71,267.98	\$ 303,646.04	\$ 12,360,071.71

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

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

Net Change in Fund Balances - Governmental Funds	\$ (4,071,618.69)
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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 and amortization expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation and Amortization Expense	\$ (4,757,097.73)	
Capital Outlays	<u>1,107,554.31</u>	(3,649,543.42)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	2,300,000.00
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)	24,627.83
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Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.	1,841,668.00
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In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	<u>664,693.61</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (2,890,172.67)</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Proprietary Funds

Combining Statement of Net Position

June 30, 2024

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Daycare</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 724,255.10	\$ 3,246,521.69	\$ 3,970,776.79
Interfund Receivable		130,000.00	130,000.00
Accounts Receivable:			
State	1,405.82		1,405.82
Federal	22,187.06		22,187.06
Inventories	<u>27,010.67</u>		<u>27,010.67</u>
Total Current Assets	<u>774,858.65</u>	<u>3,376,521.69</u>	<u>4,151,380.34</u>
Noncurrent Assets:			
Furniture, Fixtures and Equipment	1,408,036.08		1,408,036.08
Less Accumulated Depreciation	<u>(786,394.24)</u>		<u>(786,394.24)</u>
Total Noncurrent Assets	<u>621,641.84</u>	<u>-</u>	<u>621,641.84</u>
Total Assets	<u>1,396,500.49</u>	<u>3,376,521.69</u>	<u>4,773,022.18</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	105,476.27		105,476.27
Interfund Payable	170,077.72		170,077.72
Unearned Revenues	<u>65,522.65</u>	<u>394,009.57</u>	<u>459,532.22</u>
Total Liabilities	<u>341,076.64</u>	<u>394,009.57</u>	<u>735,086.21</u>
NET POSITION:			
Net Investment in Capital Assets	621,641.84		621,641.84
Unrestricted	<u>433,782.01</u>	<u>2,982,512.12</u>	<u>3,416,294.13</u>
Total Net Position	<u>\$ 1,055,423.85</u>	<u>\$ 2,982,512.12</u>	<u>\$ 4,037,935.97</u>

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Daycare</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 329,058.05		\$ 329,058.05
Daily Sales - Non-Reimbursable Programs	396,199.97		396,199.97
Tuition and Daycare Fees		\$ 813,556.76	813,556.76
Total Operating Revenues	<u>725,258.02</u>	<u>813,556.76</u>	<u>1,538,814.78</u>
OPERATING EXPENSES:			
Salaries	551,432.70	721,500.82	1,272,933.52
Employee Benefits	54,687.99		54,687.99
Supplies and Materials	38,845.83	10,634.88	49,480.71
Cost of Sales-Reimbursable Programs	400,508.68		400,508.68
Cost of Sales-Non-Reimbursable Programs	158,614.53		158,614.53
Management Fee	82,500.00		82,500.00
Insurance	16,630.51		16,630.51
Service Contracts	67,274.25		67,274.25
Miscellaneous	25,424.99	48,551.66	73,976.65
Depreciation and Amortization	85,139.65		85,139.65
Total Operating Expenses	<u>1,481,059.13</u>	<u>780,687.36</u>	<u>2,261,746.49</u>
Operating Income (Loss)	<u>(755,801.11)</u>	<u>32,869.40</u>	<u>(722,931.71)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	24,885.86		24,885.86
State School Breakfast Program	1,048.60		1,048.60
Federal Sources:			
National School Lunch Program	390,518.11		390,518.11
National School Breakfast Program	21,897.53		21,897.53
Food Distribution Program	128,039.19		128,039.19
COVID19 Supply Chain	104,975.08		104,975.08
Total Nonoperating Revenues (Expenses)	<u>671,364.37</u>	<u>-</u>	<u>671,364.37</u>
Change in Net Position	(84,436.74)	32,869.40	(51,567.34)
Net Position, July 1	<u>1,139,860.59</u>	<u>2,949,642.72</u>	<u>4,089,503.31</u>
Net Position, June 30	<u>\$ 1,055,423.85</u>	<u>\$ 2,982,512.12</u>	<u>\$ 4,037,935.97</u>

