

## PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 11, 2026

**NEW ISSUE – Book-Entry Only**

**Rating: Moody's: "Aa3"  
See "RATING" herein**

*In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, 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 herein defined) (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) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Bond Counsel is 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 EXEMPTION" herein.*

**\$9,995,000  
SCHOOL BONDS, SERIES 2026  
THE BOARD OF EDUCATION OF THE  
CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT  
IN THE COUNTY OF CUMBERLAND, NEW JERSEY  
(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)**

**CALLABLE  
BANK-QUALIFIED**

**Dated: Date of Delivery**

**Due: September 1, as shown on inside cover**

The \$9,995,000 aggregate principal amount of School Bonds, Series 2026 (the "Bonds") of The Board of Education of the Cumberland Regional High School District in the County of Cumberland, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) are valid and legally binding general obligations of the Board, and unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount. Payment of the principal of and interest on the Bonds is also secured under the provisions of the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

The Bonds will be issued as fully registered bonds in book-entry only form (without certificates) in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). Individual purchases may be made in the principal amount of \$1,000 each or any integral multiple thereof with a minimum purchase of \$5,000 required, through book-entries made on the books and records of DTC and its participants. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds shall bear interest from their date of delivery, which interest shall be payable semi-annually on the first day of March and September in each year, commencing September 1, 2026, until maturity or prior redemption. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each immediately preceding February 15 and August 15 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are subject to redemption prior to their stated maturities as set forth herein. See "DESCRIPTION OF THE BONDS – Redemption" herein.

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Board, and certain other conditions described herein. Certain legal matters will be passed upon for the Board by Scarinci Hollenbeck, LLC, Little Falls, New Jersey, General Counsel to the Board. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, served as Municipal Advisor in connection with the issuance of the Bonds. Delivery of the Bonds in definitive form to DTC in Jersey City, New Jersey, is anticipated to occur on or about March 4, 2026.

**ELECTRONIC SUBMISSIONS FOR THE BONDS, IN ACCORDANCE WITH THE FULL NOTICE OF SALE,  
MUST BE MADE VIA PARITY PRIOR TO 11:00 A.M. EASTERN STANDARD TIME ON FEBRUARY 18, 2026.  
FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED  
AT [WWW.MUNIHUB.COM](http://WWW.MUNIHUB.COM).**

**\$9,995,000**  
**THE BOARD OF EDUCATION OF THE**  
**CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT**  
**IN THE COUNTY OF CUMBERLAND, NEW JERSEY**  
**SCHOOL BONDS, SERIES 2026**

**(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)**  
**CALLABLE**  
**BANK-QUALIFIED**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,**  
**YIELDS AND CUSIP NUMBERS**

<u>Maturity (September 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>Yields</u>	<u>CUSIP Numbers*</u>
2027	\$1,180,000			230761____
2028	535,000			230761____
2029	550,000			230761____
2030	575,000			230761____
2031	595,000			230761____
2032	620,000			230761____
2033	645,000			230761____
2034	670,000			230761____
2035	695,000			230761____
2036	725,000			230761____
2037	755,000			230761____
2038	785,000			230761____
2039	815,000			230761____
2040	850,000			230761____

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\* A registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of 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  
CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT  
IN THE COUNTY OF CUMBERLAND, NEW JERSEY**

**BOARD MEMBERS**

President – Ronald Campbell, Sr.  
Vice President – Barbara Wilchensky

Josette Carter  
Dennis Gaggini  
Kimberly C. Hall  
Kenneth Jackson  
Leigha Saulin  
Lisa Trexler  
Valerie Wojcik

**SUPERINTENDENT**

Carl Dolente

**BUSINESS ADMINISTRATOR/BOARD SECRETARY**

Wayne Knight

**BOARD ATTORNEY**

Scarinci Hollenbeck, LLC  
Little Falls, New Jersey

**BOARD AUDITOR**

Ford, Scott and Associates, LLC  
Ocean City, New Jersey

**MUNICIPAL ADVISOR**

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

**BOND COUNSEL**

Wilentz, Goldman & Spitzer, P.A.  
Woodbridge, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Board, DTC and other sources deemed reliable by the Board; however, such information is not guaranteed as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Board, as to information from sources other than itself. The Board has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the owners of any of the Bonds. 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 circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to the Constitution of the State of New Jersey, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents or laws are qualified in their entirety by reference to the particular source, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Board during normal business hours.

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.

In order to facilitate the distribution of the Bonds, the Underwriter may engage in transactions intended to stabilize the 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.

## TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION.....	1
DESCRIPTION OF THE BONDS .....	1
BOOK-ENTRY ONLY SYSTEM.....	4
THE SCHOOL DISTRICT AND THE BOARD .....	6
THE STATE'S ROLE IN PUBLIC EDUCATION .....	6
STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY .....	7
SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT.....	8
SUMMARY OF STATE AID TO SCHOOL DISTRICTS.....	11
SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS.....	13
MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES .....	13
FINANCIAL STATEMENTS .....	17
MUNICIPAL ADVISOR .....	17
LITIGATION .....	18
TAX EXEMPTION .....	18
BANK-QUALIFIED BONDS .....	19
RISK TO HOLDERS OF BONDS .....	20
RECENT HEALTHCARE DEVELOPMENTS .....	21
APPROVAL OF LEGAL PROCEEDINGS .....	22
PREPARATION OF OFFICIAL STATEMENT .....	22
RATING.....	22
UNDERWRITING.....	23
SECONDARY MARKET DISCLOSURE.....	23
ADDITIONAL INFORMATION .....	23
CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT.....	23
MISCELLANEOUS.....	24
APPENDIX A	
Certain Economic and Demographic Information Relating to the School District and the Constituent Municipalities .....	A-1
APPENDIX B	
Financial Statements of The Board of Education of the Cumberland Regional High School District in the County of Cumberland, New Jersey .....	B-1
APPENDIX C	
Form of Bond Counsel's Approving Legal Opinion .....	C-1
APPENDIX D	
Form of Continuing Disclosure Certificate.....	D-1

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**OFFICIAL STATEMENT  
OF  
THE BOARD OF EDUCATION OF THE  
CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT  
IN THE COUNTY OF CUMBERLAND, NEW JERSEY**

**\$9,995,000  
SCHOOL BONDS, SERIES 2026  
(NEW JERSEY SCHOOL BOND RESERVE ACT, 1980 N.J. Laws c. 72, as amended)**

**CALLABLE  
BANK-QUALIFIED**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by The Board of Education of the Cumberland Regional High School District in the County of Cumberland, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the offering, sale and issuance of its \$9,995,000 aggregate principal amount of School Bonds, Series 2026 (the "Bonds"). This Official Statement has been executed by and on behalf of the Board by the Business Administrator/Board Secretary and its distribution and use in connection with the offering and sale of the Bonds have been authorized by the Board.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

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

**DESCRIPTION OF THE BONDS**

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

**Terms and Interest Payment Dates**

The Bonds shall be dated their date of delivery and shall mature on September 1 in each of the years and in the amounts set forth on the inside cover page hereof. The Bonds shall bear interest from their date of delivery which interest shall be payable semi-annually on the first day of March and September (each an "Interest Payment Date"), commencing on September 1, 2026, in each of the years and at the interest rates set forth on the inside cover page hereof until maturity or prior redemption by check mailed by the Board or a duly appointed paying agent to the registered owners of the Bonds as of each February 15 and August 15 immediately preceding the respective Interest Payment Date (the "Record Dates"). So long as The Depository Trust Company, Brooklyn, New York ("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 Board or a designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds will be issued in fully registered book-entry only form, without certificates. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Bonds (the "Securities Depository"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$1,000 each, or any integral multiple thereof with a minimum purchase of \$5,000 required, through book-entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. See "BOOK-ENTRY ONLY SYSTEM" herein.

### **Redemption**

The Bonds of this issue maturing prior to September 1, 2034 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after September 1, 2034 are redeemable at the option of the Board in whole or in part on any date on or after September 1, 2033 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

### **Notice of Redemption**

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

### **Security for the Bonds**

The Bonds are valid and legally binding general obligations of the Board, and the Board has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable real property within the School District without limitation as to rate or amount. The Bonds are additionally secured by the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

### **School Bond Reserve Act (1980 N.J. Laws c. 72)**

All school bonds are secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 *et seq.* (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). The 2003 amendments to the Act provide that the Fund will be divided into two (2) School Bond Reserve accounts. All bonds issued

prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to one and one-half percent (1.5%) of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to one percent (1%) of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall 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. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the School Bond Reserve at the required levels, the State agrees that the Treasurer of the State of New Jersey (the "State") shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and the New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the School Bond Reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the school district, county or municipality and shall not obligate the State to make, nor entitle the school district, county or municipality to receive, any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the school district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

### **Authorization and Purpose**

The Bonds have been authorized and are issued pursuant to (i) Title 18A, Chapter 24 of the New Jersey Statutes, Chapter 271 of the Laws of 1967, as amended and supplemented, (ii) a proposal adopted by the Board pursuant to a resolution adopted on September 24, 2025, and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on December 9, 2025 and (iii) a resolution duly adopted by the Board on January 28, 2026 (the "Resolution").

The proceeds of the Bonds will be used to finance various capital improvements in and for the School District (the "Project") and to pay the costs of issuance associated with the issuance of the Bonds. The State has awarded the School District aid for the Project in the amount of 63.7711% of the eligible costs of such Project. As such, the State has agreed to pay 63.7711% of the annual debt service on the eligible costs financed by the Bonds each year.

## **BOOK-ENTRY ONLY SYSTEM\***

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 (as such terms are defined or used herein), 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 Board. Accordingly, the Board does not make any representations concerning these matters.

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, as set forth on the inside cover hereof, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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\* Source: The Depository Trust Company

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. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Notices of Redemption 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 Board 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, distributions, and dividend payments 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 Board or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 Direct and Indirect Participant and not of DTC, nor its nominee, Paying Agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or 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 Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Board or Paying Agent. Under such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be printed and delivered.

The Paying Agent, upon direction of the Board, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, Bond certificates will be printed and delivered.

**The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.**

#### **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 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 office of the Board or its paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the registrar for such purposes only upon the surrender thereof to the Board or its paying agent together with the duly executed assignment in form satisfactory to the Board or its paying agent; and (iii) for every exchange or registration of transfer of Bonds, the Board or its 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 Dates.

## THE SCHOOL DISTRICT AND THE BOARD

The Board is a nine (9) member board with members elected for staggered three (3) year terms. The Superintendent is the chief administrative officer of the School District. The Business Administrator/Board Secretary is the chief financial officer of the School District and oversees the Board's business functions. The Business Administrator/Board Secretary reports to the Superintendent of Schools.

The School District is a Type II school district serving the Township of Deerfield, Township of Fairfield, Township of Greenwich, Township of Hopewell, Borough of Shiloh, Township of Stow Creek and Township of Upper Deerfield (together the "Constituent Municipalities") and provides a full range of educational services appropriate to grades nine (9) through twelve (12, including regular and special education programs for the Constituent Municipalities. The School District operates one (1) high school. See "APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Constituent Municipalities."

## THE STATE'S ROLE IN PUBLIC EDUCATION

The Constitution of the State of New Jersey provides that the State shall provide for the maintenance and support of a thorough and efficient ("T&E") system of free public schools for the instruction of all children between the ages of 5 and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey State Board of Education (the "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 have the effect of law and that are binding upon school districts, to acquire land and other property.

The Commissioner of Education (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, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been approved by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner with the advice and consent of the State Senate. The County Superintendent is the local representative of the Commissioner. The County Superintendent is responsible for the daily supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63, effective April 3, 2007, the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational

efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate districts through the establishment or enlargement of regional school districts, subject to voter approval.

## **STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY**

### **Categories of School Districts**

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally classified in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate. The board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, and approves all fiscal matters;

(2) Type II, in which the registered voters within a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters with the exception set forth in the new Budget Election Law (as hereinafter defined in "School Budgetary Process"), or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the school district and the president of and one member of the board of education, and approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters within the school district elect members of the board of education and vote upon all fiscal matters with certain exceptions. Regional school districts may be "All Purpose Regional School Districts" or "Limited Purpose Regional School Districts";

(4) State-operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of county commissioners of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of county commissioners and a fifth member being the county executive or the director of the board of county commissioners of the county, which approves all fiscal matters; and

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of county commissioners of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of county commissioners and a fifth member being the commissioner-director of the board of county commissioners, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II 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 district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The School District is a Type II school district with a board of school estimate.

## **School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)**

In a Type I school district and a Type II school district with a board of school estimate, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II school district, a budget is no longer required to be submitted to the voters for approval if the budget is at or below the two percent (2%) property tax levy cap as provided in the Tax Levy Cap Law (as hereinafter defined).

The Budget Election Law, P.L. 2011, c. 202, effective January 17, 2012 (the "Budget Election Law") establishes procedures that allow the date of the annual school election of a Type II school district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the board of education or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least fifteen percent (15%) of the legally qualified voters, is filed with the board of education. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four (4) years.

The Board conducts its annual election in November.

## **SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT**

### **Levy and Collection of Taxes**

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

### **Budgets and Appropriations**

School districts in the State must operate in accordance with the requirements of the New Jersey Department of Education. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State Constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the school district has adequately implemented within the budget the Core Curriculum Content Standards (as defined herein) required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

### **Tax and Spending Limitations**

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (as amended and partially repealed), first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitations were known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 (the “QEA”) (now repealed), also limited the annual increase in the school district’s current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (the “CEIFA”), as amended by P.L. 2004, c. 732, effective July 1, 2004, also limited the annual increase in a school district’s net budget by a spending growth limitation. The CEIFA limited the amount school districts can increase their annual current expense and capital outlay budgets (the “Spending Growth Limitations”). Generally, budgets could increase either by two and one-half percent (2.5%) or the consumer price index, whichever is greater. Amendments to the CEIFA decreased the budget cap to two and one-half percent (2.5%) from three percent (3%). Budgets could also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceeded \$40,000 per pupil. Waivers were available from the Commissioner based on increasing enrollments and other fairly narrow grounds and increases higher than the cap could be approved by a vote of sixty percent (60%) at the annual school election.

P.L. 2007, c. 62, effective April 3, 2007, provided additional limitations on school district spending by limiting the amount a school district could raise for school district purposes through the property tax levy by four percent (4%) over the prior budget year’s tax levy. P.L. 2007, c. 62 provided for adjustments to the cap for increases in enrollment, reductions in State aid and increased health care costs and for certain other extraordinary cost increases that required approval by the Commissioner. The bill granted discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges. The Commissioner also had the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in fiscal year 2009 through 2012.

P.L. 2007, c. 62 was deemed to supersede the prior limitations on the amount school districts could increase their annual current expense and capital outlay budgets created by CEIFA (as amended by P.L. 2004, c. 73, effective July 1, 2004). However, chapter 62 was in effect only through fiscal year 2012. Without an extension of chapter 62 by the legislature, the Spending Growth Limitations on the general fund and capital outlay budget would be in effect.

Debt service was not limited either by the Spending Growth Limitations or the four percent (4%) cap on the tax levy increase imposed by chapter 62.

The previous legislation was amended by P.L. 2010, c. 44, effective July 13, 2010 and became applicable to the next local budget year following enactment. This law limits the school district tax levy for the general fund budget to increases of two percent (2%) over the prior budget year 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 “Tax Levy Cap Law”). Additionally, also becoming effective in the 2011-2012 fiscal year, a school district that has not been granted approval to exceed the tax levy cap by a separate proposal can bank the unused tax levy for use in any of the next three (3) succeeding budget years. A school district can request a use of “banked cap” only after it has fully exhausted all eligible statute spending authority in the budget year. The process for obtaining waivers from the Commissioner for additional increases over the tax levy cap or Spending Growth Limitations was eliminated under chapter 44. Notwithstanding the foregoing, under P.L. 2018, c. 67, effective July 24, 2018, which increases State school aid to underfunded school districts and decreases state school aid to overfunded school districts, during the 2018-2019 through 2024-2025 fiscal years, SDA Districts, which are certain urban districts formerly referred to as Abbott Districts referred to herein under “SUMMARY OF STATE AID TO SCHOOL DISTRICTS”, are permitted increases in the tax levy over the two percent (2%) limit to raise a general fund tax levy to an amount that does not exceed its local share of the adequacy budget.

The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund. There are no restrictions on a local school district’s ability to raise funds for debt service, and nothing would limit the obligation of a school district to levy *ad valorem* taxes upon all taxable real property

within the school district to pay debt service on its bonds or notes with one exception. School districts are subject to GAAP accounting, and under GAAP interest on obligations maturing within one (1) year must be treated as operating expenses. Accordingly, under the Department of Education's Chart of Accounts, interest on notes is raised in the General Fund of a school district and therefore is counted within its two percent (2%) tax levy cap on spending.

### **Issuance of Debt**

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a board of education (and approved by a board of school estimate in a Type I school district and a Type II school district with a board of school estimate), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

### **Annual Audit (N.J.S.A. 18A:23-1 et seq.)**

Every board of education is required to provide an annual audit of the school district's accounts and financial transactions. The audit must be performed by a licensed public school accountant no later than five (5) months after the end of the school fiscal year or by the date extended by statute or by the State of New Jersey Department of Education. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

### **Temporary Financing (N.J.S.A. 18A:24-3)**

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 (1) year periods, with the final maturity not exceeding five (5) 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 subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

### **Capital Lease Financing**

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five (5) years except for certain energy-saving equipment which may be financed for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the "EFCFA"), repealed the authorization to enter into facilities leases in excess of five (5) years. The payment of rent on an equipment lease and on a five (5) year and under facilities lease purchase is treated as a current expense and within the cap on the school district's budget. Under the CEIFA, financed purchase payments on leases in excess of five (5) years issued under prior law are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's tax levy cap.

### **Financing Under County School Construction Financing Law**

Recently enacted P.L. 2023, c. 311, approved January 16, 2024, as amended by P.L. 2024, c. 79, approved September 12, 2024, provides a means by which a county and a county improvement authority can assist a local school district with financing and construction of a school capital project without the school

district authorizing and issuing school bonds. Under the newly enacted legislation, a school district can lease a school property to a county improvement authority, which would issue its bonds for the financing and construction of a school project. The county improvement authority would then lease the school property to the county and the county would further lease it back to the school district. The school district would be obligated to cover the cost of principal and interest on the authority bonds through its lease payments to the county, and the county would pass through the payments to the authority through its lease to the authority for the payment of the bonds. The leases would remain valid and binding and in effect until the bonds are fully paid off. When the leases expire, the school property will be fully vested in the school district. The lease payments would be outside the caps on spending and raising taxes for both the school district and the county. The obligation would not be limited by the school district's legal borrowing limit as the school district is not issuing school bonds. The law requires the annual school district lease payments to be included in each school budget over the life of the bonds. The county improvement authority bonds would receive debt service aid otherwise available to the school district project as if the school district had authorized and issued school bonds. The program requires the cooperation of the county, the county improvement authority and the school district. Under the county improvement authorities law, the county or municipality could agree to guaranty the authority bonds as well if the credit support would help reduce financing costs. The program could help school districts that otherwise have difficulty getting voter approval to be able to obtain financing at a reduced cost, as (i) the State would still pay a share of the debt service due on the improvement authority bonds for which the project is entitled under the Educational Facilities Construction and Financing Act and (ii) if guaranteed, the improvement authority bonds could benefit from the credit enhancement provided by a county or municipality.

#### **Debt Limitation (N.J.S.A. 18A:24-19)**

Except as provided below, no additional debt shall be authorized 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 grades nine (9) through twelve (12) school district, the School District can borrow up to three percent (3%) of the average equalized valuation of taxable property in the School District. The School District has not exceeded its three percent (3%) debt limit. See "APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Constituent Municipalities."

#### **Exceptions to Debt Limitation**

A Type II school district (other than a regional district) may also utilize its constituent 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 constituent municipality over the constituent municipality's net debt). A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

#### **Energy Saving Obligations**

Under P.L. 2009, c. 4, approved January 21, 2009 and effective sixty (60) days thereafter, school districts may issue "energy savings obligations" without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the amount of the savings will cover the cost of the improvements.

### **SUMMARY OF STATE AID TO SCHOOL DISTRICTS**

In 1973, the Supreme Court of the State of New Jersey (the "Court") ruled in *Robinson v. Cahill* that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 *et seq.*, P.L. 1975, c. 212 (the "Public School Education Act") (as amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P.L. 1976, c. 47, as amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in *Abbott v. Burke* that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts (previously called “Abbott Districts”, now referred to as “SDA Districts”) were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

Since that time there has been much litigation and many cases affecting the State’s responsibilities to fund public education and many legislative attempts to distribute State aid in accordance with the court cases and the constitutional requirement. The cases addressed not only current operating fund aid but also addressed the requirement to provide facilities aid as well. The legislation has included QEA, CEIFA and EFCFA. For many years aid has simply been determined in the State Budget, which itself is an act of the legislature, based upon amounts provided in prior years. The school funding formula, provided in the School Funding Reform Act of 2008, P.L. 2007, c. 260, effective January 1, 2008, attempts to remove the special status given to certain school districts known as Abbott Districts after the school funding cases and instead has funding follow students with certain needs and provides aid in a way that takes into account the ability of the local school district to raise local funds to support the budget in amounts deemed adequate to provide for a thorough and efficient education as required by the State constitution. This legislation was challenged in the Court, and the Court held that the State’s then current plan for school aid was a “constitutionally adequate scheme.” However, the State continued to underfund certain school districts and to overfund other school districts in its budgets based on the statutory scheme. Since 2019 and in accordance with the enactment of P.L. 2018, c. 67, effective July 24, 2018, the State has increased funding for underfunded school districts and decreased funding for overfunded school districts and will continue to do so as set forth therein. It has also provided cap relief for overfunded school districts to enable them to pick up more of the local share.

Notwithstanding over thirty-five (35) years of litigation, the State provides State aid to school districts of the State in amounts provided in the State budget each year. These now include equalization aid, special education categorical aid, transportation aid, preschool education aid, instructional supplement aid, supplemental core curriculum standards aid, distance learning network aid, bilingual aid, security aid, adjustment aid and other aid determined in the discretion of the Commissioner.

State law requires that the State will provide aid for the construction of school facilities in an amount equal to the greater of the district aid percentage or forty percent (40%) times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of aid to which a school district is entitled is established prior to the authorization of the project. Grant funding is provided by the State upfront and debt service aid must be appropriated annually by the State.

The State has reduced debt service aid by fifteen percent (15%) annually since fiscal year 2011. As a result of the debt service aid reduction for those fiscal years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, 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 each fiscal year budget since 2011 representing fifteen percent (15%) of the school district’s proportionate share of the principal and interest payments on the outstanding EDA bonds issued to fund such grants.

Pursuant to P.L. 2018, c. 67, effective 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 (7) year transition period during which funding will be reduced. For those school districts where State aid will increase under the SFRA Modification Law, the transition period to increase funding will be one (1) year.

## **SUMMARY OF 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, enacted December 10, 2015, is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts Federal law required.

## **MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), governs the issuance of bonds and notes to finance certain municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects financed and that bonds be retired in serial installments. A five percent (5%) cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

The authorized bonded indebtedness of the Constituent Municipalities is limited by statute, subject to certain exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its average equalized valuation basis. The average for the last three (3) years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the Constituent Municipalities as annually determined by the New Jersey Board of Taxation is set forth in APPENDIX A.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

A municipality may exceed its debt limit with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, a municipality may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the municipality or substantially reduce the ability of the municipality to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the municipality to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

A municipality may sell "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance, as it may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for periods not exceeding one (1) year. Generally, bond anticipation notes may not be outstanding for longer than ten (10) years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

### **Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the State local finance system is the modified accrual basis budget. Every local unit must adopt an annual operating budget in the form required by the Division of Local Government

Services, New Jersey Department of Community Affairs (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget cannot be finally adopted until it has been certified by the Director of the Division (the "Director"), or in the case of a local unit's examination of its own budget, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law, N.J.S.A. 40A:4-1 et seq. (the "Local Budget Law") requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director or, in the case of local examination, the local unit, may review the adequacy of such appropriations.

Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year in which they were issued.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the budgetary review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The modified accrual basis budgets of local units must be in balance, *i.e.*, the total of anticipated revenues must equal the total of appropriations. N.J.S.A. 40A:4-22. If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

A provision in the Local Budget Law, N.J.S.A. 40A:4-26, provides that: "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues, except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with a municipality's calendar fiscal year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of

sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between appropriation accounts are prohibited until the last two (2) months of the year. Appropriation reserves may be transferred during the first three (3) months of the year, to the previous year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a 2/3 vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Certain types of appropriations are excluded from the provisions permitting transfers. Generally, transfers cannot be made from the down payment account, interest or debt redemption charges or the capital improvement fund or for contingent expenses.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon taxable property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

#### **Fiscal Year Adjustment Law (1991 N.J. Laws c. 75)**

Chapter 75 of the Laws of New Jersey of 1991, requires certain municipalities and permits all other municipalities to adopt the State fiscal year in place of the existing calendar fiscal year. Municipalities that change fiscal years must adopt a six (6) month transition budget for January 1 through June 30. Since expenditures would be expected to exceed revenues primarily because State aid for the calendar year would not be received by the municipality until after the end of the transition year budget, the act authorizes the issuance of Fiscal Year Adjustment Bonds to fund the one time deficit for the six (6) month transition budget. The law provides that the deficit in the six (6) month transition budget may be funded initially with bond anticipation notes based on the estimated deficit in the six (6) month transition budget. Notes issued in anticipation of Fiscal Year Adjustment Bonds, including renewals, can only be issued for up to one (1) year unless the Local Finance Board permits the municipality to renew them for a longer period of time. The Local Finance Board must confirm the actual deficit experienced by the municipality. The municipality then may issue Fiscal Year Adjustment Bonds to finance the deficit on a permanent basis. The purpose of the act is to assist municipalities that are heavily dependent on State aid and that have had to issue tax anticipation notes to fund operating cash flow deficits each year. While the law does not authorize counties to change their fiscal years, it does provide that counties with cash flow deficits may issue Fiscal Year Adjustment Bonds as well.

#### **State Supervision**

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2)

consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law, or the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 *et seq.*, which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

### **Appropriations “Cap”**

The New Jersey “Cap Law” (the “Cap Law”) (N.J.S.A. 40A:4-45.1 *et seq.*) places limits on municipal tax levies and expenditures. The Cap Law provides that a local unit shall limit any increase in its budget to two and one-half percent (2.5%) or the Cost-Of-Living Adjustment (as defined in the Cap Law), whichever is less, of the previous year’s final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than two and one-half percent (2.5%), a local unit may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the local unit for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than three and one-half percent (3.5%) over the previous year’s final appropriations. In addition, N.J.S.A. 40A:4-45.15a restored “cap” banking to the Local Budget Law. Municipalities are permitted to appropriate available “cap bank” in either of the next two (2) succeeding years’ final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the “cap”.

Additionally, P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of two percent (2%), certain increases in health care over two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (50%).

The Division has advised that counties and municipalities must comply with both the budget “cap” and the tax levy limitation. Neither the tax levy limitation nor the Cap Law, however, limits the obligation of the county or municipality to levy *ad valorem* taxes upon all taxable property within its boundaries to pay debt service on its bonds and notes.

### **Tax Assessment and Collection Procedure**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income (where appropriate). Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. However, a divergence of the assessment ratio to true value is typically due to changes in market value over time.

Upon the filing of certified adopted budgets by the local unit, the local school district and the county, the tax rate is struck by the county Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 *et seq.* Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Generally, tax bills are mailed annually in June of the current fiscal year. The taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged for the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county and school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) per annum on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00. Pursuant to 1991 N.J. Laws c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent (6%) of the amount of the delinquency. These penalties and interest rates are the highest permitted under State statutes. Delinquent taxes open for one (1) year or more are annually included in a tax sale in accordance with State statutes.

### **Tax Appeals**

State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the county Board of Taxation on or before April 1 of the current year for review. The county Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the county Board of Taxation, appeal may be made to the Tax Court of the State of New Jersey (the "State Tax Court") for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

### **Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Director. A synopsis of the report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the local unit's receipt of the audit report.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Board as of and for the year ended June 30, 2025 together with the notes to the financial statements have been provided by Ford, Scott and Associates, LLC, Ocean City, New Jersey (the "Auditor") and are presented in APPENDIX B to this Official Statement (the "Financial Statements"). See "APPENDIX B – Financial Statements of The Board of Education of the Cumberland Regional High School District in the County of Cumberland, New Jersey.

## **MUNICIPAL ADVISOR**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Board with respect to 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.

## LITIGATION

To the knowledge of the Board Attorney, Scarinci Hollenbeck, LLC, Little Falls, New Jersey (the "Board Attorney"), and without independent inquiry or investigation and also based upon the representation of the Board's Business Administrator/Board Secretary, there is no litigation of any nature now pending or threatened against the Board, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Board or the School District or the title of any of the present officers. To the knowledge of the Board Attorney, and without independent inquiry or investigation and also based upon the representation of the Board's Business Administrator/Board Secretary, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a materially adverse impact on the financial condition of the Board if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the Underwriter (as hereinafter defined) of the Bonds at the closing.

## TAX EXEMPTION

### Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds in order for the interest thereon to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause such interest to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. The Board 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.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Board with the requirements of the Code described above, interest on the Bonds is not includable in gross income for Federal income tax purposes 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.

### Premium Bonds

[The Bonds [maturing on September 1 in the years 20\_\_ through 20\_\_, inclusive (collectively, the "Premium Bonds")], have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

### Discount Bonds

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on September 1 in the years 20\_\_ through 20\_\_, inclusive (collectively, the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Bonds. In the case of any holder of the [Discount] Bonds, the amount of such

original issue discount which is treated as having accrued with respect to the [Discount] Bonds is added to the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the [Discount] Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

### **Additional Federal Income Tax Consequences Relating to 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 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 insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **State Taxation**

Bond Counsel is also of the opinion that interest on the Bonds, and any gain on the sale of the Bonds, are not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds. See "APPENDIX C – Form of Approving Legal Opinion" for the complete text of the proposed form of Bond Counsel's approving legal opinion.

### **Prospective Tax Law Changes**

Federal, state or local legislation, administrative pronouncements or court decisions may affect the Federal and State tax-exempt status of interest on the Bonds and the State tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds or the marketability of the Bonds. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

### **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.

**PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO ALL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF HOLDING THE BONDS.**

### **BANK-QUALIFIED BONDS**

The Bonds will be designated as "qualified tax-exempt obligations" under Section 265 of the Code by the Board for an exemption from the denial of deduction for interest paid by financial institutions to purchase or carry tax-exempt obligations. The Board will furnish to the Underwriter (as herein after defined) at the time of delivery of any payment for the Bonds, a certificate executed by the Business Administrator/Board Secretary of the Board designating the Bonds as "qualified tax-exempt obligations"

within the meaning of Section 265(b)(3)(B)(ii) of the Code, and in such certificate the Board will represent that it reasonably expects that, collectively, neither it nor its subordinate entities, if any, will issue more than \$10,000,000 of tax-exempt obligations in the current calendar year.

## **RISK TO HOLDERS OF BONDS**

It is understood that the rights of the holders of the Bonds, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

### **Municipal Bankruptcy**

**THE BOARD HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE BOARD EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.**

The undertakings of the Board should be considered with reference to 11 U.S.C. §101 *et seq.*, as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court 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 this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a political subdivision must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 *et seq.* which provides that a political subdivision, including the Board, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

### **Cyber Security**

The School District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the School District may be the subject of cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The School District has never

had a material cyber breach or a cyber breach that resulted in a financial loss. No assurance can be given that the School District's current efforts to manage cyber threats and security will, in all cases, be successful. The School District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. To mitigate these risks to the greatest extent possible, the School District recently implemented multi-factor authentication for key stakeholders with access to sensitive information. Furthermore, the School District leverages network segmentation to harden security. All end user machines have a limited version of Endpoint Detection and Response (EDR) software that is built into the Microsoft Windows operating system. In addition to the various processes in place to safeguard against cyber security attacks, the School District also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The School District relies on other entities and service providers in the course of operating the School District, including its accountants, attorneys, the trustee, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the School District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

### **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The School District cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The School District maintains a comprehensive insurance policy and maintains adequate reserves that could be used in the event of extreme weather.

## **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 Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board'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 11, 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 Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$4,870,526 in federal aid to address the effects of the COVID-19 pandemic.

### **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the Board, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as APPENDIX C. Certain legal matters may be passed upon for the Board by its Board Attorney.

### **PREPARATION OF OFFICIAL STATEMENT**

The Board hereby states that the descriptions and statements herein, including the Financial Statements, are true and correct in all material respects, and it will confirm same to the Underwriter by a certificate signed by the Board President and Business Administrator/Board Secretary. See "CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT" herein.

Bond Counsel has participated in the preparation and review of this Official Statement but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

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

The Auditor takes responsibility for the Financial Statements to the extent specified in the Independent Auditor's Report appearing in APPENDIX B hereto.

The Board Attorney has not participated in the preparation of the information contained in this Official Statement, nor has the Board Attorney verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

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

### **RATING**

Moody's Investors Service, Inc. (the "Rating Agency"), has assigned an underlying rating of "Aa3" to the Bonds based upon the creditworthiness of the School District. The Bonds are additionally secured by the New Jersey School Bond Reserve Act.

The rating reflects only the view of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Board forwarded 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 the rating will 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.

## **UNDERWRITING**

The Bonds are being purchased from the Board by \_\_\_\_\_ (the "Underwriter"), at a price of \$\_\_\_\_\_. The Underwriter is obligated to purchase all of the Bonds if any Bonds are so purchased.

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 the 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.

## **SECONDARY MARKET DISCLOSURE**

The Board has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Board by no later than each January 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2025 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the Board with the Municipal Securities Rulemaking Board (the "MSRB") or any other entity designated by the MSRB. The notices of material events will be filed by the Board with the MSRB through its Electronic Municipal Market Access ("EMMA") system and with any other entity designated by the MSRB, as applicable. The nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "SEC Rule").

In accordance with the SEC Rule and prior secondary market disclosure undertakings, within the five (5) years immediately preceding the date of this Official Statement, the Board failed to timely file its: (i) audited financial statements for the years ended June 30, 2021, 2022 and 2023; (ii) annual operating data for the years ended June 30, 2021, 2022 and 2023; and (iii) disclosure event notice associated with a certain rating change. Additionally, the Board failed to timely file the required late filing notices in connection with the items referenced above. Such information has since been filed with EMMA.. The Board appointed Phoenix Advisors, Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Business Administrator/Board Secretary, Wayne Knight, (856) 451-9400, ext. 219, or to Charles Anthony Solimine, Esq., Wilentz, Goldman & Spitzer, P.A., Bond Counsel to the Board, (732) 855-6430.

## **CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT**

At the time of the original delivery of the Bonds, the Board will deliver a certificate of one or more of its authorized officials to the effect that he/she has examined this Official Statement (including the Appendices) and the financial and other data concerning the School District contained herein and that, to the best of his knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of this Official Statement and the date of delivery of the Bonds, there has been no material adverse change in the affairs (financial or otherwise), financial condition or results or operations of the Board except as set forth in or contemplated by this Official Statement.

## **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Board since the date hereof.

The Board has authorized the preparation of this final Official Statement containing pertinent information relative to the Bonds, and this Official Statement is deemed to be the final Official Statement as required by Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. By awarding the Bonds to the Underwriter, the Board agrees that, within the earlier of seven (7) business days following the date of such award or to accompany the purchasers' confirmations requesting payment for the Bonds, it shall provide without cost to the Underwriter, for distribution purposes, copies of this final Official Statement. The underwriter agrees that (i) it shall accept such designation, and (ii) it shall assure the distribution of the final Official Statement.

**THE BOARD OF EDUCATION OF THE CUMBERLAND  
REGIONAL HIGH SCHOOL DISTRICT IN THE COUNTY OF  
CUMBERLAND, NEW JERSEY**

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**WAYNE KNIGHT,  
Business Administrator/Board Secretary**

**DATED: \_\_\_\_\_, 2026**

## **APPENDIX A**

### **Certain Economic and Demographic Information Relating to the School District and the Constituent Municipalities**

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## **INFORMATION REGARDING THE SCHOOL DISTRICT<sup>1</sup>**

### **Type**

The School District is a Type II regional school district consisting of the townships of Deerfield, Fairfield, Greenwich, Hopewell, Stow Creek, and Upper Deerfield and the Borough of Shiloh (the “Constituent Municipalities”). The Board of Education operates one school building. The Cumberland Regional High School District is located in the County of Cumberland, New Jersey.

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 Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Business Administrator/Board Secretary 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.

### **Description of Facilities**

The Board presently operates the following school facilities:

<b>District Building</b>	<b>Grade Level</b>	<b>Construction Date</b>	<b>Functional Capacity</b>	<b>Student Enrollment</b>
Cumberland Regional High School	9-12	1978	1,600	1,215

Source: Annual Comprehensive Financial Report of the School District

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<sup>1</sup> Source: The Board, unless otherwise indicated.

## **Pupil Enrollments**

The following table presents the historical average daily pupil enrollments for the past five (5) school years.

<b><u>Fiscal Year Ending 6/30</u></b>	<b><u>Pupil Enrollment</u></b>	<b><u>% Change</u></b>
2025	1,215	-0.2%
2024	1,218	5.8%
2023	1,151	4.6%
2022	1,100	3.6%
2021	1,062	4.3%

Source: Annual Comprehensive Financial Report of the School District

## **Pensions**

Those employees of the School District who are eligible for pension coverage are enrolled in one of the two State-administered multi-employer pension systems (the “Pension System”). The Pension System was established by an act of the State Legislature. The Board of Trustees for the Pension System is responsible for the organization and administration of the Pension System. The two State-administered pension funds are: (1) the Teacher's Pension and Annuity Fund (“TPAF”) and (2) the Public Employee's Retirement System (“PERS”). The Division of Pensions and Benefits, within the State of New Jersey Department of the Treasury (the “Division”), charges the participating school districts annually for their respective contributions. The School District raises its contributions through taxation and the State contributes the employer's share of the annual Social Security and Pension contribution for employees enrolled in the TPAF. The Pension System is a cost sharing multiple employer contributory defined benefit plan. The Pension System's designated purpose is to provide retirement and medical benefits for qualified retirees and other benefits to its members. Membership in the Pension System is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State administered retirement system or other state or local jurisdiction.

## **Fiscal 2025-26 Budget**

Prior to the passage of P.L. 2011, c. 202 the Board was required to submit its budget for voter approval on an annual basis. Under the Election Law (P.L. 2011, c. 202, effective January 17, 2012) if a school district has opted to move its annual election to November, it is no longer required to submit the budget to voters for approval if the budget is at or below the two-percent (2%) property tax levy cap as provided for under New Cap Law (P.L. 2010, c. 44). If a school district proposes to spend above the two-percent (2%) property tax levy cap, it is then required to submit its budget to voters at the annual school election in November. The Board has chosen under the Election Law to move its annual school election to November.

The General Fund budget is the sum of all state aid (exclusive of pension aid and social security aid) and the local tax levy (exclusive of debt service). The Board's General Fund Budget for the 2025-2026 fiscal year is \$33,371,887. The major sources of revenue are \$10,847,808 from the local tax levy and \$21,766,942 from state aid.

Source: Annual User-Friendly Budget of the School District

### **Budget History**

A summary of the last five (5) budget years of the Board is presented below:

<b>Fiscal Year Ending 6/30</b>	<b>Operating Budget Total</b>	<b>Tuition</b>	<b>State Aid</b>	<b>Other</b>	<b>Amount Raised By Taxation</b>	<b>Tax Increase Percentage</b>
2026	\$33,371,887	\$305,600	\$21,766,942	\$451,537	\$10,847,808	2.0%
2025	32,585,150	300,600	20,464,068	1,185,376	10,635,106	5.6%*
2024	28,676,880	289,000	16,944,061	1,375,725	10,068,094	2.0%
2023	27,052,363	292,500	14,544,936	2,344,247	9,870,680	2.0%
2022	23,960,496	287,511	13,399,868	595,981	9,677,136	2.0%

\*Not subject to voter approval because the Township funded the increase with banked cap.

Source: Annual User-Friendly Budget of the School District

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## **Financial Operations**

The following table summarizes information on the changes in general fund revenues and expenditures for the school years ending June 30, 2021 through June 30, 2025 for the general fund. Beginning with the 1993-94 fiscal year, school districts in the State of New Jersey have begun to prepare their financial statements in accordance with Generally Accepted Accounting Principles in the United States.

### **GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30:**

<b><u>REVENUE</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
<b>Local Sources:</b>					
Local Tax Levy	\$9,487,390	\$9,677,136	\$9,870,680	\$10,068,093	\$10,635,106
Other Local Revenue	814,160	404,626	396,226	623,648	637,926
State Sources	16,022,456	17,588,733	18,640,679	21,202,546	24,693,266
Federal Sources	<u>15,566</u>	<u>80,497</u>	<u>31,264</u>	<u>7,996</u>	<u>5,902</u>
Total Revenue:	<u><b>\$26,339,572</b></u>	<u><b>\$27,750,992</b></u>	<u><b>\$28,938,849</b></u>	<u><b>\$31,902,283</b></u>	<u><b>\$35,972,200</b></u>
<b><u>EXPENDITURES</u></b>					
<b>General Fund:</b>					
Instruction	\$7,322,920	\$7,996,405	\$8,173,230	\$8,481,798	\$9,179,723
Support Services	14,273,386	16,616,358	19,048,067	19,483,716	21,058,090
Debt Service	0	0	0	0	0
Capital Outlay	<u>412,664</u>	<u>442,393</u>	<u>4,062,635</u>	<u>1,863,960</u>	<u>515,859</u>
Total Expenditures:	<u><b>22,008,970</b></u>	<u><b>25,055,156</b></u>	<u><b>31,283,932</b></u>	<u><b>29,829,474</b></u>	<u><b>30,753,672</b></u>
Excess of Revenue Over Expenditures	<u><b>\$4,330,602</b></u>	<u><b>\$2,695,837</b></u>	<u><b>(\$2,345,082)</b></u>	<u><b>\$2,072,809</b></u>	<u><b>\$5,218,527</b></u>
<b><u>OTHER FINANCING SOURCES</u></b>					
Transfers In/(Out)	(\$5,500,000)	\$2,734,380	\$0	\$19,310	\$0
Proceeds of Capital Lease	0	0	0	0	0
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources:	<u><b>(5,500,000)</b></u>	<u><b>2,734,380</b></u>	<u><b>0</b></u>	<u><b>19,310</b></u>	<u><b>0</b></u>
Net Change in Fund Balance	(1,169,398)	5,430,217	(2,345,082)	2,092,119	5,218,527
Fund Balance - July 1	<u><b>6,626,877</b></u>	<u><b>5,457,479</b></u>	<u><b>10,887,696</b></u>	<u><b>8,542,613</b></u>	<u><b>10,634,732</b></u>
Fund Balance - June 30	<u><b>\$5,457,479</b></u>	<u><b>\$10,887,696</b></u>	<u><b>\$8,542,613</b></u>	<u><b>\$10,634,732</b></u>	<u><b>\$15,853,260</b></u>

Source: Annual Comprehensive Financial Report of the School District. Statement of Revenues, Expenditures Governmental Funds and Changes in Fund Balances on a GAAP basis

## **Leases**

As of June 30, 2025, the Board has leases outstanding with payments due through year ending June 30, 2029, totaling \$82,939.

Source: Annual Comprehensive Financial Report of the School District

## **Short-Term Debt**

As of June 30, 2025, the Board has no short-term debt outstanding.

Source: Annual Comprehensive Financial Report of the School District

## **Long-Term Debt**

The following table outlines the outstanding long-term debt of the Board as of June 30, 2025.

### **EXISTING GENERAL FUND DEBT**

<b>Fiscal Year</b>			
<b><u>Ending 6/30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2026	\$597,000	\$20,149	\$617,149

Source: Annual Comprehensive Financial Report of the School District

## **Debt Limit of the Board**

The debt limitation of the Board is established by the statute (N.J.S.A. 18A:24-19). The Board is permitted to incur debt up to 3% of the average equalized valuation for the past three years (See “SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT- Exceptions to School Debt Limitations” herein). The following is a summation of the Board’s debt limitation as of June 30, 2025:

Average Equalized Valuation Basis (2023, 2024, 2025)	\$2,275,730,086
Permitted Debt Limitation (3.00%)	68,271,903
Less: Net Debt	597,000
<b>Remaining Borrowing Power</b>	<b>\$67,674,903</b>

Percentage of Net Debt to Average Equalized Valuation	0.026%
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Net Debt Per Capita based on 2020 population of 23,241	\$25.69
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Source: Annual Comprehensive Financial Report of the School District

## **INFORMATION REGARDING THE TOWNSHIP OF DEERFIELD<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Deerfield (the “Township”), in the County of Cumberland (the “County”), State of New Jersey (the “State”).

### **Form of Government**

The Township committee is comprised of five (5) members, who are elected by the voters to serve three (3) year terms in office on a staggered basis. At an annual reorganization meeting held in January, the Township committee selects one of its members to serve as Mayor and another to serve as Deputy Mayor.

### **Education**

The Deerfield Township School District serves public school students in pre-kindergarten through eighth grade at Deerfield Township School. Public school students in ninth through twelfth grade attend Cumberland Regional High School, which also serves students from Fairfield Township, Greenwich Township, Hopewell Township, Shiloh Borough, Stow Creek Township and Upper Deerfield Township.

### **Retirement Systems**

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System (“PERS”) and the Police and Firemen's Retirement System (“PFRS”).

### **Pension Information<sup>2</sup>**

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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<sup>1</sup> Source: The Township, unless otherwise indicated.

<sup>2</sup> Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

<b><u>Township</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	1,430	1,340	90	6.3%
2023	1,429	1,346	83	5.8%
2022	1,408	1,344	64	4.5%
2021	1,383	1,289	94	6.8%
2020	1,382	1,247	135	9.8%

  

<b><u>County</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	65,770	61,143	4,627	7.0%
2023	65,826	61,433	4,393	6.7%
2022	64,943	61,289	3,654	5.6%
2021	64,671	59,110	5,561	8.6%
2020	64,701	57,524	7,177	11.1%

  

<b><u>State</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2024)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$85,094	\$67,436	\$103,556
Median Family Income	110,469	80,948	127,025
Per Capita Income	33,999	32,721	54,253

Source: US Bureau of the Census

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b>Year</b>	<b>Township</b>		<b>County</b>		<b>State</b>	
	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>
2024 est.	3,147	0.4%	155,678	1.0%	9,500,851	2.3%
2020	3,136	0.5	154,152	-1.8	9,288,994	5.7
2010	3,119	6.6	156,898	7.1	8,791,894	4.5
2000	2,927	-0.2	146,438	6.1	8,414,350	8.9
1990	2,933	16.3	138,053	3.9	7,730,188	5.0

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b>Taxpayers</b>	<b>2025</b>		<b>% of Total</b>
	<b>Assessed Valuation</b>	<b>Assessed Valuation</b>	
J HR Real Estate	\$5,189,000		2.63%
F&S Reality Assoc.	3,070,900		1.56%
S&L Reality Associates LLC	1,262,600		0.64%
Taxpayer 1	1,218,100		0.62%
Crop Prod Serv Inc	1,103,400		0.56%
Lartland, LLC	939,700		0.48%
Taxpayer 2	751,300		0.38%
Taxpayer 3	670,000		0.34%
White Dog Corp	648,200		0.33%
Cedar Rose Realty LLC	628,100		0.32%
<b>Total</b>	<b><u>\$15,481,300</u></b>		<b><u>7.84%</u></b>

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

### Comparison of Tax Levies and Collections

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2024	\$7,385,518	\$7,188,511	97.33%
2023	7,195,737	7,049,109	97.96%
2022	7,529,862	7,337,338	97.44%
2021	7,274,723	7,055,028	96.98%
2020	7,170,924	6,933,006	96.68%

Source: Annual Audit Reports of the Township

### Delinquent Taxes and Tax Title Liens

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2024	\$374,870	\$136,841	\$511,712	6.93%
2023	364,916	109,103	474,019	6.59%
2022	403,038	143,253	546,291	7.25%
2021	362,819	185,243	548,062	7.53%
2020	446,798	184,774	631,572	8.81%

Source: Annual Audit Reports of the Township

### Property Acquired by Tax Lien Liquidation

<b><u>Year</u></b>	<b><u>Amount</u></b>
2024	\$52,400
2023	52,400
2022	52,400
2021	277,900
2020	277,900

Source: Annual Audit Reports of the Township

## Tax Rates per \$100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for Township residents for the past five (5) years.

