

OFFICIAL STATEMENT DATED SEPTEMBER 3, 2025

In the opinion of Archer & Greiner P.C., Red Bank, New Jersey (“Bond Counsel”), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) will not be treated as a preference item under section 57 of the Code for purposes of computing federal alternative minimum tax; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under the Code. Bond Counsel is also further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See “TAX MATTERS” herein.

**THE BOARD OF EDUCATION OF THE TOWNSHIP OF WEST DEPTFORD
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

\$44,964,000
SCHOOL BONDS, SERIES 2025
(Callable) (Book-Entry Only)

Dated: Date of Delivery

Due: July 15, as shown on the inside front cover

The \$44,964,000 aggregate principal amount of School Bonds, Series 2025 (“Bonds”), of The Board of Education of the Township of West Deptford, in the County of Gloucester, New Jersey (“Board” when referring to the governing body, and “School District” when referring to the legal entity governed by the Board) 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 full faith and credit of the School District are irrevocably pledged for the payment of the principal of and interest on the Bonds. The 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.

The Bonds shall be issued in fully registered book-entry-only form without coupons. Principal of and interest on the Bonds will be paid to DTC (as hereinafter defined) on the respective maturity date thereof upon presentation and surrender of the Bonds to the School District or its hereinafter designated paying agent, if any. Interest on the Bonds is payable semi-annually on January 15 and July 15, commencing on July 15, 2026, in each year until maturity or earlier redemption. The Bonds are subject to optional redemption prior to their stated maturity dates as set forth herein.

Upon initial issuance, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of the principal of and interest on the 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 Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. For so long as any purchaser is a Beneficial Owner of a 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 Bond.

The School District is issuing the 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.*; and (ii) a resolution, duly and finally adopted by the Board on July 17, 2025. The Bonds are authorized by a proposal adopted by the Board on January 9, 2025 and approved by the legal voters of the School District at a special election held on March 11, 2025 (“Proposal”).

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of the capital improvements at various School District facilities as set forth in the Proposal; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.



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 Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel, and certain other conditions described herein. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has acted as Municipal Advisor to the School District in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the School District by its Solicitor Alicia D’Anella, Esquire, of the law firm Gorman, D’Anella & Morlok, LLC, Atlantic City, New Jersey. It is anticipated that the Bonds in definitive form will be available for delivery through DTC in New York, New York on or about September 16, 2025.



**THE BOARD OF EDUCATION OF THE TOWNSHIP OF WEST DEPTFORD,
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

**\$44,964,000
SCHOOL BONDS, SERIES 2025
(Callable) (Book-Entry Only)**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS**

<u>Year</u> <u>(July 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2027	\$1,199,000	4.00%	2.22%	952513FZ7
2028	1,275,000	4.00	2.23	952513GA1
2029	1,330,000	4.00	2.26	952513GB9
2030	1,385,000	4.00	2.38	952513GC7
2031	1,445,000	4.00	2.56	952513GD5
2032	1,510,000	4.00	2.75	952513GE3
2033	1,580,000	4.00	2.89	952513GF0
2034	1,650,000	4.00	3.06	952513GG8
2035	1,725,000	4.00	3.23	952513GH6
2036	1,805,000	4.00	3.48*	952513GJ2
2037	1,885,000	4.00	3.70*	952513GK9
2038	1,970,000	4.00	3.90*	952513GL7
2039	2,055,000	4.00	4.00	952513GM5
2040	2,150,000	4.00	4.15	952513GN3
2041	2,200,000	4.00	4.25	952513GP8
2042	2,200,000	4.25	4.35	952513GQ6
2043	2,200,000	4.25	4.45	952513GR4
2044	2,200,000	4.25	4.55	952513GS2
2045	2,200,000	4.50	4.65	952513GT0
2046	2,200,000	4.50	4.65	952513GU7
2047	2,200,000	4.50	4.70	952513GV5
2048	2,200,000	4.50	4.75	952513GW3
2049	2,200,000	4.50	4.80	952513GX1
2050	2,200,000	4.50	4.81	952513GY9

* Priced at the stated yield to the first optional redemption date of July 15, 2035 at a redemption price of 100%.

** 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 S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Board 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 is subject to being changed after the issuance of the 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 Bonds.

**THE BOARD OF EDUCATION OF THE TOWNSHIP OF WEST DEPTFORD,
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

MEMBERS OF THE BOARD

Brian Peticari
Daniel Grazioli
Dr. Drew Ricchiuti
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BUSINESS ADMINISTRATOR/BOARD SECRETARY

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AUDITOR

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SOLICITOR

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Atlantic City, New Jersey

MUNICIPAL ADVISOR

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

BOND COUNSEL

Archer & Greiner P.C.
Red Bank, New Jersey

The information which is set forth herein has been provided by The Board of Education of the Township of West Deptford, in the County of Gloucester, New Jersey ("School District"), The Depository Trust Company 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 Township of West Deptford, County of Gloucester, New Jersey and the School District is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the School District.

No dealer, broker, salesperson or other person has been authorized by the School District 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 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 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 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 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.

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") MAKES NO REPRESENTATION REGARDING THE BONDS OR THE ADVISABILITY OF INVESTING IN THE BONDS. IN ADDITION, BAM HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING BAM, SUPPLIED BY BAM AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

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OFFICIAL STATEMENT

Relating to

THE BOARD OF EDUCATION OF THE TOWNSHIP OF WEST DEPTFORD, IN THE COUNTY OF GLOUCESTER, NEW JERSEY

\$44,964,000

SCHOOL BONDS, SERIES 2025 (Callable) (Book-Entry-Only)

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 West Deptford, in the County of Gloucester, 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 \$44,964,000 aggregate principal amount of its School Bonds, Series 2025 (“Bonds”), pursuant to a proposal approved by the voters of the School District and a resolution of the School District 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 School District 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.

This Official Statement is “deemed final”, as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”).

AUTHORIZATION FOR THE BONDS

The School District is issuing the 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”); and (ii) a resolution duly adopted by the Board on July 17, 2025 (“Resolution”). The Bonds are authorized by a proposal adopted by the Board on January 9, 2025 and approved by the legal voters of the School District at a special election held on March 11, 2025 (“Proposal”).

PURPOSE OF THE BOND ISSUE

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of the capital improvements set forth in the Proposal as further described below; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds (collectively, the “Project”).

The Project includes: (i) renovation of the existing structure located at Block 77, Lot 118 on the official tax map of the Township of West Deptford (also known as 1261 Red Bank Avenue) and the construction of an addition thereto, totaling approximately 30,400 square feet, to house an Early Childhood

Center to accommodate ten (10) new classrooms and other academic space; (ii) building system upgrades including the replacement and/or upgrading of the electrical, communications, and heating, ventilating and air conditioning systems at Greenfields Elementary School, Oakview Elementary School, Red Bank Elementary School, West Deptford Middle School, West Deptford High School and Administrative Offices; (iii) renovations and improvements at West Deptford High School, including interior renovations to the Gymnasium, Auditorium, and Locker Rooms, construction of an addition to house 4,000 square feet of additional music classrooms and the renovation of existing music rooms and support spaces together with exterior renovations including the replacement, improvement and/or repair of the roof, re-surfacing of tennis courts and stadium track and the replacement, improvement and/or repair of the windows, flooring, doors, interior and exterior walls and ceilings; (iv) renovations to science labs and locker rooms and the replacement, improvement and/or repair of the roof at West Deptford Middle School; (v) installation of an elevator at Greenfields Elementary School for compliance with the American Disabilities Act; (vi) the acquisition of furniture, fixtures and equipment for said addition, renovations and improvements; and (vii) the acquisition of all equipment and the completion of all site and other work necessary or desirable to make said improvements and work compatible with the existing facilities and compliant with the code, safety and Americans with Disabilities Act requirements.

The School District is authorized to expend an amount not to exceed \$89,928,606 for the Project, \$69,976,116 of which represents eligible costs ("Final Eligible Costs"), as determined by the Commissioner of Education, for which the State has agreed to pay up to 40.00% of the debt service only on the portion of the Bonds (including both principal and interest) issued to finance the Final Eligible Costs of the Project. The remaining payments of the Bonds issued to finance the portion of the Project not eligible for State support will not receive debt service aid.

THE BONDS

General Description

The Bonds will be issued in the aggregate principal amounts as shown on the inside front cover page hereof. The Bonds will be dated their date of delivery and will bear interest from that date at the interest rates set forth on the inside front cover page hereof. Interest on the Bonds will be payable semi-annually on January 15 and July 15 (each an "Interest Payment Date"), commencing July 15, 2026, in each year until maturity or earlier redemption. The Bonds will mature on July 15 in the years and in the principal amounts, all as shown on the inside cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry-only form without coupons in the principal denominations of \$5,000, or any integral multiple of \$5,000 and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the School District or its hereafter designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the School District or its hereafter designated paying agent for such purpose at the principal offices of the School District or its hereafter designated paying agent, as of the close of business on the first day of the calendar month immediately preceding an Interest Payment Date ("Record Date").

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

the Beneficial Owners (as hereinafter defined) of the Bonds is the responsibility of the DTC Participants and not the School District or its hereafter designated paying agent. See “THE BONDS--Book-Entry Only System” herein.

Optional Redemption

The Bonds maturing before July 15, 2036 are not subject to redemption prior to their stated maturity dates. The Bonds maturing on and after July 15, 2036 are subject to redemption prior to their stated maturity dates at the option of the School District, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the School District shall determine and within any such maturity by lot) on any date on or after July 15, 2035, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of Redemption

Notice of redemption shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the School District, or its Paying Agent. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to DTC or any successor, and will not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of DTC to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after the redemption date interest on such Bond or portion thereof to be redeemed shall cease to accrue and be payable.

Book-Entry Only System³

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the 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 Bonds. The 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 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,

³ Source: The Depository Trust Company

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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 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. Transfers of ownership interests in the 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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, if any, shall be sent to DTC. If less than all of the 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 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the 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, 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, its hereafter designated paying agent, or the School District, 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, 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 Bonds at any time by giving reasonable notice to the School District or its hereafter designated paying agent. Under such circumstances, in the event that a successor depository is not obtained, 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, 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 (as hereinafter defined) take any responsibility for the accuracy thereof.

NEITHER THE SCHOOL DISTRICT NOR ANY HEREAFTER DESIGNATED PAYING AGENT 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 THE BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE HEADING "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 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 Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the School District or its hereafter designated paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the School District or its hereafter designated paying agent for such purpose only upon the surrender thereof

to the School District or its hereafter designated paying agent together with the duly executed assignment in form satisfactory to the School District or its hereafter designated paying agent and (iii) for every exchange or registration of transfer of Bonds, the School District or its hereafter designated paying agent 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 Bonds. Interest on the 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.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$503.3 million, \$258.1 million and \$245.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Taxing Power

The 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 Bonds. The 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 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 Bonds.

New Jersey School Bond Reserve Act

The 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 of 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 Education 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 Senate Bill 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 pre-kindergarten (pre-K) through grade twelve (12) school district, the School District can borrow up to four percent (4%) of the average equalized valuation of taxable property in the School District. The School District is within its debt capacity.

Exceptions to Debt Limitation

A Type II local school district may also utilize its municipality's remaining statutory borrowing power (i.e. the excess of three and one-half percent (3.5%) of the average equalized valuation of taxable property within the municipality over the municipality's net debt). The School District has not utilized any part of the constituent municipalities borrowing margin. A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board in the Department of Community Affairs, Division of Local Government Services ("Local Finance Board").

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.

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.

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 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

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 and the Township of West Deptford, County of Gloucester, New Jersey, including statistical, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement.

Financial

Certain audited financial data of the School District for the fiscal year ended June 30, 2024 is presented in Appendix B to this Official Statement (“Financial Statements”). The Financial Statements have been audited by Bowman & Company LLP, Voorhees, New Jersey, an independent auditor (“Auditor”), as stated in the report appearing in Appendix B to this Official Statement. A copy of the 2024 audit prepared by the Auditor, containing the financial statements and complete Reports of Audit may be obtained upon request to the office of the Business Administrator/Board Secretary, or accessed on the Electronic Municipal Market Access (“EMMA”) of the Municipal Securities Rule Making Board (“MSRB”).