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Food Service	Daycare	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 725,258.02	\$ 1,153,748.41	\$ 1,879,006.43
Payments to Employees	(426,456.43)	(721,500.82)	(1,147,957.25)
Payments for Employee Benefits	(54,687.99)		(54,687.99)
Payments to Suppliers	(649,394.31)	(64,992.66)	(714,386.97)
Payments to Others	(3,973.16)	(267,537.12)	(271,510.28)
Net Cash Provided by (Used for) Operating Activities	(409,253.87)	99,717.81	(309,536.06)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal and State Sources	548,352.53		548,352.53
Net Cash Provided by (Used for) Noncapital Financing Activities	548,352.53	-	548,352.53
Net Increase (Decrease) in Cash and Cash Equivalents	139,098.66	99,717.81	238,816.47
Cash and Cash Equivalents, July 1	585,156.44	3,146,803.88	3,731,960.32
Cash and Cash Equivalents, June 30	\$ 724,255.10	\$ 3,246,521.69	\$ 3,970,776.79
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (755,801.11)	\$ 32,869.40	\$ (722,931.71)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Amortization	85,139.65		85,139.65
Food Distribution Program	128,039.19		128,039.19
(Increase) Decrease in Inventories	12,365.29		12,365.29
Increase (Decrease) in Unearned Revenue		68,092.94	68,092.94
Increase (Decrease) in Other Current Liabilities	121,003.11	(1,244.53)	119,758.58
Total Adjustments	346,547.24	66,848.41	413,395.65
Net Cash Provided by (Used for) Operating Activities	\$ (409,253.87)	\$ 99,717.81	\$ (309,536.06)

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township of Mount Laurel School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades PK through 8 at its eight schools. The School District has an approximate enrollment at June 30, 2024 of 4,147.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

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 statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Burlington County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues 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 sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. 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.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)*****General Fund - (Cont'd)***

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Daycare Fund - This fund accounts for financial activity related to providing day care services for School District students before school, after school, and during the summer camp.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

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 property taxes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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:23A-16.2(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:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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 accounting, as presented in the general fund budgetary comparison schedule 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 balances - 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 the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Encumbrances (Cont'd)**

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2024.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024. The School District had no prepaid expenses for the fiscal year ended June 30, 2024.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Capital Assets

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-20 Years
Buildings and Improvements	10-50 Years
Furniture, Fixtures and Equipment	5-20 Years

The School District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows of Resources and Deferred Inflows of Resources**

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2024 and 2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is 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 School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

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, governmental 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. Bonds are recognized as a liability on the governmental fund financial statements when due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation or amortization of intangible capital assets, net of outstanding balances of borrowings used for the 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.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance 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. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, 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) it employed to previously commit those amounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

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.