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>Regional School</u>	<u>County</u>	<u>Total</u>
2025	\$0.168	\$1.664	\$0.713	\$1.349	\$3.894
2024	0.148	1.635	0.622	1.318	3.723
2023	0.122	1.623	0.616	1.294	3.655
2022	0.089	1.610	0.760	1.395	3.854
2021	0.090	1.602	0.751	1.317	3.760

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## Valuation of Property

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2025	\$196,973,000	\$327,851,198	60.08%	\$491,058	\$328,342,256
2024	196,893,700	293,915,062	66.99	530,428	294,445,490
2023	194,734,500	268,784,679	72.45	584,640	269,369,319
2022	192,890,600	239,496,648	80.54	599,822	240,096,470
2021	190,865,400	226,331,555	84.33	670,292	227,001,847

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2025	\$4,688,600	\$143,852,600	\$24,509,400	\$18,840,500	\$5,081,900	\$0	\$196,973,000
2024	5,015,800	142,978,100	24,848,700	18,969,200	5,081,900	0	196,893,700
2023	5,171,800	140,762,300	25,220,700	18,497,800	5,081,900	0	194,734,500
2022	5,522,000	139,136,200	24,779,000	18,371,500	5,081,900	0	192,890,600
2021	5,571,400	137,349,700	25,037,200	17,825,200	5,081,900	0	190,865,400

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$493,722	\$474,210	\$525,000	\$640,000	\$598,000
Miscellaneous Revenues	1,166,452	1,716,406	1,493,703	1,642,314	2,330,598
Receipts from Delinquent Taxes	150,000	150,000	135,000	135,000	125,000
Amount to be Raised by Taxation	<u>172,061</u>	<u>172,061</u>	<u>236,521</u>	<u>291,140</u>	<u>330,052</u>
Total Revenue:	<u>\$1,982,235</u>	<u>\$2,512,677</u>	<u>\$2,390,225</u>	<u>\$2,708,454</u>	<u>\$3,383,650</u>

## **Appropriations**

General Appropriations	\$1,209,541	\$1,271,633	\$1,343,120	\$1,395,573	\$1,493,378
Operations (Excluded from CAPS)	433,346	636,400	625,105	700,056	1,620,047
Deferred Charges and Statutory Expenditures	0	237,000	90,000	358,915	0
Judgments	0	0	0	0	0
Capital Improvement Fund	23,000	36,000	0	0	6,500
Municipal Debt Service	53,000	53,000	53,000	53,000	53,000
Reserve for Uncollected Taxes	<u>263,348</u>	<u>278,644</u>	<u>279,000</u>	<u>200,909</u>	<u>210,725</u>
Total Appropriations:	<u>\$1,982,235</u>	<u>\$2,512,677</u>	<u>\$2,390,225</u>	<u>\$2,708,454</u>	<u>\$3,383,650</u>

Source: Annual Adopted Budgets of the Township

## **Fund Balance**

### **Current Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

### **Fund Balance - Current Fund**

<b><u>Year</u></b>	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$1,106,592	\$598,000
2023	1,478,720	640,000
2022	1,532,488	525,000
2021	1,322,936	474,210
2020	1,188,000	493,722

Source: Annual Audit Reports of the Township

**Township Indebtedness as of December 31, 2024**

**General Purpose Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	105,358
<b>Total:</b>	<b>\$105,358</b>

**Local School District Debt**

Serial Bonds	\$185,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
<b>Total:</b>	<b>\$185,000</b>

**Regional School District Debt**

Serial Bonds	\$150,771
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
<b>Total:</b>	<b>\$150,771</b>

**Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
<b>Total:</b>	<b>\$0</b>

**TOTAL GROSS DEBT**

**\$441,129**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	185,000
Regional School District Debt	150,771
Self-Liquidating Debt	0
<b>Total:</b>	<b>\$335,771</b>

**TOTAL NET DEBT**

**\$105,358**

Source: Annual Debt Statement of the Township

### **Overlapping Debt (as of December 31, 2024)<sup>3</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$185,000	100.00%	\$185,000
Regional School District	1,197,000	12.60%	150,771
County	266,406,046	2.36%	<u>6,291,377</u>
Net Indirect Debt			\$6,627,148
Net Direct Debt			<u>418,282</u>
Total Net Direct and Indirect Debt			<u><b>\$7,045,430</b></u>

### **Debt Limit (as of December 31, 2024)**

Average Equalized Valuation Basis (2022, 2023, 2024)	\$267,398,796
Permitted Debt Limitation (3 1/2%)	9,358,958
Less: Net Debt	<u>105,358</u>
Remaining Borrowing Power	<u>\$9,253,600</u>
Percentage of Net Debt to Average Equalized Valuation	0.039%
Gross Debt Per Capita based on 2020 population of 3,136	\$140.67
Net Debt Per Capita based on 2020 population of 3,136	\$33.60

Source: Annual Debt Statement of the Township

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<sup>3</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

## **INFORMATION REGARDING THE TOWNSHIP OF FAIRFIELD<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Fairfield (the “Township”), in the County of Cumberland (the “County”), State of New Jersey (the “State”).

### **General Information**

The Township is located in the western part of the County and is a classic rural-agricultural community. The Township encompasses 47.3 square miles. The Township’s population is mainly concentrated in two areas; (i) Fairton Village, which is located in the center of the Township at the intersections of Route 553 (Fairton-Gouldtown Road) and Route 698 (Ramah Road), and (ii) Gouldtown which is located just east of the City of Bridgeton with access to Route 49. These locations offer a variety of opportunities for retail, professional, industrial and residential development.

### **Form of Government**

The Township is governed under the Township form of government with a five (5) member Township Committee. The Township Committee is elected directly by the voters at-large in non-partisan elections to serve three (3) year terms of office on a staggered basis, with either one or two seats coming up for election each year as part of the November general election in a three (3) year cycle. At an annual reorganization meeting, the Township Committee selects one of its members to serve as Mayor and another as Deputy Mayor.

### **Public Safety**

New Jersey State Police provides police protection on a 24 hour, 7 days a week basis. The Township does not maintain a local police force.

The Township's Volunteer Fire Department have multiple pumper, a tanker, boats, mobile command vehicles, a rehab trailer, a pickup truck and other support vehicles.

The volunteer first aid and rescue squad provides 24-hour emergency service when required for accident and illness. The first aid squad maintains multiple ambulances to provide service to the community.

### **Education**

The Township School District serves public school students in pre-Kindergarten through eighth grade. The school district opened a new school in September 2006, consolidating all grades into a single building located in the Gouldtown section of the Township. Public school students in ninth through twelfth grades attend Cumberland Regional High School, which also serves students from Deerfield Township, Greenwich Township, Hopewell Township, Shiloh Borough, Stow Creek Township and Upper Deerfield Township. The school is located in Upper

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<sup>1</sup> Source: The Township, unless otherwise indicated.

Deerfield Township and opened for the 1977-78 school year as part of the Cumberland Regional High School District.

### **Retirement Systems**

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System (“PERS”).

### **Pension Information<sup>2</sup>**

Employees who are eligible to participate in a pension plan are enrolled in PERS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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<sup>2</sup> Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	<b>Total Labor Force</b>	<b>Employed Labor Force</b>	<b>Total Unemployed</b>	<b>Unemployment Rate</b>
<b><u>Township</u></b>				
2024	1,989	1,797	192	9.7%
2023	1,964	1,805	159	8.1%
2022	1,939	1,804	135	7.0%
2021	1,979	1,759	220	11.1%
2020	2,001	1,743	258	12.9%
<b><u>County</u></b>				
2024	65,770	61,143	4,627	7.0%
2023	65,826	61,433	4,393	6.7%
2022	64,943	61,289	3,654	5.6%
2021	64,671	59,110	5,561	8.6%
2020	64,701	57,524	7,177	11.1%
<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2024)**

	<b>Township</b>	<b>County</b>	<b>State</b>
Median Household Income	\$60,929	\$67,436	\$103,556
Median Family Income	67,188	80,948	127,025
Per Capita Income	27,859	32,721	54,253

Source: US Bureau of the Census

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b>Year</b>	<b>Township</b>		<b>County</b>		<b>State</b>	
	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>
2024 est.	5,395	-2.72%	155,678	1.0%	9,500,851	2.3%
2020	5,546	-11.90	154,152	-1.8	9,288,994	5.7
2010	6,295	0.19	156,898	7.1	8,791,894	4.5
2000	6,283	10.25	146,438	6.1	8,414,350	8.9
1990	5,699	0.11	138,053	3.9	7,730,188	5.0

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b>Taxpayers</b>	<b>2025</b>	<b>% of Total</b>	
		<b>Assessed Valuation</b>	<b>Assessed Valuation</b>
South State Inc	\$4,394,400	1.38%	
Cumberland Self Storage LLC	1,950,000	0.61%	
Tip's Trailer Park Inc % J STANGER	1,816,300	0.57%	
NJ Oak Solar LLC	1,630,200	0.51%	
Madison Garden Apartments LLC	1,603,100	0.50%	
Fairton Oaks Village LLC	1,403,100	0.44%	
Tip's Trailer Park Inc % J STANGER	1,114,800	0.35%	
Fairton Oaks Village LLC	1,000,000	0.31%	
Eagle Manor LLC	754,200	0.24%	
Verizon	<u>720,421</u>	<u>0.23%</u>	
<b>Total</b>	<b><u>\$16,386,521</u></b>	<b><u>5.14%</u></b>	

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2024	\$8,145,023	\$7,531,715	92.47%
2023	8,442,450	7,830,821	92.76%
2022	8,746,137	8,045,705	91.99%
2021	8,467,774	7,817,528	92.32%
2020	8,151,900	7,445,346	91.33%

Source: Annual Audit Reports of the Township

### Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024	\$1,273,186	\$528,979	\$1,802,166	22.13%
2023	1,155,848	579,061	1,734,909	20.55%
2022	1,134,952	624,370	1,759,321	20.12%
2021	1,265,659	524,089	1,789,748	21.14%
2020	1,198,728	548,354	1,747,082	21.43%

Source: Annual Audit Reports of the Township

### Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2024	\$426,250
2023	426,250
2022	426,250
2021	426,250
2020	426,250

Source: Annual Audit Reports of the Township

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Township residents for the past five (5) years.

<b><u>Year</u></b>	<b>Local</b>		<b>Regional</b>		
	<b>Municipal</b>	<b>School</b>	<b>School</b>	<b>County</b>	<b>Total</b>
2025	\$0.496	\$0.788	\$0.660	\$1.031	\$2.975
2024	0.450	0.482	0.599	1.021	2.552
2023	0.440	0.547	0.619	1.046	2.652
2022	0.439	0.541	0.635	1.135	2.750
2021	0.439	0.540	0.584	1.111	2.674

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## **Valuation of Property**

<b><u>Year</u></b>	<b>Aggregate Assessed Valuation of Real Property</b>	<b>Aggregate True Value of Real Property</b>	<b>Ratio of Assessed to True Value</b>	<b>Assessed Value of Personal Property</b>	<b>Equalized Valuation</b>
2025	\$317,888,700	\$381,481,699	83.33%	\$653,440	\$382,135,139
2024	317,850,700	362,677,659	87.64	691,507	363,369,166
2023	317,080,200	339,377,288	93.43	734,499	340,111,787
2022	316,818,300	319,115,935	99.28	721,618	319,837,553
2021	311,861,300	301,490,043	103.44	720,421	302,210,464

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<b><u>Year</u></b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartments</b>	<b>Total</b>
2025	\$15,531,900	\$254,600,900	\$19,065,800	\$26,802,000	\$1,630,200	\$257,900	\$317,888,700
2024	15,735,300	254,060,700	19,209,500	26,957,100	1,630,200	257,900	317,850,700
2023	15,623,200	253,514,500	19,115,200	26,939,200	1,630,200	257,900	317,080,200
2022	15,828,800	259,555,300	12,402,200	27,143,900	1,630,200	257,900	316,818,300
2021	15,628,800	254,107,900	12,886,100	27,350,400	1,630,200	257,900	311,861,300

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$505,000	\$403,780	\$438,000	\$435,000	\$493,288
Miscellaneous Revenues	816,059	820,209	1,241,808	1,616,982	830,180
Receipts from Delinquent Taxes	490,000	550,000	670,000	570,000	544,500
Amount to be Raised by Taxation	<u>1,370,935</u>	<u>1,392,908</u>	<u>1,395,252</u>	<u>1,433,351</u>	<u>1,577,582</u>
Total Revenue:	<u>\$3,181,994</u>	<u>\$3,166,897</u>	<u>\$3,745,059</u>	<u>\$4,055,333</u>	<u>\$3,445,550</u>

### **Appropriations**

General Appropriations	\$1,988,192	\$2,011,804	\$2,091,478	\$2,178,725	\$2,277,737
Operations (Excluded from CAPS)	36,500	37,000	458,897	787,281	26,000
Deferred Charges and Statutory Expenditures	17,200	17,200	17,200	0	0
Judgments	0	0	0	0	0
Capital Improvement Fund	34,000	44,000	44,000	44,000	64,000
Municipal Debt Service	387,500	385,500	389,288	408,813	448,250
Reserve for Uncollected Taxes	<u>718,602</u>	<u>671,393</u>	<u>744,196</u>	<u>636,514</u>	<u>629,563</u>
Total Appropriations:	<u>\$3,181,994</u>	<u>\$3,166,897</u>	<u>\$3,745,059</u>	<u>\$4,055,333</u>	<u>\$3,445,550</u>

Source: Annual Adopted Budgets of the Township

## **Fund Balance**

### **Current Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

<b><u>Year</u></b>	<b><u>Fund Balance - Current Fund</u></b>	
	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$1,704,776	\$493,288
2023	1,699,655	435,000
2022	1,818,315	438,000
2021	1,743,625	403,780
2020	1,545,521	505,000

Source: Annual Audit Reports of the Township

**Township Indebtedness as of December 31, 2024**

**General Purpose Debt**

Serial Bonds	\$790,000
Bond Anticipation Notes	321,348
Bonds and Notes Authorized but Not Issued	1,664,689
Other Bonds, Notes and Loans	0
Total:	<u>\$2,776,037</u>

**Local School District Debt**

Serial Bonds	\$750,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$750,000</u>

**Regional School District Debt**

Serial Bonds	\$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$0</u>

**Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>

**TOTAL GROSS DEBT**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	750,000
Regional School District Debt	0
Self-Liquidating Debt	0
Total:	<u>\$750,000</u>

**TOTAL NET DEBT**

**\$2,776,037**

Source: Annual Debt Statement of the Township

### Overlapping Debt (as of December 31, 2024)<sup>3</sup>

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$750,000	100.00%	\$750,000
County	266,406,046	2.91%	<u>7,764,060</u>
Net Indirect Debt			\$8,514,060
Net Direct Debt			<u>2,776,037</u>
Total Net Direct and Indirect Debt			<u><b>\$11,290,097</b></u>

### Debt Limit

Average Equalized Valuation Basis (2022, 2023, 2024)	\$340,390,294
Permitted Debt Limitation (3 1/2%)	11,913,660
Less: Net Debt	<u>2,776,037</u>
Remaining Borrowing Power	<u><b>\$9,137,623</b></u>
Percentage of Net Debt to Average Equalized Valuation	0.816%
Gross Debt Per Capita based on 2020 population of 5,546	\$635.78
Net Debt Per Capita based on 2020 population of 5,546	\$500.55

Source: Annual Debt Statement of the Township

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<sup>3</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

## **INFORMATION REGARDING THE TOWNSHIP OF GREENWICH<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Greenwich (the “Township”), in the County of Cumberland (the “County”), State of New Jersey (“New Jersey”).

### **Form of Government**

The governing body is comprised of a three (3) member Township Committee, whose members are elected directly by the voters at large in partisan elections to serve three (3) year terms of office on a staggered basis, with one seat coming up for election each year as part of the November general election in a three-year cycle. At an annual reorganization meeting, the Township Committee selects one of its members to serve as Mayor and another to serve as Deputy Mayor.

### **Education**

In 2009, the Morris Goodwin School entered into a shared services agreement with neighboring Stow Creek School in Stow Creek Township to form the Greenwich-Stow Creek Partnership Schools. Students from both townships attend Morris Goodwin School for kindergarten through fourth grade and Stow Creek School for grades five through eight. Public school students in grades nine through twelve attend Cumberland Regional High School, which also serves students from Deerfield Township, Fairfield Township, Hopewell Township, Shiloh Borough, Stow Creek Township and Upper Deerfield Township.

### **Retirement Systems**

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees’ Retirement System (“PERS”) and the Police and Firemen’s Retirement System (“PFRS”).

### **Pension Information<sup>2</sup>**

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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<sup>1</sup> Source: The Township, unless otherwise indicated.

<sup>2</sup> Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	<b>Total Labor Force</b>	<b>Employed Labor Force</b>	<b>Total Unemployed</b>	<b>Unemployment Rate</b>
<b><i>Township</i></b>				
2024	338	318	20	5.9%
2023	338	320	18	5.3%
2022	331	320	11	3.3%
2021	334	308	26	7.8%
2020	330	299	31	9.4%
<b><i>County</i></b>				
2024	65,770	61,143	4,627	7.0%
2023	65,826	61,433	4,393	6.7%
2022	64,943	61,289	3,654	5.6%
2021	64,671	59,110	5,561	8.6%
2020	64,701	57,524	7,177	11.1%
<b><i>State</i></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2024)**

	<b>Township</b>	<b>County</b>	<b>State</b>
Median Household Income	\$83,125	\$67,436	\$103,556
Median Family Income	97,500	80,948	127,025
Per Capita Income	43,731	32,721	54,253

Source: US Bureau of the Census

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b>Year</b>	<b>Township</b>		<b>County</b>		<b>State</b>	
	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>
2024 est.	773	0.3%	155,678	1.0%	9,500,851	2.3%
2020	771	-4.1	154,152	-1.8	9,288,994	5.7
2010	804	-5.1	156,898	7.1	8,791,894	4.5
2000	847	-7.0	146,438	6.1	8,414,350	8.9
1990	911	-6.4	138,053	3.9	7,730,188	5.0

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b>Taxpayers</b>	<b>2025</b>		<b>% of Total</b>
	<b>Assessed Valuation</b>	<b>Assessed Valuation</b>	
PSE&G	\$4,296,200		5.68%
Individual Taxpayer #1	863,100		1.14%
Individual Taxpayer #2	714,900		0.94%
TJK Landholdings LLC	712,000		0.94%
Individual Taxpayer #3	596,000		0.79%
Individual Taxpayer #4	570,200		0.75%
Individual Taxpayer #6	495,300		0.65%
Individual Taxpayer #5	476,900		0.63%
Individual Taxpayer #8	476,900		0.63%
Individual Taxpayer #9	<u>399,400</u>		<u>0.53%</u>
<b>Total</b>	<u><b>\$9,600,900</b></u>		<u><b>12.69%</b></u>

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

### **Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2024	\$2,706,074	\$2,571,198	95.02%
2023	2,659,256	2,548,866	95.85%
2022	2,775,033	2,637,582	95.05%
2021	2,679,465	2,527,314	94.32%
2020	2,718,219	2,540,061	93.45%

Source: Annual Audit Reports of the Township

### **Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2024	\$245,934	\$76,747	\$322,680	11.92%
2023	247,475	72,038	319,514	12.02%
2022	305,015	84,313	389,328	14.03%
2021	230,228	218,908	449,136	16.76%
2020	204,844	250,422	455,267	16.75%

Source: Annual Audit Reports of the Township

### **Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2024	\$225,100
2023	225,100
2022	255,100
2021	255,100
2020	255,100

Source: Annual Audit Reports of the Township

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Township residents for the past five (5) years.

<b>Year</b>	<b>Municipal</b>	<b>Local</b>		<b>Regional</b>	
		<b>School</b>	<b>School</b>	<b>County</b>	<b>Total</b>
2025	\$0.484	\$1.526	\$0.464	\$1.168	\$3.642
2024	0.476	1.422	0.514	1.168	3.580
2023	0.459	1.426	0.504	1.140	3.529
2022	0.449	1.389	0.640	1.181	3.659
2021	0.442	1.363	0.570	1.160	3.535

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## **Valuation of Property**

<b>Year</b>	<b>Aggregate Assessed Valuation of Real Property</b>	<b>Aggregate True Value of Real Property</b>	<b>Ratio of Assessed to True Value</b>	<b>Assessed Value of Personal Property</b>	<b>Equalized Valuation</b>
2025	\$75,269,900	\$101,743,579	73.98%	\$397,517	\$102,141,096
2024	75,132,300	96,807,499	77.61	419,980	97,227,479
2023	74,935,800	91,351,701	82.03	418,566	91,770,267
2022	75,309,500	82,359,471	91.44	531,790	82,891,261
2021	75,256,700	70,090,994	107.37	537,363	70,628,357

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<b>Year</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm</b>	<b>Commercial</b>	<b>Industrial/ Apartments</b>		<b>Total</b>
2025	\$4,362,200	\$51,666,600	\$16,934,200	\$2,306,900		\$0	\$75,269,900
2024	4,362,200	52,180,800	16,282,400	2,306,900		0	75,132,300
2023	4,362,200	52,117,600	16,149,100	2,306,900		0	74,935,800
2022	4,326,000	52,347,900	16,328,700	2,306,900		0	75,309,500
2021	4,326,000	52,314,500	16,318,100	2,298,100		0	75,256,700

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$302,200	\$302,200	\$302,200	\$311,000	\$305,039
Miscellaneous Revenues	102,302	192,952	119,388	188,393	120,221
Receipts from Delinquent Taxes	90,000	90,000	90,000	90,000	75,000
Amount to be Raised by Taxation	<u>334,253</u>	<u>340,320</u>	<u>345,799</u>	<u>358,966</u>	<u>365,811</u>
Total Revenue:	<u><u>\$828,754</u></u>	<u><u>\$925,471</u></u>	<u><u>\$857,387</u></u>	<u><u>\$948,360</u></u>	<u><u>\$866,071</u></u>

### **Appropriations**

General Appropriations	\$394,670	\$406,477	\$390,918	\$411,209	\$426,765
Operations (Excluded from CAPS)	62,970	155,570	90,092	169,555	87,561
Deferred Charges and Statutory Expenditures	13,000	13,000	0	0	0
Judgments	0	0	0	0	0
Capital Improvement Fund	60,100	50,000	66,750	70,000	50,000
Municipal Debt Service	0	0	0	0	0
Reserve for Uncollected Taxes	<u>298,015</u>	<u>300,425</u>	<u>309,627</u>	<u>297,595</u>	<u>301,744</u>
Total Appropriations:	<u><u>\$828,754</u></u>	<u><u>\$925,471</u></u>	<u><u>\$857,387</u></u>	<u><u>\$948,360</u></u>	<u><u>\$866,071</u></u>

Source: Annual Adopted Budgets of the Township

### **Fund Balance**

#### **Current Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

#### **Fund Balance - Current Fund**

<b><u>Year</u></b>	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$602,813	\$305,039
2023	645,730	311,000
2022	623,446	302,200
2021	621,268	302,200
2020	535,018	302,200

Source: Annual Audit Reports of the Township

**Township Indebtedness as of December 31, 2024**

**General Purpose Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>

**Local School District Debt**

Serial Bonds	\$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$0</u>

**Regional School District Debt**

Serial Bonds	\$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$0</u>

**Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>

**TOTAL GROSS DEBT**

**\$0**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	0
Regional School District Debt	0
Self-Liquidating Debt	0
Total:	<u>\$0</u>

**TOTAL NET DEBT**

**\$0**

Source: Annual Debt Statement of the Township

**Overlapping Debt (as of December 31, 2024)<sup>3</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$0	100.00%	\$0
County	266,406,046	0.78%	2,077,446
Net Indirect Debt			\$2,077,446
Net Direct Debt			0
Total Net Direct and Indirect Debt			<b><u>\$2,077,446</u></b>

**Debt Limit**

Average Equalized Valuation Basis (2022, 2023, 2024)	\$90,172,890
Permitted Debt Limitation (3 1/2%)	3,156,051
Less: Net Debt	0
Remaining Borrowing Power	<u>\$3,156,051</u>
Percentage of Net Debt to Average Equalized Valuation	0.000%
Gross Debt Per Capita based on 2020 population of 771	\$0.00
Net Debt Per Capita based on 2020 population of 771	\$0.00

Source: Annual Debt Statement of the Township

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<sup>3</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

## **INFORMATION REGARDING THE TOWNSHIP OF HOPEWELL<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Hopewell (the “Township”), in the County of Cumberland (the “County”), State of New Jersey (“New Jersey”).