LITIGATION

Upon delivery of the Bonds, the School District shall furnish an opinion of Alicia D’Anella, Esquire, of the Law Firm of Gorman, D’Anella & Morlok, LLC, Atlantic City, New Jersey, the School District’s solicitor (“Solicitor”), dated the date of delivery of the 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 Bonds, or in any way contesting or affecting the validity of the 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 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 bonds, which has not otherwise been disclosed in this Official Statement.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Archer & Greiner P.C., Red Bank, New Jersey, as bond counsel to the School District (“Bond Counsel”), whose approving legal opinion will be delivered with the Bonds substantially in the form set forth in Appendix “C” hereto. Certain legal matters will be passed upon for the School District by the Solicitor.

The various legal opinions to be delivered concurrently with the delivery of the 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

Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the School District to comply with such requirements may cause interest on the Bonds to

lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The School District will make certain representations in its tax certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The School District has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel will rely upon the representations made in the tax certificate and will assume continuing compliance by the School District with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the School District observes its covenants with respect to compliance with the Code, Archer & Greiner P.C., Bond Counsel to the School District, is of the opinion that, under existing law, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. Interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing federal alternative minimum tax; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the School District or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the School District as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

Changes in Federal Tax Law Regarding the Bonds

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

ADDITIONALLY, EACH PURCHASER OF THE BONDS SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, COURT DECISIONS OR LITIGATION.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE BONDS.

COMPLIANCE WITH SECONDARY MARKET CONDITIONS

The School District has covenanted for the benefit of the holders of the Bonds and the beneficial owners of the Bonds to provide certain financial information and operating data of the School District annually and to comply with the provisions of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in a Continuing Disclosure Certificate (the “Bond Disclosure Certificate”) to be executed on behalf of the School District by its Chief Financial Officer, in the form appearing in APPENDIX D attached hereto. Such Bond Disclosure Certificate shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data, and notices of events specified in the Rule, if material, shall be filed with the Municipal Securities Rulemaking Board (the “MSRB”). This covenant is being made by the School District to assist the purchaser of the Bonds in complying with the Rule.

In the previous five years and in connection with the School District’s obligation under its existing continuing disclosure agreement, the School District failed to timely file the June 30, 2021 and June 30, 2020 annual comprehensive financial report due to the State of New Jersey extensions of the deadline for the corresponding school fiscal years. The School District has since filed such financial reports with EMMA along with a Notice of Failure to Timely File Financial Information. The School District appointed Acacia Financial Group, Inc., Mount Laurel, New Jersey to serve as continuing disclosure agent in connection with the Bonds and with its prior secondary market disclosure undertakings.

UNDERWRITING

The Bonds have been purchased from the School District at a public sale by Janney Montgomery Scott, LLC (the “Underwriter”) at a price of \$44,964,000 (the “Purchase Price”).

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside 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 Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing bonds into investment trusts) at yields higher than the public offering yields set forth on the inside cover page, and such public offering 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

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the Board in connection with the issuance of the Bonds (the “Municipal Advisor”). 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 this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not

engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

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. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to state and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. 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. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the School District have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the School District's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 12, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The School District received \$3,641,112 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds can only be spent on certain allowable uses as set forth in the Plan.

Climate

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.

Cyber Security

The School District relies on a 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 cyberattacks, the School District has invested in multiple forms of cybersecurity and operational safeguards. In addition, the School District maintains certain insurance coverage for cyberattacks and related events.

RATING

Moody's Ratings ("Rating Agency") has assigned a rating of "A1" to the Bonds based upon the creditworthiness of the School District. The Rating Agency is also expected to assign its rating of "AA" to the Bonds subject to the issuance of the Policy by BAM at the time of the delivery of the Bonds. 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 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 Bonds.

PREPARATION OF OFFICIAL STATEMENT

The School District hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm same to the purchasers of the Bonds, by certificates signed by various School District officials.

All other information has been obtained from sources that 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.

The Auditor has participated in the preparation of the information contained in Appendix "A" from information obtained from various sources they consider to be reliable and makes no warranty, guaranty or other representation with respect to the accuracy and completeness or fairness of the information contained herein and, accordingly, will express no opinion with respect thereto. The Auditor only takes responsibility for the financial statements, appearing in Appendix "B".

LEGALITY FOR INVESTMENT

Applicable laws of the State provide that the 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 Steven Jakubowski, Business Administrator/Board Secretary, Board of Education of the Township of West Deptford, 999 Kings Highway, New Jersey 08086, or to the Municipal Advisor, Acacia Financial Group, Inc. at 6000 Midlantic Drive, Suite 410 North, Mount Laurel, New Jersey 08054.

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 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 Business Administrator/Board Secretary of the School District.

**THE BOARD OF EDUCATION OF THE
TOWNSHIP OF WEST DEPTFORD IN THE
COUNTY OF GLOUCESTER, NEW JERSEY**

**By: /s/ STEVEN JAKUBOWSKI
STEVEN JAKUBOWSKI,
Business Administrator/Board Secretary**

Dated: September 3, 2025

APPENDIX A

**GENERAL INFORMATION RELATING TO THE SCHOOL DISTRICT AND ECONOMIC
AND DEMOGRAPHIC INFORMATION RELATING TO THE TOWNSHIP OF WEST
DEPTFORD**

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

Primary and Secondary

The Township of West Deptford School District ("School District") is governed by a nine-member Board of Education ("Board"). The School District operates as a Type II school district under the provisions of Title 18A of the New Jersey statutes. The School District educates grades pre-kindergarten (Pre-K) through twelve (12), including special education classes.

The Board is composed of nine (9) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis. The President and Vice President are chosen for one (1) year terms from among the members of the Board. The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District, and the responsibility to develop the annual School District budget. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Board Secretary/Business Administrator who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

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.

SCHOOL DISTRICT ENROLLMENTS (1)

<u>Grade</u>	<u>October 15,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Pre-K	148	145	128	164	115
K	186	167	180	162	161
1	177	176	157	165	197
2	178	159	163	195	169
3	152	167	194	167	163
4	172	199	165	157	168
5	193	153	148	164	188
6	159	149	171	195	155
7	149	170	191	155	175
8	179	192	168	175	165
9	158	142	153	161	158
10	144	155	148	145	171
11	144	138	144	157	172
12	137	143	162	172	174
Spec. Ed.	528	527	537	539	546
Totals	<u>2,804</u>	<u>2,782</u>	<u>2,809</u>	<u>2,873</u>	<u>2,877</u>

(1) Source: School District Business Administrator/Board Secretary

PRESENT SCHOOL FACILITIES AND ENROLLMENT (1)

<u>Name of School</u>	<u>Date Constructed</u>	<u>Grades</u>	<u>Enrollment October 15, 2024</u>
Green-Fields Elementary School	1957	K-4	479
Oakview Elementary School	1954	K-4	465
Red Bank Elementary School	1964	K-4	253
West Deptford Middle School	1971	5-8	859
West Deptford High School	1959	9-12	<u>748</u>
			<u>2,804</u>

School District Employees (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Teaching Professionals	347	342	359	345	299
Support Staff	147	124	122	116	131
Total Full & Part Time Employees	<u>494</u>	<u>466</u>	<u>481</u>	<u>461</u>	<u>430</u>

Budget History

<u>Budget Year</u>	<u>Outcome of Election</u>	<u>General Fund Tax Levy As Originally Proposed</u>
2025-2026	(2)	\$38,704,184
2024-2025	(2)	37,872,041
2023-2024	(2)	36,630,046
2022-2023	(2)	35,911,810
2021-2022	(2)	35,207,657

Employee Collective Bargaining Unit

<u>Collective Bargaining Unit</u>	<u>Contract Employees Represented</u>	<u>Expiration Date</u>
West Deptford Education Association	386	6/30/2025
West Deptford Administrators Association	15	6/30/2025
Support Staff	129	6/30/2025

Compensated Absences

School District employees are granted vacation and sick leave in varying amounts under the School District's personnel policies. For additional information regarding compensated absences, (See Appendix B: Financial Statements of the School District, Note 13 to Financial Statements).

Pension Plans

Those School District employees who are eligible for pension coverage are enrolled in one of two 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: Financial Statements of the School District, Note 8 to Financial Statements).

(1) Source: School District Business Administrator/Board Secretary

(2) Current Expense Levy was within the 2.0% State CAP, therefore an election was not required.

SCHOOL DISTRICT BUDGETS

	<u>2025-2026</u>	<u>2024-2025</u>
Revenues:		
General Fund:		
Budgeted Fund Balance	\$690,524	\$972,457
Withdraw from Capital Reserve for Excess Cost and Other Capital Projects		500,000
Subtotal	690,524	1,472,457
Revenues from Local Sources:		
Local Tax Levy	38,704,184	37,872,041
Tuition	152,160	64,757
Transportation Fees from Other LEAs	25,000	
Interest Earned on Capital Reserve Funds	100	100
Other Restricted Miscellaneous Revenues	395,000	330,000
Unrestricted Miscellaneous Revenues	450,336	442,403
Subtotal	39,726,780	38,709,301
Revenues from Federal Sources:		
Medicaid Reimbursement	13,084	109,237
Revenues from State Sources:		
Categorical Transportation Aid	1,621,255	1,034,656
Extraordinary Aid	791,354	655,594
Categorical Special Education Aid	3,885,581	2,537,445
Equalization Aid	9,462,910	10,881,344
Categorical Security Aid	662,101	293,580
Other State Aid	16,692	
Subtotal	16,439,893	15,402,619
Total General Fund	56,870,281	55,693,614
Special Revenue Funds:		
Local Aid		374,669
State Aid	3,133,290	3,170,027
Federal Aid	1,281,962	1,348,649
Total Revenues from Federal and State Sources	4,415,252	4,893,345
Transfers from Operating Budget-PreK(Special Education)	407,446	0
Total Special Revenue Funds	4,822,698	4,893,345
Debt Service:		
Local Tax Levy	873,684	870,870
State Aid	135,541	135,105
Total Debt Service	1,009,225	1,005,975
Total Revenues/Sources	\$62,702,204	\$61,592,934
Deduct Transfer- Transfer from Operating Budget-PreK (Special Education)	\$407,446	\$0
Total Revenues/Sources Net of Transfers	\$62,294,758	\$61,592,934

SCHOOL DISTRICT BUDGETS

	<u>2025-2026</u>	<u>2024-2025</u>
Appropriations:		
General Current Expense:		
Regular Programs--Instruction	\$16,101,629	\$16,503,149
Special Education-Instruction	6,266,310	6,149,609
School-Spon. Co-curricular Activities-Instruction	280,764	275,087
School Sponsored Athletics-Instruction	830,356	772,631
Community Services Programs/Operations	237,466	281,535
	<u>23,716,525</u>	<u>23,982,011</u>
Undistributed Expenditures:		
Instruction (Tuition)	2,985,944	3,572,323
Attendance and Social Work Services	52,722	118,911
Health Services	595,073	558,472
Other Support Services--Speech, OT, PT and Related Services	754,461	745,466
Other Support Services-Students-Extraordinary Services	1,908,450	1,826,047
Other Support Services-Guidance	1,151,088	1,105,294
Other Support Services-Students-Child Study Teams	1,096,437	1,112,902
Improvement of Instructional Services	585,926	558,820
Education Media Services - School Library	92,703	93,066
Instructional Staff Training Services	20,725	29,271
Support Services-General Administration	854,275	923,226
Support Services-School Administration	1,920,098	1,875,943
Central Services & Admin, Info Technology	1,205,768	1,192,684
Operation and Maintenance of Plant Services	4,826,066	4,703,959
Student Transportation Services	3,886,427	3,658,588
Personal Services-Employee Benefits	10,923,175	8,831,924
	<u>32,859,338</u>	<u>30,906,896</u>
Total Undistributed Expenditures	<u>32,859,338</u>	<u>30,906,896</u>
Total General Current Expenses	<u>56,575,863</u>	<u>54,888,907</u>
Capital Outlay:		
Equipment	134,000	205,500
Facilities, Acquisition and Construction Services	10,318	10,318
Capital Reserve-Transfer to Capital Projects		500,000
Interest Deposit to Capital Reserve	100	100
	<u>144,418</u>	<u>715,918</u>
Total Capital Outlay	<u>144,418</u>	<u>715,918</u>
Transfer of Funds to Charter Schools	<u>150,000</u>	<u>88,789</u>
General Fund Grand Total	<u>56,870,281</u>	<u>55,693,614</u>
Special Revenue Funds:		
Local Projects	0	374,669
State Projects	3,540,736	3,170,027
Federal Projects	1,281,962	1,348,649
	<u>4,822,698</u>	<u>4,893,345</u>
Total Special Revenue Funds	<u>4,822,698</u>	<u>4,893,345</u>
Debt Service Funds:		
Debt Service-Regular	<u>1,009,225</u>	<u>1,005,975</u>
	<u>1,009,225</u>	<u>1,005,975</u>
Total Debt Service Funds	<u>1,009,225</u>	<u>1,005,975</u>
Total Expenditures/Appropriations	<u>\$62,702,204</u>	<u>\$61,592,934</u>
Deduct Transfer- Transfer from Operating Budget-PreK (Special Education)	<u>\$407,446</u>	<u>\$0</u>
Total Expenditures/Appropriations Net of Transfers	<u>\$62,294,758</u>	<u>\$61,592,934</u>