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 assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2025:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2024, the School District's bank balances of \$15,191,957.92 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ -
Insured by FDIC and GUDPA	15,191,957.92
Total	<u>\$ 15,191,957.92</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$ 3,009,553.00
Increased by:	
Interest Earnings	500.00
Decreased by:	
Withdrawal 2023-2024 Budget Appropriation	<u>225,000.00</u>
Ending Balance, June 30, 2024	<u>\$ 2,785,053.00</u>
 <u>Analysis of Balance</u>	
Anticipated as Revenue in 2024-2025 Budget	\$ 150,000.00
Restricted for Future Use	<u>2,635,053.00</u>
	<u>\$ 2,785,053.00</u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2024 exceeds the reserve balance. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<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>	
Other	\$ 781,873.13		\$ 781,873.13		\$ 781,873.13
Federal Awards		\$ 276,745.69	276,745.69	\$ 22,187.06	298,932.75
State Awards	<u>1,912,945.91</u>		<u>1,912,945.91</u>	<u>1,405.82</u>	<u>1,914,351.73</u>
	<u>\$ 2,694,819.04</u>	<u>\$ 276,745.69</u>	<u>\$ 2,971,564.73</u>	<u>\$ 23,592.88</u>	<u>\$ 2,995,157.61</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2024 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 8,801.10
Commodities	11,693.20
Supplies	<u>6,516.37</u>
Total	<u>\$ 27,010.67</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 4,095,400.00			\$ 4,095,400.00
Total Capital Assets, not being Depreciated	4,095,400.00	-	-	4,095,400.00
Capital Assets, being Depreciated:				
Land Improvements	2,592,939.00	\$ 24,535.00		2,617,474.00
Buildings and Improvements	122,990,583.69	843,589.26		123,834,172.95
Furniture, Fixtures and Equipment	15,329,867.00	239,430.05	\$ (738,683.05)	14,830,614.00
Total Capital Assets, being Depreciated	140,913,389.69	1,107,554.31	(738,683.05)	141,282,260.95
Total Capital Assets, Cost	145,008,789.69	1,107,554.31	(738,683.05)	145,377,660.95
Less Accumulated Depreciation:				
Land Improvements	(2,576,804.00)	(5,833.00)		(2,582,637.00)
Buildings and Improvements	(62,263,562.74)	(4,165,612.16)		(66,429,174.90)
Furniture, Fixtures and Equipment	(12,347,353.00)	(518,378.05)	738,683.05	(12,127,048.00)
Total Accumulated Depreciation	(77,187,719.74)	(4,689,823.21)	738,683.05	(81,138,859.90)
Total Capital Assets, being Depreciated, net Excluding Lease Assets	63,725,669.95	(3,582,268.90)	-	60,143,401.05
Lease Assets:				
Furniture, Fixtures and Equipment	336,372.46			336,372.46
Total Lease Assets	336,372.46	-	-	336,372.46
Less Accumulated Amortization:				
Lease Assets:				
Furniture, Fixtures and Equipment	(173,792.51)	(67,274.52)		(241,067.03)
Total Accumulated Amortization	(173,792.51)	(67,274.52)	-	(241,067.03)
Total Lease Assets, net	162,579.95	(67,274.52)	-	95,305.43
Governmental Activities Capital Assets, Net	\$ 67,983,649.90	\$ (3,649,543.42)	\$ -	\$ 64,334,106.48
Business-Type Activities:				
Furniture, Fixtures and Equipment	\$ 1,411,104.56		\$ (3,068.48)	\$ 1,408,036.08
Less Accumulated Depreciation and Amortization	(704,323.07)	\$ (85,139.65)	3,068.48	(786,394.24)
Business-Type Activities Capital Assets, Net	\$ 706,781.49	\$ (85,139.65)	\$ -	\$ 621,641.84

Note 6: CAPITAL ASSETS (CONT'D)

Capital asset activity for the fiscal year ended June 30, 2024 is as follows (cont'd):

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

Governmental Activities:

Regular Instruction	\$ 3,749,050.94
Special Education	208,280.61
School Administrative Service	208,280.61
Unallocated	<u>591,485.57</u>

Total Depreciation and Amortization Expense -
Governmental Activities

\$ 4,757,097.73

Business-Type Activities:

Food Service	<u>\$ 85,139.65</u>
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Total Depreciation and Amortization Expense -
Business-Type Activities