### **Form of Government**

The Township Committee is comprised of five members, who are elected directly by the voters at large in partisan elections to serve three (3) year terms of office on a staggered basis, with either one or two seats coming up for election each year as part of the November general election in a three (3) year cycle. At an annual reorganization meeting, the Township Committee selects one of its members to serve as Mayor and another as Vice Mayor.

### **Education**

The Hopewell Township School District serves public school students in kindergarten through eighth grade at Hopewell Crest School. Public school students in ninth through twelfth grades attend Cumberland Regional High School, which also serves students from Deerfield Township, Fairfield Township, Greenwich Township, Shiloh Borough, Stow Creek Township and Upper Deerfield Township.

### **Retirement Systems**

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees’ Retirement System (“PERS”) and the Police and Firemen’s Retirement System (“PFRS”).

### **Pension Information<sup>2</sup>**

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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<sup>1</sup> Source: The Township, unless otherwise indicated.

<sup>2</sup> Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

<b><u>Township</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	2,263	2,157	106	4.7%
2023	2,275	2,167	108	4.7%
2022	2,259	2,173	86	3.8%
2021	2,229	2,088	141	6.3%
2020	2,196	2,032	164	7.5%

  

<b><u>County</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	65,770	61,143	4,627	7.0%
2023	65,826	61,433	4,393	6.7%
2022	64,943	61,289	3,654	5.6%
2021	64,671	59,110	5,561	8.6%
2020	64,701	57,524	7,177	11.1%

  

<b><u>State</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2024)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$100,202	\$67,436	\$103,556
Median Family Income	126,383	80,948	127,025
Per Capita Income	45,794	32,721	54,253

Source: US Bureau of the Census

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b>Year</b>	<b>Township</b>		<b>County</b>		<b>State</b>	
	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>
2024 est.	4,353	-0.9%	155,678	1.0%	9,500,851	2.3%
2020	4,391	-3.9	154,152	-1.8	9,288,994	5.7
2010	4,571	3.1	156,898	7.1	8,791,894	4.5
2000	4,434	5.2	146,438	6.1	8,414,350	8.9
1990	4,215	-3.4	138,053	3.9	7,730,188	5.0

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b>Taxpayers</b>	<b>2025</b>	<b>% of Total</b>
	<b>Assessed Valuation</b>	<b>Assessed Valuation</b>
Cumberland Realty SNF LLC	8,596,900	2.78%
Cumberland Mutual Fire Insurance Co	6,377,400	2.06%
Brid. Shiloh Pike DG LLC	1,745,700	0.56%
ACM Realty LLC	1,496,400	0.48%
Green Olive Properties LLC	1,311,800	0.42%
Greater Bridgeton Amish Market, LLC	1,157,700	0.37%
RJA Holding South LLC	857,800	0.28%
Sunny Slopes Farms of NJ	789,200	0.26%
Individual Taxpayer #1	707,700	0.23%
Individual Taxpayer #2	<u>604,200</u>	<u>0.20%</u>
<b>Total</b>	<b><u>\$23,644,800</u></b>	<b><u>7.65%</u></b>

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2024	\$11,270,760	\$10,978,420	97.41%
2023	10,745,277	10,439,562	97.15%
2022	10,164,798	9,932,517	97.71%
2021	10,342,624	10,104,341	97.70%
2020	10,344,337	9,951,955	96.21%

Source: Annual Audit Reports of the Township

### Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024	\$186,022	\$241,242	\$427,265	3.79%
2023	175,926	257,420	433,346	4.03%
2022	176,477	202,993	379,470	3.73%
2021	156,701	208,388	365,089	3.53%
2020	142,007	352,478	494,485	4.78%

Source: Annual Audit Reports of the Township

### Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2024	\$727,800
2023	275,200
2022	275,200
2021	275,200
2020	275,200

Source: Annual Audit Reports of the Township

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Township residents for the past five (5) years.

<b>Year</b>	<b>Local</b>		<b>Regional</b>		
	<b>Municipal</b>	<b>School</b>	<b>School</b>	<b>County</b>	<b>Total</b>
2025	\$0.359	\$1.218	\$0.787	\$1.329	\$3.693
2024	0.339	1.198	0.759	1.346	3.642
2023	0.328	1.184	0.679	1.279	3.470
2022	0.318	1.176	0.565	1.245	3.304
2021	0.307	1.143	0.580	1.336	3.366

Source: Abstract of Ratables

## **Valuation of Property**

<b>Year</b>	<b>Aggregate Assessed Valuation of Real Property</b>	<b>Aggregate True Value of Real Property</b>	<b>Ratio of Assessed to True Value</b>	<b>Assessed Value of Personal Property</b>	<b>Equalized Valuation</b>
2025	\$308,697,900	\$504,738,228	61.16%	\$550,159	\$505,288,387
2024	307,548,900	452,810,512	67.92	573,532	453,384,044
2023	307,260,000	434,167,020	70.77	642,527	434,809,547
2022	306,239,600	376,956,672	81.24	735,009	377,691,681
2021	306,329,900	325,018,462	94.25	719,461	325,737,923

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<b>Year</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartments</b>	<b>Total</b>
2025	\$4,370,200	\$228,530,200	\$42,328,000	\$33,018,600	\$0	\$450,900	\$308,697,900
2024	4,549,500	228,030,900	41,875,400	32,642,200	0	450,900	307,548,900
2023	4,666,600	227,281,000	41,450,000	33,411,500	0	450,900	307,260,000
2022	4,680,700	225,997,800	42,040,900	33,069,300	0	450,900	306,239,600
2021	4,644,000	226,064,200	42,101,500	33,069,300	0	450,900	306,329,900

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$461,126	\$531,000	\$570,000	\$545,000	\$550,000
Miscellaneous Revenues	848,914	1,289,532	713,935	1,238,255	762,091
Receipts from Delinquent Taxes	330,000	270,000	200,000	200,000	225,000
Amount to be Raised by Taxation	<u>942,062</u>	<u>974,156</u>	<u>1,008,099</u>	<u>1,042,710</u>	<u>1,110,145</u>
Total Revenue:	<u>\$2,582,101</u>	<u>\$3,064,688</u>	<u>\$2,492,034</u>	<u>\$3,025,965</u>	<u>\$2,647,236</u>

### **Appropriations**

General Appropriations	\$1,486,026	\$1,561,412	\$1,546,842	\$1,545,518	\$1,615,443
Operations (Excluded from CAPS)	268,650	247,468	140,442	610,947	163,543
Deferred Charges and Statutory Expenditures	41,925	35,625	36,000	36,000	24,000
Judgments	0	0	0	0	0
Capital Improvement Fund	107,000	576,808	106,500	131,500	129,500
Municipal Debt Service	177,500	138,375	148,250	176,000	188,750
Reserve for Uncollected Taxes	<u>501,000</u>	<u>505,000</u>	<u>514,000</u>	<u>526,000</u>	<u>526,000</u>
Total Appropriations:	<u>\$2,582,101</u>	<u>\$3,064,688</u>	<u>\$2,492,034</u>	<u>\$3,025,965</u>	<u>\$2,647,236</u>

Source: Annual Adopted Budgets of the Township

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## **Fund Balance**

### **Current Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

<b><u>Fund Balance - Current Fund</u></b>		
	<b>Balance</b>	<b>Utilized in Budget</b>
<b>Year</b>	<b>12/31</b>	<b>of Succeeding Year</b>
2024	\$795,378	\$550,000
2023	725,947	545,000
2022	762,386	570,000
2021	721,250	531,000
2020	530,532	461,126

Source: Annual Audit Reports of the Township

### **Sewer Utility Operating Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

<b><u>Fund Balance - Sewer Utility Operating Fund</u></b>		
	<b>Balance</b>	<b>Utilized in Budget</b>
<b>Year</b>	<b>12/31</b>	<b>of Succeeding Year</b>
2024	\$121,561	\$104,195
2023	177,857	570,000
2022	83,663	75,000
2021	152,635	52,508
2020	150,717	50,000

Source: Annual Audit Reports of the Township

**Township Indebtedness as of December 31, 2024**

**General Purpose Debt**

Serial Bonds	\$0
Bond Anticipation Notes	947,975
Bonds and Notes Authorized but Not Issued	1,339,036
Other Bonds, Notes and Loans	0
Total:	<u>\$2,287,011</u>

**Local School District Debt**

Serial Bonds	\$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$0</u>

**Regional School District Debt**

Serial Bonds	\$237,554
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$237,554</u>

**Self-Liquidating Debt**

Serial Bonds	\$2,625,000
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$2,625,000</u>

**TOTAL GROSS DEBT**

**\$5,149,565**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	0
Regional School District Debt	237,554
Self-Liquidating Debt	2,625,000
Total:	<u>\$2,862,554</u>

**TOTAL NET DEBT**

**\$2,287,011**

Source: Annual Debt Statement of the Township

### Overlapping Debt (as of December 31, 2024)<sup>3</sup>

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$0	100.00%	\$0
Regional School District	1,197,000	19.85%	237,554
County	266,406,046	3.64%	<u>9,687,396</u>
Net Indirect Debt			\$9,924,950
Net Direct Debt			<u>2,287,011</u>
Total Net Direct and Indirect Debt			<u><b>\$12,211,961</b></u>

### Debt Limit

Average Equalized Valuation Basis (2022, 2023, 2024)	\$421,311,401
Permitted Debt Limitation (3 1/2%)	14,745,899
Less: Net Debt	<u>2,287,011</u>
Remaining Borrowing Power	<u><b>\$12,458,888</b></u>
Percentage of Net Debt to Average Equalized Valuation	0.543%
Gross Debt Per Capita based on 2020 population of 4,391	\$1,172.75
Net Debt Per Capita based on 2020 population of 4,391	\$520.84

Source: Annual Debt Statement of the Township

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<sup>3</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

## **INFORMATION REGARDING THE TOWNSHIP OF STOW CREEK<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Stow Creek (the “Township”), in the County of Cumberland (the “County”), State of New Jersey (“New Jersey”).

### **Form of Government**

The governing body is comprised of a three-member Township Committee, whose members are elected directly by the voters at large in partisan elections to serve three (3) year terms of office on a staggered basis, with one seat coming up for election each year as part of the November general election in a three (3) year cycle. At an annual reorganization meeting, the Township Committee selects one of its members to serve as Mayor.

### **Education**

In 2009, the Morris Goodwin School entered into a shared services agreement with neighboring Stow Creek School in Stow Creek Township to form the Greenwich-Stow Creek Partnership Schools. Students from both townships attend Morris Goodwin School for kindergarten through fourth grade and Stow Creek School for grades five through eight. Public school students in grades nine through twelve attend Cumberland Regional High School, which also serves students from Deerfield Township, Fairfield Township, Hopewell Township, Shiloh Borough, Stow Creek Township and Upper Deerfield Township.

### **Retirement Systems**

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees’ Retirement System (“PERS”) and the Police and Firemen’s Retirement System (“PFRS”).

### **Pension Information<sup>2</sup>**

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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<sup>1</sup> Source: The Township, unless otherwise indicated.

<sup>2</sup> Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

<b><u>Township</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	589	559	30	5.1%
2023	591	562	29	4.9%
2022	591	561	30	5.1%
2021	590	541	49	8.3%
2020	578	524	54	9.3%

  

<b><u>County</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	65,770	61,143	4,627	7.0%
2023	65,826	61,433	4,393	6.7%
2022	64,943	61,289	3,654	5.6%
2021	64,671	59,110	5,561	8.6%
2020	64,701	57,524	7,177	11.1%

  

<b><u>State</u></b>	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2024)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$105,139	\$67,436	\$103,556
Median Family Income	140,750	80,948	127,025
Per Capita Income	49,224	32,721	54,253

Source: US Bureau of the Census

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b>Year</b>	<b>Township</b>		<b>County</b>		<b>State</b>	
	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>
2024 est.	1,332	1.5%	155,678	1.0%	9,500,851	2.3%
2020	1,312	-8.3	154,152	-1.8	9,288,994	5.7
2010	1,431	0.1	156,898	7.1	8,791,894	4.5
2000	1,429	-0.6	146,438	6.1	8,414,350	8.9
1990	1,437	5.3	138,053	3.9	7,730,188	5.0

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b>Taxpayers</b>	<b>2025</b>		<b>% of Total</b>
	<b>Assessed Valuation</b>	<b>Assessed Valuation</b>	
Diamond Materials, LLC	\$1,028,000		0.93%
Individual Taxpayer #1	827,800		0.75%
AAK Realty, LLC	716,200		0.65%
Individual Taxpayer #2	655,500		0.59%
Individual Taxpayer #3	560,200		0.51%
Individual Taxpayer #4	559,500		0.51%
Individual Taxpayer #5	555,100		0.50%
REM Farms, LLC	520,000		0.47%
Individual Taxpayer #6	504,100		0.46%
Individual Taxpayer #7	471,749		0.43%
<b>Total</b>	<b>\$6,398,149</b>		<b>5.80%</b>

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2024	\$3,374,753	\$3,263,806	96.71%
2023	3,763,627	3,659,661	97.24%
2022	3,686,440	3,564,035	96.68%
2021	3,593,514	3,478,828	96.81%
2020	3,486,985	3,335,390	95.65%

Source: Annual Audit Reports of the Township

### Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024	\$22,440	\$103,845	\$126,285	3.74%
2023	18,432	101,229	119,661	3.18%
2022	15,990	118,721	134,711	3.65%
2021	26,012	104,778	130,790	3.64%
2020	17,926	142,393	160,319	4.60%

Source: Annual Audit Reports of the Township

### Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2024	\$659,800
2023	659,800
2022	659,800
2021	659,800
2020	659,800

Source: Annual Audit Reports of the Township

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Township residents for the past five (5) years.

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Local School</u></b>	<b><u>Regional School</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
2025	\$0.211	\$1.253	\$0.498	\$1.033	\$2.995
2024	0.211	1.249	0.448	1.152	3.060
2023	0.210	1.257	0.619	1.363	3.449
2022	0.210	1.228	0.612	1.338	3.388
2021	0.210	1.185	0.549	1.384	3.328

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2025	\$109,933,400	\$136,444,582	80.57%	\$471,749	\$136,916,331
2024	109,004,000	124,107,936	87.83	446,426	124,554,362
2023	108,304,200	130,282,930	83.13	413,313	130,696,243
2022	107,625,400	140,963,196	76.35	459,165	141,422,361
2021	107,332,300	121,857,743	88.08	423,274	122,281,017

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2025	\$1,178,300	\$66,125,800	\$37,861,300	\$4,768,000	\$0	\$0	\$109,933,400
2024	1,318,100	65,137,700	37,810,000	4,738,200	0	0	109,004,000
2023	1,391,600	64,920,300	37,404,100	4,588,200	0	0	108,304,200
2022	1,261,100	65,138,300	36,607,400	4,618,600	0	0	107,625,400
2021	1,303,100	64,898,100	36,501,000	4,630,100	0	0	107,332,300

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$147,000	\$54,000	\$124,129	\$140,000	\$151,853
Miscellaneous Revenues	374,437	476,735	247,372	208,652	469,116
Receipts from Delinquent Taxes	100,000	100,000	100,000	104,000	105,800
Amount to be Raised by Taxation	<u>225,500</u>	<u>226,547</u>	<u>227,976</u>	<u>230,097</u>	<u>232,873</u>
Total Revenue:	<u><u>\$846,937</u></u>	<u><u>\$857,282</u></u>	<u><u>\$699,478</u></u>	<u><u>\$682,750</u></u>	<u><u>\$959,642</u></u>

### **Appropriations**

General Appropriations	\$376,971	\$382,885	\$405,308	\$412,272	\$424,573
Operations (Excluded from CAPS)	65,362	240,622	59,197	66,605	317,635
Deferred Charges and Statutory Expenditures	195,215	20,000	20,000	20,000	27,433
Judgments	0	0	0	0	0
Capital Improvement Fund	40,000	45,000	75,000	75,000	75,000
Municipal Debt Service	0	0	0	0	0
Reserve for Uncollected Taxes	<u>169,389</u>	<u>168,775</u>	<u>139,973</u>	<u>108,873</u>	<u>115,001</u>
Total Appropriations:	<u><u>\$846,937</u></u>	<u><u>\$857,282</u></u>	<u><u>\$699,478</u></u>	<u><u>\$682,750</u></u>	<u><u>\$959,642</u></u>

Source: Annual Adopted Budgets of the Township

### **Fund Balance**

#### **Current Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

#### **Fund Balance - Current Fund**

<b><u>Year</u></b>	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$374,621	\$151,853
2023	477,739	140,000
2022	437,601	124,129
2021	311,968	54,000
2020	267,756	147,000

Source: Annual Audit Reports of the Township

**Township Indebtedness as of December 31, 2024**

**General Purpose Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	10,000
Other Bonds, Notes and Loans	0
Total:	<u>\$10,000</u>

**Local School District Debt**

Serial Bonds	\$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$0</u>

**Regional School District Debt**

Serial Bonds	\$74,342
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$74,342</u>

**Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>

**TOTAL GROSS DEBT**

**\$84,342**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	0
Regional School District Debt	74,342
Self-Liquidating Debt	0
Total:	<u>\$74,342</u>

**TOTAL NET DEBT**

**\$10,000**

Source: Annual Debt Statement of the Township

### Overlapping Debt (as of December 31, 2024)<sup>3</sup>

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$0	100.00%	\$0
Regional School District	1,197,000	6.21%	74,342
County	266,406,046	1.05%	<u>2,792,569</u>
Net Indirect Debt			\$2,866,911
Net Direct Debt			<u>30,000</u>
Total Net Direct and Indirect Debt			<u><b>\$2,896,911</b></u>

### Debt Limit

Average Equalized Valuation Basis (2022, 2023, 2024)	\$131,784,687
Permitted Debt Limitation (3 1/2%)	4,612,464
Less: Net Debt	<u>10,000</u>
Remaining Borrowing Power	<u>\$4,602,464</u>
Percentage of Net Debt to Average Equalized Valuation	0.008%
Gross Debt Per Capita based on 2020 population of 1,312	\$64.29
Net Debt Per Capita based on 2020 population of 1,312	\$7.62

Source: Annual Debt Statement of the Township

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<sup>3</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

## **INFORMATION REGARDING THE TOWNSHIP OF UPPER DEERFIELD<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Upper Deerfield (the “Township”), in the County of Cumberland (the “County”), State of New Jersey (“New Jersey”).

### **General Information**

The Township was incorporated in 1922. It is situated in the north central portion of the County and encompasses an area of approximately 31.8 square miles. Neighboring communities include the City of Bridgeton, the Townships of Deerfield, Hopewell and Upper Pittsgrove, and the Borough of Shiloh.

### **Form of Government**

The governing body is comprised of the five (5) member Township Committee, whose members are elected directly by the voters in partisan elections to serve three (3) year terms of office on a staggered basis, with either one or two seats coming up for election each year as part of the November general election. At an annual reorganization meeting, the Township Committee selects one of its members to serve as Mayor and another as Deputy Mayor.

### **Retirement Systems**

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System (“PERS”) and the Police and Firemen's Retirement System (“PFRS”).

### **Pension Information<sup>2</sup>**

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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<sup>1</sup> Source: The Township, unless otherwise indicated.

<sup>2</sup> Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

<b><u>Township</u></b>	<b>Total Labor</b>	<b>Employed</b>	<b>Total</b>	<b>Unemployment</b>
	<b>Force</b>	<b>Labor Force</b>	<b>Unemployed</b>	<b>Rate</b>
2024	3,901	3,690	211	5.4%
2023	3,910	3,707	203	5.2%
2022	3,894	3,702	192	4.9%
2021	3,783	3,518	265	7.0%
2020	3,680	3,364	316	8.6%

  

<b><u>County</u></b>				
2024	65,770	61,143	4,627	7.0%
2023	65,826	61,433	4,393	6.7%
2022	64,943	61,289	3,654	5.6%
2021	64,671	59,110	5,561	8.6%
2020	64,701	57,524	7,177	11.1%

  

<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2024)**

	<b>Township</b>	<b>County</b>	<b>State</b>
Median Household Income	\$82,946	\$67,436	\$103,556
Median Family Income	104,362	80,948	127,025
Per Capita Income	34,823	32,721	54,253

Source: US Bureau of the Census

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b><u>Year</u></b>	<b><u>Township</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2024 est.	7,978	4.4%	155,678	1.0%	9,500,851	2.3%
2020	7,645	-0.2	154,152	-1.8	9,288,994	5.7
2010	7,660	1.4	156,898	7.1	8,791,894	4.5
2000	7,556	9.1	146,438	6.1	8,414,350	8.9
1990	6,927	1.7	138,053	3.9	7,730,188	5.0

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b><u>Taxpayers</u></b>	<b><u>2025</u></b>		<b><u>% of Total</u></b>
	<b><u>Assessed Valuation</u></b>	<b><u>Assessed Valuation</u></b>	
Walmart TRS LLC	\$13,000,000		1.96%
Lassonde Pappas and Co Inc.	10,327,200		1.55%
Summir BHC New Jersey LLC	8,847,300		1.33%
KMT Properties LLC	8,340,300		1.25%
123 West 81st St Tenants Corp	7,829,700		1.18%
Seabrook Brothers and Sons Inc.	7,334,200		1.10%
Patriot Exchangeright	7,053,400		1.06%
Upper Deerfield Station LP	4,600,000		0.69%
Cedar-Carl's Corner LLC	3,805,500		0.57%
SIKA US Urban Renewal LLC	3,500,000		0.53%
<b>Total</b>	<b><u>\$74,637,600</u></b>		<b><u>11.23%</u></b>

Source: Municipal Tax Assessor

### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2024	\$22,175,868	\$21,502,262	96.96%
2023	21,925,670	21,387,377	97.54%
2022	21,610,280	20,933,072	96.87%
2021	21,443,215	20,812,491	97.06%
2020	20,397,107	19,796,930	97.06%

Source: Annual Audit Reports of the Township

### Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024	\$520,375	\$703,187	\$1,223,562	5.52%
2023	478,880	423,916	902,796	4.12%
2022	557,061	363,671	920,732	4.26%
2021	496,816	275,500	772,317	3.60%
2020	478,712	237,132	715,844	3.51%

Source: Annual Audit Reports of the Township

### Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2024	\$556,900
2023	556,900
2022	556,900
2021	556,900
2020	939,200

Source: Annual Audit Reports of the Township

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Township residents for the past five (5) years.

<b>Year</b>	<b>Municipal</b>	<b>Local</b>	<b>Regional</b>		
		<b>School</b>	<b>School</b>	<b>County</b>	<b>Total</b>
2025	\$0.189	\$1.271	\$0.655	\$1.178	\$3.293
2024	0.189	1.241	0.670	1.246	3.346
2023	0.176	1.236	0.644	1.290	3.346
2022	0.176	1.237	0.643	1.271	3.327
2021	0.176	1.246	0.659	1.253	3.334

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## **Valuation of Property**

<b>Year</b>	<b>Aggregate Assessed Valuation of Real Property</b>	<b>Aggregate True Value of Real Property</b>	<b>Ratio of Assessed to True Value</b>	<b>Assessed Value of Personal Property</b>	<b>Equalized Valuation</b>
2025	\$663,418,800	\$957,314,286	69.30%	\$1,313,229	\$958,627,515
2024	655,104,500	853,778,835	76.73	1,309,527	855,088,362
2023	649,424,200	846,817,316	76.69	1,360,940	848,178,256
2022	642,261,800	799,529,192	80.33	1,535,786	801,064,978
2021	625,157,200	681,370,245	91.75	1,649,217	683,019,462

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<b>Year</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartments</b>	<b>Total</b>
2025	\$16,570,400	\$451,558,900	\$51,605,800	\$120,036,900	\$16,674,800	\$6,972,000	\$663,418,800
2024	12,730,800	445,942,300	51,345,900	121,438,700	16,674,800	6,972,000	655,104,500
2023	12,960,600	441,017,300	51,623,500	120,176,000	16,674,800	6,972,000	649,424,200
2022	12,188,800	434,557,100	52,237,700	118,821,400	17,484,800	6,972,000	642,261,800
2021	12,287,700	425,101,200	51,881,800	111,429,700	17,484,800	6,972,000	625,157,200

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$1,459,070	\$1,815,307	\$1,865,666	\$1,842,380	\$2,226,488
Miscellaneous Revenues	2,317,058	2,598,272	2,650,515	2,594,543	2,562,656
Receipts from Delinquent Taxes	420,000	420,000	484,505	420,000	420,000
Amount to be Raised by Taxation	<u>1,102,257</u>	<u>1,132,134</u>	<u>1,142,987</u>	<u>1,237,469</u>	<u>1,256,344</u>
Total Revenue:	<u>\$5,298,385</u>	<u>\$5,965,713</u>	<u>\$6,143,674</u>	<u>\$6,094,391</u>	<u>\$6,465,488</u>

### **Appropriations**

General Appropriations	\$3,388,575	\$3,505,879	\$3,612,399	\$3,757,447	\$3,908,058
Operations (Excluded from CAPS)	762,244	1,133,555	1,168,404	972,924	1,017,430
Deferred Charges and Statutory Expenditures	108,000	108,000	108,000	108,021	55,000
Capital Improvement Fund	420,000	600,000	565,000	586,000	803,000
Municipal Debt Service	0	0	0	0	0
Reserve for Uncollected Taxes	<u>619,567</u>	<u>618,279</u>	<u>689,871</u>	<u>670,000</u>	<u>682,000</u>
Total Appropriations:	<u>\$5,298,385</u>	<u>\$5,965,713</u>	<u>\$6,143,674</u>	<u>\$6,094,391</u>	<u>\$6,465,488</u>

Source: Annual Adopted Budgets of the Township

### **Fund Balance**

#### **Current Fund**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

#### **Fund Balance - Current Fund**

<b><u>Year</u></b>	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$3,453,198	\$2,226,488
2023	3,524,415	1,842,380
2022	3,305,843	1,865,666
2021	3,344,476	1,815,307
2020	2,407,777	1,459,070

Source: Annual Audit Reports of the Township

### Water/Sewer Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Water/Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

#### **Fund Balance** **Water/Sewer Utility Operating Fund**

<b>Year</b>	<b>Balance 12/31</b>	<b>Utilized in Budget of Succeeding Year</b>
2024	\$1,600,362	\$187,700
2023	1,444,362	150,500
2022	1,253,241	247,600
2021	1,172,560	273,000
2020	1,079,061	223,950

Source: Annual Audit Reports of the Township

*[Remainder of Page Intentionally Left Blank]*

**Township Indebtedness as of December 31, 2024**

**General Purpose Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	1,851,987
Other Bonds, Notes and Loans	0
<b>Total:</b>	<b>\$1,851,987</b>

**Local School District Debt**

Serial Bonds	\$2,750,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
<b>Total:</b>	<b>\$2,750,000</b>

**Regional School District Debt**

Serial Bonds	\$469,894
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
<b>Total:</b>	<b>\$469,894</b>

**Self-Liquidating Debt**

Serial Bonds	\$4,214,656
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	1,884,707
Other Bonds, Notes and Loans	1,987,131
<b>Total:</b>	<b>\$8,086,495</b>

**TOTAL GROSS DEBT**

**\$13,158,376**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	2,750,000
Regional School District Debt	469,894
Self-Liquidating Debt	8,086,495
<b>Total:</b>	<b>\$11,306,388</b>

**TOTAL NET DEBT**

**\$1,851,987**

Source: Annual Debt Statement of the Township

### Overlapping Debt (as of December 31, 2024)<sup>3</sup>

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Township Percentage</u>	<u>Township Share</u>
Local School District	\$2,750,000	100.00%	\$2,750,000
Regional School District	1,197,000	39.26%	469,894
County	266,406,046	6.86%	<u>18,270,558</u>
Net Indirect Debt			\$21,490,451
Net Direct Debt			<u>1,851,987</u>
Total Net Direct and Indirect Debt			<u><b>\$23,342,438</b></u>

### Debt Limit

Average Equalized Valuation Basis (2022, 2023, 2024)	\$833,375,114
Permitted Debt Limitation (3 1/2%)	29,168,129
Less: Net Debt	<u>1,851,987</u>
Remaining Borrowing Power	<u><b>\$27,316,142</b></u>
Percentage of Net Debt to Average Equalized Valuation	0.222%
Gross Debt Per Capita based on 2020 population of 7,645	\$1,721.17
Net Debt Per Capita based on 2020 population of 7,645	\$242.25

Source: Annual Debt Statement of the Township

*[Remainder of Page Intentionally Left Blank]*

<sup>3</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

## **INFORMATION REGARDING THE BOROUGH OF SHILOH<sup>1</sup>**

The following material presents certain economic and demographic information of the Borough of Shiloh (the “Borough”), in the County of Cumberland (the “County”), State of New Jersey (“New Jersey”).

### **Form of Government**

The governing body is comprised of a mayor and a borough council, with all positions elected on a partisan basis as part of the November general election. A mayor is elected directly by the voters to a four-year term of office. The borough council is comprised of six members elected to serve three-year terms on a staggered basis, with two seats coming up for election each year in a three-year cycle.

### **Education**

After Shiloh School was closed following the end of the 2006–07 school year, all public school students in kindergarten through eighth grade now attend Hopewell Crest School as part of a sending/receiving relationship with the Hopewell Township School District. Public school students in ninth through twelfth grades attend Cumberland Regional High School, which also serves students from Deerfield Township, Fairfield Township, Greenwich Township, Hopewell Township, Stow Creek Township and Upper Deerfield Township.

### **Retirement Systems**

All full-time permanent or qualified Borough employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the “Division”), is the administrator of the funds with the benefit and contribution levels set by the State. The Borough is enrolled in the Public Employees’ Retirement System (“PERS”) and the Police and Firemen’s Retirement System (“PFRS”).

### **Pension Information<sup>2</sup>**

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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<sup>1</sup> Source: The Borough, unless otherwise indicated.

<sup>2</sup> Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

## Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Borough, the County, and the State:

<u>Borough</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2024	221	209	12	5.4%
2023	223	210	13	5.8%
2022	220	209	11	5.0%
2021	220	201	19	8.6%
2020	213	195	18	8.5%

  

<u>County</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2024	65,770	61,143	4,627	7.0%
2023	65,826	61,433	4,393	6.7%
2022	64,943	61,289	3,654	5.6%
2021	64,671	59,110	5,561	8.6%
2020	64,701	57,524	7,177	11.1%

  

<u>State</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## Income (as of 2024)

	<u>Borough</u>	<u>County</u>	<u>State</u>
Median Household Income	\$70,625	\$67,436	\$103,556
Median Family Income	91,458	80,948	127,025
Per Capita Income	46,029	32,721	54,253

Source: US Bureau of the Census, 2024 American Community Survey 5-Year Estimates

## **Population**

The following tables summarize population increases and the decreases for the Borough, the County, and the State.

<b>Year</b>	<b>Borough</b>		<b>County</b>		<b>State</b>	
	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>	<b>Population</b>	<b>% Change</b>
2024 est.	443	-0.2%	155,678	1.0%	9,500,851	2.3%
2020	444	-14.0	154,152	-1.8	9,288,994	5.7
2010	516	-3.4	156,898	7.1	8,791,894	4.5
2000	534	30.9	146,438	6.1	8,414,350	8.9
1990	408	-32.5	138,053	3.9	7,730,188	5.0

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Borough and their assessed valuations are listed below:

<b>Taxpayers</b>	<b>2025</b>	<b>% of Total</b>
	<b>Assessed Valuation</b>	<b>Assessed Valuation</b>
Sarju Realty LLC	\$495,200	1.49%
Purple Dragon Holdings LLC	392,000	1.18%
Individual Taxpayer #1	340,600	1.03%
Individual Taxpayer #2	339,600	1.02%
Individual Taxpayer #3	289,800	0.87%
Individual Taxpayer #4	285,400	0.86%
Individual Taxpayer #5	284,900	0.86%
Individual Taxpayer #6	283,300	0.85%
Individual Taxpayer #7	281,200	0.85%
Individual Taxpayer #8	274,100	0.83%
<b>Total</b>	<b><u>\$3,266,100</u></b>	<b><u>9.84%</u></b>

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2024	\$1,046,519	\$1,006,751	96.20%
2023	1,042,481	1,007,447	96.64%
2022	1,111,220	1,052,953	94.76%
2021	1,029,357	974,445	94.67%
2020	1,011,953	957,154	94.58%

Source: Annual Audit Reports of the Borough

### Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2024	\$0	\$31,768	\$31,768	3.04%
2023	0	19,604	19,604	1.88%
2022	0	50,328	50,328	4.53%
2021	0	47,769	47,769	4.64%
2020	0	44,342	44,342	4.38%

Source: Annual Audit Reports of the Borough

### Property Acquired by Tax Lien Liquidation

<u>Year</u>	<u>Amount</u>
2024	\$0
2023	0
2022	0
2021	0
2020	0

Source: Annual Audit Reports of the Borough

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Borough residents for the past five (5) years.

<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>Local</u></b>	<b><u>Regional</u></b>		
		<b><u>School</u></b>	<b><u>School</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
2025	\$0.336	\$1.216	\$0.521	\$1.074	\$3.147
2024	0.326	1.077	0.653	1.104	3.160
2023	0.325	1.019	0.576	1.216	3.136
2022	0.325	1.066	0.614	1.378	3.383
2021	0.325	1.023	0.538	1.301	3.187

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2025	\$33,057,000	\$45,135,172	73.24%	\$124,893	\$45,260,065
2024	32,931,700	39,111,283	84.20	127,455	39,238,738
2023	33,068,300	38,491,794	85.91	127,392	38,619,186
2022	32,417,800	37,880,112	85.58	122,555	38,002,667
2021	32,098,700	33,642,910	95.41	138,678	33,781,588

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Borough for the past five (5) years.

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2025	\$62,200	\$27,937,900	\$3,147,900	\$1,909,000	\$0	\$0	\$33,057,000
2024	62,200	27,811,100	3,149,400	1,909,000	0	0	32,931,700
2023	62,200	27,963,900	3,133,200	1,909,000	0	0	33,068,300
2022	152,200	27,253,800	3,132,800	1,879,000	0	0	32,417,800
2021	62,200	27,022,500	3,135,000	1,879,000	0	0	32,098,700

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

## **Financial Operations**

The following table summarizes the Borough's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$89,144	\$70,126	\$100,000	\$74,750	\$99,603
Miscellaneous Revenues	109,288	159,296	108,913	135,713	106,658
Receipts from Delinquent Taxes	45,000	45,000	45,000	18,000	18,000
Amount to be Raised by Taxation	<u>104,648</u>	<u>105,659</u>	<u>107,735</u>	<u>107,602</u>	<u>111,393</u>
Total Revenue:	<u>\$348,080</u>	<u>\$380,081</u>	<u>\$361,648</u>	<u>\$336,065</u>	<u>\$335,655</u>

### **Appropriations**

General Appropriations	\$196,292	\$201,640	\$216,182	\$221,661	\$233,190
Operations (Excluded from CAPS)	27,250	27,234	25,189	49,503	28,590
Deferred Charges and Statutory Expenditures	0	28,500	0	0	0
Judgments	0	0	0	0	0
Capital Improvement Fund	30,000	30,000	30,000	30,000	30,000
Municipal Debt Service	0	0	0	0	0
Reserve for Uncollected Taxes	<u>94,538</u>	<u>92,707</u>	<u>90,276</u>	<u>34,901</u>	<u>43,874</u>
Total Appropriations:	<u>\$348,080</u>	<u>\$380,081</u>	<u>\$361,648</u>	<u>\$336,065</u>	<u>\$335,655</u>

Source: Annual Adopted Budgets of the Borough

### **Fund Balance**

#### **Current Fund**

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

#### **Fund Balance - Current Fund**

<b><u>Year</u></b>	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2024	\$1,355,506	\$99,603
2023	1,284,938	74,750
2022	1,179,829	100,000
2021	1,091,405	70,126
2020	1,012,425	89,144

Source: Annual Audit Reports of the Borough

**Borough Indebtedness as of December 31, 2024**

**General Purpose Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<hr/> \$0

**Local School District Debt**

Serial Bonds	\$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<hr/> \$0

**Regional School District Debt**

Serial Bonds	\$21,715
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<hr/> \$21,715

**Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<hr/> \$0

**TOTAL GROSS DEBT**

**\$21,715**

Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	0
Regional School District Debt	21,715
Self-Liquidating Debt	0
Total:	<hr/> \$21,715

**TOTAL NET DEBT**

**\$0**

Source: Annual Debt Statement of the Borough

### Overlapping Debt (as of December 31, 2024)<sup>3</sup>

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Borough Percentage</u>	<u>Borough Share</u>
Local School District	\$0	100.00%	\$0
Regional School District	1,197,000	1.81%	21,715
County	266,406,046	0.31%	<u>838,409</u>
Net Indirect Debt			\$860,124
Net Direct Debt			<u>0</u>
Total Net Direct and Indirect Debt			<u><b>\$860,124</b></u>

### Debt Limit

Average Equalized Valuation Basis (2022, 2023, 2024)	\$38,494,396
Permitted Debt Limitation (3 1/2%)	1,347,304
Less: Net Debt	<u>0</u>
Remaining Borrowing Power	<u>\$1,347,304</u>
Percentage of Net Debt to Average Equalized Valuation	0.000%
Gross Debt Per Capita based on 2020 population of 444	\$48.91
Net Debt Per Capita based on 2020 population of 444	\$0.00

Source: Annual Debt Statement of the Borough

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<sup>3</sup> Borough percentage of County debt is based on the Borough's share of total equalized valuation in the County.

## **APPENDIX B**

**Financial Statements of The Board of Education of the  
Cumberland Regional High School District  
in the County of Cumberland, New Jersey**

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# FORD-SCOTT

& ASSOCIATES, L.L.C.

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## Independent Auditor's Report

Honorable President and  
Members of the Board of Education  
Cumberland Regional School District  
County of Cumberland, New Jersey

### **Report on the Audit of Financial Statements**

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cumberland Regional School District, as of June 30, 2025, 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 (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Cumberland Regional 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.

#### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Cumberland Regional 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

We are required to communicate with those charge 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 Matters**

### **Required Supplementary Information**

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cumberland Regional School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2025, on our consideration of the Cumberland Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cumberland Regional School District's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

November 7, 2025

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## **REQUIRED SUPPLEMENTARY INFORMATION – PART I**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Cumberland Regional School District (“District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District increased compared to the prior year due to an increase in revenues from state sources.
- The State of New Jersey reimbursed the District \$656,100.87 during the fiscal year ended June 30, 2025 for the employer’s share of social security contributions. The State of New Jersey also paid \$3,775,492.00 in pension contributions and retiree health coverage for TPAF members as calculated on their base salaries on behalf of the District. This amount, which is not budgeted, is included as both revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 4% of the total general fund expenditures or \$250,000, whichever is greater. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2025, the District had excess surplus of \$1,445,800.00, of which \$450,000.00 was required to be budgeted as a revenue for the year ending June 30, 2026.
- During the fiscal year ending June 30, 2025, the District’s revenues were \$5,206,071.59 greater than total expenditures in the fund financial statements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, and proprietary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District’s government, reporting on the District’s operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the District operates like businesses, such as the milk program.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure A-1**  
**Major Features of Cumberland Regional School District Board of Education's**  
**Government-wide and Fund Financial Statements**

		<b>Fund Statements</b>	
<b>Government-wide Statements</b>		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as food service and student activities	Activities the District operates similar to private businesses; food service
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in net position  Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses, regardless of when cash is received or paid.

### **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report on the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Township's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

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## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position increased between fiscal years 2025 and 2024 as a result of an increase in revenues. The business-type activities net position also increased slightly due to an excess of revenue over expenses.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 16,627,703.06	\$ 11,729,697.21	\$ 227,496.59	\$ 169,822.63	\$ 16,855,199.65	\$ 11,899,519.84
Capital assets	18,784,385.01	18,772,672.15	296,879.00	325,600.00	19,081,264.01	19,098,272.15
<b>Total assets</b>	<b>35,412,088.07</b>	<b>30,502,369.36</b>	<b>524,375.59</b>	<b>495,422.63</b>	<b>35,936,463.66</b>	<b>30,997,791.99</b>
Deferred outflows of resources	300,574.00	296,649.00	-	-	300,574.00	296,649.00
Long-term liabilities	4,476,886.68	5,294,325.25	-	-	4,476,886.68	5,294,325.25
Other liabilities	367,010.42	691,268.58	53,577.81	51,124.35	420,588.23	742,392.93
<b>Total liabilities</b>	<b>4,843,897.10</b>	<b>5,985,593.83</b>	<b>53,577.81</b>	<b>51,124.35</b>	<b>4,897,474.91</b>	<b>6,036,718.18</b>
Deferred inflows of resources	232,205.00	260,844.00	-	-	232,205.00	260,844.00
Net position						
Invested in capital assets	18,187,385.01	17,575,672.15	296,879.00	325,600.00	18,484,264.01	17,901,272.15
Restricted	14,976,240.46	11,560,692.73			14,976,240.46	11,560,692.73
Unrestricted	(2,527,065.50)	(4,583,784.35)	173,918.78	118,698.28	(2,353,146.72)	(4,465,086.07)
<b>Total net position</b>	<b>\$ 30,636,559.97</b>	<b>\$ 24,552,580.53</b>	<b>\$ 470,797.78</b>	<b>\$ 444,298.28</b>	<b>\$ 31,107,357.75</b>	<b>\$ 24,996,878.81</b>

Net position of the District increased due to an increase in revenues compared to the prior year.

As required by New Jersey Statutes, the unrestricted fund balance of the District is not permitted to exceed 4% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2025, the District had fund balance in the amount of \$17,811,366.68 of which \$1,445,800.00 is excess surplus, \$450,000.00 of which has been included in the 2025-2026 budget. \$3,214,277.49 is restricted for the Maintenance Reserve; \$9,405,533.70 is restricted for the Capital Reserve; \$250,000.00 is restricted for the Emergency Reserve; \$326,575.48 is restricted for Unemployment; and \$2,642,738.42 is assigned to encumbrances. The unrestricted fund balance is \$526,441.59.

Approximately 64% of the District's governmental funds revenue comes from the State of New Jersey in the form of non-restricted federal and state aid. This aid is based on the District's enrollment as well as other factors related to the District's formula aid which is a relationship of the adequacy budget and the District's property values and income of the residents. The District expenses are primarily related to instruction, administration, and plant operations.

	2025		2024	
	Amount	Percentage	Amount	Percentage
Property taxes	\$ 11,040,196.00	28.28%	\$ 10,811,285.00	27.69%
Unrestricted Federal and State aid	26,871,273.10	68.83%	23,908,718.91	61.24%
Transportation Fees	134,333.80	0.34%	144,999.87	0.37%
Interest Earned	312,783.71	0.80%	241,571.29	0.62%
Other	683,059.18	1.75%	710,489.66	1.82%
<b>Totals</b>	<b>\$ 39,041,645.79</b>	<b>100.00%</b>	<b>\$ 35,817,064.73</b>	<b>91.74%</b>

## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2025 and 2024 fiscal years:

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program revenue						
Charges for services	\$ 134,333.80	\$ 144,999.87	\$ 193,078.48	\$ 233,933.97	\$ 327,412.28	\$ 378,933.84
Grants and entitlements	4,299,150.95	5,348,088.76	511,071.64	409,256.24	4,810,222.59	5,757,345.00
General revenues						
Property taxes	11,040,196.00	10,811,285.00			11,040,196.00	10,811,285.00
Federal/State Aid	20,267,575.05	16,795,093.15			20,267,575.05	16,795,093.15
Other	503,591.99	478,664.95	2,944.53	2,726.29	506,536.52	481,391.24
<b>Total revenues</b>	<b>36,244,847.79</b>	<b>33,578,131.73</b>	<b>707,094.65</b>	<b>645,916.50</b>	<b>36,951,942.44</b>	<b>34,224,048.23</b>
<b>Expenses</b>						
Instruction:						
Regular	8,952,670.94	10,851,222.93	-	-	8,952,670.94	10,851,222.93
Special Education	1,235,128.68	1,393,250.51	-	-	1,235,128.68	1,393,250.51
Other Instruction	1,442,745.31	1,408,277.40	-	-	1,442,745.31	1,408,277.40
Support services:						
Tuition	1,909,060.17	1,795,923.87	-	-	1,909,060.17	1,795,923.87
Student & instruction related services	5,407,736.56	4,044,399.01	-	-	5,407,736.56	4,044,399.01
School administration services	1,173,598.94	890,864.68	-	-	1,173,598.94	890,864.68
General & business admin	951,205.14	576,990.61	-	-	951,205.14	576,990.61
Central Services	769,096.35	606,972.29	-	-	769,096.35	606,972.29
Admin info tech	204,130.31	156,919.68	-	-	204,130.31	156,919.68
Plant operations & maintenance	4,786,630.53	3,111,054.31	-	-	4,786,630.53	3,111,054.31
Pupil transportation	3,068,330.01	2,992,284.86	-	-	3,068,330.01	2,992,284.86
Interest on long-term debt	260,535.41	283,902.71	-	-	260,535.41	283,902.71
Internal service fund	-	-	-	-	-	-
Business-type activities	-	-	680,595.15	599,151.78	680,595.15	599,151.78
<b>Total expenses</b>	<b>30,160,868.35</b>	<b>28,112,062.86</b>	<b>680,595.15</b>	<b>599,151.78</b>	<b>30,841,463.50</b>	<b>28,711,214.64</b>
Transfer	-	-	-	-	-	-
<b>Increase/(Decrease) in net assets</b>	<b>\$ 6,083,979.44</b>	<b>\$ 5,466,068.87</b>	<b>\$ 26,499.50</b>	<b>\$ 46,764.72</b>	<b>\$ 6,110,478.94</b>	<b>\$ 5,512,833.59</b>

## Business-type Activities

Operating and non-operating revenues of the District's business-type activities increased \$61,178.15 from the previous year and expenses increased by \$81,443.37.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$16,187,330.97 which is an increase of \$5,206,071.59 from the beginning of the year.

## General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations.

Effective with the 2012-2013 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time

during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

## CAPITAL ASSET

### Capital Assets

At the end of 2025, the District had invested \$19,081,264.01 in a broad range of capital assets, including land, buildings, vehicles and machinery.

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 263,190.00	\$ 263,190.00	\$ -	\$ -	\$ 263,190.00	\$ 263,190.00
Construction in Progress	2,217,974.47	2,070,993.41			2,217,974.47	2,070,993.41
Buildings and Bldg improvements	14,628,280.19	14,852,680.19			14,628,280.19	14,852,680.19
Machinery & equipment	1,674,940.35	1,585,808.55	296,879.00	325,600.00	1,971,819.35	1,911,408.55
<b>Total</b>	<b>\$ 18,784,385.01</b>	<b>\$ 18,772,672.15</b>	<b>\$ 296,879.00</b>	<b>\$ 325,600.00</b>	<b>\$ 19,081,264.01</b>	<b>\$ 19,098,272.15</b>

### Long-term Debt

	Balance	Issued	Retired/ Adjusted	Balance
	June 30, 2024			June 30, 2025
<b>Governmental Activities</b>				
Compensated Absences Payable	\$ 262,876.25	\$ -	\$ 93,014.64	\$ 169,861.61
Bonds Payable	1,197,000.00		600,000.00	597,000.00
Lease Liability	70,680.00	56,242.69	43,983.62	82,939.07
Accrued Interest on Bonds	13,510.75	9,577.40	13,510.75	9,577.40
<b>Total Governmental Activities</b>	<b>\$ 1,544,067.00</b>	<b>\$ 65,820.09</b>	<b>\$ 750,509.01</b>	<b>\$ 859,378.08</b>

More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Cumberland Regional School District is in good financial condition at present. The District is proud of its community support of the public schools. A major concern is the continued tuition increases, the elimination of the Municipal Surplus Contribution and flat state aid, which increases the reliance on local property taxes.

In conclusion, the District has committed itself to financial excellence for many years. The District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound financial management to meet the challenges of the present and future.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 65 Love Lane, Bridgeton, NJ 08302 or the District's website at [www.crhsd.org](http://www.crhsd.org).

## **BASIC FINANCIAL STATEMENTS**

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## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

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**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,652,446.64	\$ 131,827.48	\$ 15,784,274.12
Receivables, Net	892,317.35	83,102.79	975,420.14
Inventory		12,566.32	12,566.32
Right of Use Asset	82,939.07		82,939.07
Capital Assets, Not Being Depreciated	2,481,164.47		2,481,164.47
Capital Assets, Net of Depreciation	16,303,220.54	296,879.00	16,600,099.54
 Total Assets	 35,412,088.07	 524,375.59	 35,936,463.66
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Outflow of Resources			
Deferred Outflows Related to Pensions	300,574.00		300,574.00
 Total Deferred Outflow of Resources	 300,574.00	 -	 300,574.00
<b>LIABILITIES</b>			
Accounts Payable	345,855.26	45,555.73	391,410.99
Deferred Revenue	11,577.76	8,022.08	19,599.84
Accrued Interest	9,577.40		9,577.40
Noncurrent Liabilities			
Due Within One Year	641,306.97		641,306.97
Due Beyond One Year	208,493.71		208,493.71
Net Pension Liability	3,627,086.00		3,627,086.00
 Total Liabilities	 4,843,897.10	 53,577.81	 4,897,474.91
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow of Resources			
Deferred Inflows Related to Pensions	232,205.00		232,205.00
 Total Deferred Inflow of Resources	 232,205.00	 -	 232,205.00
<b>NET POSITION</b>			
Net Investment in Capital Assets	18,187,385.01	296,879.00	18,484,264.01
Restricted for:			
Capital Projects	11,181,969.19		11,181,969.19
Maintenance Reserve	1,437,842.00		1,437,842.00
Emergency Reserve	250,000.00		250,000.00
Other Purposes	2,106,429.27		2,106,429.27
Unrestricted (Deficit)	(2,527,065.50)	173,918.78	(2,353,146.72)
 Total Net Position	 \$ 30,636,559.97	 \$ 470,797.78	 \$ 31,107,357.75

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Statement of Changes in Net Position**  
**For the Year Ended June 30, 2025**

## **FUND FINANCIAL STATEMENTS**

The individual fund financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

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**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 15,318,375.35	\$ 334,053.79	\$ 0.01	\$ 17.49	\$ 15,652,446.64
Due from Other Funds	445,917.44			0.01	445,917.45
Receivables from Other Governments	365,089.31	527,228.04			892,317.35
<b>Total Assets</b>	<b>16,129,382.10</b>	<b>861,281.83</b>	<b>0.01</b>	<b>17.50</b>	<b>16,990,681.44</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	276,122.42	69,732.84			345,855.26
Interfund Payable		445,917.44	0.01		445,917.45
Deferred Revenue		11,577.76			11,577.76
<b>Total Liabilities</b>	<b>276,122.42</b>	<b>527,228.04</b>	<b>0.01</b>	<b>-</b>	<b>803,350.47</b>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	995,800.00				995,800.00
Excess Surplus - designated for subsequent year's expenditures	450,000.00				450,000.00
Emergency Reserve	250,000.00				250,000.00
Maintenance Reserve	1,437,842.00				1,437,842.00
Capital Reserve	11,181,969.19				11,181,969.19
Unemployment	326,575.48				326,575.48
Special Revenue		334,053.79			334,053.79
Committed to:					
Other Purposes	2,642,738.42				2,642,738.42
Assigned to:					
Debt Service				17.50	17.50
Unassigned:					
General Fund	(1,431,665.41)	-			(1,431,665.41)
<b>Total Fund Balances</b>	<b>15,853,259.68</b>	<b>334,053.79</b>	<b>-</b>	<b>17.50</b>	<b>16,187,330.97</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,129,382.10</b>	<b>\$ 861,281.83</b>	<b>\$ 0.01</b>	<b>\$ 17.50</b>	

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 \$40,337,383.22 and the accumulated depreciation is \$21,552,998.21.	18,784,385.01
Right of Use Assets	82,939.07
Accrued Interest on Bonds & Leases	(9,577.40)
Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(849,800.68)
Pension Liabilities Net of Deferred Outflows & Inflows	(3,558,717.00)
<b>Net Position of governmental activities</b>	<b>\$ 30,636,559.97</b>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 10,635,106.00	\$ -	\$ -	\$ 405,090.00	\$ 11,040,196.00
Transportation Fees	134,333.80				134,333.80
Interest Earned	312,783.71				312,783.71
Miscellaneous	190,808.28	492,250.90			683,059.18
Total Local Sources	11,273,031.79	492,250.90	-	405,090.00	12,170,372.69
State Sources	24,693,265.87	34,186.61		233,112.00	24,960,564.48
Federal Sources	5,902.05	1,904,806.57			1,910,708.62
Total Revenues	35,972,199.71	2,431,244.08	-	638,202.00	39,041,645.79
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	7,104,217.23	803,565.74			7,907,782.97
Special Education Instruction	1,090,973.82				1,090,973.82
Other Instruction	984,531.66				984,531.66
Support Services:					
Tuition	1,909,060.17				1,909,060.17
Student & Instruction Related Serv.	2,199,139.88	1,507,755.74			3,706,895.62
School Administrative Services	918,615.88				918,615.88
General Administrative Services	537,894.96				537,894.96
Central Services	527,200.21				527,200.21
Administration Information Tech	139,927.25				139,927.25
Plant Operation and Maintenance	3,281,139.81				3,281,139.81
Pupil Transportation	3,068,330.01				3,068,330.01
Employee Benefits	8,476,782.22				8,476,782.22
Debt Service:					
Principal				600,000.00	600,000.00
Interest and Other Charges				39,648.76	39,648.76
Capital Outlay	515,859.30	130,931.56	-		646,790.86
Total Expenditures	30,753,672.40	2,442,253.04	-	639,648.76	33,835,574.20
Excess (Deficiency) of Revenues Over Expenditures	5,218,527.31	(11,008.96)	-	(1,446.76)	5,206,071.59
Fund Balance - July 1	10,634,732.37	345,062.75	-	1,464.26	10,981,259.38
Fund Balance - June 30	<u>\$ 15,853,259.68</u>	<u>\$ 334,053.79</u>	<u>\$ -</u>	<u>\$ 17.50</u>	<u>\$ 16,187,330.97</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2025**

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 5,206,071.59

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, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation expense	\$ (410,258.00)
Capital Outlay	<u>421,970.86</u>
	11,712.86

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

Total bond principal payments	<u>600,000.00</u>
	600,000.00

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

93,014.64

(Increase) Decrease in accrued interest expense 3,933.35

Adjustment to pension expense 169,247.00

Change in Net Position of Governmental Activities \$ 6,083,979.44

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2025**

	Business-Type Activities - Enterprise Fund
	Food Service
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 131,827.48
Accounts Receivable:	
State	2,172.00
Federal	26,717.49
Other	54,213.30
Inventory	12,566.32
Total Current Assets	<u>227,496.59</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	688,605.00
Less: Accumulated Depreciation	<u>(391,726.00)</u>
Total Noncurrent Assets	<u>296,879.00</u>
Total Assets	<u><u>\$ 524,375.59</u></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 45,555.73
Deferred Revenue	8,022.08
Total Current Liabilities	<u>53,577.81</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	296,879.00
Unrestricted	173,918.78
Total Net Position	<u><u>\$ 470,797.78</u></u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2025**

	Business-Type Activities - Enterprise Fund
	Food
	Service
<b>Operating Revenues:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 91,264.12
Daily Sales - Non-reimbursable Programs	92,828.15
Special Functions	8,986.21
	<hr/>
Total Operating Revenue	<hr/> 193,078.48
<b>Operating Expenses:</b>	
Cost of Goods Sold - Reimbursable Programs	245,998.17
Cost of Goods Sold - Non-Reimbursable Programs	47,185.31
Salaries and Wages	209,575.46
Benefits	45,375.33
Insurance	7,657.90
Office Supplies	4,064.27
Management Fee	44,864.50
General Supplies	32,219.21
Depreciation	43,655.00
	<hr/>
Total Operating Expenses	<hr/> 680,595.15
Operating Income (Loss)	<hr/> (487,516.67)
<b>Nonoperating Revenues (Expenses):</b>	
State Sources:	
State School Lunch Program	27,479.88
State School Breakfast Program	4,724.90
Federal Sources:	
National School Lunch Program	323,232.55
National School Breakfast Program	92,958.56
National School Lunch Equipment Grant	22,952.00
Food Distribution Program	39,723.75
Interest and Investment Revenue	2,944.53
Total Nonoperating Revenues (Expenses)	<hr/> 514,016.17
	<hr/>
Changes in Net Position	<hr/> 26,499.50
Total Net Position - Beginning	<hr/> 444,298.28
Total Net Position - Ending	<hr/> <hr/> \$ 470,797.78

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2025**

	Business-Type Activities - Enterprise Fund
	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 187,238.62
Payments to Suppliers	(631,870.68)
Net Cash Provided by (Used for) Operating Activities	<u>(444,632.06)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	31,641.52
Federal Sources	475,116.48
Interest on Investments	2,944.53
Operating Subsidies and Transfers to Other Funds	
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>509,702.53</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Equipment	(14,934.00)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,934.00)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	50,136.47
Balance - Beginning of Year	81,691.01
Balance - End of Year	<u>\$ 131,827.48</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ (487,516.67)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation and Net Amortization	43,655.00
(Increase) Decrease in Accounts Receivable	(7,880.46)
(Increase) Decrease in Inventories	4,656.61
Increase (Decrease) in Deferred Revenue	2,040.60
Increase (Decrease) in Accounts Payable	412.86
Total Adjustments	<u>42,884.61</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (444,632.06)</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

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**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Cumberland Regional Board of Education is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A chief school administrator is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Cumberland Regional Board of Education (District) have been prepared in conformity with generally accepted accounting principles (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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

**A. REPORTING ENTITY**

The Cumberland Regional Board of Education is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades 9-12.

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

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

Based on the aforementioned criteria, the District has no component units.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction,

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

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

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

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

- b. Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District. The District's Student Activity and Scholarship Funds are also accounted for in the Special Revenue Fund.
- c. Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. The District currently has no outstanding bonds and therefore, has not included a Debt Service Fund.

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

Non-spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.

All fund internal activity is eliminated when carried to the Government-wide statements.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. FINANCIAL STATEMENT AMOUNTS**

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

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

**2. Investments:**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund or debt service fund.

**3. Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

**4. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. FINANCIAL STATEMENT AMOUNTS**

**5. Expenditures:**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**6. Compensated Absences:**

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**7. Interfund Activity:**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**8. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later.

The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to a two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. FINANCIAL STATEMENT AMOUNTS**

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Undistributed Expenditures		
Tuition		
CSSD & Regional Day Schools	\$	(72,000.00)
Private Schools for Disabled & Other LEA		(100,000.00)
Attend. & Social Worker		
Salaries		59,000.00
Other Support Serv.		
Purchased Professional - Educational Services Student		159,000.00
Guidance		
Salaries of Other Professional Staff		(104,000.00)
Supp. Serv. - General Admin		
Legal Services		(75,394.29)
Architechtural/Engineering Services		152,947.50
Required Maint. For School Facilities		
Required Maintenance - Repairs-Replace		323,100.00
Custodial Services		
Energy (Electricity)		206,673.57
Student Transportation Serv.		
Contracted Services (Bet. Home & School) - Vendors		(149,700.00)
Contracted Services (Bet. Home & School) - Joint Agreements		(487,400.00)
State Sources		
Extraordinary Aid		123,454.00
Regular Programs - Home Instruction		
Purchased Prof. Educational Services		(55,000.00)
Regular Programs - Undistributed Instruction		
Purchased Technical Services		111,500.00
School-Spon. Cocurricular Athletics - Instruction		
Salaries		56,903.37
Capital Outlay		
Facilities Acquisition & Construction Services		
Construction Services		600,000.00

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

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

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E. FINANCIAL STATEMENT AMOUNTS**

**9. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with various Boards of Education with a negotiated amount up to the final cost as determined by the State of New Jersey.

**10. Tuition Payable:**

Tuition charges for the fiscal years 2024/25 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**11. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**12. Allocation of Costs:**

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

**13. Pensions**

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

**F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements". This statement, which is effective for fiscal years beginning after June 15, 2025, will have an effect on the District's financial reporting.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets". This statement, which is effective for fiscal years beginning after June 15, 2025, may have an effect on the District's financial reporting.

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**NOTE 2 – CASH**

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2025, \$222,027.85 of the District's bank balance of \$17,487,007.37 was exposed to custodial credit risk.

**NOTE 3 – INVESTMENTS**

As of June 30, 2025, the District had no investments:

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2025, consisted of accounts (extraordinary services), interfund, intergovernmental, and other revenues. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Fund Financial Statements	Wide Financial Statements
State & Federal Aid	\$ 892,317.35	\$ 921,206.84
Tuition & Transportation	<u>445,917.45</u>	<u>54,213.30</u>
Other	<u>1,338,234.80</u>	<u>975,420.14</u>
Gross Receivables		
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u><u>1,338,234.80</u></u>	<u><u>975,420.14</u></u>

**NOTE 5 – INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2025:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 445,917.44	\$
Special Revenue Fund		445,917.44
Capital Projects Fund		0.01
Debt Service Fund	0.01	
	<u><u>445,917.45</u></u>	<u><u>445,917.45</u></u>

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**NOTE 6 – CAPITAL ASSETS**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>			
Capital assets, not being depreciated:			
Land	\$ 263,190.00	\$ -	\$ 263,190.00
Construction in Progress	2,070,993.41	146,981.06	2,217,974.47
Total capital assets not being depreciated	<u>2,334,183.41</u>	<u>146,981.06</u>	<u>2,481,164.47</u>
Capital assets being depreciated:			
Land Improvements	2,399,358.00		2,399,358.00
Buildings and building improvements	30,273,424.19		30,273,424.19
Machinery and Equipment	4,908,446.76	274,989.80	5,183,436.56
Total capital assets being depreciated at historical cost	<u>37,581,228.95</u>	<u>274,989.80</u>	<u>37,856,218.75</u>
Less accumulated depreciation for:			
Land Improvements	(2,146,558.00)	(78,605.00)	(2,225,163.00)
Buildings and improvements	(15,673,544.00)	(145,795.00)	(15,819,339.00)
Equipment	(3,322,638.21)	(185,858.00)	(3,508,496.21)
Total capital assets being depreciated, net of accumulated depreciation	<u>(21,142,740.21)</u>	<u>(410,258.00)</u>	<u>(21,552,998.21)</u>
Governmental activity capital assets, net	<u>\$ 18,772,672.15</u>	<u>\$ 11,712.86</u>	<u>\$ 18,784,385.01</u>
<b>Business-type activities:</b>			
Capital assets being depreciated:			
Equipment	673,671.00	14,934.00	688,605.00
Less accumulated depreciation	(348,071.00)	(43,655.00)	(391,726.00)
Enterprise Fund capital assets, net	<u>325,600.00</u>	<u>(28,721.00)</u>	<u>296,879.00</u>
Grand Total	<u>\$ 19,098,272.15</u>	<u>\$ (17,008.14)</u>	<u>\$ 19,081,264.01</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 169,899.86
Special Education	23,439.73
Other Instruction	21,152.80
Student & Instruction Related Services	79,643.18
General Administration	11,556.75
School Administrative Services	19,736.59
Plant Operations and Maintenance	70,495.76
Central Services	11,326.97
Info Tech	3,006.36
	<u>\$ 410,258.00</u>

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**NOTE 7 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2025 are as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences	\$ 262,876.25	\$ 93,014.64	\$ 169,861.61	\$	
Bonds Payable	1,197,000.00	600,000.00	597,000.00	597,000.00	
Lease Liability	70,680.00	56,242.69	43,983.62	82,939.07	44,306.97
Accrued Interest on Bonds	13,510.75	9,577.40	13,510.75	9,577.40	
	<u>\$ 1,544,067.00</u>	<u>\$ 65,820.09</u>	<u>\$ 750,509.01</u>	<u>\$ 859,378.08</u>	<u>\$ 641,306.97</u>

Compensated absences will be liquidated in the General Fund.

**Bonds Payable**

Bonds 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 District are general obligation bonds.

At June 30, 2025 bonds payable consisted of the following issues:

\$6,477,000 School Bonds dated September 1, 2010, 2012, due in annual installments through March 1, 2026, bearing interest at rates ranging from 2.50% to 3.375%. The balance remaining as of June 30, 2025 is \$597,000.00.

Debt service requirements on serial bonds payable at June 30, 2025 are as follows:

<u>Fiscal Year Ending</u>				<u>Total</u>
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>		
2026	<u>597,000.00</u>	<u>20,148.75</u>		<u>617,148.75</u>
	<u>\$ 597,000.00</u>	<u>\$ 20,148.75</u>		<u>\$ 617,148.75</u>

**NOTE 8 – OPERATING LEASES**

The District had operating leases for copying equipment during the year ended June 30, 2025. The total operating lease payments made during the year ended June 30, 2025 were \$43,983.61. The leases expire on various dates. Future minimum payments due on the leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2026	44,306.97
2027	16,219.47
2028	14,696.81
2029	7,715.82
Total future minimum lease payments	<u>\$ 82,939.07</u>

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 9 – DEFERRED REVENUE**

The District has deferred revenue reflected on the Statement of Net Position in the District-Wide Financial Statements of \$19,599.84. This consists of deferred revenue in the general fund in the amount of \$11,577.76 in the special revenue fund, and \$8,022.08 in the Food Services Enterprise Fund.

**NOTE 10 – PENSION PLANS**

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has several employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2025.

**Funding Policy**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 27.01% and the PERS rate is 17.11% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2025, 2024 and 2023 were \$3,775,492, \$3,785,345, and \$3,525,877.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2025, 2024 and 2023 were \$348,367.00, \$343,632.16, and \$320,764.00, respectively, equal to the required contributions for each year.

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/25	\$ 3,775,492.00	100%	
06/30/24	3,785,345.00	100%	\$ -
06/30/23	3,525,877.00	100%	-

**Three Year Trend Information for PERS**

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/20/2025	\$ 348,367.00	100%	
6/20/2024	343,632.16	100%	-
6/30/2023	320,764.00	100%	-

The Board's total payroll for the year ended June 30, 2025, was \$11,553,207.49. The TPAF covered payroll was \$8,882,498.00 and the PERS covered payroll was \$2,540,710.00. Information for prior years was not available.

During the fiscal year ended June 30, 2025, the State of New Jersey contributed \$3,775,492.00 to the TPAF for benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$656,100.87 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund- based statements as revenues and expenditures in accordance with GASB Statement No. 24.

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).
- 

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three-year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 11 - PENSION LIABILITIES – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. The following information describes the District's proportionate share of the statewide pension system's liabilities and expenses.

The following represents the District's pension liabilities as June 30, 2024:

**Public Employees' Retirement System**

The District has a liability of \$3,627,086 for its proportionate share of the net pension liability. 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, 2023 that was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion is 0.02669321200%, which is an increase of 2.73% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$193,973. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 72,657	(9,656)
Changes of assumptions	4,506	(41,268)
Net difference between projected and actual earnings on pension plan investments	-	(168,178)
Changes in proportion	223,411	(13,103)
<b>Total</b>	<b>\$ 300,574</b>	<b>\$ (232,205)</b>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	\$	
2025	\$ 5,831	
2026	52,469	
2027	9,172	
2028	287	
2029	610	
<b>Total</b>	<b>\$ 68,369</b>	

**Actuarial Assumptions**

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

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

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 disable 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 generational basis. Mortality improvement is based on Scale MP-2021.

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 the District's proportionate share of the net pension liability to changes in the discount rate.*

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

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 4,412,698	3,627,086	2,959,145

*Pension plan fiduciary net position.*

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

**NOTE 12 – PENSION LIABILITIES - TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2024, the District liability for its proportionate share of the net pension liability which is considered a Special Funding Situation with the State of New Jersey is reported below.

The employer contributions for local participating employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 18:66-33. Therefore, local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -	-
State's proportionate share of the net position liability associated with the District	<hr/> 33,943,149.00	
Total	<hr/> <hr/> \$ 33,943,149.00	

The net pension liability was measured as of June 30, 2024 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2024, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense (benefit) of (\$123,819) and revenue in the same amount for support provided by the State.

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

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	2.75% - 5.65% (based on years of service)
Investment rate of return	7.00%

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

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

***Long-Term Expected Rate of Return***

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

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

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

*Discount rate.*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will 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 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 the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ -	- -	- -
State's proportionate share of the net position liability associated with the District	\$ 40,346,237.81	33,943,149.00	28,550,537.78

*Pension plan fiduciary net position.*

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

**Additional Information**

Collective balances of the local group at June 30, 2024 are as follows:

Deferred outflows of resources	\$ 1,108,112,477
Deferred inflows of resources	(10,545,101,790)
Net pension liability	49,492,072,325

Collective pension expense for the plan for the measurement period ended June 30, 2024 is \$(180,539,491).

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 13 – OTHER POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2024 the State funded the various defined benefit pension systems at 104 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2023, which is required to be reported on the financial statements, is \$79.4 billion.

The Fiscal Year 2025 projected aggregate State contribution to the pension plans of \$7.2 billion represents 104 percent of the actuarially determined contribution.

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2024, the State paid PRM benefits for 161,238 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2024, the State contributed \$2.3 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$2.1 billion in Fiscal Year 2023. The State has appropriated \$2.4 billion in Fiscal Year 2025 as the State's contribution to fund increases in prescription drugs and medical claims costs.

In accordance with the provisions of GASBE Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2024 State OPEB liability to provide these benefits is \$76.9 billion, an increase of \$2.0 billion, or 2.6 percent, from the \$74.9 billion liability recorded in Fiscal Year 2023. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: [nj.gov/treasury/pensions/financial-reports.shtml](http://nj.gov/treasury/pensions/financial-reports.shtml).

*Total OPEB Liability*

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: [nj.gov/treasury/omb/fr.shtml](http://nj.gov/treasury/omb/fr.shtml).

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2024, actuarial valuation reported by the State in the State's most recently issued ACFR was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Salary Increases*

<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
2.75% to 5.65% based on service years	2.75% to 6.55% based on service years	3.25% to 16.25% based on service years

*Mortality Rates*

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2020 "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.

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

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027, and decreases to 4.5% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027, and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an 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.

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

*Changes in the Total OPEB Liability reported by the State of New Jersey*

Balance at 6/30/24 (Based on 6/30/2023 measurement date)	\$ 52,361,668,239.00
<b>Changes for the year:</b>	
Service cost	2,152,062,729.00
Interest	1,963,557,443.00
<b>Changes in Benefit Terms</b>	
Differences between Expected & Actual Experiences	158,934,425.00
Changes in assumptions or other inputs	4,462,660,491.00
Contributions: Member	51,347,810.00
Benefit payments	<u>(1,499,600,607.00)</u>
Net changes	<u>7,288,962,291.00</u>
Balance at 6/30/25 (Based on 6/30/2024 measurement date)	<u><u>\$ 59,650,630,530.00</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate*

The following presents the total OPEB liability as of June 20, 2024, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 69,863,663,542.00	59,650,630,530.00	51,437,232,141.00

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

The following presents the total OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 49,689,409,509.00	59,650,630,530.00	72,625,778,279.00

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

For the year ended June 30, 2024, the board of education recognized OPEB expense of \$310,223 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,378,932,312.00	(11,139,706,892.00)
Changes in assumptions	<u>10,004,978,073.00</u>	<u>(11,662,607,882.00)</u>
	<u><u>\$ 16,383,910,385.00</u></u>	<u><u>(22,802,314,774.00)</u></u>

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

Year Ended June 30,	
2025	\$ (2,115,877,507.00)
2026	(1,774,175,666.00)
2027	(842,677,045.00)
2028	221,470,185.00
2029	(1,537,725,697.00)
Thereafter	<u>(369,418,659.00)</u>
	<u><u>\$ (6,418,404,389.00)</u></u>

(Contributions made after June 30 are reported as deferred outflow of resources but are not amortized in the expense.)

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

#### **NOTE 14 – COMPENSATED ABSENCES**

The liability for vested compensated absences for governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the Food Service Enterprise Fund.

#### **NOTE 15 – DEFERRED COMPENSATION**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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:

GWN Marketing

**CUMBERLAND REGIONAL BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025  
(CONTINUED)**

**NOTE 16 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by New Jersey school districts for the accumulation of funds for capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73(S1701). Pursuant to N.J.A.C. 6:23A-2.13(g) 7, 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 account for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	\$ 8,293,779.97
<b>Deposits</b>	
Interest Earnings	175,240.73
Capital Project Balance Cancelled	36,513.00
Board Resolution - June 2025	<u>1,950,000.00</u>
<b>Withdrawals:</b>	
Transfer to Capital Outlay by Resolution	(600,000.00)
Transfer to Capital Outlay by Budget	<u>(450,000.00)</u>
Ending balance, June 30, 2025	<u>\$ 9,405,533.70</u>

**NOTE 17 – MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

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

Beginning balance, July 1, 2024	\$ 1,438,842.00
<b>Deposits</b>	
Board Resolution - June 2025	1,950,000.00
Interest	<u>46,070.49</u>
<b>Withdrawals:</b>	
Budgeted Required Maintenance	(220,635.00)
Ending balance, June 30, 2025	<u>\$ 3,214,277.49</u>

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**NOTE 18 – RISK MANAGEMENT**

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds.

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

Fiscal Year	Employee Contributions	Interest on Investments	Amount Reimbursed	Transferred To General	Ending Balance
2024-2025	\$ 61,040.52	\$ 7,747.18	\$ 37,299	\$	\$ 326,575.48
2023-2024	36,185.13	8,588.32	20,209.72	(15,000.00)	295,087.01
2022-2023	38,833.77	3,662.10	57,944.55	(45,000.00)	285,523.28

**NOTE 19 – CONTINGENT LIABILITIES**

Federal and State Grants

The District participates in a number of federal grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

**NOTE 20 – FUND BALANCE APPROPRIATED**

General Fund – Of the \$17,811,366.68 General Fund Balance, at June 30, 2025, \$2,642,738.42 is reserved for encumbrances; \$1,445,800.00 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$450,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026), \$9,405,533.70 has been reserved in the Capital Reserve Account; \$3,214,277.49 has been reserved in a Maintenance Reserve Account; \$326,575.48 has been reserved in the Unemployment Reserve Account; \$250,000.00 has been reserved in the Emergency Reserve Account; \$526,441 has been assigned and designated for subsequent year's expenditures; and \$526,441.59 is classified as unassigned.

**NOTE 21 – CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve 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, 2025 is \$1,445,800.00 of which \$450,000.00 has been included in the 2026 fiscal year budget.

**NOTE 22 – LITIGATION**

As of the date of this report, the Board of Education is currently involved in various matters of litigation. In all cases if it is believed that the outcome, or exposure to the Board of Education, from such litigation is either unknown or potential losses, if any would not be material to the financial statements.

**CUMBERLAND REGIONAL BOARD OF EDUCATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**NOTE 23 – ECONOMIC DEPENDENCY**

The District receives support from the federal and state governments. A significant reduction in the level of support, if this were to occur, would influence the District's programs and activities.

**NOTE 24 – RIGHT TO USE ASSETS**

The district has recorded right to use assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place to lease into service. The District has determined the other charges and amortization to be immaterial to the government-wide financial statements and has elected to record the Right to Use Assets at their remaining liability payments.

	<u>Beginning</u>			<u>Decreases</u>		<u>Ending</u>
	<u>Balance</u>		<u>Increases</u>		<u>Balance</u>	
Copiers	\$ 70,680.00	\$ 56,242.68	\$ 43,983.61	\$ 82,939.07		
Right to use assets, net	\$ <u>70,680.00</u>	\$ <u>56,242.68</u>	\$ <u>43,983.61</u>	\$ <u>82,939.07</u>		

**NOTE 25 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2025 through November 7, 2025, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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## **REQUIRED SUPPLEMENTARY INFORMATION – PART II**

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## **BUDGETARY COMPARISON SCHEDULES**

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**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 10,635,106.00	\$ -	\$ 10,635,106.00	\$ 10,635,106.00	\$ -
Transportation	120,000.00		120,000.00	134,333.80	14,333.80
Interest Earned	75,000.00		75,000.00	312,783.71	237,783.71
Miscellaneous	105,000.00		105,000.00	190,808.28	85,808.28
Total Local Sources	<u>10,935,106.00</u>	<u>-</u>	<u>10,935,106.00</u>	<u>11,273,031.79</u>	<u>337,925.79</u>
State Sources:					
Equalization Aid	16,875,724.00	(2.00)	16,875,722.00	16,875,722.00	-
School Choice Aid	993,915.00	5.00	993,920.00	993,920.00	-
Categorical Transportation Aid	785,841.00	(1.00)	785,840.00	785,840.00	-
Special Education Aid	1,389,347.00	(7.00)	1,389,340.00	1,389,340.00	-
Security Aid	409,241.00	(1.00)	409,240.00	409,240.00	-
TPAF (On-Behalf - Non-Budgeted)					
Post Retirement Medical Contributions			-	853,464.00	853,464.00
Pension Costs			-	2,920,811.00	2,920,811.00
Long Term Disability			-	1,217.00	1,217.00
TPAF Social Security (Reimbursed - Non-Budgeted)			-	656,100.87	656,100.87
Extraordinary Aid	10,000.00	123,454.00	133,454.00	133,454.00	-
Non-public Transportation Aid		14,477.00	14,477.00	14,477.00	-
Total State Sources	<u>20,464,068.00</u>	<u>137,925.00</u>	<u>20,601,993.00</u>	<u>25,033,585.87</u>	<u>4,431,592.87</u>
Federal Sources:					
Medicaid Reimbursement	26,820.00		26,820.00	5,902.05	(20,917.95)
Total Federal Sources	<u>26,820.00</u>	<u>-</u>	<u>26,820.00</u>	<u>5,902.05</u>	<u>(20,917.95)</u>
Total Revenues	<u>31,425,994.00</u>	<u>137,925.00</u>	<u>31,563,919.00</u>	<u>36,312,519.71</u>	<u>4,748,600.71</u>
<b>EXPENDITURES:</b>					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Grades 9 - 12 Salaries of Teachers	6,473,689.00	39,000.00	6,512,689.00	5,887,382.53	625,306.47
Unused Sick Pmt Term/Retired	16,400.00		16,400.00	15,272.50	1,127.50
Regular Programs - Home Instruction					
Salaries of Teachers	40,000.00		40,000.00	27,561.46	12,438.54
Travel	2,000.00		2,000.00	759.99	1,240.01
Purchased Professional - Educational Services	72,000.00	(55,000.00)	17,000.00	937.68	16,062.32
Regular Programs - Undistributed Instruction					
Purchased Professional/Educational Services	9,000.00	14,554.42	23,554.42	15,094.00	8,460.42
Purchased Technical Services	332,000.00	111,500.00	443,500.00	439,962.27	3,537.73
Repairs	95,635.00	(19,794.00)	75,841.00	52,199.46	23,641.54
Equipment Lease Purchases	79,000.00		79,000.00	44,203.80	34,796.20
Communications-Telephone	51,602.00		51,602.00	20,001.51	31,600.49
Travel	30,000.00		30,000.00	2,060.00	27,940.00
General Supplies	613,042.75	(7,760.42)	605,282.33	545,891.64	59,390.69
Textbooks	75,000.00		75,000.00	34,773.83	40,226.17
Miscellaneous Expenditures	36,000.00	(12,900.00)	23,100.00	18,116.56	4,983.44
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>7,925,368.75</u>	<u>69,600.00</u>	<u>7,994,968.75</u>	<u>7,104,217.23</u>	<u>890,751.52</u>
Multiple Disabilities					
Salaries of Teachers	150,614.00	4,200.00	154,814.00	151,272.00	3,542.00
Other Salaries for Instruction	55,411.00	(4,200.00)	51,211.00		51,211.00
Purchased Technical Services	1,000.00		1,000.00	1,000.00	-
General Supplies	10,300.00		10,300.00	9,205.41	1,094.59
Textbooks	500.00		500.00		500.00
Total Multiple Disabilities	<u>217,825.00</u>	<u>-</u>	<u>217,825.00</u>	<u>161,477.41</u>	<u>56,347.59</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center					
Salaries of Teachers	\$ 751,002.00	\$ -	\$ 751,002.00	558,614.82	\$ 192,387.18
Salaries of Aides	360,000.00		360,000.00	354,201.49	5,798.51
Purchased Technical Services	5,500.00		5,500.00	5,500.00	-
General Supplies	11,500.00		11,500.00	11,180.10	319.90
Textbooks	1,000.00		1,000.00		1,000.00
Total Resource Room/Resource Center	<u>1,129,002.00</u>	<u>-</u>	<u>1,129,002.00</u>	<u>929,496.41</u>	<u>199,505.59</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b><u>1,346,827.00</u></b>	<b><u>-</u></b>	<b><u>1,346,827.00</u></b>	<b><u>1,090,973.82</u></b>	<b><u>255,853.18</u></b>
Basic Skills/Remedial - Instruction					
Salaries for Teachers	4,250.00		4,250.00		4,250.00
Other Objects	2,750.00		2,750.00	2,700.00	50.00
Total Basic Skills/Remedial - Instruction	<u>7,000.00</u>	<u>-</u>	<u>7,000.00</u>	<u>2,700.00</u>	<u>4,300.00</u>
Bilingual Education- Instruction					
Salaries for Teachers	89,972.00		89,972.00	44,320.00	45,652.00
Total Bilingual Education- Instruction	<u>89,972.00</u>	<u>-</u>	<u>89,972.00</u>	<u>44,320.00</u>	<u>45,652.00</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	190,000.00	(14,342.65)	175,657.35	138,220.85	37,436.50
Purchased Services (300 - 500 series)	17,019.00	4,586.00	21,605.00	20,936.00	669.00
Supplies and Materials	1,500.00	(1,500.00)	-		-
Other Objects	43,000.00		43,000.00	43,000.00	-
Total School-Spon. Cocurricular Activities - Inst.	<u>251,519.00</u>	<u>(11,256.65)</u>	<u>240,262.35</u>	<u>202,156.85</u>	<u>38,105.50</u>
School-Spon. Cocurricular Athletics - Instruction					
Salaries	482,810.00	56,903.37	539,713.37	536,651.84	3,061.53
Purchased Services (300 - 500 series)	115,248.59	14,179.99	129,428.58	124,089.77	5,338.81
Supplies and Materials	71,645.80	(4,835.71)	66,810.09	66,116.47	693.62
Other Objects	13,220.00	8,809.00	22,029.00	8,496.73	13,532.27
Total School-Spon. Cocurricular Athletics - Inst.	<u>682,924.39</u>	<u>75,056.65</u>	<u>757,981.04</u>	<u>735,354.81</u>	<u>22,626.23</u>
Alternative Education Program - Instruction					
Salaries of Teachers	14,000.00	(14,000.00)	-		-
Purchased Technical Services	25,000.00	(25,000.00)	-		-
Total Alternative Education Program - Inst.	<u>39,000.00</u>	<u>(39,000.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL INSTRUCTION</b>	<b><u>10,342,611.14</u></b>	<b><u>94,400.00</u></b>	<b><u>10,437,011.14</u></b>	<b><u>9,179,722.71</u></b>	<b><u>1,257,288.43</u></b>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	30,496.00	2,000.00	32,496.00	31,108.44	1,387.56
Tuition to other LEAs Within the State-Special Ed.	65,000.00		65,000.00	17,488.00	47,512.00
Tuition to County Voc. School Dist. - Regular	396,404.00		396,404.00	163,325.70	233,078.30
Tuition to County Voc. School Dist. - Special Ed.	182,700.00		182,700.00	15,500.00	167,200.00
Tuition to CSSD & Regional Day Schools	1,680,997.00	(72,000.00)	1,608,997.00	1,024,285.23	584,711.77
Tuition to Private Schools for the Disabled - Within State	672,647.00	(100,000.00)	572,647.00	318,817.01	253,829.99
Tuition to Private Schools for the Disabled & Other LEA - Spl. O/S St.	54,600.00		54,600.00		54,600.00
Tuition - State Facilities	61,944.00		61,944.00	61,940.00	4.00
Tuition - Other	456,000.00		456,000.00	276,595.79	179,404.21
Total Undistributed Expenditures - Instruction	<u>3,600,788.00</u>	<u>(170,000.00)</u>	<u>3,430,788.00</u>	<u>1,909,060.17</u>	<u>1,521,727.83</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expend. - Attend. & Social Worker Salaries	\$ 57,445.00	\$ 59,000.00	\$ 116,445.00	\$ 56,807.00	\$ 59,638.00
Total Undist. Expend. - Attend. & Social Worker	<u>57,445.00</u>	<u>59,000.00</u>	<u>116,445.00</u>	<u>56,807.00</u>	<u>59,638.00</u>
Undistributed Expend. - Health Services Salaries	203,086.00		203,086.00	177,280.00	25,806.00
Purchased Professional and Technical Services	50,000.00	(24,061.10)	25,938.90	17,574.00	8,364.90
Supplies & Materials	4,000.00		4,000.00	3,481.01	518.99
Other Objects	500.00	(500.00)			-
Total Undistributed Expend. - Health Services	<u>257,586.00</u>	<u>(24,561.10)</u>	<u>233,024.90</u>	<u>198,335.01</u>	<u>34,689.89</u>
Undist. Expend. - Speech, OT, PT, and Related Services Salaries	12,000.00	(2,000.00)	10,000.00		10,000.00
Purchased Professional Education Services	52,000.00	3,100.00	55,100.00	55,086.10	13.90
Total Undistributed Expend. - Speech, OT, PT and Related Services	<u>64,000.00</u>	<u>1,100.00</u>	<u>65,100.00</u>	<u>55,086.10</u>	<u>10,013.90</u>
Undist. Expend. - Other Support Serv. - Extraordinary Services Purchased Professional - Educational Services	221,541.00	159,000.00	380,541.00	312,398.89	68,142.11
Student - Related Services	<u>221,541.00</u>	<u>159,000.00</u>	<u>380,541.00</u>	<u>312,398.89</u>	<u>68,142.11</u>
Undistributed Expenditures- Guidance Salaries of Other Professional Staff	652,590.00	(104,000.00)	548,590.00	537,267.42	11,322.58
Salaries of Secretarial and Clerical Assistants	120,901.00	700.00	121,601.00	117,218.00	4,383.00
Unused Sick Pmt Term/Retired	3,200.00		3,200.00		3,200.00
Purchased Prof. and Tech. Services	59,149.00	17,461.10	76,610.10	69,646.97	6,963.13
Travel	500.00		500.00		500.00
Supplies & Materials	6,100.00		6,100.00	4,670.62	1,429.38
Other Objects	6,400.00	(700.00)	5,700.00	3,788.75	1,911.25
Total Undist. Expend. - Guidance	<u>848,840.00</u>	<u>(86,538.90)</u>	<u>762,301.10</u>	<u>732,591.76</u>	<u>29,709.34</u>
Undistributed Expenditures - Child Study Teams Salaries of Other Professional Staff	188,817.00	40,000.00	228,817.00	223,360.32	5,456.68
Salaries of Secretarial and Clerical Assistants	59,166.00		59,166.00	58,511.00	655.00
Salaries Other		2,035.00	2,035.00	2,035.00	-
Purchased Professional/Educational Services	18,500.00	(17,500.00)	1,000.00		1,000.00
Other Purchased Prof. and Tech. Services	31,500.00	(18,535.00)	12,965.00		12,965.00
Travel	2,500.00		2,500.00		2,500.00
Supplies & Materials	3,600.00		3,600.00	1,371.25	2,228.75
Total Undist. Expend. - Child Study Team	<u>304,083.00</u>	<u>6,000.00</u>	<u>310,083.00</u>	<u>285,277.57</u>	<u>24,805.43</u>
Undist. Expend. - Improvement of Inst. Services Salaries of Supervisor of Instruction	336,719.00	600.00	337,319.00	326,291.79	11,027.21
Salaries of Secretarial and Clerical Assistants	59,166.00		59,166.00	58,511.00	655.00
Salaries Other	23,000.00		23,000.00	1,000.00	22,000.00
Unused Sick Pmt Term/Retired	3,000.00		3,000.00		3,000.00
Purchased Professional/Educational Services	5,500.00	(600.00)	4,900.00		4,900.00
Other Purchased Prof. and Tech. Services	26,500.00		26,500.00	11,600.92	14,899.08
Travel	12,000.00		12,000.00	8,775.47	3,224.53
Supplies & Materials	4,000.00		4,000.00		4,000.00
Total Undist. Expend. - Improvement of Inst. Serv.	<u>469,885.00</u>	<u>-</u>	<u>469,885.00</u>	<u>406,179.18</u>	<u>63,705.82</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Edu. Media Serv.					
Salaries Other	\$ 71,800.00	\$ (16,000.00)	\$ 55,800.00	\$ 8,465.00	\$ 47,335.00
Salaries of Technology Coordinators	126,715.00		126,715.00	125,800.50	914.50
Other Purchased Services (400-500 series)	1,250.00		1,250.00	487.41	762.59
Supplies & Materials	24,050.00		24,050.00	15,477.94	8,572.06
Other Objects	6,000.00		6,000.00	2,233.52	3,766.48
Total Undistributed Expenditures - Educational Media Services	<u>229,815.00</u>	<u>(16,000.00)</u>	<u>213,815.00</u>	<u>152,464.37</u>	<u>61,350.63</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	259,374.00	1.00	259,375.00	259,375.00	-
Unspent Vacation/Sick Payment	25,000.00		25,000.00		25,000.00
Legal Services	129,000.00	(75,394.29)	53,605.71	53,605.71	-
Audit Fees	28,500.00	2,500.00	31,000.00	31,000.00	-
Architectural/Engineering Services	105,000.00	152,947.50	257,947.50	73,106.25	184,841.25
Other Purchased Professional Services	4,000.00		4,000.00		4,000.00
Communications/Telephone	57,800.00	(11,001.00)	46,799.00	42,479.24	4,319.76
Travel Expenses	3,050.00		3,050.00	1,057.16	1,992.84
Miscellaneous Purchases Services	77,000.00	(27,553.21)	49,446.79	41,145.54	8,301.25
General Supplies and Materials	17,500.00		17,500.00	8,906.34	8,593.66
Miscellaneous Expenditures	16,380.00	-	16,380.00	13,444.94	2,935.06
BOE Membership Dues and Fees	17,600.00		17,600.00	13,774.78	3,825.22
Total Undistributed Expenditures - Support Services - General Administration	<u>740,204.00</u>	<u>41,500.00</u>	<u>781,704.00</u>	<u>537,894.96</u>	<u>243,809.04</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	533,809.00		533,809.00	533,809.00	-
Salaries of Other Professional Staff	139,370.00	31,937.42	171,307.42	170,620.00	687.42
Salaries of Secretarial and Clerical Assistants	156,463.00		156,463.00	153,923.93	2,539.07
Other Salaries	3,000.00	2,038.00	5,038.00	5,037.50	0.50
Unused Sick Pmt Term/Retired	7,500.00		7,500.00	7,500.00	-
Supplies & Materials	37,412.87	(1,782.42)	35,630.45	35,580.45	50.00
Other Exp - Principals	14,000.00	(1,250.00)	12,750.00	12,145.00	605.00
Total Undistributed Expenditures - Support Services - School Administration	<u>891,554.87</u>	<u>30,943.00</u>	<u>922,497.87</u>	<u>918,615.88</u>	<u>3,881.99</u>
Undist. Expend. - Central Services					
Salaries	515,995.00		515,995.00	483,550.46	32,444.54
Unused Vacation Pmt Term/Retired	18,900.00		18,900.00	17,146.15	1,753.85
Purchased Technical Services	38,000.00	(1,405.00)	36,595.00	13,323.00	23,272.00
Miscellaneous Purchased (400-500 series)	3,650.00		3,650.00	2,352.88	1,297.12
Supplies & Materials	8,800.00		8,800.00	7,505.72	1,294.28
Miscellaneous Expenditures	3,200.00	1,000.00	4,200.00	3,322.00	878.00
Total Undistributed Expenditures - Central Services	<u>588,545.00</u>	<u>(405.00)</u>	<u>588,140.00</u>	<u>527,200.21</u>	<u>60,939.79</u>
Undist. Expend. - Admin. Info. Technology					
Salaries	198,473.00	(2,038.00)	196,435.00	139,927.25	56,507.75
Total Undistributed Expenditures - Admin Info. Technology	<u>198,473.00</u>	<u>(2,038.00)</u>	<u>196,435.00</u>	<u>139,927.25</u>	<u>56,507.75</u>
Total Undistributed Expenditures - Required Maint. for School Facilities					
Required Maintenance - Repairs-Replace	874,952.00	323,100.00	1,198,052.00	722,271.62	475,780.38
Lead Testing of Drinking Water		6,500.00	6,500.00	5,980.00	520.00
General Supplies	105,278.00		105,278.00	91,030.62	14,247.38
Total Undistributed Expenditures - Allowable Maintenance for School Facilities	<u>980,230.00</u>	<u>329,600.00</u>	<u>1,309,830.00</u>	<u>819,282.24</u>	<u>490,547.76</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Custodial Services					
Salaries	\$ 875,503.00	\$ 19,655.00	\$ 895,158.00	\$ 849,896.93	\$ 45,261.07
Unused Sick Pmt Term/Retired	9,300.00		9,300.00		9,300.00
Cleaning, Repair and Maintenance Service	169,567.00	(4,000.00)	165,567.00	113,005.49	52,561.51
Other Purchased Property Services	75,000.00	600.00	75,600.00	37,818.00	37,782.00
Insurance	164,764.00		164,764.00	161,336.24	3,427.76
General Supplies	192,477.00	(5,655.00)	186,822.00	75,923.84	110,898.16
Energy (Natural Gas)	230,000.00	10,253.29	240,253.29	219,088.05	21,165.24
Energy (Electricity)	345,000.00	206,673.57	551,673.57	551,673.57	-
Energy (Oil)	28,000.00	(10,000.00)	18,000.00		18,000.00
Energy (Gasoline)	31,890.00	(17,526.86)	14,363.14	10,938.49	3,424.65
Miscellaneous Expenditures	3,050.00	600.00	3,650.00	2,955.00	695.00
Total Undistributed Expenditures - Custodial Services	<u>2,124,551.00</u>	<u>200,600.00</u>	<u>2,325,151.00</u>	<u>2,022,635.61</u>	<u>302,515.39</u>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	152,693.00	500.00	153,193.00	148,458.32	4,734.68
Cleaning, Repair, and Maintenance Services	15,000.00	(500.00)	14,500.00	12,968.37	1,531.63
General Supplies	50,000.00		50,000.00	45,137.83	4,862.17
Total Care and Upkeep of Grounds	<u>217,693.00</u>	<u>-</u>	<u>217,693.00</u>	<u>206,564.52</u>	<u>11,128.48</u>
Undist. Expend. - Security					
Salaries	28,250.00	4,500.00	32,750.00	30,635.06	2,114.94
Cleaning, Repair, and Maintenance Services	250,500.00		250,500.00	196,220.00	54,280.00
General Supplies	30,843.00	(4,500.00)	26,343.00	5,802.38	20,540.62
Total Security	<u>309,593.00</u>	<u>-</u>	<u>309,593.00</u>	<u>232,657.44</u>	<u>76,935.56</u>
Total Undistributed Expenditures					
Operations and Maintenance of Plant Services	<u>3,632,067.00</u>	<u>530,200.00</u>	<u>4,162,267.00</u>	<u>3,281,139.81</u>	<u>881,127.19</u>
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	34,731.00	(2.00)	34,729.00	29,776.74	4,952.26
Sal.- Pup. Trans. (Bet. Home & School) - Spc.	47,201.00	2.00	47,203.00	47,202.00	1.00
Management Fee - ESC & CTSA Trans. Programs	65,000.00	13,500.00	78,500.00	78,162.32	337.68
Contr. Serv. - Aid in Lieu - NP Students	25,000.00	12,000.00	37,000.00	30,013.50	6,986.50
Contr. Serv. - Aid in Lieu - Choice	35,000.00		35,000.00	24,429.34	10,570.66
Contracted Services (Bet. Home & School) - Vendors	1,010,250.00	(149,700.00)	860,550.00	827,213.74	33,336.26
Contracted Services (Sp. Ed. Bet. Home & School) - Vendors	25,000.00		25,000.00		25,000.00
Contracted Services (Other than Bet. Home & School) - Vendors	78,000.00		78,000.00	18,196.27	59,803.73
Contracted Services (Bet. Home & School) - Joint Agreements	1,650,000.00	(487,400.00)	1,162,600.00	1,145,367.80	17,232.20
Contracted Services (Sp. Ed Stds) - Joint Agreements	905,000.00		905,000.00	867,968.30	37,031.70
Total Undistributed Expenditures - Student Transportation Services	<u>3,875,182.00</u>	<u>(611,600.00)</u>	<u>3,263,582.00</u>	<u>3,068,330.01</u>	<u>195,251.99</u>
Unallocated Benefits					
Social Security Contribution	\$ 375,000.00	\$ (15,000.00)	\$ 360,000.00	\$ 244,564.83	\$ 115,435.17
TPAF Contributions - ERIP	10,000.00	15,000.00	25,000.00	24,717.12	282.88
Other Retirement Contributions - PERS	395,000.00		395,000.00	348,367.00	46,633.00
Other Retirement Contributions - Regular	25,000.00		25,000.00	2,521.23	22,478.77
Unemployment Compensation	62,550.00		62,550.00	330.00	62,220.00
Workmen's Compensation	160,000.00		160,000.00	119,614.39	40,385.61
Health Benefits	3,204,766.00		3,204,766.00	3,093,441.29	111,324.71
Tuition Reimbursement	40,000.00		40,000.00	39,413.05	586.95
Other Employee Benefits	290,000.00		290,000.00	172,220.44	117,779.56
Total Unallocated Benefits	<u>4,562,316.00</u>	<u>-</u>	<u>4,562,316.00</u>	<u>4,045,189.35</u>	<u>517,126.65</u>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)	\$ -	\$ -	\$ -	\$ 3,775,492.00	\$ (3,775,492.00)
Reimbursed TPAF Social Security Cont.(non-bud)				656,100.87	(656,100.87)
Total On-Behalf Contributions	-	-	-	4,431,592.87	(4,431,592.87)
 TOTAL UNDISTRIBUTED EXPENDITURES	 20,542,324.87	 (83,400.00)	 20,458,924.87	 21,058,090.39	 (599,165.52)
 TOTAL GENERAL CURRENT EXPENSE	 30,884,936.01	 11,000.00	 30,895,936.01	 30,237,813.10	 658,122.91
 CAPITAL OUTLAY					
Equipment:					
Regular Programs					
Grades 9 - 12 Instruction					
Instructional	150,000.00	(40,519.47)	109,480.53	7,142.00	102,338.53
Undistributed Expenditures					
Required Maintenance for School Facilities	90,000.00	(9,000.00)	81,000.00	70,173.86	10,826.14
Media Center		3,535.00	3,535.00	3,535.00	-
Athletic	18,286.06	38,513.47	56,799.53	37,726.50	19,073.03
Technology	112,848.82	(3,535.00)	109,313.82	25,480.88	83,832.94
Total Equipment	371,134.88	(11,006.00)	360,128.88	144,058.24	216,070.64
 Facilities Acquisition and Construction Services					
Architect & Engineering Fees	150,000.00		150,000.00	97,981.06	52,018.94
Construction Services	1,400,000.00	600,000.00	2,000,000.00	49,000.00	1,951,000.00
Assessment for Debt Service on SDA Funding	224,824.00		224,824.00	224,820.00	4.00
Total Facilities Acquisition and Construction Services	1,774,824.00	600,000.00	2,374,824.00	371,801.06	2,003,022.94
 TOTAL CAPITAL OUTLAY	 2,145,958.88	 588,994.00	 2,734,952.88	 515,859.30	 2,219,093.58
 TOTAL EXPENDITURES	 33,030,894.89	 599,994.00	 33,630,888.89	 30,753,672.40	 2,877,216.49
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 (1,604,900.89)	 (462,069.00)	 (2,066,969.89)	 5,558,847.31	 7,625,817.20
Fund Balance July 1		12,252,519.37		12,252,519.37	-
Fund Balance June 30	\$ 10,647,618.48	\$ (462,069.00)	\$ 10,185,549.48	\$ 17,811,366.68	\$ 7,625,817.20
 Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 11,181,969.19	
Maintenance Reserve				1,437,842.00	
Emergency Reserve				250,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				450,000.00	
Excess Surplus - Current Year				995,800.00	
Unemployment Reserve				326,575.48	
Committed Fund Balance:					
Year-End Encumbrances				2,642,738.42	
Unassigned Fund Balance				526,441.59	
				17,811,366.68	

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
					Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ -	\$ 591,014.41	\$ 591,014.41	\$ 492,250.90	\$ (98,763.51)
State Sources	470.00	314.00	784.00	34,186.61	33,402.61
Federal Sources	1,532,066.00	915,213.75	2,447,279.75	1,808,383.57	(638,896.18)
<b>Total Revenues</b>	<b>1,532,536.00</b>	<b>1,506,542.16</b>	<b>3,039,078.16</b>	<b>2,334,821.08</b>	<b>(704,257.08)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	212,268.04	212,268.04	143,270.84	68,997.20	
Other Salaries for Instruction	31,000.00	31,000.00	31,000.00	-	
Purchased Professional Technical Services	97,341.10	97,341.10	67,434.55	29,906.55	
Purchased Professional & Educational Services	75,522.73	75,522.73	72,722.73	2,800.00	
Tuition	249,004.59	249,004.59	249,004.59	-	
General Supplies	198,817.12	199,287.12	144,678.94	54,608.18	
Other Objects	106,707.02	106,707.02	82,374.29	24,332.73	
<b>Total Instruction</b>	<b>470.00</b>	<b>970,660.60</b>	<b>971,130.60</b>	<b>790,485.94</b>	<b>180,644.66</b>

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Support Services:</b>					
Salaries of Other Professional Staff	\$ 1,532,066.00	\$ 634,377.11 (1,322,489.63)	\$ 634,377.11 94,210.63	\$ 451,290.20 65,074.80	\$ 183,086.91 37,839.60
Personal Services - Employee Benefits					
Purchased Professional Technical Services					
Purchased Professional & Educational Services					
Other Purchased Services (400-500 series)					
Supplies & Materials					
Other Objects					
<b>Total Support Services</b>	<b>1,532,066.00</b>	<b>377,608.40</b>	<b>1,909,674.40</b>	<b>1,496,332.54</b>	<b>413,341.86</b>
<b>Facilities Acquisition and Construction Services</b>					
Construction of Facilities					
Instructional Equipment					
Non-Instructional Equipment					
<b>Total Outflows</b>	<b>1,532,536.00</b>	<b>1,506,542.16</b>	<b>3,039,078.16</b>	<b>2,345,830.04</b>	<b>693,248.12</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11,008.96)</b>	<b>\$ (11,008.96)</b>

## **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2025**

Note A - Explanation of Differences Between Budgetary Inflows and  
 Outflows GAAP Revenue and Expenditures

	General Fund	Special Revenue Fund
<b>Sources / inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 36,312,519.71	[C-2] \$ 2,334,821.08
<b>Difference - budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Current Year	(9,800.00)	
Prior Year	106,223.00	
Final State Aid payment delayed until July 2024 is recorded as budgetary revenue but is not recognized under GAAP	1,617,787.00	
Final State Aid payment delayed until July 2025 is recorded as budgetary revenue but is not recognized under GAAP	(1,958,107.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 35,972,199.71	[B-2] \$ 2,431,244.08
<b>Uses / outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 30,753,672.40	[C-2] \$ 2,345,830.04
<b>Difference - budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for GAAP financial reporting purposes.		96,423.00
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 30,753,672.40	[B-2] \$ 2,442,253.04

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## **REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0266932120%	0.0259850293%	0.0261147073%	0.0247918177%	0.0240809091%	0.0239313970%	0.0226886736%	0.0240811353%	0.0257137182%	0.0260468400%
District's proportionate of the net pension liability (asset)	\$ 3,627,086.00	\$ 3,763,769.00	\$ 3,941,069.00	\$ 2,936,962.00	\$ 3,926,967.00	\$ 4,312,075.00	\$ 4,467,287.00	\$ 5,605,703.00	\$ 7,615,666.00	\$ 5,846,934.00
District's covered payroll	2,540,710.00	2,323,639.00	1,941,712.00	1,945,620.00	1,683,288.00	1,673,966.00	1,630,641.00	1,584,938.00	1,625,603.00	\$ 1,178,614.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	142.76%	161.98%	202.97%	150.95%	233.29%	233.29%	257.60%	273.96%	353.69%	468.48%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

Source: GASB 68 report on Public Employees' Retirement System; District records

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Last Ten Fiscal Years**

<b>PERS</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 363,220.00	\$ 347,297.00	\$ 329,319.00	\$ 290,341.00	\$ 263,433.00	\$ 215,974.00	\$ 225,679.00	\$ 223,086.00	\$ 227,048.00	\$ 210,144.00
Contributions in relation to the contractually required contribution	<u>363,220.00</u>	<u>347,297.00</u>	<u>329,319.00</u>	<u>290,341.00</u>	<u>263,433.00</u>	<u>215,974.00</u>	<u>225,679.00</u>	<u>223,086.00</u>	<u>227,048.00</u>	<u>210,144.00</u>
Contribution deficiency (excess)	<u>-</u>									
District's covered-employee payroll	\$ 2,540,710.00	\$ 2,323,639.00	\$ 1,941,712.00	\$ 1,945,620.00	\$ 1,683,288.00	\$ 1,673,966.00	\$ 1,630,641.00	\$ 1,584,938.00	\$ 1,625,603.00	\$ 1,178,614.00
Contributions as a percentage of covered-employee payroll	14.30%	14.95%	16.96%	14.92%	15.65%	12.90%	13.84%	14.08%	13.97%	17.83%
<b>TPAF</b>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	N/A									
Contributions in relation to the contractually required contribution	N/A									
Contribution deficiency (excess)	N/A									
District's covered-employee payroll	\$ 8,882,498.00	\$ 8,499,050.00	\$ 8,343,349.00	\$ 7,948,759.00	\$ 7,357,777.00	\$ 7,050,654.00	\$ 7,296,318.00	\$ 7,304,305.00	\$ 7,178,045.00	\$ 7,663,677.00
Contributions as a percentage of covered-employee payroll	N/A									

Source: GASB 68 report on Public Employees' Retirement System; District records

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	33,943,149.00	34,370,934.00	33,619,967.00	32,166,502.00	45,215,614.00	43,353,427.00	45,586,244.00	51,651,999.00	62,508,375.00	48,031,175.00
<b>Total</b>	<b>33,943,149.00</b>	<b>34,370,934.00</b>	<b>33,619,967.00</b>	<b>32,166,502.00</b>	<b>45,215,614.00</b>	<b>43,353,427.00</b>	<b>45,586,244.00</b>	<b>51,651,999.00</b>	<b>62,508,375.00</b>	<b>48,031,175.00</b>
District's covered payroll	\$ 8,862,496.00	\$ 8,499,050.00	\$ 8,343,349.00	\$ 7,948,759.00	\$ 7,357,777.00	\$ 7,050,654.00	\$ 7,296,318.00	\$ 7,304,305.00	\$ 7,178,045.00	\$ 7,663,677.00
District's proportionate share of the net pension liability (asset), as a percentage of its covered-employee payroll	N/A									
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

Source: GASB 68 report on Public Employees' Retirement System; District records

**CUMBERLAND REGIONAL SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Seven Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 51,355,519.00	\$ 44,755,759.00	\$ 42,742,680.00	\$ 50,001,070.00	\$ 56,761,267.00	\$ 35,557,010.00	\$ 40,433,631.00
<b>Total</b>	<b>\$ 51,355,519.00</b>	<b>\$ 44,755,759.00</b>	<b>\$ 42,742,680.00</b>	<b>\$ 50,001,070.00</b>	<b>\$ 56,761,267.00</b>	<b>\$ 35,557,010.00</b>	<b>\$ 40,433,631.00</b>
District's covered payroll	11,423,208.00	10,822,669.00	10,285,061.00	9,894,379.00	8,724,620.00	9,031,743.00	8,926,959.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:							
Service Cost:							
Interest Cost:							
Change in Benefit Terms							
Differences between Expected & Actual							
Changes in Assumptions							
Member Contributions							
Benefit Payments							
Change in Total Opeb Liability							
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	44,755,759.00	42,742,680.00	50,001,070.00	56,761,267.00	35,557,010.00	40,433,631.00	48,202,124.00
Ending Balance	<b>\$ 51,355,519.00</b>	<b>\$ 44,755,759.00</b>	<b>\$ 42,742,680.00</b>	<b>\$ 50,001,070.00</b>	<b>\$ 56,761,267.00</b>	<b>\$ 35,557,010.00</b>	<b>\$ 40,433,631.00</b>
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	44.57%	41.54%	41.58%	505.35%	650.59%	393.69%	452.94%

Source : GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.

However, information is only currently available for seven years.

Additional years will be presented as they become available.

**APPENDIX C**

**Form of Bond Counsel's Approving Legal Opinion**

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90 Woodbridge Center Drive  
Suite 900 Box 10  
Woodbridge, NJ 07095-0958  
732.636.8000

\_\_\_\_\_, 2026

The Board of Education of the  
Cumberland Regional High School District  
Bridgeton, New Jersey

Ladies and Gentlemen:

We have served as bond counsel in connection with the authorization, sale and issuance of \$9,995,000 aggregate principal amount of School Bonds, Series 2026 (the "Bonds") of The Board of Education of the Cumberland Regional High School District in the County of Cumberland, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board).

The Bonds are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented (the "Education Law"); (ii) a proposal adopted by the Board on September 24, 2025 (the "Proposal") and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on December 9, 2025 and (iii) a resolution duly adopted by the Board on January 28, 2026 (the "Resolution").

The Bonds are issued in fully registered book-entry only form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Purchases of the Bonds will be made in book-entry only form in principal amounts of \$1,000 each or any integral multiple thereof with a minimum purchase of \$5,000 required, through book entries made on the books and records of DTC and its participants. 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 Board directly to Cede & Co., as nominee for DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

The Bonds are dated their date of delivery and shall bear interest from such date, which interest shall be payable commencing September 1, 2026 and semi-annually thereafter on the first day of March and September in each year until maturity or prior redemption, and shall mature on September 1 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$1,180,000		2034	\$670,000	
2028	535,000		2035	695,000	
2029	550,000		2036	725,000	
2030	575,000		2037	755,000	
2031	595,000		2038	785,000	
2032	620,000		2039	815,000	
2033	645,000		2040	850,000	

The Bonds of this issue are subject to optional redemption prior to their stated maturities.

We have examined such matters of law, certified copies of the proceedings, including the bond referendum proceedings, 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 sale and issuance of the Bonds pursuant to the Education Law, the Proposal and the Resolution; (ii) the Bonds are valid and legally binding obligations of the Board; and (iii) all the taxable real 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 Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds 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 Board has covenanted to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Board with the aforementioned covenant, under existing statutes, regulations, rulings and court decisions, 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. The Bonds are not "specified private activity bonds" within the meaning of Section 57 of the Code and, therefore,

the interest on the Bonds will not be treated as a preference item for purposes of computing the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

We are further of the opinion that the Bonds constitute "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code and, therefore, will be treated as if it was acquired on August 7, 1986 for purposes of the limitations on deductibility by financial institutions of interest expense allocable to tax-exempt interest.

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.

[The Bonds maturing on September 1 in the years 20\_\_ through 20\_\_, inclusive (the "[Premium] Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

[We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on September 1 in the years 20\_\_ through 20\_\_, inclusive (the "[Discount] Bonds") and their respective initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the [Discount] Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each [Discount] Bond and the basis of each [Discount] Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.]

Except as stated in the preceding 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 the executed Bonds and, in our opinion, its form and execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

**APPENDIX D**  
**Form of Continuing Disclosure Certificate**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of \_\_\_\_\_, 2026 (the "Disclosure Certificate") is executed and delivered by The Board of Education of the Cumberland Regional High School District in the County of Cumberland, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the issuance of its \$9,995,000 aggregate principal amount of School Bonds, Series 2026 dated their date of delivery (the "Bonds"). The Bonds are being issued by virtue of a proposal adopted by the Board on September 24, 2025 and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on December 9, 2025 and pursuant to a resolution entitled, "RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF \$9,995,000 AGGREGATE PRINCIPAL AMOUNT OF SCHOOL BONDS, SERIES 2026 OF THE BOARD OF EDUCATION OF THE CUMBERLAND REGIONAL HIGH SCHOOL DISTRICT IN THE COUNTY OF CUMBERLAND, NEW JERSEY, PROVIDING FOR THEIR SALE AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH", duly adopted by the Board on January 28, 2026 (the "Bond Resolution"). The Board covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Board for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter(s) in complying with the Rule (as defined below). The Board 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 Board 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, as applicable (including persons holding Bonds, as applicable through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds, as applicable, for federal income tax purposes.

*"Continuing Disclosure Information"* shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed by the Board with the EMMA (as defined herein) pursuant to Section 3 of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed by the Board with EMMA pursuant to Section 5 of this Disclosure Agreement.

*“Disclosure Representative”* shall mean the Business Administrator/Board Secretary of the Board or his/her designee, or such other person as the Board shall designate in writing from time to time for the purposes of this Disclosure Certificate.

*“Dissemination Agent”* shall mean, initially, the Board or any Dissemination Agent subsequently designated in writing by the Board which has filed with the Board a written acceptance of such designation.

*“EMMA”* shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined herein) and approved by the SEC (as defined herein) to provide a central location where investors can obtain municipal bond information including disclosure documents. The Board or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to [www.emma.msrb.org](http://www.emma.msrb.org).

*“Financial Obligation”* shall mean a: (a) debt obligation; (b) 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) 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(b)(5) adopted by the Securities and Exchange Commission (“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.

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

*“State”* shall mean the State of New Jersey.

*“Underwriters”* shall mean any of the original underwriters 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 Board shall provide or cause to be provided to the Dissemination Agent not later than December 31 of each year, commencing December 31, 2026 (for the fiscal year ending June 30, 2026), 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 Board

may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Board are not available by December 31, the Board shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Board, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Board.

(b) Not later than January 31 of each year (commencing January 31, 2027) 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 Board 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 file the Annual Report with EMMA in accordance with subsection (b) above, the Dissemination Agent shall, in a timely manner, send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Board (if the Dissemination Agent is not the Board).

(d) Each year the Dissemination Agent shall file a report with the Board (if the Dissemination Agent is not the Board), certifying that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate, stating the date it was provided.

(e) If the fiscal year of the Board changes, the Board 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 Board, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

**SECTION 4. Content of Annual Reports.** The Board's Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the Board (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available).

The audited financial statements are to be prepared in accordance with generally accepted accounting principles (GAAP).

(2) The general financial information and operating data of the Board consistent with the information set forth in the Official Statement dated February 18, 2026, prepared in connection with the sale of the Bonds (the "Official Statement") in Appendix A under the sections relating to (1) Board indebtedness; (2) property valuation information; and (3) tax rate, levy and collection data.

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 Board is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final

official statement, it must be available from the MSRB. The Board 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:

- (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) Ratings changes rating to the Bonds;
- (12) Bankruptcy, insolvency, receivership or similar event of the Board;
- (13) The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, 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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bondholders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

The Board 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 in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in this subsection (a) of this section 5, the Board may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Board has or obtains knowledge of the occurrence of any of the Listed Events, the Board shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the Board determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Board is not the Dissemination Agent) and the Board 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 Board determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Board) and the Dissemination Agent (if the Dissemination Agent is not the Board) shall be instructed by the Board not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Board to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Board (if the Dissemination Agent is not the Board). 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 Beneficial Owner of the affected Bonds pursuant to the Bond Resolution.

**SECTION 6. Termination of Reporting Obligation.** The Board'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 Board is no longer an "Obligated Person" (as defined in the Rule). The Board 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 EMMA in accordance with the provisions of Section 5(e) hereof.

**SECTION 7. Dissemination Agent; Compensation.** The Board 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 Board. The Board 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 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the Board 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 Board 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 Board or "Obligated Person," or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Bond Resolution at the time of the amendment. The Board 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 Board 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 Board. 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 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the Board 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 Board 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 Board 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 10. Default.** In the event of a failure of the Board 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 Board 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 Board to comply with this Disclosure Certificate shall be an action to compel performance.

**SECTION 11. 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 Board agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Board) 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 Board 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 Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the Board, the Dissemination Agent, the Underwriters, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

**SECTION 13. 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 Board of Education:

The Board of Education of the  
Cumberland Regional High School District  
65 Love Lane  
Bridgeton, New Jersey 08302  
Attention: Business Administrator/Board Secretary

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

The Board of Education of the  
Cumberland Regional High School District  
65 Love Lane  
Bridgeton, New Jersey 08302  
Attention: Business Administrator/Board Secretary

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 14. Counterparts.** This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Board 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 15. Severability.** If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Board 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 16. 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 of New Jersey as applicable.

**THE BOARD OF EDUCATION OF THE  
CUMBERLAND REGIONAL HIGH SCHOOL  
DISTRICT IN THE COUNTY OF CUMBERLAND,  
NEW JERSEY**

By: \_\_\_\_\_  
**WAYNE KNIGHT,  
Business Administrator/  
Board Secretary**

**EXHIBIT A**

**NOTICE TO EMMA OF FAILURE  
TO FILE ANNUAL REPORT**

Name of Issuer: The Board of Education of the  
Cumberland Regional High School District  
in the County of Cumberland, New Jersey

Name of Issue: \$9,995,000 School Bonds, Series 2026  
Dated: \_\_\_\_\_, 2026  
(CUSIP Number: 230761\_\_\_\_)

Date of Issuance: \_\_\_\_\_, 2026

NOTICE IS HEREBY GIVEN that the above designated Board has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate for the Bonds dated as of \_\_\_\_\_, 2026 executed by the Board.

DATED: \_\_\_\_\_

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**DISSEMINATION AGENT**  
(on behalf of the Board)

cc: The Board

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