TOWNSHIP OF WEST DEPTFORD SCHOOL DISTRICT
HISTORICAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	Fiscal Year Ending June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES					
Local Sources:					
Local Tax Levy	\$ 37,479,621	\$ 36,752,295	\$ 35,867,913	\$ 35,500,265	\$ 34,761,375
Other Local Revenue	1,382,754	1,546,141	1,691,602	1,031,578	489,168
State Sources	30,847,040	29,543,164	28,797,710	25,954,308	22,714,558
Federal Sources	3,324,626	2,357,149	2,791,445	1,637,873	1,183,125
Total Revenues	<u>73,034,041</u>	<u>70,198,749</u>	<u>69,148,670</u>	<u>64,124,024</u>	<u>59,148,226</u>
EXPENDITURES					
General Fund:					
Instruction	27,334,899	26,379,835	25,103,617	22,893,149	22,401,229
Tuition	3,098,162	2,786,056	2,418,246	3,539,117	3,543,259
Undistributed Expenditures	43,176,570	40,969,091	38,714,172	32,452,159	31,016,940
Debt Service	981,375	984,006	953,274	940,175	931,675
Capital Outlay	6,659,745	2,258,842	1,302,034	369,875	151,743
Total Expenditures	<u>81,250,751</u>	<u>73,377,830</u>	<u>68,491,343</u>	<u>60,194,475</u>	<u>58,044,846</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(8,216,710)</u>	<u>(3,179,081)</u>	<u>657,327</u>	<u>3,929,549</u>	<u>1,103,380</u>
Other Financing Sources (Uses):					
Proceeds of Lease Liability	4,441,343	583,791	1,110,000	-	529,065
Transfers in	-	1,072,000	-	-	-
Total other financing sources (uses)	<u>4,441,343</u>	<u>1,655,791</u>	<u>1,110,000</u>	<u>-</u>	<u>529,065</u>
Net Change in Fund Balance	<u>(3,775,367)</u>	<u>(1,523,290)</u>	<u>1,767,327</u>	<u>3,929,549</u>	<u>1,632,445</u>
Fund Balance, July 1	7,873,989	9,397,279	7,629,952	2,590,318	1,052,518
Prior Period Adjustment				1,110,085	(94,645)
Fund Balance, July 1, as Restated	<u>7,873,989</u>	<u>9,397,279</u>	<u>7,629,952</u>	<u>3,700,403</u>	<u>957,873</u>
Fund Balance, June 30	<u>\$ 4,098,622</u>	<u>\$ 7,873,989</u>	<u>\$ 9,397,279</u>	<u>\$ 7,629,952</u>	<u>\$ 2,590,318</u>

Source: School District Records

**TOWNSHIP OF WEST DEPTFORD SCHOOL DISTRICT
HISTORICAL REVENUES, EXPENDITURES AND CHANGES IN
NET POSITION - ALL PROPRIETARY FUND TYPES**

	Fiscal Year Ending June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Reimbursable Programs	\$ 314,460	\$ 357,712			\$ 181,588
Daily Sales - Non-Reimbursable Programs	263,561	258,327	\$ 203,550	\$ 28,467	178,818
Special Functions	24,557	28,263			302
Fees for Enrollment	452,978	507,648	488,989	378,883	356,056
Total Operating Revenues	1,055,556	1,151,950	692,539	407,349	716,764
OPERATING EXPENSES:					
Salaries	798,195	773,598	720,266	686,645	687,549
Employee Benefits	194,809	197,722	189,368	145,110	165,638
General Supplies	78,217	51,259	106,374	47,664	71,573
Depreciation	18,454	6,473	9,574	12,513	13,503
Purchased Professional Services	85,296	87,386	24,610	5,184	2,544
Other Purchased Services	87,726	81,815	31,176	13,868	10,816
Cost of Sales - Reimbursable Programs	418,102	429,689	639,403	450,713	279,057
Cost of Sales - Non-Reimbursable Programs	141,644	126,759	69,558	11,243	86,566
Miscellaneous	2,165	1,308	2,777	1,122	5,217
Total Operating Expenses	1,824,608	1,756,008	1,793,106	1,374,060	1,322,464
Operating Income / (Loss)	(769,052)	(604,058)	(1,100,567)	(966,711)	(605,700)
NONOPERATING REVENUES (EXPENSES):					
State Sources:					
State School Lunch Program	16,370	17,409	32,805	32,461	8,844
State School Lunch Program - EIE	7,400				
State School Breakfast Program	1,891	1,828			
State School Breakfast Program - EIE	2,226				
Federal Sources:					
School Breakfast Program	123,729	99,775			61,009
School Breakfast Program - SSO			358,186	388,184	
National School Lunch Program	374,453	417,368			266,692
National School Lunch Program - SSO			1,395,267	592,874	
National School Lunch Program - HHFKA	13,009	14,175		11,824	1,025
National School Lunch Program - Emergency School				45,269	
National School Lunch Program -	-				
Supply Chain Assistance	69,971	132,317			
P-EBT Administration	653		628	614	
Food Distribution Program	127,889	113,645	84,184	69,956	56,016
Miscellaneous Revenue - Insurance Refund	2,824	8,404			
Interest Revenue	384	4,660	43	141	5,513
Total Nonoperating Revenues (Expenses)	740,800	809,582	1,871,112	1,141,323	399,099
Change in Net Position	(28,252)	205,524	770,545	174,612	(206,601)
Net Position -- July 1	1,487,513	1,281,989	589,679	415,066	621,668
Prior Period Adjustments	-	-	(78,234)		
Net Position -- July 1, As Adjusted	1,487,513	1,281,989	511,444	415,066	621,668
Net Position -- June 30	\$ 1,459,261	\$ 1,487,513	\$ 1,281,989	\$ 589,679	\$ 415,066

Source: School District Records

TOWNSHIP OF WEST DEPTFORD SCHOOL DISTRICT
SCHEDULE OF DEBT SERVICE (1)
(BONDED DEBT ONLY)

Fiscal Year					
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2025	\$ 725,000	\$ 280,975	\$ 1,005,975		
2026	750,000	259,225	1,009,225		
2027	765,000	236,725	1,001,725		
2028	775,000	213,775	988,775		
2029	810,000	190,525	1,000,525		
2030	850,000	166,225	1,016,225		
2031	870,000	140,725	1,010,725		
2032	890,000	114,625	1,004,625		
2033	900,000	87,925	987,925		
2034	920,000	59,800	979,800		
2035	<u>920,000</u>	<u>29,900</u>	<u>949,900</u>		
Total	<u>\$ 9,175,000</u>	<u>\$ 1,780,425</u>	<u>\$ 10,955,425</u>		

Source: School District Records. As of June 30, 2024

GENERAL INFORMATION REGARDING THE TOWNSHIP OF WEST DEPTFORD

The following material presents certain economic and demographic information of the Township of West Deptford ("Township").

General Information

The Township is a residential and industrial community within the Delaware Valley economic region, a tristate region composed of eleven counties in the States of New Jersey, Pennsylvania, and Delaware. It is a major transportation center, combining one of the largest port facilities in the world with extensive rail, air and interstate highway systems.

History of the Township

Deptford Township, New Jersey, was formed in 1695, including what is now West Deptford Township, Westville Borough, Woodbury City, Woodbury Heights Borough, Washington Township, Monroe Township and National Park Borough. The territory that comprises West Deptford Township was separated into a Township by Act of Legislature approved March 1, 1871. On March 21, 1871, a group met together for a Town Meeting in the Thorofare School in order to form the Township to be called West Deptford Township.

The Village of Westville was later incorporated into the Township by Act of Legislature approved February 20, 1878; the Borough of National Park became a separate municipal corporation as of April 15, 1902.

Municipal Government

The Township is governed by a Township Committee, which has both legislative and executive powers and is comprised of five members, elected at large, for staggered three-year terms (2-2-1). The Mayor is chosen annually by majority vote of the members of the Township Committee ("Committee").

The Mayor is the chief executive officer of the Township. The responsibilities of the Mayor include execution and enforcement of laws of the State and ordinances of the Township, recommending to Committee such measures as he or she deems necessary or appropriate for the welfare of the Township, and preparing and submitting the annual budget to Committee for its consideration.

The responsibilities of Committee are, among others, to adopt the municipal budget and to enact ordinances to promote the health, safety and welfare of the Township and its residents.

The Township Administrator is responsible for the daily operations of the Township, staffing and personnel matters, preparation and implementation of the budget and Township receipts and disbursements.

The Township's Chief Financial Officer is custodian of all public moneys of the Township.

The Township Clerk assists with administering the affairs of the Township, including attending Committee meetings and providing for the taking and preparation of minutes therefore; compilation, preservation, indexing and publication of all ordinances and resolutions; and any other duties which the Committee may assign.

Township Services

A number of services are provided by the Township and paid for from general revenues. Employees in the Public Works Department maintain Township streets and roads, storm drains, provide snow removal services, while overseeing Township parks, playgrounds and recreational activities. The Zoning Board of Adjustment oversees all zoning requirements, and the Construction Office is responsible for all building permits and enforcement of uniform construction codes.

Fire protection is provided by a part-time paid staffing and stipend volunteers to provide 24/7, 365 coverage with a 4-person staffed crew. Ambulance service is provided by Gloucester County EMS.

Water and Sewer Service

The Township's Water and Sewer Department is responsible for water supply and sewage collection and treatment services. The Township draws its water from six (6) wells in operation throughout the Township with an average 0.95 million gallons per day output. Additional storage tanks exist with a capacity of three million gallons. 1.2 million gallons per day is purchased from the New Jersey American Water Company, through the interconnect mandated by the New Jersey Department of Environmental Protection.

Township residents have two separate charges for water and sewer services from the Township's water department: a water supply charge and a sewage collection charge.

Residents pay a minimum quarterly charge of \$21.45 for 9,000 gallons of water. Excess user charges are levied at the rate of \$8.42 per 1,000 gallons up to 54,500 gallons, \$10.34 per 1,000 gallons from 54,501 to 100,000, and \$12.38 per 1,000 gallons over 100,000 gallons.

Present sewer rates for residential dwellings are \$638 per year.

Gloucester County Utilities Authority

The Township is a participant in the Gloucester County Utilities Authority's (the "GCUA") sewage collection and treatment system. Pursuant to a service contract with GCUA, the Township is obligated to deliver its wastewater to GCUA for treatment and to pay GCUA service charges for such treatment. The Township pays such service charges from amounts collected from residents as sewer charges.

Trash Collection

Trash is collected by the Township's Public Works Department and disposed of at the SES Gloucester Incinerator, a private facility located in the Township and operated by SES Gloucester Company, L.P., a regulated public utility engaged in the business of solid waste disposal.

Housing

The Township's housing stock is primarily composed of single-family homes and residential apartment complexes. According to the 2010 Census, there were 8,793 year-round housing units in the Township. Of these units, 6,749, or 76.75 percent, were owner-occupied. See "Township Finances" herein for a description of trends and levels of the Township's real property tax levy and collections and for Township housing values.

According to Township Officials, there are four major apartment building complexes, Kingswick, Red Bank, Forest Creek and Heather Ridge, containing 425, 294, 655 and 400 units, respectively. At the present time, the Township is host to approximately eleven housing developments ranging in size from 96 to 529 homes.

Industry and Employment

Mid Atlantic Corporate Center, an industrial and commercial complex of 645 acres has buildings occupied by the following tenants: Akers Laboratories, Aramark, Art, Guild, Aramsco, Aquatrols, Camden International, Cooper Electric, CheckPoint Systems, ICS direct Mail warehouse, Glacier Garlock Bearing, J. Ambrogi Foods, Marine Equipment Supply Company, McGrory Glass, OSSUR Stavola Foods, Troemner, Tru Green/Chemlawn, Ultra Fresh, UTZ Quality Foods, SJ Bakery and Docuvault. Docuvault constructed a brand new 115,300 sq.ft. building which received occupancy permitting in 2016.