\$ 85,139.65

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 28,990,000.00		\$ (2,300,000.00)	\$ 26,690,000.00	\$ 2,350,000.00
Add Amounts:					
Bond Premium	<u>381,481.32</u>		<u>(34,680.12)</u>	<u>346,801.20</u>	
Total Bonds Payable	<u>29,371,481.32</u>	<u>-</u>	<u>(2,334,680.12)</u>	<u>27,036,801.20</u>	<u>2,350,000.00</u>
Other Liabilities:					
Financed Purchases	381,011.42		(381,011.42)		
Compensated Absences	1,778,873.50		(180,480.14)	1,598,393.36	319,678.67
Net Pension Liability	<u>17,558,405.00</u>	<u>\$ 4,153,872.00</u>	<u>(5,614,727.00)</u>	<u>16,097,550.00</u>	
Total Other Liabilities	<u>19,718,289.92</u>	<u>4,153,872.00</u>	<u>(6,176,218.56)</u>	<u>17,695,943.36</u>	<u>319,678.67</u>
Lease Liabilities:					
Equipment Lease	<u>170,400.38</u>		<u>(68,521.93)</u>	<u>101,878.45</u>	<u>71,313.62</u>
Total Lease Liabilities	<u>170,400.38</u>	<u>-</u>	<u>(68,521.93)</u>	<u>101,878.45</u>	<u>71,313.62</u>
Governmental Activities Long-Term Liabilities	<u>\$ 49,260,171.62</u>	<u>\$ 4,153,872.00</u>	<u>\$ (8,579,420.61)</u>	<u>\$ 44,834,623.01</u>	<u>\$ 2,740,992.29</u>

The bonds payable is generally liquidated by the debt service fund, while financed purchases, compensated absences, net pension liability, and lease liability are liquidated by the general fund.

Note 7: LONG-TERM LIABILITIES (CONT'D)

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

On November 20, 2018, the School District issued \$35,540,000.00 general obligation bonds at interest rates varying from 2.50% to 4.00% for various renovations and improvement projects. The final maturity of these bonds is September 1, 2033. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,350,000.00	\$ 902,475.00	\$ 3,252,475.00
2026	2,400,000.00	837,100.00	3,237,100.00
2027	2,475,000.00	763,975.00	3,238,975.00
2028	2,550,000.00	688,600.00	3,238,600.00
2029	2,625,000.00	610,975.00	3,235,975.00
2030-2034	14,290,000.00	1,457,200.00	15,747,200.00
Total	<u>\$ 26,690,000.00</u>	<u>\$ 5,260,325.00</u>	<u>\$ 31,950,325.00</u>

Bonds Authorized but not Issued - As of June 30, 2024, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Lease Liabilities - The School District's payments on lease liabilities are budgeted and paid from the general fund on an annual basis.

The School District has leased copiers for buildings throughout the District. It is a five-year lease that began in December 2020 and ends in December 2025. The School District will not acquire the copiers at the end of the five years. The implied interest rate is based on the School District's estimated incremental borrowing rate of 4.00%.

Annual requirements to amortize lease obligations and related interest are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 71,313.62	\$ 2,777.14	\$ 74,090.76
2026	30,564.83	306.32	30,871.15
Total	<u>\$ 101,878.45</u>	<u>\$ 3,083.46</u>	<u>\$ 104,961.91</u>

Lease Liabilities are amortized in a manner consistent with the School District's depreciation policy for owned assets.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Empower (formerly Prudential Financial).

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

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 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - 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 10 years of service.

The membership tiers for PERS are the same as previously noted for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more service credit before age 62 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.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions**

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 32.83% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2024 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$12,560,480.00 and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$2,876,122.28.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this 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 this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 16.52% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2023, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2024 was \$1,485,381.00 and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$688,205.71.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2024 was .56% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$50,202.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the year ended June 30, 2023 was \$36,944.00.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2024, employee contributions totaled \$55,949.26, and the School District recognized pension expense, which equaled the required contributions, of \$27,310.18. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2024, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	153,840,163.00
	<u>\$ 153,840,163.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. For the June 30, 2023 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2023 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .3014542725%, which was an increase of .0030975846% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2023 measurement date, was \$3,779,405.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$16,097,550.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023 measurement date, the School District's proportion was .1111373517%, which was a decrease of .0052099225% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2024, the School District recognized pension (benefit) expense of \$(343,951.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2023 measurement date.