A second Industrial Park, Forest Park Corporate Center has buildings occupied by among others Amazon, Archive Systems, Compucom, Delaware Valley Wholesale Florist, Furmanite, Medical Specialties Distribution, National Oak Distributors, Owens and Minor Supply. A smaller 58-acre Light Industrial area is the home of University of Pennsylvania, Amerisource and auto parts distribution company LKQ.

An Amazon warehouse opened in late 2018. A certificate of occupancy was granted in spring 2019. Amazon has and is expected to continue to provide major job opportunities within the municipality which is expected to boost the overall economy.

Park West Phase I – Parkville Road & Harvest Drive received approval before the Planning Board in spring 2019. Construction began in the fall of 2019 for the 65 Townhomes.

Bostik Findley 2000 Nolte Drive constructed a 7,410 sq. Ft. expansion to their existing facility as well as 18 new dry bulk storage silos. This project was completed in late 2019.

HA DeHart – 311 Crown Point Road expanded their facility with a 4,388 sqft. addition to the existing building as well as site improvements. The Project was completed in late 2019.

COIM – is currently building a 28,000 sq. ft. building at their existing warehouse facility on 286 Mantua Grove Road.

301 Grove Road constructed a 123,000 sq. ft. addition to the existing building, which was occupied by a division of Bostik and DHL. The project was completed in mid-2019.

The Enclave (Phase 3 Park West)- The project has received Planning Board approval from the Township and is currently finalizing review with the Gloucester County Planning Board. The approved plans include 336 apartments and 200 single-family townhomes.

RiverWinds Redevelopment - Grove Land Urban Renewal has received Planning Board approval to construct a 90,000 sq. ft. four story 78 room senior apartment facility. Anticipated completion is mid-2023. Edgewood Properties is the Township's designated Redeveloper, who is slated to develop the parcel closest to the golf/tennis building. This project will consist of 120 condominiums. This project appeared before the Planning Board in fall 2019.

West Deptford Holdings (Crown Point Road & Jobstown)- Site Plan approval granted for 157,500 sqft. warehouse and an additional 8,300 sqft. for related office space.

Treetop Development (New Street)- Site plan approval granted in January 2022 for two warehouse buildings (71,344 sqft. and 59,502 sqft.)

BCIF Warehouse 1847 Crown Point Road- Initial Site plan approval granted in 2020 for a 280,000 sqft. warehouse space. This project received an occupancy and permitting November 2023.

Township Population (1)

2020 Federal Census	22,197
2010 Federal Census	21,677
2000 Federal Census	19,368
1990 Federal Census	19,380
1980 Federal Census	18,002

Selected Census 2023 Data for the Township (1)

Median household income	\$89,283
Per capita income	47,924

Labor Force (2)

The following table discloses current labor force data for the Township, County and State.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Township					
Labor Force	13,129	13,048	12,777	12,476	12,359
Employment	12,576	12,530	12,318	11,729	11,357
Unemployment	553	518	459	747	1,002
Unemployment Rate	4.2%	4.0%	3.6%	6.0%	8.1%
County					
Labor Force	166,130	165,120	161,384	157,695	156,419
Employment	158,789	158,213	155,189	147,614	142,386
Unemployment	7,341	6,907	6,195	10,081	14,033
Unemployment Rate	4.4%	4.2%	3.8%	6.4%	9.0%
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%

TEN LARGEST EMPLOYERS IN THE COUNTY (3)

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Business</u>	<u>Location</u>
Rowan University	3,500	Education	Glassboro
Inspira Medical Center	1,222	Healthcare	Woodbury
Walmart Supercenter	800	Retail	Turnersville
Jefferson Health	670	Healthcare	Washington Twp.
Aryzta LA Brea Bakery Inc.	500	International Bakery	Logan Twp.
Keller Williams Realty	500	Real Estate Company	Sewell
Honda of Turnersville	499	Car Dealership	Turnersville
Paulsboro Refinery LLC Ap	402	Oil Refinery	Paulsboro
Washington Township HS	400	Education	Washington Twp.
Johnson Matthey Inc.	379	Specialty Chemicals	West Deptford

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

(2) Source: New Jersey Department of Labor

(3) County

Transportation

The Township is connected directly to Camden, New Jersey and Philadelphia, Pennsylvania by Interstate 295, which runs through the Township, parallel to the Delaware River. Interstate 295 in turn connects with the Walt Whitman Bridge, Benjamin Franklin Bridge, the North-South Freeway (Route 42), the New Jersey Turnpike, the Delaware Memorial Bridge and the Commodore Barry Bridge connecting Chester, Pennsylvania and Bridgeport, New Jersey, and other major regional highways.

Hospitals

Inspira Health Network operates a 24/7 satellite Emergency Room in Woodbury, New Jersey, approximately 1/10th of a mile from the eastern-border of the Township. Inspira Medical Center is located in Mullica Hill (Harrison Township), and contains 210 licensed beds. This has changed since the hospital has relocated to Mullica Hill. Inspira Medical Center has also recently undergone an expansion to better serve the health care needs of the County, including an expanded/renovated emergency room/center, plans to build a surgical center and the establishment of several additional family practice centers throughout the County. Inspira Medical Center has over 1,825 full and part time employees and a medical and dental staff of 400. Jefferson Health System's Washington Township Campus, is located in Washington Township, formerly known as Kennedy Hospital.

HIGHER EDUCATION

Rowan College of South Jersey

Rowan College of South Jersey ("College"), formerly known as Rowan College at Gloucester County and Gloucester County College, is a public community college with two campuses, one in Sewell and one in Vineland. The College was established in 1966 as Gloucester County College. In 2014 the College changed its name to Rowan College of Gloucester County when Rowan University and Gloucester County College entered into a partnership. The College then expanded in 2019, combining Rowan College at Gloucester County and Cumberland County College to become Rowan College of South Jersey. The College now offers conditional dual enrollment with Rowan University depending on GPA. While Gloucester County College took the Rowan name, the community college maintains its independence with its own Board of Trustees and administration.

Rowan University

Rowan University ("Rowan") is a public research institution located in Glassboro, New Jersey, known for its strong emphasis on innovation, academic excellence, and community engagement. Originally founded in 1923 as a teacher training school, Rowan has grown into a comprehensive university offering a wide range of undergraduate and graduate programs across disciplines such as engineering, business, medicine, and the arts. Rowan is particularly recognized for its Henry M. Rowan College of Engineering and its commitment to expanding access to high-quality education. With a vibrant campus life and a focus on hands-on learning, Rowan fosters a dynamic environment for students to thrive both academically and personally.

CERTAIN TAX INFORMATION

TEN LARGEST REAL PROPERTY TAXPAYERS (1)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>2025 Assessed Valuation</u>
Sunoco	Industrial	\$ 57,734,500
Mantua Grove Owner LLC	Industrial	55,000,000
Solvay Specialty Polymers USA LLC	Industrial/ Commercial	43,835,300
Johnson Matthey Inc	Industrial	28,068,200
CPI Operations LLC	Industrial	27,500,000
BCIF Crown Point LC LLC	Industrial	23,809,200
Deptford Property Owner LLC	Commercial	22,872,200
SES Gloucester Co LP % Win Waste	Industrial	22,000,700
Heather Ridge LLC c/o Ed Pantzer	Apartments	22,000,000
Reep 1250 Forrest LLC	Industrial	21,736,900

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)	\$ 80,747,616	\$ 79,640,864	98.62%	\$ 957,100	1.19%
2023	78,180,547	77,198,697	98.74%	842,976	1.08%
2022	77,273,013	76,483,638	98.98%	610,306	0.79%
2021	75,833,543	75,114,088	99.05%	533,440	0.70%
2020	75,628,216	74,652,578	98.71%	784,896	1.04%

DELINQUENT TAXES (2)

<u>Year</u>	<u>Outstanding January 1</u>	<u>Added</u>	<u>Collected</u>		<u>Transferred to Liens</u>	<u>Other Credits</u>	<u>Outstanding Dec. 31</u>
			<u>Amount</u>	<u>Percentage</u>			
2024 (3)	\$ 843,613	\$ 5,288	\$ 846,837	99.76%	\$ -	\$ 1,900	\$ 165
2023	611,810	4,352	613,120	99.51%	1,911	494	637
2022	540,042	4,155	539,237	99.09%	556	2,900	1,504
2021	790,461	14,515	794,165	98.66%	2,149	2,060	6,602
2020	829,968	6,500	795,642	95.12%	35,061	201	5,564

(1) Source: Township Tax Assessor

(2) Source: Township Reports of Audit, unless otherwise noted

(3) Source: Information from Annual Compiled Financial Statement

TAX TITLE LIENS (1)

<u>Year</u>	<u>Balance January 1</u>	<u>Added by Sales and Transfers</u>	<u>Collected</u>	<u>Canceled</u>	<u>Transfer to Property Acquired For Taxes</u>	<u>Balance Dec. 31</u>
2024 (2)	\$ 1,395,942	\$ 84,732	\$ 1,067	\$ -	\$ 400,538	\$ 1,079,068
2023	2,128,415	95,115	449,859	377,729	-	1,395,942
2022	2,158,272	121,845	13,370	-	138,332	2,128,415
2021	2,217,261	143,348	202,337	-	-	2,158,272
2020	2,047,699	204,694	29,028	6,104	-	2,217,261

FORECLOSED PROPERTY (1)(3)

<u>Year</u>	<u>Balance January 1</u>	<u>Transfers</u>	<u>(Loss) on Sale</u>	<u>Adjustment to Assessed Valuation</u>	<u>Balance December 31</u>
2024 (2)	\$ 1,145,200	\$453,417	\$(56,517)	\$ -	\$ 1,542,100
2023	1,166,900	-	(21,700)	-	1,145,200
2022	887,100	172,919	-	106,881	1,166,900
2021	887,100	-	-	-	887,100
2020	887,100	-	-	-	887,100

CURRENT WATER AND SEWER COLLECTIONS (1)

<u>Year</u>	<u>January 1 Balance</u>	<u>Total Levy</u>	<u>Collected in Year of Levy</u>		<u>Transferred/ Canceled</u>	<u>Outstanding December 31</u>	
			<u>Amount</u>	<u>Percentage</u>		<u>Amount</u>	<u>Percentage</u>
2024 (2)	\$ 1,288,057	\$ 13,020,549	\$ 12,971,876	90.66%	\$ 214,541	\$ 1,122,188	8.62%
2023	1,223,097	12,586,434	12,447,281	90.14%	74,193	1,288,057	10.23%
2022	1,533,656	12,214,722	12,383,448	90.07%	141,833	1,223,097	10.01%
2021	1,375,395	12,361,692	11,994,193	87.31%	209,238	1,533,656	12.41%
2020	1,720,099	12,451,723	12,538,823	88.48%	257,805	1,375,195	11.04%

(1) Source: Township Reports of Audit, unless otherwise noted

(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.

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

<u>Year</u>	<u>Net Valuation Taxable</u>	<u>Tax Rate (2)</u>					
		<u>Total Rate</u>	<u>Municipal</u>	<u>Municipal Library</u>	<u>County</u>	<u>County Open Space</u>	<u>Local School</u>
2025	\$ 2,325,944,400	\$ 3.483	\$ 1.034	\$ 0.050	\$ 0.654	\$ 0.044	\$ 1.701
2024	2,307,572,500	3.492	1.034	0.046	0.687	0.046	1.679
2023	2,239,679,130	3.447	1.019	0.041	0.671	0.042	1.674
2022	2,226,297,128	3.431	1.018	0.037	0.684	0.041	1.651
2021	2,213,939,203	3.419	1.018	0.035	0.702	0.043	1.621

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA (3)

<u>Year</u>	<u>Real Property Assessed Valuation</u>	<u>Percentage of True Value</u>	<u>True Value</u>	<u>True Value per Capita (4)</u>
2025	\$ 2,325,944,400	65.76%	\$ 3,537,020,073	\$ 159,347
2024	2,307,572,500	68.86%	3,351,107,319	150,971
2023	2,235,419,100	79.28%	2,819,650,732	127,028
2022	2,221,597,800	88.40%	2,513,119,683	113,219
2021	2,209,097,800	92.54%	2,387,181,543	107,545

REAL PROPERTY CLASSIFICATION (1)

<u>Year</u>	<u>Assessed Value of Land and Improvements</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>
2025	\$ 2,325,944,400	\$ 53,195,100	\$ 1,367,697,800	\$ 2,835,100	\$ 348,264,400	\$ 453,448,400	\$ 100,503,600
2024	2,307,572,500	57,364,900	1,364,663,500	3,488,500	348,563,100	453,338,600	80,153,900
2023	2,236,827,900	77,001,700	1,352,253,900	3,474,400	371,743,100	352,200,900	80,153,900
2022	2,221,597,800	74,942,200	1,344,652,400	3,684,600	374,654,500	343,510,200	80,153,900
2021	2,209,097,800	62,067,900	1,342,855,900	3,957,800	376,375,800	343,686,500	80,153,900

(1) Source: Township Assessor

(2) Per \$100 of assessed valuation

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

(4) Based upon 2020 Federal Census of 22,197

**TOWNSHIP OF WEST DEPTFORD
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2024**

The following table summarizes the direct debt of the Township of West Deptford as of December 31, 2024 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et.seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Water and Sewer Utility and debt of the Local School District. Deductions from gross debt to arrive at net debt include school debt, funds on hand, tax appeal refunding bonds, as well as, debt considered to be self-liquidating. The resulting net debt of \$49,111,107 represents 1.542% of the average of equalized valuations for the Township for the last three years, which is within the 3.5 % limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Deductions						
	Bonds	Other	Authorized But Not Issued	Gross Debt	School Debt	Funds On Hand	Tax Appeal Refunding Bonds	Self-Liquidating Debt	Net Debt	
General	\$ 52,649,268		\$ 11,414,588	\$ 64,063,856		\$ 283,874	\$14,668,874		\$ 49,111,107	
School - Local	9,175,000			9,175,000	\$ 9,175,000					
Water Sewer Utility	7,860,732	\$ 2,150,869	7,500,000	17,511,601				\$ 17,511,601		
	\$ 69,685,000	\$ 2,150,869	\$ 18,914,588	\$ 90,750,457	\$ 9,175,000	\$ 283,874	\$ 14,668,874	\$ 17,511,601	\$ 49,111,107	

Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS (1)(2)

Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	\$ 3,185,874,682
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2022, 2023 and 2024	1.54%
2024 Net Valuation Taxable	\$ 2,307,572,500
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	\$ 3,351,107,319
Gross Debt (3):	
As a percentage of 2024 Net Valuation Taxable	3.93%
As a percentage of 2024 Equalized Valuations	2.71%
Net Debt (3):	
As a percentage of 2024 Net Valuation Taxable	2.13%
As a percentage of 2024 Equalized Valuations	1.47%
Gross Debt Per Capita (4)	\$ 4,088
Net Debt Per Capita (4)	2,213

TOWNSHIP BORROWING CAPACITY (1)(2)

3.5% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements (\$3,185,874,682)	\$ 111,505,614
Net Debt	<u>49,111,107</u>
Remaining Borrowing Capacity	<u><u>\$ 62,394,507</u></u>

LOCAL SCHOOL DISTRICT BORROWING CAPACITY (1)(2)

4% of Averaged (2022-24) Equalized Valuation of Real Property including Improvements (\$3,185,874,682)	\$ 127,434,987
Local School Debt	<u>9,175,000</u>
Remaining Borrowing Capacity	<u><u>\$ 118,259,987</u></u>

(1) As of December 31, 2024

(2) Source: Annual Debt Statement

(3) Excluding overlapping debt

(4) Based on 2020 Census population of 22,197

**TOWNSHIP OF WEST DEPTFORD
OVERLAPPING DEBT AS OF DECEMBER 31, 2024**

	DEBT ISSUED					Debt Auth. but not <u>Issued</u>
	<u>Debt Outstanding</u>	<u>Deductions</u>		<u>Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to the Issuer</u>	
County of Gloucester (1):						
General	\$ 239,268,000	\$ 19,131,039 (2)		\$ 220,136,961	\$ 19,085,875 (4)	
Bonds Issued by Other Public Bodies						
Guaranteed by the County	100,041,911	100,041,911 (3)		-		
	<u>\$ 339,309,911</u>	<u>\$ 119,172,950</u>		<u>\$ 220,136,961</u>	<u>\$ 19,085,875</u>	<u>\$ -</u>

(1) Source: County's Annual Debt Statement.

(2) Includes Reserve for Payment of Debt and County College Bonds.

(3) Deductible in accordance with N.J.S. 40:37A-80.

(4) Such debt is allocated as a proportion of the Issuer's share of the total 2024 Net Valuation on which County taxes are apportioned, which is 8.67%

APPENDIX B

FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of West Deptford School District
West Deptford, New Jersey 08066

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 West Deptford School District, in the County of Gloucester, 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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Township of West Deptford School District, in the County of Gloucester, 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.

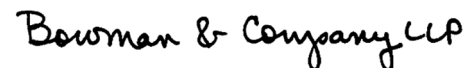
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with 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,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
January 3, 2025

TOWNSHIP OF WEST DEPTFORD SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 3,257,971.07	\$ 597,745.92	\$ 3,855,716.99
Receivables	1,605,348.59	118,358.58	1,723,707.17
Internal Balances	(510,889.23)	510,889.23	
Restricted Cash and Cash Equivalents	1,334,370.27		1,334,370.27
Inventory		16,684.26	16,684.26
Capital Assets, net	32,927,200.05	297,030.68	33,224,230.73
Total Assets	38,614,000.75	1,540,708.67	40,154,709.42
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	978,554.00	-	978,554.00
LIABILITIES:			
Accounts Payable:			
Related to Pensions	850,654.00		850,654.00
Other	809,156.35	53,952.32	863,108.67
Payroll Deductions and Withholdings Payable	85,181.96		85,181.96
Unemployment Compensation Claims Payable	124,969.40		124,969.40
Payable to Other Governments	904.00		904.00
Accrued Interest	249,561.20		249,561.20
Unearned Revenue	818,358.23	27,495.37	845,853.60
Noncurrent Liabilities:			
Due within One Year	2,164,053.78		2,164,053.78
Due beyond One Year	23,393,381.09		23,393,381.09
Total Liabilities	28,496,220.01	81,447.69	28,577,667.70
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	937,556.00	-	937,556.00
NET POSITION:			
Net Investment in Capital Assets	15,276,621.65	297,030.68	15,573,652.33
Restricted for:			
Unemployment	135,430.08		135,430.08
Student Activities	719,735.83		719,735.83
Scholarship	321,270.65		321,270.65
Capital Projects	758,038.46		758,038.46
Other Purposes	1,295,400.65		1,295,400.65
Unrestricted (Deficit)	(8,347,718.58)	1,162,230.30	(7,185,488.28)
Total Net Position	\$ 10,158,778.74	\$ 1,459,260.98	\$ 11,618,039.72

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

TOWNSHIP OF WEST DEPTFORD 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	\$ 20,100,611.14	\$ 26,392.27	\$ -	\$ -	\$ (20,074,218.87)	\$ -	\$ (20,074,218.87)
Special Education	5,877,940.32	7,727.53	3,378,664.92		(2,491,547.87)		(2,491,547.87)
Other Instruction	1,382,629.61				(1,382,629.61)		(1,382,629.61)
Tuition	3,098,161.55				(3,098,161.55)		(3,098,161.55)
Support Services:							
Student and Instruction Related Services	7,598,112.96	815,030.71	972,867.46	950,985.20	(4,859,229.59)		(4,859,229.59)
School Administrative Services	1,985,793.67				(1,985,793.67)		(1,985,793.67)
General and Business Administrative Services	1,980,277.68				(1,980,277.68)		(1,980,277.68)
Plant Operations and Maintenance	5,978,954.51				(5,978,954.51)		(5,978,954.51)
Pupil Transportation	4,751,943.25				(4,751,943.25)		(4,751,943.25)
Unallocated Benefits	14,402,787.79		6,623,559.18		(7,779,228.61)		(7,779,228.61)
Transfer to Charter Schools	76,187.00				(76,187.00)		(76,187.00)
Interest on Long Term Debt	371,115.25		40,475.07		(330,640.18)		(330,640.18)
Total Governmental Activities	67,604,514.73	849,150.51	11,015,566.63	950,985.20	(54,788,812.39)	-	(54,788,812.39)
Business-Type Activities:							
Food Service	1,359,069.54	602,577.83	737,591.53			(18,900.18)	(18,900.18)
Young Eagles Program	465,538.91	452,978.38				(12,560.53)	(12,560.53)
Total Business-Type Activities	1,824,608.45	1,055,556.21	737,591.53	-	-	(31,460.71)	(31,460.71)
Total Government	\$ 69,429,123.18	\$ 1,904,706.72	\$ 11,753,158.16	\$ 950,985.20	(54,788,812.39)	(31,460.71)	(54,820,273.10)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					36,630,046.00		36,630,046.00
Taxes Levied for Debt Service					849,575.00		849,575.00
Federal and State Aid Not Restricted					15,830,547.22		15,830,547.22
Federal and State Aid Restricted					91,324.93		91,324.93
Miscellaneous Income					424,376.59	3,208.55	427,585.14
Total General Revenues					53,825,869.74	3,208.55	53,829,078.29
Change in Net Position					(962,942.65)	(28,252.16)	(991,194.81)
Net Position -- July 1					11,121,721.39	1,487,513.14	12,609,234.53
Net Position -- June 30					\$ 10,158,778.74	\$ 1,459,260.98	\$ 11,618,039.72

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

TOWNSHIP OF WEST DEPTFORD 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	\$ 3,373,530.22	\$ 1,143,980.47	\$ -	\$ -	\$ 4,517,510.69
Cash Held by Fiscal Agent	74,830.65				74,830.65
Interfund Accounts Receivable:					
General Fund			230,552.50		230,552.50
Special Revenue Fund	68,194.22				68,194.22
Receivables from Other Governments	1,017,258.11	530,082.24			1,547,340.35
Other Accounts Receivable	58,008.24				58,008.24
Total Assets	\$ 4,591,821.44	\$ 1,674,062.71	\$ 230,552.50	\$ -	\$ 6,496,436.65
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 801,109.95	\$ 8,046.40	\$ -	\$ -	\$ 809,156.35
Interfund Accounts Payable:					
General Fund		68,194.22			68,194.22
Capital Projects Fund	230,552.50				230,552.50
Enterprise Funds	510,889.23				510,889.23
Payroll Deductions and Withholdings	85,181.96				85,181.96
Unemployment Compensation Claims Payable	124,969.40				124,969.40
Payable to State Government		904.00			904.00
Unearned Revenue	12,054.72	555,911.61			567,966.33
Total Liabilities	1,764,757.76	633,056.23	-	-	2,397,813.99
Fund Balances:					
Restricted:					
Capital Reserve	100,414.96				100,414.96
Capital Reserve - Designated for Subsequent Year's Expenditures	427,071.00				427,071.00
Capital Projects			230,552.50		230,552.50
Excess Surplus	531,672.30				531,672.30
Excess Surplus - Designated for Subsequent Year's Expenditures	763,728.35				763,728.35
Unemployment Compensation	135,430.08				135,430.08
Scholarships		719,735.83			719,735.83
Student Activities		321,270.65			321,270.65
Committed	53,990.40				53,990.40
Assigned:					
Subsequent Year's Expenditures	208,729.00				208,729.00
Other Purposes	707,210.52				707,210.52
Unassigned (Deficit)	(101,182.93)				(101,182.93)
Total Fund Balances	2,827,063.68	1,041,006.48	230,552.50	-	4,098,622.66
Total Liabilities and Fund Balances	\$ 4,591,821.44	\$ 1,674,062.71	\$ 230,552.50	\$ -	\$ 6,496,436.65

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 \$56,845,970.12 and the accumulated depreciation and amortization is \$23,918,770.07.	32,927,200.05
Long-term liabilities, including bonds payable, pension liability, 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.	(25,557,434.87)
Governmental funds report the effect of lease incentive when received, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the lease incentive received.	(250,391.90)
Interest on long term debt is accrued on the statement of net position regardless when due.	(249,561.20)
Accounts payable related to the April 1, 2025 Required PERS pension contribution that is not to be liquidated with current financial resources.	(850,654.00)
Deferred Outflows of Resources - Related to Pensions	978,554.00
Deferred Inflows of Resources - Related to Pensions	(937,556.00)
Net Position of Governmental Activities	\$ 10,158,778.74