For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2023 measurement date, was \$50,202.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources - At June 30, 2024, 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 Resources</u>
Differences between Expected and Actual Experience	\$ 153,913.00	\$ 65,802.00
Changes of Assumptions	35,363.00	975,581.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	74,131.00	-
Changes in Proportion and Differences between Contribution and Proportionate Share of Contributions	386,445.00	1,460,519.00
Contributions Subsequent to the Measurement Date	<u>1,485,381.00</u>	<u>-</u>
	<u><u>\$ 2,135,233.00</u></u>	<u><u>\$ 2,501,902.00</u></u>

Deferred outflows of resources in the amount of \$1,485,381.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2025. 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>Fiscal Year Ending June 30,</u>	
2025	\$ (958,688.00)
2026	(856,276.00)
2027	272,641.00
2028	(298,070.00)
2029	<u>(11,657.00)</u>
	<u><u>\$ (1,852,050.00)</u></u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

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

Actuarial Assumptions

The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2022. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 4.25%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For TPAF, 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.

For PERS, 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.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2023 measurement date) 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 TPAF's and PERS' target asset allocation as of the June 30, 2023 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

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

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2023, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2023 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	181,405,469.00	153,840,163.00	130,623,624.00
	<u>\$ 181,405,469.00</u>	<u>\$ 153,840,163.00</u>	<u>\$ 130,623,624.00</u>

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2023, the Plan's measurement date, calculated using a 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% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 20,955,585.00</u>	<u>\$ 16,097,550.00</u>	<u>\$ 11,962,720.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, 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 OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

Employees Covered by Benefit Terms - At June 30, 2023, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>369,595</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2024 was \$162,465,051.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. For the June 30, 2023 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .3102747801%, which was an increase of .0007040721% from its proportion measured as of June 30, 2022.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases –

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Mortality Rates - 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 disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies - The actuarial assumptions used in the June 30, 2022 valuation, which was rolled forward to June 30, 2023, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2023 measurement date was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2023		\$ 156,786,614.00
Changes for the Year:		
Service Cost	\$ 7,048,521.00	
Interest Cost	5,721,821.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	(3,105,745.00)	
Changes in Assumptions	327,462.00	
Member Contributions	146,630.00	
Gross Benefit Payments	(4,460,252.00)	
Net Changes		<u>5,678,437.00</u>
Balance at June 30, 2024		<u>\$ 162,465,051.00</u>

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2022 to June 30, 2023 due to changes in the census and premium and claims experience.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2022 to June 30, 2023 due to the combined effect of the discount rate change; and changes in the trend update.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 190,462,381.00</u>	<u>\$ 162,465,051.00</u>	<u>\$ 139,986,446.00</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 134,871,040.00</u>	<u>\$ 162,465,051.00</u>	<u>\$ 198,571,886.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

OPEB Expense - For the fiscal year ended June 30, 2024, the School District recognized \$5,419,235.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2023 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2024, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 23,704,117.00	\$ 42,791,674.00
Changes of Assumptions	23,102,735.00	44,834,546.00
Changes in Proportion	<u>4,725,497.00</u>	<u>789,764.00</u>
	<u><u>\$ 51,532,349.00</u></u>	<u><u>\$ 88,415,984.00</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2025	\$ (7,349,409.00)
2026	(7,349,409.00)
2027	(6,306,416.00)
2028	(3,613,005.00)
2029	(364,294.00)
Thereafter	<u>(11,901,102.00)</u>
	<u><u>\$ (36,883,635.00)</u></u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$12,963,299.00, \$147,839.00, \$3,568,372.00, and \$4,551.00, 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 the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending Balance</u>	
				<u>Claims</u> <u>Payable</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2024	-	\$ 42,159.15	\$ 59,011.54	\$ 126,154.88	\$ 1,208,641.68
2023	-	59,119.81	113,403.67	83,995.73	1,208,641.68
2022	-	68,493.05	1,545.00	119,100.22	1,208,641.68

Joint Insurance Pool - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

Property, Inland Marine and Automobile Physical Damages
Boiler and Machinery
Crime
General and Automobile Liability
Workers' Compensation
Educator's Legal Liability
Pollution Legal Liability
Cyber Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

The Fund publishes its own financial report, which can be obtained from the following address:

Burlington County Insurance Pool Joint Insurance Fund
P.O. Box 449
Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of six (6) deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Fidelity, Equitable, Valic, Lincoln Investment, Tom Sealy Investment, Prudential

Note 13: COMMITMENTS

The School District on May 21, 2024 approved a five-year Finance Purchase of four 54 Passenger Buses totaling \$604,990.00. Delivery and placement in service occurred in the 24-25 Fiscal Year.

Note 14: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted vacation and sick leave in varying amounts under the School District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin accumulating and vesting upon commencement of employment. The School District shall pay each employee retiring from the School District for each accumulated unused sick day in accordance with the School District's schedule up to a maximum of 200 days.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2024, the liability for compensated absences reported on the government-wide statement of net position was \$1,598,393.36. As of June 30, 2024 no liability for compensated absences in proprietary fund statement of net position exists.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund	\$ 40,077.72	
Capital Projects Fund		\$ 198,841.24
Debt Service Fund	198,841.24	
Enterprise Fund	130,000.00	170,077.72
	<u>\$ 368,918.96</u>	<u>\$ 368,918.96</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2025, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

\$14,795.18 was transferred from the Capital Projects Fund to Debt Service Fund representing interest on deposits earnings.

\$979,390.00 was transferred from the General Fund to the Special Revenue Fund representing local share of Preschool Education Program.

\$225,000.00 was transferred from the General Fund to the Debt Service Fund representing a budgeted withdraw of capital reserve funds.

Note 16: ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined as ending on the anniversary date of bond settlement.

The School District has a bond issue outstanding as of June 30, 2024 that is subject to rebate calculations. Rebate calculations on these bonds are required to be made at least once every five years. The School District prepares rebate calculations for purposes of determining any contingent liability for rebate in accordance with the requirements. As of June 30, 2024, the School District has determined that no arbitrage rebate liability exists. The amount of contingent liability for rebate may change as a result of future events.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2024, the balance in the capital reserve account is \$2,785,053.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Legally Restricted Appropriations - In accordance with N.J.S.A. 18A:39-31, the School District has restricted \$520.00 of school bus advertising revenue to offset future costs in the 2025-2026 budget. At June 30, 2024 the School District also has restricted \$1,170.00 of school bus advertising revenue from June 30, 2023 that is anticipated as revenue in the 2024-2025 budget.

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$1,476,482.97. Additionally, \$2,988,217.66 of excess fund balance generated during 2022-2023 has been restricted and designated for utilization in the 2024-2025 budget.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2024 a restricted fund balance from employer contributions in the amount of \$1,208,641.68 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2024 was \$103,562.24.

Note 19: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****Capital Projects Fund**

On November 20, 2018, the School District issued \$35,540,000.00 of general obligation bonds for renovations and improvements at all eight school building in the district. The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the School District at a special election. As of June 30, 2024, the restricted fund balance amount was \$71,267.98.

Debt Service Fund

In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025 \$193,851.00 of debt service fund balance at June 30, 2024. \$109,795.04 of debt service fund balance at June 30, 2024 will be included as an anticipated revenue for the fiscal year ending June 30, 2026.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

Other Purposes - As of June 30, 2024, the School District had \$336,779.87 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025 \$1,352,511.34 of general fund balance at June 30, 2024.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund

As of June 30, 2024, \$1,732,218.93 of general fund balance was unassigned.