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

TOWNSHIP OF WEST DEPTFORD 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	\$ 36,630,046.00	\$ -	\$ -	\$ 849,575.00	\$ 37,479,621.00
Tuition	34,119.80				34,119.80
Other Local Revenue	424,376.59	924,257.39			1,348,633.98
State Sources	28,428,994.58	2,286,245.33		131,800.00	30,847,039.91
Federal Sources	68,242.82	3,256,383.57			3,324,626.39
Total Revenues	65,585,779.79	6,466,886.29	-	981,375.00	73,034,041.08
EXPENDITURES:					
Regular Instruction	16,696,593.95	3,378,664.92			20,075,258.87
Special Education Instruction	5,877,940.32				5,877,940.32
Other Instruction	1,381,699.93				1,381,699.93
Tuition	3,098,161.55				3,098,161.55
Support Services and Undistributed Costs:					
Student and Instruction Related Services	5,870,507.01	1,730,827.75			7,601,334.76
School Administrative Services	1,892,818.65				1,892,818.65
Other Administrative Services	2,115,438.23				2,115,438.23
Plant Operations and Maintenance	5,039,767.46				5,039,767.46
Pupil Transportation	4,590,564.00				4,590,564.00
Unallocated Benefits	8,844,431.73	349,338.00			9,193,769.73
Reimbursed TPAF Pension and Social Security	12,666,690.18				12,666,690.18
Transfer to Charter Schools	76,187.00				76,187.00
Debt Service:					
Principal				680,000.00	680,000.00
Interest				301,375.00	301,375.00
Capital Outlay	4,939,312.71	950,985.20	769,447.50		6,659,745.41
Total Expenditures	73,090,112.72	6,409,815.87	769,447.50	981,375.00	81,250,751.09
Excess (Deficiency) of Revenues over Expenditures	(7,504,332.93)	57,070.42	(769,447.50)	-	(8,216,710.01)
OTHER FINANCING SOURCES (USES):					
Proceeds from Financed Purchase Liability	4,441,343.09				4,441,343.09
Total Other Financing Sources and Uses	4,441,343.09	-	-	-	4,441,343.09
Net Change in Fund Balances	(3,062,989.84)	57,070.42	(769,447.50)	-	(3,775,366.92)
Fund Balance -- July 1	5,890,053.52	983,936.06	1,000,000.00		7,873,989.58
Fund Balance -- June 30	\$ 2,827,063.68	\$ 1,041,006.48	\$ 230,552.50	\$ -	\$ 4,098,622.66

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

TOWNSHIP OF WEST DEPTFORD 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

Total Net Change in Fund Balances - Governmental Funds	\$ (3,775,366.92)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expenses. This is the amount by which capital outlays exceeded depreciation and amortization in the period.	
Depreciation and Amortization Expense	\$ (2,477,407.01)
Capital Outlays	<u>6,659,745.41</u>
	4,182,338.40
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.	680,000.00
Proceeds from leases and financed purchases are a financing source in the governmental funds. They are not revenues in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.	(4,441,343.09)
Repayment of lease liability and financed purchase liability is an expenditure in the governmental funds, but the repayment reduces unearned revenue and long-term liabilities in the statement of net position and is not reported in the statement of activities.	1,486,500.44
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 decrease in accrued interest is an addition in the reconciliation. (+)	(69,740.25)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(97,460.23)
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.	<u>1,072,129.00</u>
Change in Net Position of Governmental Activities	<u>\$ (962,942.65)</u>

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

TOWNSHIP OF WEST DEPTFORD SCHOOL DISTRICT

Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Net Position
June 30, 2024

	<u>Food Service</u>	<u>Young Eagles</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 319,973.40	\$ 277,772.52	\$ 597,745.92
Interfund Accounts Receivable:			
Due General Fund	510,889.23		510,889.23
Accounts Receivable:			
State	1,473.67		1,473.67
Federal	26,715.21		26,715.21
Other	87,711.96	2,457.74	90,169.70
Inventories	16,684.26		16,684.26
Total Current Assets	<u>963,447.73</u>	<u>280,230.26</u>	<u>1,243,677.99</u>
Noncurrent Assets:			
Capital Assets:			
Furniture, Fixtures and Equipment	627,211.66		627,211.66
Less: Accumulated Depreciation	<u>(330,180.98)</u>		<u>(330,180.98)</u>
Total Noncurrent Assets	<u>297,030.68</u>	<u>-</u>	<u>297,030.68</u>
Total Assets	<u>1,260,478.41</u>	<u>280,230.26</u>	<u>1,540,708.67</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	53,363.65	588.67	53,952.32
Unearned Revenue	<u>27,495.37</u>		<u>27,495.37</u>
Total Current Liabilities	<u>80,859.02</u>	<u>588.67</u>	<u>81,447.69</u>
NET POSITION:			
Net Investment in Capital Assets	297,030.68		297,030.68
Unrestricted	<u>882,588.71</u>	<u>279,641.59</u>	<u>1,162,230.30</u>
Total Net Position	<u>\$ 1,179,619.39</u>	<u>\$ 279,641.59</u>	<u>\$ 1,459,260.98</u>

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

TOWNSHIP OF WEST DEPTFORD SCHOOL DISTRICT
Proprietary Funds
Business Type Activities - Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>	<u>Young Eagles</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 314,459.99	\$ -	\$ 314,459.99
Daily Sales - Non-Reimbursable Programs	263,561.20		263,561.20
Special Functions	24,556.64		24,556.64
Fees for Enrollment		452,978.38	452,978.38
	<u>602,577.83</u>	<u>452,978.38</u>	<u>1,055,556.21</u>
Total Operating Revenues			
OPERATING EXPENSES:			
Salaries	494,129.65	304,065.15	798,194.80
Employee Benefits	109,206.02	85,602.93	194,808.95
General Supplies	16,408.15	61,808.67	78,216.82
Depreciation	18,454.27		18,454.27
Purchased Professional Services	75,149.19	10,146.98	85,296.17
Other Purchased Services	85,294.23	2,432.04	87,726.27
Cost of Sales - Reimbursable Programs	418,102.25		418,102.25
Cost of Sales - Non-Reimbursable Programs	141,643.53		141,643.53
Miscellaneous	682.25	1,483.14	2,165.39
	<u>1,359,069.54</u>	<u>465,538.91</u>	<u>1,824,608.45</u>
Total Operating Expenses			
Operating Income / (Loss)	<u>(756,491.71)</u>	<u>(12,560.53)</u>	<u>(769,052.24)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	16,370.23		16,370.23
State School Lunch Program - EIE	7,399.70		7,399.70
State School Breakfast Program	1,891.20		1,891.20
State School Breakfast Program - EIE	2,225.65		2,225.65
Federal Sources:			
School Breakfast Program	123,729.02		123,729.02
National School Lunch Program	374,453.35		374,453.35
National School Lunch Program - HHFKA	13,008.96		13,008.96
National School Lunch Program - Supply Chain Assistance	69,971.16		69,971.16
P-EBT Administration	653.00		653.00
Food Distribution Program	127,889.26		127,889.26
Miscellaneous Revenue - Insurance Refund	2,824.30		2,824.30
Interest Revenue	324.30	59.95	384.25
	<u>740,740.13</u>	<u>59.95</u>	<u>740,800.08</u>
Total Nonoperating Revenues (Expenses)			
Change in Net Position	(15,751.58)	(12,500.58)	(28,252.16)
Net Position -- July 1	<u>1,195,370.97</u>	<u>292,142.17</u>	<u>1,487,513.14</u>
Net Position -- June 30	<u>\$ 1,179,619.39</u>	<u>\$ 279,641.59</u>	<u>\$ 1,459,260.98</u>

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

TOWNSHIP OF WEST DEPTFORD SCHOOL DISTRICT

Proprietary Funds

Business Type Activities - Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2024

	Food Service	Young Eagles	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 573,927.57	\$ 463,379.34	\$ 1,037,306.91
Payments to Employees	(33,509.80)	(304,065.15)	(337,574.95)
Payments for Employee Benefits	(2,511.67)	(85,602.93)	(88,114.60)
Payments for Supplies and Services	(1,305,709.95)	(75,282.16)	(1,380,992.11)
Net Cash Provided By (Used For) Operating Activities	(767,803.85)	(1,570.90)	(769,374.75)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	1,232.85		1,232.85
Federal Sources	232,360.53		232,360.53
Operating Subsidies and Transfers From Other Funds	537,151.26	747.72	537,898.98
Net Cash Provided By (Used For) Non-Capital Financing Activities	770,744.64	747.72	771,492.36
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(230,054.83)		(230,054.83)
Net Cash Provided By (Used For) Capital and Related Financing Activities	(230,054.83)	-	(230,054.83)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	324.30	59.95	384.25
Net Increase (Decrease) in Cash and Cash Equivalents	(226,789.74)	(763.23)	(227,552.97)
Cash and Cash Equivalents -- July 1	546,763.14	278,535.75	825,298.89
Cash and Cash Equivalents -- June 30	\$ 319,973.40	\$ 277,772.52	\$ 597,745.92
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Operating Income (Loss)	\$ (756,491.71)	\$ (12,560.53)	\$ (769,052.24)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation	18,454.27		18,454.27
(Increase) Decrease in Accounts Receivable	(40,034.29)	10,400.96	(29,633.33)
(Increase) Decrease in Inventories	(1,841.11)		(1,841.11)
Increase (Decrease) in Accounts Payable	724.96	588.67	1,313.63
Increase (Decrease) in Unearned Revenue	11,384.03		11,384.03
Total Adjustments	(11,312.14)	10,989.63	(322.51)
Net Cash Provided By (Used For) Operating Activities	\$ (767,803.85)	\$ (1,570.90)	\$ (769,374.75)

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

TOWNSHIP OF WEST DEPTFORD 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 West Deptford 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 Gloucester, 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 Pre-K through 12 at its five schools. The School District has an approximate enrollment at June 30, 2024 of 2,803.

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 Gloucester 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.

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.

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

The School District reports the following major governmental funds (cont'd):

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.

Young Eagles Fund - This fund accounts for the financial activity related to providing before and after school care for School District students.

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.

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.

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

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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
Lease Assets	2 - 5 Years

The School District does not possess any infrastructure assets.

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.

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

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.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

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)**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.

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.

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

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 year ending 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. 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 \$9,980,934.55 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 8,968,255.94
Uninsured and Uncollateralized	<u>1,012,678.61</u>
Total	<u><u>\$ 9,980,934.55</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on October 9, 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.

The activity of the capital reserve for the fiscal year is as follows:

Beginning Balance, July 1, 2023	\$ 520,943.27
Increased by:	
Interest Earnings	<u>6,542.69</u>
Ending Balance, June 30, 2024	<u><u>\$ 527,485.96</u></u>

The June 30, 2024 LRFP balance of local support costs of uncompleted projects at June 30, 2024 is \$54,791,130.00.

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>Total Governmental Activities</u>	<u>Proprietary Funds</u>		<u>Total Business- Type Activities</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		<u>Food Service Fund</u>	<u>Young Eagles Fund</u>		
Federal Awards	\$ -	\$ 530,082.24	\$ 530,082.24	\$ 26,715.21	\$ -	\$ 26,715.21	\$ 556,797.45
State Awards	1,017,258.11		1,017,258.11	1,473.67		1,473.67	1,018,731.78
Tuition Charges	54,243.24		54,243.24				54,243.24
Provided Services	3,765.00		3,765.00	87,711.96	2,457.74	90,169.70	93,934.70
	<u>\$ 1,075,266.35</u>	<u>\$ 530,082.24</u>	<u>\$ 1,605,348.59</u>	<u>\$ 115,900.84</u>	<u>\$ 2,457.74</u>	<u>\$ 118,358.58</u>	<u>\$ 1,723,707.17</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	\$ 12,116.74
Supplies	<u>4,567.52</u>
	<u>\$ 16,684.26</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 313,404.41	\$ -	\$ -	\$ 313,404.41
Construction in Progress	235,668.32	1,854,213.27		2,089,881.59
Total Capital Assets, not being Depreciated	549,072.73	1,854,213.27	-	2,403,286.00
Capital Assets, being Depreciated:				
Land Improvements	6,113,221.75	26,437.45		6,139,659.20
Buildings and Improvements	37,650,771.91	170,772.00		37,821,543.91
Furniture, Fixtures and Equipment	5,323,869.69	4,608,322.69	(62,832.31)	9,869,360.07
Total Capital Assets, being Depreciated	49,087,863.35	4,805,532.14	(62,832.31)	53,830,563.18
Total Capital Assets, Cost	49,636,936.08	6,659,745.41	(62,832.31)	56,233,849.18
Less Accumulated Depreciation for:				
Land Improvements	(1,712,312.15)	(251,950.68)		(1,964,262.83)
Buildings and Improvements	(16,189,412.98)	(1,220,755.85)		(17,410,168.83)
Furniture, Fixtures and Equipment	(3,470,130.47)	(882,276.28)	62,832.31	(4,289,574.44)
Total Accumulated Depreciation	(21,371,855.60)	(2,354,982.81)	62,832.31	(23,664,006.10)
Total Capital Assets, being Depreciated, net Excluding Lease Assets	27,716,007.75	2,450,549.33	-	30,166,557.08
Total Capital Assets, net Excluding Lease Assets	28,265,080.48	4,304,762.60	-	32,569,843.08
Lease Assets:				
Furniture, Fixtures and Equipment	612,120.94			612,120.94
Less Accumulated Amortization:				
Lease Assets:				
Furniture, Fixtures and Equipment	(132,339.77)	(122,424.20)		(254,763.97)
Total Lease Assets, net	479,781.17	(122,424.20)	-	357,356.97
Governmental Activities Capital Assets, Net	\$ 28,744,861.65	\$ 4,182,338.40	\$ -	\$ 32,927,200.05
	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 415,353.13	\$ 230,054.83	\$ (18,196.30)	\$ 627,211.66
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(329,923.01)	(18,454.27)	18,196.30	(330,180.98)
Business-Type Activities Capital Assets, Net	\$ 85,430.12	\$ 211,600.56	\$ -	\$ 297,030.68

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation and amortization expense were charged to functions / programs of the School District as follows:

Governmental Activities:

Regular Instruction	\$ 389,089.56
Other Instruction	929.68
Student and Instruction Related Services	8,732.63
School Administrative Services	36,924.83
General and Business Administrative Services	13,799.57
Plant Operations and Maintenance	1,524,162.76
Pupil Transportation	503,767.98

Total Depreciation and Amortization Expense - Governmental Activities	<u>\$2,477,407.01</u>
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Business-Type Activities:

Food Service	<u>\$ 18,454.27</u>
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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	\$ 9,855,000.00	\$ -	\$ (680,000.00)	\$ 9,175,000.00	\$ 725,000.00
Other Liabilities:					
Financed Purchases	4,441,871.74	4,441,343.09	(1,288,612.93)	7,594,601.90	1,299,222.46
Compensated Absences	493,029.34	145,082.39	(47,622.16)	590,489.57	17,613.07
Net Pension Liability	8,391,707.00	1,517,303.00	(2,092,690.00)	7,816,320.00	
Total Other Liabilities	13,326,608.08	6,103,728.48	(3,428,925.09)	16,001,411.47	1,316,835.53
Lease Liabilities	495,446.94		(114,423.54)	381,023.40	122,218.25
Governmental Activities Long-Term Liabilities	<u>\$ 23,677,055.02</u>	<u>\$ 6,103,728.48</u>	<u>\$ (4,223,348.63)</u>	<u>\$ 25,557,434.87</u>	<u>\$ 2,164,053.78</u>

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

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 January 8, 2015, the School District issued \$13,808,000.00 of general obligation bonds at interest rates varying from 2.00% to 3.25% for various construction and renovation projects. The final maturity of these bonds is January 15, 2035. The bonds will be paid from property taxes.

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

Bonds Payable (Cont'd) - Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 725,000.00	\$ 280,975.00	\$ 1,005,975.00
2026	750,000.00	259,225.00	1,009,225.00
2027	765,000.00	236,725.00	1,001,725.00
2028	775,000.00	213,775.00	988,775.00
2029	810,000.00	190,525.00	1,000,525.00
2030-2034	4,430,000.00	569,300.00	4,999,300.00
2035	920,000.00	29,900.00	949,900.00
Total	<u>\$ 9,175,000.00</u>	<u>\$ 1,780,425.00</u>	<u>\$ 10,955,425.00</u>

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

Financed Purchases - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

As of June 30, 2024, the School District is financing the following:

- one (1) Energy Savings Improvement Program (ESIP) with a total cost of \$4,100,000.00. The agreement is for a term of fifteen (15) years with an interest rate of 2.366%. The final maturity of the financed purchase is January 15, 2032.
- security equipment including district wide access control, IP surveillance and intrusion deduction with a total cost of \$1,110,000.00. The agreement is for a term of five (5) years with an interest rate of 1.060%. The final maturity of the financed purchase is September 15, 2025.
- equipment consisting of four (4) school buses, camera system, GPS technology, wireless radio, four (4) facilities trucks and one (1) facilities van with a total cost of \$1,072,000. The agreement is for a term of five (5) years with an interest rate of 3.965%. The final maturity of the financed purchase is October 1, 2027.
- vehicles and equipment consisting of eleven (11) 54-passenger school buses, camera and video systems for twenty-three (23) school buses with a total cost of \$1,605,857.60. The agreement is for a term of five (5) years with an interest rate of 4.60%. The final maturity of the financed purchase is November 1, 2027.
- vehicles and equipment consisting of eleven (11) 54-passenger school buses, and one (1) 40-passenger school bus with wheelchair lift with a total cost of \$1,692,569.00. The agreement is for a term of eight (8) years with an interest rate of 4.55%. The final maturity of the financed purchase is November 1, 2030.
- technology equipment consisting of computers, laptops, Chromebooks and computer towers with a total cost of \$1,142,916.49. The agreement is for a term of four (4) years with an interest rate of 3.54%. The final maturity of the financed purchase is July 1, 2026.

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

Financed Purchases (Cont'd) - The following is a schedule of the remaining future minimum payments under the financed purchases, and the present value of the net minimum payments at June 30, 2024:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,299,222.46	\$ 280,333.21	\$ 1,579,555.67
2026	1,351,559.48	229,142.89	1,580,702.37
2027	1,162,097.17	176,700.40	1,338,797.57
2028	1,545,806.60	107,581.35	1,653,387.95
2029	462,115.19	68,932.99	531,048.18
2030-2032	1,773,801.00	88,304.16	1,862,105.16
Total	<u>\$ 7,594,601.90</u>	<u>\$ 950,995.00</u>	<u>\$ 8,545,596.90</u>

Financed purchases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 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.

Lease agreements are summarized as follows:

Description	Total Lease Liability	Interest Rate	Lease Terms	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due within One Year
Postage Machines	\$ 28,330.10	1.06%	10/1/20 - 10/1/25	\$ 12,934.41	\$ -	\$ (5,710.57)	\$ 7,223.84	\$ 5,771.41
Digital Copiers	583,790.84	3.97%	7/1/22 - 6/30/27	482,512.53		(108,712.97)	373,799.56	116,446.84
				<u>\$ 495,446.94</u>	<u>\$ -</u>	<u>\$ (114,423.54)</u>	<u>\$ 381,023.40</u>	<u>\$ 122,218.25</u>

The School District leased two (2) postage machines for the High School and the Middle School, beginning on October 1, 2020 for a term of five years. The interest rate is based on the School District's estimated incremental borrowing rate of 1.06% during the period in which the lease agreement was executed. This lease can be extended on a month-to-month basis at the expiration of the lease agreement.

The School District leased digital copiers to be used throughout the School District. The copiers were leased beginning on July 1, 2023 for a term of five years. The lessor provided lease incentive in the amount of \$417,319.83 so that the School District can early retire the copiers lease originally ending on March 1, 2024. The interest rate is based on the School District's estimated incremental borrowing rate of 3.97% during the period in which the lease agreement was executed. This lease can be extended on a month-to-month basis at the expiration of the lease agreement.

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

Lease Liabilities (Cont'd) - Annual requirements to amortize lease obligations and related interest are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 122,218.25	\$ 21,849.79	\$ 144,068.04
2026	125,944.37	13,758.67	139,703.04
2027	132,860.78	5,387.23	138,248.01
Total	<u>\$ 381,023.40</u>	<u>\$ 40,995.69</u>	<u>\$ 422,019.09</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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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.

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.

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

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.

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 33.18% 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.

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

Teachers' Pension and Annuity Fund (Cont'd) - 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 \$8,179,024.00, and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$1,867,090.03.

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 14.96% 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.

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 \$721,241.00, and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$435,374.64.

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 .43% 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 \$24,376.00. 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 \$17,656.00.

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

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 \$116,184.51, and the School District recognized pension expense, which equaled the required contributions, of \$63,373.18. 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	100,176,294.00
	<u>\$ 100,176,294.00</u>

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 .1962983606%, which was an increase of .0016672145% 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 \$2,461,040.00. 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**

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 \$7,816,320.00 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 .0539638077%, which was a decrease of .0016421635% 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 (\$350,887.00), 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 \$24,376.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

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	\$ 74,734.00	\$ 31,951.00
Changes of Assumptions	17,171.00	473,702.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	35,995.00	-
Changes in Proportion and Differences between Contribution and Proportionate Share of Contributions	-	431,903.00
Contributions Subsequent to the Measurement Date	850,654.00	-
	<u>\$ 978,554.00</u>	<u>\$ 937,556.00</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)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$850,654.00 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:

Fiscal Year Ending June 30,	
2025	\$ (600,442.00)
2026	(346,952.00)
2027	252,926.00
2028	(111,857.00)
2029	(3,331.00)
	<u>\$ (809,656.00)</u>

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, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04	June 30, 2023	5.00	-
June 30, 2023	5.08	-			
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

Note 8: PENSION PLANS (CONT'D)**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

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.

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

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>	

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.

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

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	118,126,029.00	100,176,294.00	85,058,351.00
	<u>\$ 118,126,029.00</u>	<u>\$ 100,176,294.00</u>	<u>\$ 85,058,351.00</u>

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	\$ 10,175,185.00	\$ 7,816,320.00	\$ 5,808,613.00

Note 8: PENSION PLANS (CONT'D)**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.

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.

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)**

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 \$113,578,403.00. 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 .2169113529%, which was a decrease of .0027614090% from its proportion measured as of June 30, 2022.

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

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 (Cont'd) -**

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.

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		\$ 111,256,484.00
Changes for the Year:		
Service Cost	\$ 4,041,052.00	
Interest Cost	4,000,093.00	
Difference between Expected and Actual Experience	(2,932,524.00)	
Changes in Assumptions	228,927.00	
Member Contributions	102,508.00	
Gross Benefit Payments	(3,118,137.00)	
Net Changes		<u>2,321,919.00</u>
Balance at June 30, 2024		<u><u>\$ 113,578,403.00</u></u>

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 (Cont'd)**

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>\$ 133,151,179.00</u>	<u>\$ 113,578,403.00</u>	<u>\$ 97,863,736.00</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>\$ 94,287,585.00</u>	<u>\$ 113,578,403.00</u>	<u>\$ 138,820,488.00</u>

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 \$1,995,137.00 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.

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 (Cont'd)**

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	\$ 16,571,415.00	\$ 29,915,419.00
Changes of Assumptions	16,150,992.00	31,343,579.00
Changes in Proportion	<u>2,772,659.00</u>	<u>4,889,384.00</u>
	<u><u>\$ 35,495,066.00</u></u>	<u><u>\$ 66,148,382.00</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	\$ (6,046,252.00)
2026	(6,046,252.00)
2027	(5,274,352.00)
2028	(3,163,372.00)
2029	(681,326.00)
Thereafter	<u>(9,441,762.00)</u>
	<u><u>\$ (30,653,316.00)</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 \$8,450,502.00, \$96,373.00, \$2,326,147.00, and \$3,090.00, 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.