APPENDIX C

Form of Bond Counsel Opinion



June 24, 2025

The Board of Education of the Township of Mount Laurel,
in the County of Burlington, New Jersey
330 Mount Laurel Road
Mount Laurel, New Jersey

**RE: \$21,220,000 THE BOARD OF EDUCATION OF THE TOWNSHIP OF
MOUNT LAUREL, IN THE COUNTY OF BURLINGTON, NEW JERSEY,
SCHOOL REFUNDING BONDS, SERIES 2025**

Board Members:

We have served as Bond Counsel to the The Board of Education of the Township of Mount Laurel, in the County of Burlington, New Jersey ("Board" when referring to the governing body and "School District" when referring to the legal entity governed by the Board) in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Refunding Bonds").

The Refunding Bonds are authorized to be issued pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law"); (ii) a refunding bond ordinance duly and finally adopted by the Board on May 20, 2025 ("Refunding Bond Ordinance"); and (iii) a resolution duly adopted by the Board on May 20, 2025 ("Resolution").

The Refunding Bonds are being issued to provide funds which will be used to: (i) refund and redeem all of the School District's outstanding callable School Bonds, Series 2018, maturing on September 1 in the years 2026 through 2033, both dates inclusive; and (ii) pay the costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

The Refunding Bonds are dated their date of issuance, mature on September 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semi-annually on March 1 and September 1, commencing September 1, 2025, in each year until maturity.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$115,000	4.00%	2030	2,685,000	4.00%
2026	2,335,000	4.00	2031	2,755,000	4.00
2027	2,430,000	4.00	2032	2,850,000	4.00
2028	2,530,000	4.00	2033	2,885,000	4.00
2029	2,635,000	4.00			



The Refunding Bonds are issued in fully registered book-entry only form without coupons, and are not subject to redemption prior to their stated maturity dates.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, *inter alia*, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the School Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Refunding Bond Ordinance, the Resolution, a certification of officials of the School District having the responsibility for issuing the Refunding Bonds given pursuant to the Code ("Nonarbitrage Certificate") and the other certifications, instruments, documents and opinions listed in the closing agenda prepared in connection with the settlement of the Refunding Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Refunding Bonds are legal, valid and binding obligations of the School District enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal of and interest on the Refunding Bonds, the School District has the power and is obligated, to the extent payment is not otherwise provided, to levy *ad valorem* taxes upon all taxable real property within the School District without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Refunding Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Refunding Bonds received or accrued by a foreign corporation subject to the branch profits tax will be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Refunding Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.



In rendering this opinion, we have assumed continuing compliance by the School District with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Refunding Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the School District to comply with such covenants could result in the interest on the Refunding Bonds being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Refunding Bonds.

Ownership of the Refunding Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Refunding Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Refunding Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Refunding Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The School District has not designated the Refunding Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Refunding Bonds should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Refunding Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.



We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Refunding Bonds.

In providing the opinion expressed in paragraph 3 above, we have relied upon the written report provided by Bowman & Company, LLP, Voorhees, New Jersey, certified public accountants, regarding the sufficiency of the escrow and the computation of the yield on the Refunding Bonds and certain investments made with the proceeds thereof.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the School District and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX D

Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this 24th day of June, 2025 by and between The Board of Education of the Township of Mount Laurel, in the County of Burlington, New Jersey ("Board" when referring to the governing body and "School District" when referring to the legal entity governed by the Board) and Phoenix Advisors ("Dissemination Agent"). This Disclosure Agreement is entered into in connection with the issuance and sale by the School District of its School Refunding Bonds, Series 2025, in the aggregate principal amount of \$21,220,000 ("Refunding Bonds").

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Refunding Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 ("Exchange Act"), as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds ("Rule").

SECTION 2. Definitions. Capitalized terms, not otherwise defined herein, shall for purposes of this Disclosure Agreement, have the following meanings:

"Annual Report" shall mean the School District's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the School District or the Dissemination Agent is authorized by law or contract to remain closed.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Refunding Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the SEC as a repository for purposes of the Rule.

"Opinion of Counsel" shall mean a written opinion of counsel expert in federal securities law acceptable to the School District.

"SEC Release" shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

SECTION 3. Provision of Annual Report.

(a) The School District shall not later than two hundred seventy (270) days after the end of its fiscal year (currently June 30) during which any of the Refunding Bonds remain outstanding provide to the Dissemination Agent, the School District's Annual Report prepared for the preceding fiscal year of the School District (commencing for the fiscal year ending June 30, 2025). Each Annual Report provided to the Dissemination Agent by the School District shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the School District, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the School District certifying that the Annual Report has been provided pursuant to this Agreement, stating the date it was provided to the National Repository.

(c) If the School District fails to provide the Annual Report to the Dissemination Agent by the dates required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the School District advising of such failure. Whether or not such notice is given or received, if the School District thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice to the National Repository in substantially the form attached as Exhibit "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the School District's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, dated June 10, 2025, audited by an independent certified public accountant, provided that the annual audited financial statements of the School District may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the School District are included in the Annual Report; and (ii) certain financial information and operating data of the School District consisting of School District indebtedness, property valuation information, and tax rate, levy and collection data. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the New Jersey Department of Education as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Refunding Bonds, or other material events affecting the tax status of the Refunding Bonds;
- (7) modifications to the rights of Refunding Bondholders, if material;
- (8) Refunding Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Refunding Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The School District shall within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified in clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the School District may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the School District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within three (3) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the School District.

SECTION 6. Termination of Disclosure Agreement. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Refunding Bonds or when the School District is no longer an Obligated Person (as defined in the Rule) with respect to the Refunding Bonds.

¹ The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the School District and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an Opinion of Counsel) is: (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the School District, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Refunding Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of Bondholders. The School District shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the School District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default and Remedies. In the event of a failure of the School District to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Bondholder may (and, at the written request of Bondholders of at least twenty-five percent (25%) of the outstanding Refunding Bonds and provision of indemnity and security for expenses satisfactory to it, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the School District to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the School District to comply with this Disclosure Agreement shall be an action to compel performance. A failure of the School District to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Refunding Bonds.

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the School District:

The Board of Education of the
Township of Mount Laurel,
in the County of Burlington, New Jersey
330 Mount Laurel Road
Mount Laurel, New Jersey 08054
Attention: Business Administrator

(ii) If to the Dissemination Agent:

Phoenix Advisors
2000 Waterview Drive, Suite 101
Hamilton, New Jersey 08691
Attention: Sherry L. Tracey, Senior Managing Director

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the School District, the Dissemination Agent and the Bondholders, and nothing herein contained shall confer any right upon any other person.

SECTION 12. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 13. Compensation. The School District shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

SECTION 14. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the School District or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**THE BOARD OF EDUCATION OF THE TOWNSHIP
OF MOUNT LAUREL, IN THE COUNTY OF
BURLINGTON, NEW JERSEY**

By: _____
ROBERT F. WACHTER,
Business Administrator/Board Secretary

PHOENIX ADVISORS,
as Dissemination Agent

By: _____
SHERRY L. TRACEY, Senior Managing Director

EXHIBIT A
NOTICE TO THE NATIONAL REPOSITORY OF
FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: The Board of Education of the Township of Southampton, in the County of Burlington, New Jersey

Name of Bond Issues Affected: \$21,220,000 The Board of Education of the Township of Southampton, in the County of Burlington, New Jersey, School Refunding Bonds, Series 2025

Date of Issuance of the Affected Bond issue: June 24, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement dated June 24, 2025 between the School District and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____.]

Dated:

PHOENIX ADVISORS
Dissemination Agent

cc: School District