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

New Jersey Unemployment Compensation Insurance - The 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>Interest</u> <u>Income</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	\$ -	\$ 62,146.34	\$ 3.64	\$ 26,298.04	\$ 124,969.40	\$ 135,430.08
2023		58,474.17	116.91	70,283.31	89,121.10	135,426.44
2022		53,314.32	1.66		100,930.24	135,309.53

Joint Insurance Fund - The School District is a member of the New Jersey Schools Insurance Group Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
General Liability including Police Professional and Employee Benefit Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Public Officials and Employment Practices Liability
Volunteer Directors and Officers Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

Note 11: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund (Cont'd) - The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, New Jersey 08054

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of various 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:

AXA Equitable
American Finds Group
Great American Financial Resources
Lincoln Investment Planning
Syracusa
VALIC

Note 13: 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 who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward, unless the Board approves amendments to existing collective bargaining agreements due to unusual circumstances. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

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 \$590,489.57.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - 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	\$ 68,194.22	\$ 741,441.73
Special Revenue		68,194.22
Capital Projects	230,552.50	
Food Service	510,889.23	
	<u>\$ 809,635.95</u>	<u>\$ 809,635.95</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.

Note 15: 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 16: 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 17: COMMITMENTS

The School District had commitments to purchase vehicles and equipment pursuant to a financed purchase agreement entered into during the fiscal year ended June 30, 2023. The balance in the general fund as of June 30, 2024 is \$53,990.40.

The School District had one construction project ongoing as of the fiscal year ended June 30, 2024 that is to continue into the subsequent fiscal years. This project, which is related to the capital projects fund, is as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Green-Fields Elementary School HVAC Improvements	12/18/23	\$ 230,552.50

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$101,182.93 in the general fund as of June 30, 2024 as reported in the fund statements (modified accrual basis). 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 statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$101,182.93 is less than the June state aid payments.

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 \$527,485.96. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). Additionally, \$427,071.00 of the \$527,485.96 capital reserve balance has been designated for utilization 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 \$531,672.30. Additionally, \$763,728.35 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 \$135,430.08 for future unemployment claims.

Special Revenue Fund

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2024 is \$719,735.83.

Note 19: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****Special Revenue Fund (Cont'd)**

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 is \$321,270.65.

Capital Projects Fund - As of June 30, 2024, the restricted fund balance amount was \$230,552.50, which represents a portion of the local share of the Green-Fields Elementary School HVAC project, net of year to date expenditures.

COMMITTED

As stated in note 1, 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 is the Board of Education. Specific commitments of the School District's fund balance are summarized as follows:

General Fund - As of June 30, 2024, the School District has committed \$53,990.40 of general fund balance for the acquisition of equipment. This fund balance represents the proceeds received from the financed purchase agreement that the School District has entered into during the fiscal year ended June 30, 2023, net of expenditures in fiscal years 2023 and 2024 (see note 7).

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

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025 \$208,729.00 of general fund balance at June 30, 2024.

Other Purposes - As of June 30, 2024, the School District had \$707,210.52 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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, unassigned fund balance of the general fund was a deficit of \$101,182.93 (note 18).

Note 20: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

The Township of West Deptford has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$40,423,200.00. Based on the School District's 2024 certified tax rate of \$1.679, and the applicable abatement percentage, abated taxes totaled \$678,705.53.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION



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September 16, 2025

The Board of Education of the
Township of West Deptford
West Deptford, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of \$44,964,000 aggregate principal amount of School Bonds, Series 2025 (the "Bonds"), of the Board of Education of the Township of West Deptford, in the County of Gloucester ("Board" when referring to the governing body, and "School District" when referring to the legal entity governed by the Board), a body politic and corporate of the State of New Jersey (the "State").

The School District is issuing the 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.; and (ii) a resolution, duly and finally adopted by the Board on July 17, 2025. The Bonds are authorized by a proposal adopted by the Board on January 9, 2025 and approved by the legal voters of the School District at a special election held on March 11, 2025 ("Proposal").

The Bonds are being issued to provide funds which will be used to: (i) permanently finance the costs of the capital improvements at various School District facilities as set forth in the Proposal; and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The Bonds are issued in fully registered form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year. Purchases of the Bonds will be made in book-entry only form, without certificates, in principal denominations of \$5,000 each or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the School District as Paying Agent (or a duly appointed Paying Agent) directly to Cede & Co., as nominee for DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semiannually on the fifteenth day of January and July (each an "Interest Payment Date"), commencing July 15, 2026, in each year until maturity or prior redemption, as applicable. The Bonds shall mature on July 15 in each of the years, in the principal amounts and at the interest rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Rate</u>
2027	\$1,199,000	4.00%	2039	\$2,055,000	4.00%
2028	1,275,000	4.00	2040	2,150,000	4.00
2029	1,330,000	4.00	2041	2,200,000	4.00
2030	1,385,000	4.00	2042	2,200,000	4.25
2031	1,445,000	4.00	2043	2,200,000	4.25
2032	1,510,000	4.00	2044	2,200,000	4.25
2033	1,580,000	4.00	2045	2,200,000	4.50
2034	1,650,000	4.00	2046	2,200,000	4.50
2035	1,725,000	4.00	2047	2,200,000	4.50
2036	1,805,000	4.00	2048	2,200,000	4.50
2037	1,885,000	4.00	2049	2,200,000	4.50
2038	1,970,000	4.00	2050	2,200,000	4.50

The Bonds are subject to optional redemption prior to their stated maturities as set forth therein.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the New Jersey Statutes, (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the School District enforceable in accordance with their terms, and (iii) the School District has pledged its faith and credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, all the taxable property within the School District is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds. The 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.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The School District will represent in its tax certificate relating to the Bonds that it expects and intends to comply, and will comply, to the extent permitted by law, with such requirements.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the School District with the requirements of the Code described in the preceding paragraph, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owner of the Bonds pursuant to section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding two (2) paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of each of the Bonds, as executed by the School District, and, in our opinion, the form of such Bond and its execution are regular and proper.

We express no opinion as to any matter not set forth above. The opinions expressed above are being rendered on the basis of federal law and the laws of the

The Board of Education of the
Township of West Deptford
September 16, 2025
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State of New Jersey as presently enacted and construed, and we assume no responsibility to advise any party as to changes in fact or law subsequent to the date hereof that may affect the opinions expressed above.

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

This letter is being provided for your exclusive benefit pursuant to the requirements of the closing of the Bonds and may not be provided to (except in connection with the preparation of a closing transcript with respect to the Bonds) or relied upon by any other person, party, firm or organization without our prior written consent. Notwithstanding anything to the contrary herein, the undersigned acknowledges that this opinion is a governmental record subject to release under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 *et seq.*, as amended and supplemented.

Very truly yours,

ARCHER & GREINER P.C.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate dated as of September 16, 2025 (the "Disclosure Certificate") is executed and delivered by the Board of Education of the Township of West Deptford, in the County of Gloucester, State of New Jersey ("Board" when referring to the governing body and "School District" when referring to the legal entity governed by the Board or, alternatively, the "Issuer"), in connection with the issuance of its \$44,964,000 aggregate principal amount of School Bonds, Series 2025 (the "Bonds"), all such Bonds being dated September 16, 2025. The Bonds are being issued pursuant to various bond ordinances duly adopted by the Board and published as required by law, and a resolution (the "Bond Resolution") duly adopted by the Board on July 17, 2025. The School District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the Beneficial Owners of the Bonds to assist the Underwriter(s) in complying with the Rule (as defined below). The School District acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for Federal income tax purposes.

"Dissemination Agent" shall mean, initially, the School District or any Dissemination Agent subsequently designated in writing by the School District which has filed with the School District a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system, a website created by the MSRB and approved by the SEC to provide a central location where investors can obtain municipal bond information including disclosure documents. The School District or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

"Financial Obligation" shall mean: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b) listed hereinabove. The term "*Financial Obligation*" shall not include municipal securities as to

which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of New Jersey.

"Underwriter(s)" shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The School District shall provide or cause to be provided to the Dissemination Agent not later than 270 days following the end of each year, commencing with the year ending June 30, 2025, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the School District are not available by September 1 of each year, the School District shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the School District, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the School District.

(b) Not later than 285 days following the end of each year, commencing with the year ending June 30, 2025, the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the School District does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot forward the Annual Report to EMMA in accordance with subsection (b) above, the Dissemination Agent shall send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the School District (if the Dissemination Agent is not the School District).

(d) If the fiscal year of the School District changes, the School District shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the School District, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. (a) The School District's Annual Report shall contain or incorporate by reference the following:

1. The audited financial statements of the School District (as of June 30).

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, State Department of Community Affairs (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) and the budget laws of the State.

2. Certain financial information and operating data of the School District consisting of (i) the School District's indebtedness, (ii) the School District's most current adopted budget, (iii) the School District's property valuation information, and (iv) the School District's tax rate, levy and collection data, as applicable.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the School District is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB, through the EMMA system, or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The School District shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, as applicable:

1. Principal and interest payment delinquencies;
2. Nonpayment 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 Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of the Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes relating to the Bonds;
12. Bankruptcy, insolvency, receivership or similar event of the School District (Note to Section 5(a)(12): For the purposes of the event identified in Section 5(a) (12), the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.);
13. The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, 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 for the Bonds or the change of name of a trustee for the Bonds, if material;
15. Incurrence of a Financial Obligation 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.

The School District shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB, through the EMMA system, in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5 that require a materiality determination, the School District may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the School District has or obtains knowledge of the occurrence of any of the Listed Events that require a materiality determination, the School District shall, as soon as possible, determine if such event would constitute information material, if applicable, to the Beneficial Owners of the Bonds.

(c) If the School District (i) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (ii) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Bonds, the School District shall promptly notify the Dissemination Agent in writing (if the School District is not the Dissemination Agent) and the School District shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the School District determines that the occurrence of a Listed Event requiring a materiality determination would not be material to the Beneficial Owners of the Bonds, the School District shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the School District) and the Dissemination Agent (if the

Dissemination Agent is not the School District) shall be instructed by the School District not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the School District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, through the EMMA system, in a timely manner not in excess of ten (10) business days after the occurrence thereof, with a copy to the School District (if the Dissemination Agent is not the School District). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Bondholders of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The School District's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the School District is no longer an "Obligated Person" (as defined in the Rule). The School District shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with the MSRB, through the EMMA system, in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Compliance with the Rule. In the previous five years and in connection with the School District's obligation under its existing continuing disclosure agreement, the School District failed to timely file the June 30, 2021 and June 30, 2020 annual comprehensive financial report due to the State of New Jersey extensions of the deadline for the corresponding school fiscal years. The School District has since filed such financial reports with EMMA along with a Notice of Failure to Timely File Financial Information. The School District appointed Acacia Financial Group, Inc., Mount Laurel, New Jersey to serve as continuing disclosure agent in connection with the Bonds and with its prior secondary market disclosure undertakings.

SECTION 8. Dissemination Agent; Compensation. The School District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the School District. The School District shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the School District to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) 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 obligated person, 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 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 holders, as determined either by parties unaffiliated with the School District, such determination being supported by an opinion of counsel expert in Federal securities laws, or by the approving vote of a majority of Beneficial Owners of the Bonds at the time of the amendment. The School District shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the School District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the School District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 Certificate. 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 Certificate, the School District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may 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 Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the School District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this

Disclosure Certificate, and, to the extent permitted by law, the School District agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the School District) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the School District further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Dissemination Agent, the Underwriter(s), and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

- (a) If to the School District Ms. Steven Jakubowski
 Business Administrator/Board Secretary
 The Board of Education of the
 Township of West Deptford
 99 Kings Highway,
 West Deptford, New Jersey 08086

- (b) Copies of all notices to the Dissemination Agent from
time to time with respect to the Bonds

 Acacia Financial Group, Inc.
 6000 Midlantic Drive, Suite 410 North
 Mount Laurel, New Jersey
 Attn: Jennifer Edwards, Managing Director

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the School District and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 16. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the School District

and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 17. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State, as applicable.

**THE BOARD OF EDUCATION OF THE
TOWNSHIP OF WEST DEPTFORD**

**STEVEN JAKUBOWSKI,
Business Administrator/Board Secretary**

Acknowledged and Accepted by:

**ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent**

**JENNIFER G. EDWARDS,
Managing Director**

EXHIBIT A

NOTICE TO MSRB VIA EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the Township of West Deptford,
in the County of Gloucester, State of New Jersey

Name of Bond Issue: \$44,964,000 aggregate principal amount of School Bonds,
Series 2025 (the "Bonds")
Dated September 16, 2025
(CUSIP Number 952513GY9)

Date of Issuance: September 16, 2025

NOTICE IS HEREBY GIVEN that the above designated School District has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate dated as of September 16, 2025 executed by the School District.

DATED: _____

DISSEMINATION AGENT
(on behalf of the School District)

cc: The Board of Education of the Township of West Deptford

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN