

**Annual Comprehensive
Financial Report**

of the

Township of Berkeley Heights Board of Education

County of Union

Berkeley Heights, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

**Township of Berkeley Heights, Board of Education
Finance Department**

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INTRODUCTORY SECTION

Berkeley Heights Public Schools
345 Plainfield Avenue
Berkeley Heights, Union County, NJ 07922



November 14, 2025

Honorable President and
Members of the Board of Education
Berkeley Heights School District
County of Union, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Berkeley Heights School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Berkeley Heights Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the related OMB Uniform Guidance and State Treasury Circular Letter OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of the report.

1) REPORTING ENTITY AND ITS SERVICES:

The Berkeley Heights School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Berkeley Heights Board of Education and all its schools constitute the District's reporting entity.

1) REPORTING ENTITY AND ITS SERVICES (CONTINUED):

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These services include regular as well as special education for qualifying students. The District completed the 2024-25 fiscal year with an enrollment of 2,354 students, which is 41 students less than the previous year's enrollment. The average daily enrollment is a compilation of enrollment and attendance data for the entire year. The statistic is different from the enrollment figure for the end of the year which is the actual number of students enrolled. The following chart details the changes in the student average daily enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2024-25	2,354	(1.71%)
2023-24	2,395	(.020%)
2022-23	2,444	(.011%)
2021-22	2,472	(.008%)
2020-21	2,494	(2.54%)
2019-20	2,559	(0.51%)
2018-19	2,572	(1.91%)
2017-18	2,622	(2.89%)
2016-17	2,700	1.54%
2015-16	2,659	(0.26%)

2) ECONOMIC CONDITION AND OUTLOOK

The Township of Berkeley Heights is a mature suburban town situated approximately 30 miles west of New York City with easy access to major airports and highways. The Township is 6.2 sq. miles and has a population of approximately 13,000 residents. Berkeley Heights is a stable, affluent municipality.

The landscape of the township is slated to change significantly over the next several years. The township recently finished construction on a new municipal complex and new residential and commercial projects have been approved and some new construction has already begun. Five residential complexes are being planned which will result in an influx of students into the district.

Berkeley Heights continues to be a desirable location because of its school system, the ease of commuting into New York, as well as easy access to major highways, and the suburban feel of the town.

However, the district has faced many challenges: including managing the cost and availability of: 1) student transportation, 2) substitute teachers, 3) student and teacher technology needs and 4) improvements to infrastructure.

Despite these new and evolving challenges, the Berkeley Heights Board of Education continues to be fiscally responsible when developing its budget. The Board is cognizant of the impact the

school tax levy has upon tax payers and seeks to strike a balance between maintaining its high quality educational services in a safe and welcoming environment and its fiscal accountability to the community.

3) MAJOR INITIATIVES

Over the past year the District has focused on providing high-quality instruction and supporting student growth through the implementation of innovative tools and programs. The District uses LinkIt! an assessment and data analytics platform to help teachers and administrators identify student strengths and areas for growth, differentiate instruction and provide targeted interventions. At the K-5 level, curricula have been updated and teaching staff reorganized to create two early learning centers and two elementary schools strengthening foundational learning. The STEAM curriculum has been expanded offering students increased opportunities to engage in both classroom and co-curricular activities. Advanced Placement courses continue to grow and technology upgrades including touchscreen Chromebooks and interactive classroom displays enhance student engagement and instructional effectiveness. The District has also expanded student opportunities through dual enrollment options with a local university.

Looking forward, the District is refining its Five-Year Strategic Plan to further align instructional priorities, student achievement goals and facility planning with community expectations. Strategic initiatives will continue to focus on fostering academic excellence, expanding STEAM opportunities and providing robust instructional supports to meet diverse student needs.

The District is also preparing for a community referendum to fund district-wide facility improvements including modernized classrooms, upgraded instructional and core spaces and enhanced safety and accessibility across the campus. These improvements are designed to support current and future student learning, ensuring the physical environment aligns with educational standards and long-term strategic objectives.

Through these initiatives the District remains committed to continuous improvement, student achievement and community engagement ensuring that all students have access to high-quality learning experiences in environments that are safe, modern and well-equipped.

4) INTERNAL ACCOUNT CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate account data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

Budget Analysis Reports are reviewed regularly to identify any anticipated deficits to any expense or revenue account. Transfers between accounts are approved at monthly meetings to ensure that accounts are not over-expended.

An Encumbrance account system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance on June 30, 2025.

6) ACCOUNTING SYSTEMS AND REPORTS:

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

7) DEBT ADMINISTRATION:

Under provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. As of June 30, 2025, the District's outstanding debt remains well below the legal debt margin. The District continues to be committed to providing debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to its outstanding securities.

8) CASH MANAGEMENT:

Bank balances are insured up to \$250,000 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories.

The Berkeley Heights Board of Education maintains an online computerized accounting system to record all financial transactions. During the fiscal year, financial reports are prepared monthly and are distributed to the Board of Education Members. The reports detail the monthly transaction and detail the appropriation balance.

9) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Recently coverage for cyber liability and pollution were added to our range of coverage.

10) OTHER INFORMATION:

a) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Co., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and State Treasury Circular Letter OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Berkeley Heights School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Dr. Kim Feltre
Superintendent



Jennifer Nicholson
School Business Administrator/Board Secretary

Berkeley Heights Public Schools
345 Plainfield Avenue
Berkeley Heights, Union County, NJ 07922



**BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2025**

MEMBERS OF THE BOARD OF EDUCATION

TERM ENDS

Gale Bradford, President	2025
Dipti Khanna, Vice President	2025
Sai Akiri	2026
Thomas Foregger	2027
Natasha Joly	2026
Pamela Stanley	2027
Deborah Terrero	2025
William Dillon (Mountainside Representative)	2025

OTHER OFFICIALS

Dr. Kim Feltre, Superintendent

Jennifer Nicholson, Board Secretary/School Business Administrator

Berkeley Heights Public Schools
345 Plainfield Avenue
Berkeley Heights, Union County, NJ 07922



BOARD OF EDUCATION

TOWNSHIP OF BERKELEY HEIGHTS

CONSULTANTS AND ADVISORS

ARCHITECT

Solutions Architecture
81 Clay Street
Newark, New Jersey 07104

AUDIT FIRM

Supplee, Clooney and Company
308 E. Broad Street
Westfield, New Jersey 07090

ATTORNEY

Cleary Giacobbe Alfieri Jacobs, LLC.
955 State Route 34
Suite 200
Matawan, NJ 07747

Porzio, Bromberg & Newman PC
100 South Gate Parkway
Morristown, New Jersey 07962

SPECIAL EDUCATION COUNSEL

Chaudry Law.
33 Wood Ave
Woodbridge Township, NJ 08830

Berkeley Heights Public Schools
345 Plainfield Avenue
Berkeley Heights, Union County, NJ 07922



OFFICIAL DEPOSITORY

Citizens Bank
441 Springfield Avenue
Berkeley Heights, NJ 07922

BOARD OF EDUCATION

TOWNSHIP OF BERKELEY HEIGHTS

CONSULTANTS AND ADVISORS (CONTINUED)

HEALTH INSURANCE BROKER

Alliant Employee Benefits
1301 Dove Street
Suite 200
Newport Beach, CA

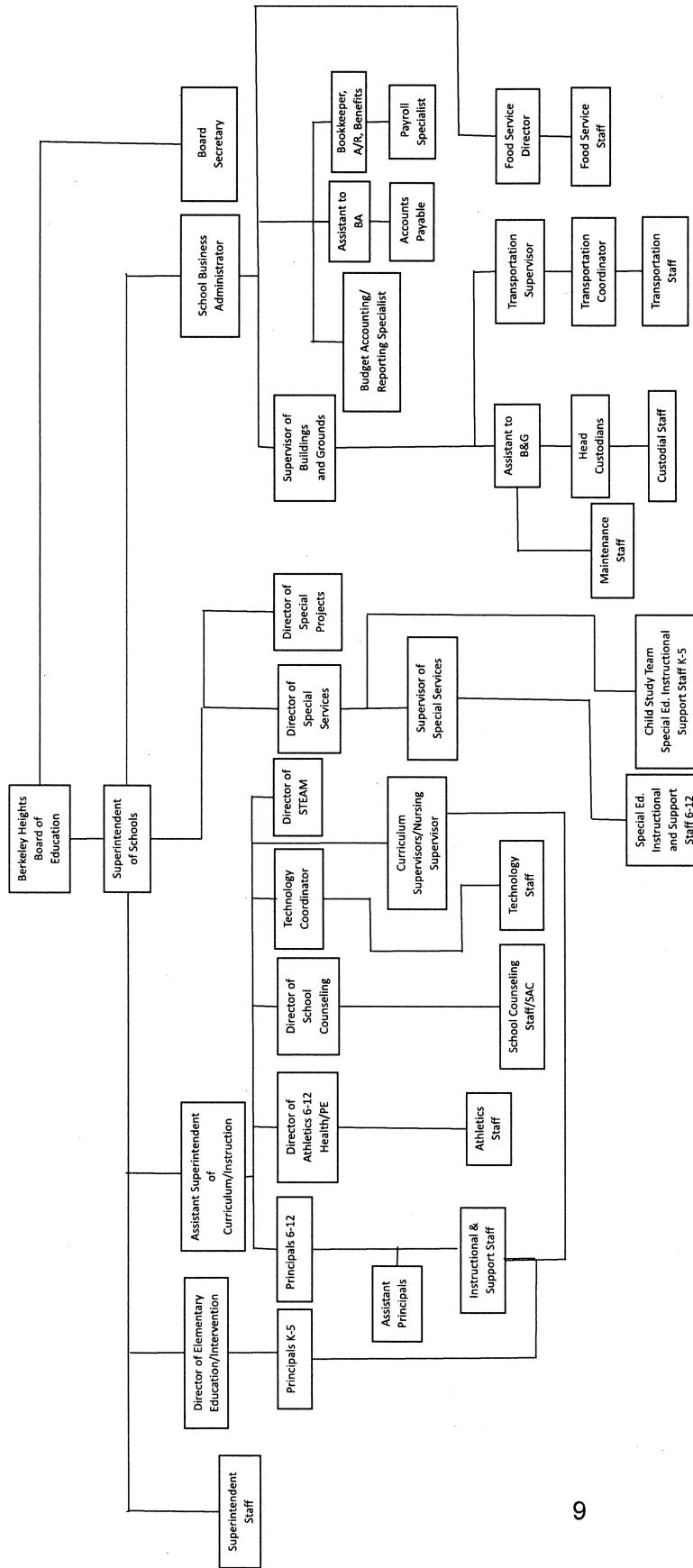
DENTAL INSURANCE BROKER

Centric Benefits Consulting
219 South Street
Suite 103
New Providence, NJ 07924

PROPERTY AND CASUALTY INSURANCE BROKER

Clyde Paul Insurance Agency
47 Maple St, Suite #301
Summit, NJ 07901

Berkeley Heights Public Schools
2024-25 Table of Organization



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300 Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Berkeley Heights School District
County of Union
Berkeley Heights, New Jersey 07922

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Berkeley Heights School District, in the County of Union, State of New Jersey (the "District") 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 and each major fund of the District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

SUPLEE, CLOONEY & COMPANY LLC

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 generally accepted auditing standards, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards*, we:

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

SUPLEE, CLOONEY & COMPANY LLC

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, 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 fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

SUPLEE, CLOONEY & COMPANY LLC

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2025 on our consideration of the 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 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

November 14, 2025

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REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 UNAUDITED

The discussion and analysis of the Township of Berkeley Heights School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments*. Certain comparative information between the current fiscal year (2024-2025) and the prior fiscal year (2023-2024) is required to be presented in the MD&A. In fiscal year 2025 the District implemented GASB Statement No. 101-Compensated Absences.

Financial Highlights

Key financial highlights for 2025 are as follows:

- The state continues to delay the final two state aid payments into the subsequent budget year. Therefore, the final two payments were not reflected on the GAAP basis financial statements for the 2024/2025 school year. The amount of the deferred state aid payments, which were received in July 2025, is \$292,950.00.
- General revenues accounted for \$49,483,753.71 or 73% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$18,101,248.60 or 27% of all revenues.
- The District had \$67,149,998.85 in expenses; \$18,101,248.60 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$49,483,753.71 were adequate to provide for these programs.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 UNAUDITED

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds. In the case of the district, the General Fund is by far the most significant fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?". The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Government Activities – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, student transportation and extracurricular activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service program is reported a business activity.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund Financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities. These statements closely resemble financial statements of a private sector business entity.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Table 1 provides a comparative summary of the District's net position for 2025 and 2024.

**Table 1
Net Position**

	(As restated)	
	<u>2025</u>	<u>2024</u>
Assets		
Current and Other Assets	\$17,036,985.60	\$16,960,734.65
Capital Assets	<u>55,330,153.15</u>	<u>56,530,964.19</u>
Total Assets	72,367,138.75	73,491,698.84
 Deferred Outflows		
Related to Pensions	1,432,178.00	1,639,410.80
Total Deferred Outflows	<u>1,432,178.00</u>	<u>1,639,410.80</u>
 Liabilities		
Other Liabilities	5,634,131.02	4,305,316.34
Long-Term Liabilities	<u>15,214,423.11</u>	<u>19,040,222.61</u>
Total Liabilities	20,848,554.13	23,345,538.95
 Deferred Inflows		
Related to Leases	1,123,760.32	1,196,260.98
Related to Pensions	<u>1,222,904.00</u>	<u>1,294,693.00</u>
Total Deferred Inflows	2,346,664.32	2,490,953.98
 Net Position		
Net Investment in Capital Assets	53,460,855.86	52,769,027.99
Non-Spendable	102,864.74	81,183.10
Restricted	7,844,333.79	9,654,229.39
Unrestricted(Deficit)	<u>(10,803,956.09)</u>	<u>(13,209,823.77)</u>
Total Net Position	<u>\$50,604,098.30</u>	<u>\$49,294,616.71</u>

The District's combined net position was \$50,604,098.30 on June 30, 2025. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Table 2 shows changes in net position for fiscal years 2025 and 2024.

**Table 2
Changes in Net Position**

	<u>2025</u>	<u>2024</u>
Revenues		
Program Revenues:		
Charges for Services	\$7,573,258.41	\$7,889,054.51
Operating Grants and Contributions	10,352,397.84	12,439,656.85
Capital Grants and Contributions	175,592.35	10,235.90
General Revenues:		
Property Taxes	47,860,670.00	46,987,165.00
Grants and Entitlements	724,982.00	732,754.00
Other	<u>898,101.71</u>	<u>898,239.09</u>
Total Revenues	<u>67,585,002.31</u>	<u>68,957,105.35</u>
 Program Expenses		
Instruction	37,130,374.67	38,510,860.64
Support Services:		
Student and Instruction Related	11,727,723.62	10,624,078.38
General Administration	1,868,671.55	1,646,603.80
School Administration	2,503,968.35	2,492,786.18
Central Services/ Adm. Of Technology	1,700,940.70	1,294,405.87
Maintenance of Facilities	6,725,428.65	6,050,304.53
Student Transportation	2,611,989.04	2,372,334.10
Business Type Activities	1,180,977.93	1,139,248.19
Other	<u>1,699,924.34</u>	<u>1,760,119.59</u>
Total Expenses	<u>67,149,998.85</u>	<u>65,890,741.29</u>
Increase/ (Decrease) in Net Position	<u>\$435,003.46</u>	<u>\$3,066,364.06</u>

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Government Activities

Property taxes made up 72 percent of revenues for governmental activities in the District. There was a \$873,505.00 increase in property taxes or 1.86 percent from the prior year. The District's total revenues were \$66,418,462.13 for the year ended June 30, 2025.

Instruction comprises 56 percent of district expenses. Support services make up 41 percent of the district expenses and other services and expenses make up 3 percent.

Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services and contributions in the food service program. The Board of Education continues to work to increase sales in the program and reduce operating costs. The Board has opted out of the State sponsored Child Nutrition Program which limits the price of lunches and restricts types and sizes of offerings. The cafeterias located in each school building offer flexibility in food selection, menu offerings and pricing that meets the needs of the students. The following are some of our major business type activity results.

- Business type expenses exceeded revenues and transfers by \$14,437.75.
- Revenues consist of \$1,106,540.18 in operating revenue from charges for services.

The Statement of Activities shows the cost of program services and the charges offsetting those costs.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3
Net Cost of Services**

	<u>Total Cost of Services 2025</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2025</u>	<u>Net Cost of Services 2024</u>
Instruction	\$37,130,374.67	38,510,860.64	\$23,421,113.57	22,796,387.94
Support Services:				
Students and Instruction Related	11,727,723.62	10,624,078.38	10,350,429.05	8,909,352.03
General Administration, School & Central Administration	6,073,580.61	5,433,795.86	5,611,351.59	4,775,644.21
Maintenance of Facilities	6,725,428.65	6,050,304.53	6,010,949.10	5,643,404.10
Student Transportation	2,611,989.04	2,372,334.10	1,890,703.37	1,670,081.80
Other	1,699,924.34	1,760,119.59	1,689,765.82	1,740,699.74
Business-Type Activities	1,180,977.93	1,139,248.19	74,437.75	(10,844.78)
Total Net Cost of Services	\$67,149,998.85	\$65,890,741.29	\$49,048,750.25	\$45,524,725.04

Instruction expenses include activities directly dealing with the teaching of students and the interaction between teacher and student, including extracurricular activities. Tuition paid to other schools for regular and special education students is also included here.

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and central services include expenses associated with administrative and financial management of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings and equipment in an effective operating condition.

Student transportation includes activities with the conveyance of special education students to and from school, school activities and athletic events, as provided by state law.

“Other” includes unallocated depreciation and interest on long term debt.

Business-Type activities include activities in the food service program.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 UNAUDITED

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Excluding the Capital Projects Fund the total revenues amounted to \$74,599,839.18 and expenditures were \$75,641,616.06.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management, which required significant budget adjustments to contend with state aid reductions. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2025, and the amount and percentage of increase or decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease)</u>	<u>Percent Increase</u>
			<u>from FY 2024</u>	<u>(Decrease)</u>
Local Sources	\$55,246,942.63	74.06%	\$572,974.41	2.02%
State Sources	18,586,474.71	24.90%	52,132.65	0.21%
Federal Sources	766,421.84	1.03%	(122,940.26)	-8.31%
Total	\$74,599,839.18	100.00%	\$502,166.80	0.91%

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures, excluding installment purchases, for the fiscal year ended June 30, 2025, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease)</u>	<u>Percent Increase</u>
			<u>from FY 2024</u>	<u>(Decrease)</u>
Current:				
Instruction	\$26,012,920.01	34.39%	(\$266,997.26)	-1.04%
Support Services	47,458,395.89	62.74%	3,038,823.52	6.02%
Capital Outlay	520,550.16	0.69%	44,403.13	7.86%
Debt Service	1,649,750.00	2.19%	(64,500.00)	-4.07%
Total	\$75,641,616.06	100.00%	\$2,751,729.39	5.11%

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 UNAUDITED

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the Board of Education, when appropriate, approved budget transfers to keep accounts in balance. Transfers to the budget were made to accurately reflect expenditures according to state guidelines and prevent over-expenditures in specific line-item accounts. These revisions bear notation:

- TPAF, which is the State's contribution to the pension fund, post-retirement benefits and the employer's share of FICA costs, is neither a revenue or expenditure item in the budget; however, the School District is required to present this information in the revenue and expenditure sections of the report.
- The district increased the approved budget by \$2,862,756.35 by using excess extraordinary aid received from the prior year and transfers from both the Capital and Maintenance Reserves.

Capital Assets

At the end of the fiscal year 2025, the District had a net of \$56,530,964.19 invested in land, building and building improvements, and machinery and equipment. Table 4 shows fiscal year 2025 balances compared to 2024.

Table 4
Capital Assets (Net of Depreciation)

	<u>2025</u>	<u>2024</u>
Governmental Activities Capital Assets, Net of Depreciation		
Land	\$14,043,000.00	\$14,043,000.00
Construction in Progress	\$741,534.55	\$838,274.55
Land Improvements	1,326,636.40	1,440,833.44
Building and Building Improvements	37,871,425.86	38,823,485.38
Machinery and Equipment	1,217,037.82	1,265,621.55
Total Governmental Activities Capital Assets, Net	<u>55,199,634.63</u>	<u>56,411,214.92</u>
Business Type Activities Capital Assets, Net of Depreciation		
Machinery and Equipment	130,518.52	119,749.27
Total Business Type Activities Capital Assets, Net:	<u>130,518.52</u>	<u>119,749.27</u>
Total Capital Assets, Net	<u>\$55,330,153.15</u>	<u>\$56,530,964.19</u>

Overall net capital assets decreased by \$1,200,811.04 from fiscal year 2024 to fiscal year 2025.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 UNAUDITED

Debt Administration

At June 30, 2025, the District had \$15,214,423.11 of outstanding long-term liabilities. Of this amount, \$4,031,825.99 is for compensated absences; \$18,554.83 is for SBITAs; \$374,297.29 for installment purchases leases, \$9,294,745.00 of net pension liability and \$1,495,000.00 of serial bonds for school construction.

For the Future

The Berkeley Heights Public School District has continued to demonstrate sound accounting and fiscal management practices during a period marked by uncertainty in State funding and persistent inflationary pressures. The State-imposed 2% cap on property tax increases continues to shape how the District budgets, prioritizes and plans for both current and future expenditures.

Despite these fiscal challenges, the District remains steadfast in its mission to provide an excellent educational experience for all students. Through responsible budgeting, the District continues to support the implementation of the New Jersey Student Learning Standards across all content areas and invests in ongoing professional development for staff tasked with delivering high-quality standards-aligned instruction.

Across the Berkeley Heights School District, classrooms are filled with innovation, collaboration, and a strong sense of community. Elementary schools continue to nurture curiosity and character through programs, enrichment initiatives and expanded STEAM units that engage students in hands-on learning. The Berkeley Heights School District enables supports to ensure that instruction meets every child where they are — providing both enrichment and targeted support to help each student reach their fullest potential.

At Columbia Middle School and Governor Livingston High School, a focus on student wellness and engagement continues to grow. Advisory programs, new elective courses, and the Wellness Room promote balance, belonging and resilience. Expanded academic pathways and career-focused offerings help students explore their passions and prepare for the future. Together, these districtwide efforts reflect Berkeley Heights' ongoing commitment to developing the whole student — academically, socially and emotionally — in a supportive and forward-thinking learning environment.

The District continues to evaluate progress toward the goals of its Strategic Plan which remains a living document regularly reviewed and adjusted to meet evolving student needs, curriculum standards and 21st-century skill requirements. During the 2025–26 school year the District will formally revisit and update the Strategic Plan to ensure it continues to reflect the community's shared vision and priorities for the future. This process will engage staff, families and community members in shaping updated goals that emphasize academic excellence, innovation, wellness and inclusivity.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Regularly evaluating its buildings and grounds, the District identifies areas of concern and makes improvements annually. The District utilizes capital reserves for yearly budgeted capital projects and is considering a referendum in the near future to address larger, district-wide infrastructure needs.

The Berkeley Heights School District regularly monitors costs and looks for efficiencies, including opportunities to share services, and engages in bulk purchasing to achieve economies of scale. The District also shares a number of services with the Township which benefit resident taxpayers.

The District is proud and grateful for the community support it receives and is committed to striking a fair balance between the local taxpayer and the educational necessities of its students. The Berkeley Heights Board of Education has committed itself to sound financial practices and plans to continue its prudent fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management Office

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact: Jennifer Nicholson, Business Administrator/Board Secretary, Berkeley Heights Board of Education, 345 Plainfield Avenue, Berkeley Heights, NJ 07922. Also, please visit our website to learn more about our School District.

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BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2025

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of changes in net position 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.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL <u>ACTIVITIES</u>	BUSINESS-TYPE <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$13,410,216.37	\$5,000.00	\$13,415,216.37
Receivables, net	3,584,052.04		3,584,052.04
Internal Balances	(67,844.79)	67,844.79	
Inventory		19,110.60	19,110.60
Intangible Assets, net of amortization	18,606.59		18,606.59
Capital assets:			
Non Depreciable	14,784,534.55		14,784,534.55
Depreciable - Net	<u>40,415,100.08</u>	<u>130,518.52</u>	<u>40,545,618.60</u>
Total Assets	72,144,664.84	222,473.91	72,367,138.75
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pension	1,432,178.00		1,432,178.00
Total deferred outflow of resources	<u>1,432,178.00</u>		<u>1,432,178.00</u>
LIABILITIES:			
Accounts payable	1,488,828.09	58,466.21	1,547,294.30
Payable to state government	6,424.83		6,424.83
Other payables	1,659,893.74		1,659,893.74
Unearned revenue	1,315,904.01	33,062.91	1,348,966.92
Accrued interest payable	24,709.03		24,709.03
Payroll deductions and withholdings payable	1,029,496.76		1,029,496.76
Unemployment compensation claims payable	17,345.44		17,345.44
Noncurrent liabilities:			
Net pension liability	9,294,745.00		9,294,745.00
Due within one year	2,100,744.60		2,100,744.60
Due beyond one year	<u>3,818,933.51</u>		<u>3,818,933.51</u>
Total liabilities	20,757,025.01	91,529.12	20,848,554.13
DEFERRED INFLOWS OF RESOURCES:			
Leases	1,123,760.32		1,123,760.32
Related to pension	<u>1,222,904.00</u>		<u>1,222,904.00</u>
Total deferred inflows of resources	<u>2,346,664.32</u>		<u>2,346,664.32</u>
NET POSITION:			
Net Investment in capital assets	53,330,337.34	130,518.52	53,460,855.86
Non-spendable:			
Leases	102,864.74		102,864.74
Restricted for:			
Special revenue	325,163.51		325,163.51
Capital projects	3,437,807.04		3,437,807.04
Other purposes	4,081,363.24		4,081,363.24
Unrestricted(deficit)	<u>(10,804,382.36)</u>	<u>426.27</u>	<u>(10,803,956.09)</u>
Total net position(deficit)	<u><u>\$50,473,153.51</u></u>	<u><u>\$130,944.79</u></u>	<u><u>\$50,604,098.30</u></u>

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2026

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions		
Governmental Activities:						
Instruction:						
Regular	\$ 18,299,506.65	\$ 6,687,474.52	\$ 6,098,238.56	\$ 2,879,312.36	\$ (16,009,430.25)	\$ (16,009,430.25)
Special	7,190,648.01	2,177,532.75	4,456,050.27	(4,912,130.49)		(4,912,130.49)
Other Instruction	2,088,030.33	689,920.45	278,397.95	(2,499,552.83)		(2,499,552.83)
Support services:						
Student & instruction related services	8,660,728.02	249,079.67	1,128,214.90	(10,350,429.05)		(10,350,429.05)
General administrative services	1,601,497.10	267,174.45	107,782.82	(1,760,888.73)		(1,760,888.73)
School administrative services	1,947,210.54	556,757.81	224,605.78	(2,279,362.57)		(2,279,362.57)
Central services	564,886.08	236,103.74	82,709.63	(718,280.20)		(718,280.20)
Administration information technology	783,122.03	116,828.85	47,130.79	(852,820.09)		(852,820.09)
Plant operations and maintenance	4,359,671.50	2,365,757.15	538,887.20	(6,010,949.10)		(6,010,949.10)
Pupil transportation	2,311,542.08	300,446.96	119,400.00	(1,890,703.37)		(1,890,703.37)
Unallocated benefits	16,128,174.05	(16,128,174.05)				
Special Schools	62,860.95	25,359.77	10,158.52	(78,062.20)		(78,062.20)
Unallocated depreciation and amortization	1,831,032.23	(362,178.01)		(1,468,854.22)		(1,468,854.22)
Interest on Long-Term Debt	142,849.40			(142,849.40)		(142,849.40)
Total governmental activities	\$ 65,971,758.97	\$ 6,466,718.23	\$ 10,355,135.89	\$ 175,592.35	\$ (48,974,312.50)	\$ (48,974,312.50)
Business-type activities						
Food Service	1,180,977.93		1,106,540.18			
Total business-type activities	\$ 1,180,977.93		\$ 1,106,540.18			
Total primary government	\$ 67,152,736.90		\$ 7,573,258.41	\$ 10,355,135.89	\$ 175,592.35	\$ (48,974,312.50)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 46,762,871.00	\$ 46,762,871.00	\$ 46,762,871.00
Taxes levied for debt service				1,097,799.00	1,097,799.00	1,097,799.00
Federal and state aid not restricted				173,031.00	173,031.00	173,031.00
Federal and state aid restricted				551,951.00	551,951.00	551,951.00
Miscellaneous income				898,101.71	898,101.71	898,101.71
Transfers to cover deficit (Enterprise fund)				(60,000.00)	60,000.00	60,000.00
Total general revenues and special items				49,423,753.71	49,423,753.71	49,423,753.71
Change in net position				449,441.21	(14,437.75)	435,003.46
Net Position - beginning (As restated)	\$ 50,023,712.30		\$ 145,382.54			\$ 50,169,094.84
Net Position - ending	\$ 50,473,153.51		\$ 130,944.79			\$ 50,604,098.30

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

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	GENERAL <u>FUND</u>	SPECIAL <u>FUND</u>	CAPITAL <u>FUND</u>	DEBT <u>FUND</u>	TOTAL <u>GOVERNMENTAL FUNDS</u>
ASSETS:					
Cash and cash equivalents	\$ 12,262,864.77	\$ 411,301.00	\$ 736,050.22	\$ 0.38	\$ 13,410,216.37
Accounts receivable:					
Federal		592,617.40			592,617.40
State	874,643.39	1.00	576,100.00		1,450,744.39
Local	314,065.19				314,065.19
Accrued Interest	809.05				809.05
Leases	<u>1,225,816.01</u>				<u>1,225,816.01</u>
Total assets	<u>\$ 14,678,198.41</u>	<u>\$ 1,003,919.40</u>	<u>\$ 1,312,150.22</u>	<u>\$ 0.38</u>	<u>\$ 16,994,268.41</u>
LIABILITIES , DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts payable	543,601.04	2,747.05			546,348.09
Accrued liability for insurance claims	1,659,893.74				1,659,893.74
Payroll deductions payable	1,029,496.76				1,029,496.76
Unemployment claims payable	17,345.44				17,345.44
Interfund payable	67,844.79				67,844.79
Intergovernmental payables:					
State		6,424.83			6,424.83
Unearned revenue	<u>121,754.00</u>	<u>669,584.01</u>	<u>524,566.00</u>		<u>1,315,904.01</u>
Total liabilities	<u>3,439,935.77</u>	<u>678,755.89</u>	<u>524,566.00</u>		<u>4,643,257.66</u>
DEFERRED INFLOWS OF RESOURCES:					
Leases	<u>1,123,760.32</u>				<u>1,123,760.32</u>
Fund balances:					
Non-spendable:					
Leases	102,864.74				102,864.74
Restricted for:					
Capital reserve account	3,437,807.04				3,437,807.04
Maintenance reserve account	915,030.39				915,030.39
Excess surplus	272,527.77				272,527.77
Excess surplus designated for subsequent years expenditures	2,443,675.00				2,443,675.00
Scholarships		18,294.67			18,294.67
Student Activities		306,868.84			306,868.84
Unemployment	450,130.08				450,130.08
Debt service				0.38	0.38
Assigned:					
Year-end encumbrances	1,452,519.85	787,584.22			2,240,104.07
Unassigned	<u>1,039,947.45</u>				<u>1,039,947.45</u>
Total fund balances	<u>10,114,502.32</u>	<u>325,163.51</u>	<u>787,584.22</u>	<u>0.38</u>	<u>11,227,250.43</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,678,198.41</u>	<u>\$ 1,003,919.40</u>	<u>\$ 1,312,150.22</u>	<u>\$ 0.38</u>	<u>\$ 16,994,268.41</u>

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

EXHIBIT "B-1"
SHEET #2

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Total Fund Balances (Brought Forward) \$ 11,227,250.43

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.

Cost of Assets	\$ 95,720,694.36
Accumulated Depreciation	<u>(40,521,059.73)</u>
	55,199,634.63

Intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.	18,606.59
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Long term liabilities, including bonds payable, and other related
amounts that are not due and payable in the current period
and therefore are not reported as liabilities in the funds.

Serial bonds payable	(1,495,000.00)
Net Pension Liability	(9,294,745.00)
Subscription Based Information Technology Arrangements Payable	(18,554.83)
Installment purchases	(374,297.29)
Compensated absences payable	<u>(4,031,825.99)</u>
	(15,214,423.11)

Deferred Outflows and Inflows of resources are applicable
to future periods and therefore are not reported in the funds.

Pensions:	
Deferred Outflows	
Pension related	1,432,178.00

Deferred Inflows:	
Pension related	(1,222,904.00)

Certain liabilities are not due and payable in the current period
and therefore, are not reported in the governmental funds.

Accounts payable - pension related	(942,480.00)
Accrued Interest Payable	<u>(24,709.03)</u>
	(967,189.03)

Net Position of Governmental Activities	\$ <u>50,473,153.51</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 46,762,871.00	\$	\$	\$ 1,097,799.00	\$ 47,860,670.00
Interest earned on maint. reserve funds	10,592.65				10,592.65
Interest earned on capital reserve funds	61,896.18				61,896.18
Transporatation Fees from Individuals	119,400.00				119,400.00
Tuition	6,098,238.56				6,098,238.56
Miscellaneous	825,612.88	270,532.36			1,096,145.24
Total - local sources	53,878,611.27	270,532.36		1,097,799.00	55,246,942.63
State sources	17,939,370.80	95,152.91	51,534.00	551,951.00	18,638,008.71
Federal sources		766,421.84			766,421.84
Total revenues	71,817,982.07	1,132,107.11	51,534.00	1,649,750.00	74,651,373.18
EXPENDITURES:					
Current expense:					
Regular instruction	17,823,462.28	189,611.94			18,013,074.22
Special instruction	5,355,323.36	556,492.10			5,911,815.46
Other instruction	2,088,030.33				2,088,030.33
Support services:					
Tuition	1,833,132.55				1,833,132.55
Student & instruction related services	8,416,843.66	251,065.76			8,667,909.42
General administrative services	1,602,787.25				1,602,787.25
School administrative services	1,947,210.54				1,947,210.54
Central services	566,176.23				566,176.23
Administrative information technology	826,254.15				826,254.15
Plant operations and maintenance	4,374,524.11	7,107.70			4,381,631.81
Student transportation	2,348,868.24				2,348,868.24
Unallocated benefits	25,221,564.75				25,221,564.75
Special schools	62,860.95				62,860.95
Debt Service:					
Principal				1,500,000.00	1,500,000.00
Interest				149,750.00	149,750.00
Capital outlay	396,491.81	124,058.35	128,835.78		649,385.94
Total expenditures	72,863,530.21	1,128,335.85	128,835.78	1,649,750.00	75,770,451.84
Excess (deficiency) of revenues over (under) expenditures	(1,045,548.14)	3,771.26	(77,301.78)		(1,119,078.66)
Other financing sources (uses):					
Operating transfers in/(out)	(864,886.00)		864,886.00		
Transfers to cover deficit (Enterprise fund)	(60,000.00)				(60,000.00)
Total other financing sources (uses)	(924,886.00)		864,886.00		(60,000.00)
Net change in fund balances	(1,970,434.14)	3,771.26	787,584.22		(1,179,078.66)
Fund balances, July 1,	\$ 12,084,936.46	\$ 321,392.25	\$	\$ 0.38	\$ 12,406,329.09
Fund balances, June 30,	\$ 10,114,502.32	\$ 325,163.51	\$ 787,584.22	\$ 0.38	\$ 11,227,250.43

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

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

Total net change in fund balances - governmental funds (from B-2) \$ (1,179,078.66)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period

Depreciation expense	\$ (1,831,032.23)
Capital outlays	649,385.94
Less: Capital outlays not capitalized	<u>(37,116.68)</u>
	(1,218,762.97)

Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Amortization Expense:
Subscription Based Information Technology Arrangements (13,011.19)

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

Payment of installment purchase principal	399,821.59
Payment of subscription based information technology arrangements	12,463.08
Payment of bond principal	<u>1,500,000.00</u>
	1,912,284.67

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an increase in the reconciliation.

Decrease in accrued interest payable 24,791.66

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

District pension contributions	930,785.00
Less: Pension expense	<u>(119,155.00)</u>
	811,630.00

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 (+).

Decrease in compensated absences payable	111,587.70
Change in net position of governmental activities	\$ <u>449,441.21</u>

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OTHER FUNDS

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

BUSINESS-TYPE
ACTIVITIES
ENTERPRISE FUNDS
FOOD SERVICE

ASSETS:

Current assets:

Cash and cash equivalents	\$ 5,000.00
Accounts receivable:	
Interfunds	67,844.79
Inventories	<u>19,110.60</u>
Total current assets	<u>91,955.39</u>

Noncurrent assets:

Furniture, machinery and equipment	373,591.92
Less accumulated depreciation	<u>(243,073.40)</u>
Total noncurrent assets	<u>130,518.52</u>
Total assets	<u>222,473.91</u>

LIABILITIES:

Current liabilities:

Accounts payable	58,466.21
Unearned revenue	<u>33,062.91</u>
Total current liabilities	<u>91,529.12</u>
Total liabilities	<u>91,529.12</u>

NET POSITION:

Net Investment in capital assets	130,518.52
Unrestricted	<u>426.27</u>
Total net position	<u>\$ 130,944.79</u>

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

EXHIBIT "B-5"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

BUSINESS-TYPE
ACTIVITIES
ENTERPRISE FUND
FOOD SERVICE

OPERATING REVENUES:

Charges for services:

Daily sales	\$ 1,106,540.18
	<u>1,106,540.18</u>

OPERATING EXPENSES:

Cost of sales	480,072.90
Salaries	374,153.14
Employee benefits and taxes	99,427.51
Other purchased services	80,357.41
Supplies and materials	70,213.93
Miscellaneous	61,685.28
Depreciation	<u>15,067.76</u>
Total operating expenses	<u>1,180,977.93</u>
Operating Income	<u>(74,437.75)</u>
Net income before contributions and transfers	<u>(74,437.75)</u>
Other financing uses:	
Transfers in	<u>60,000.00</u>
Change in net position	<u>(14,437.75)</u>
Total net position - beginning	<u>145,382.54</u>
Total net position - ending	\$ <u>130,944.79</u>

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>BUSINESS-TYPE ACTIVITIES</u>
	<u>ENTERPRISE FUND</u>
	<u>FOOD SERVICE</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,095,721.12
Payments to employees and employee benefits	(374,153.14)
Payments to suppliers	<u>(754,160.67)</u>
Net cash provided by (used for) operating activities	<u>(32,592.69)</u>
Cash flows from noncapital financing activities:	
Transfers from/(to) other funds	<u>58,133.45</u>
Net cash provided by noncapital financing activities:	<u>58,133.45</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(25,837.01)</u>
Net cash provided by (used for) capital and related financing activities	<u>(25,837.01)</u>
Net decrease in cash and cash equivalents	(296.25)
Cash and cash equivalents, July 1,	<u>5,296.25</u>
Cash and cash equivalents, June 30,	<u>\$ 5,000.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (74,437.75)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and net amortization	15,067.76
Change in assets and liabilities:	
Increase/(decrease) in accounts payable	34,902.33
Increase/(decrease) in unearned revenue	(10,819.06)
(Increase)/decrease in inventories	<u>2,694.03</u>
	<u>41,845.06</u>
Net cash provided by (used for) operating activities	<u>\$ (32,592.69)</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Berkeley Heights School District (District) have been prepared in conformity with U.S. 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. The more significant of the Board's accounting policies are described below.

Reporting Entity

The District is a Type II District located in Union County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a seven member board and one sending district member and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled *"Determining Whether Certain Organizations are Component Units"* (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one high school, one middle school and four elementary schools. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The 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 appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or leased assets (other than those financed by proprietary funds). 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, funds appropriated from the General Fund, and from aid provided by the State to offset the cost of approved capital projects.

Debt Service Fund - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service program operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Basis of Accounting - Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or 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.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset and leased asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and installment purchases are reported as other financing sources.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfer must be approved by School Board resolution. Budget amendments during the year ended June 30, 2025 totaled \$2,862,756.35, representing prior unbudgeted state aids, and other approved modifications. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	40
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Ground Equipment	15

Compensated Absences

The District accounts for compensated absences (e.g., unused sick and vacation leave) in accordance with Governmental Accounting Standards Board (GASB) Statement No. 101, "Compensated Absences." This statement was implemented for the fiscal year ended June 30, 2025, replacing the guidance previously provided by GASB Statement No. 16.

GASB 101 requires that a liability be recognized for leave that has been earned in exchange for services rendered and that has not yet been used, if (1) the leave is usable for time off or other compensation, and (2) it is more likely than not that the leave will be used or paid. This standard expands the recognition criteria to include certain types of leave that may not have previously met the vesting or accumulation requirements under GASB 16.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and may be eligible for payment upon retirement, subject to negotiated agreements and years of service.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

The compensated absences liability is calculated based on leave balances that are expected to be used or paid, consistent with the "more likely than not" threshold established under GASB 101. The District's calculation incorporates both the probability of leave usage and payout eligibility under existing employment agreements.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the food service fund.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable under generally accepted accounting principles.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

Under GASB 54, 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. The District reports a portion of fund balance for leases that are not available for appropriation because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not spendable resource.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Scholarships, Student Activities, Unemployment and Excess Surplus as Restricted Fund Balance.

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.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

Assigned – includes amount 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. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

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

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.

Revenues Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function in the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately in the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements, the year-end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts related to pensions and leases.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

Right to Use Assets

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 incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

Subscription-Based Information Technology Arrangements (SBITAs)

GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), 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 the deposits to the governmental unit.

The District had the following cash and cash equivalents at June 30, 2025:

Fund Type:	Bank	Reconciling Items:		Reconciled
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental	\$15,078,755.27	\$88,536.86	\$1,757,075.76	\$13,410,216.37
Proprietary	7,655.72		2,655.72	5,000.00
	<u>\$15,086,410.99</u>	<u>\$88,536.86</u>	<u>\$1,759,731.48</u>	<u>\$13,415,216.37</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2025, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$320,318.85 was covered by Federal Depository Insurance and \$6,012,200.93 was covered under the provisions of NJGUDPA and \$8,753,891.21 was on deposit with the N.J. Cash Management Fund.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

The purchase of investments by the District is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2025, the District had no outstanding investments.

As of June 30, 2025, the District had \$8,753,891.21 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$14,043,000.00			\$14,043,000.00
Construction in progress	838,274.55	\$151,875.00	(\$248,615.00)	741,534.55
Total Capital Assets not being depreciated	<u>14,881,274.55</u>	<u>151,875.00</u>		<u>14,784,534.55</u>
Land Improvements	4,943,613.18			4,943,613.18
Buildings & Building Improvements	70,249,119.66	266,020.15	248,615.00	70,763,754.81
Machinery & Equipment	5,053,235.03	201,556.79	(26,000.00)	5,228,791.82
Totals at historical cost	<u>80,245,967.87</u>	<u>467,576.94</u>	<u>222,615.00</u>	<u>80,936,159.81</u>
Gross Assets (Memo only)	<u>95,127,242.42</u>	<u>619,451.94</u>	<u>222,615.00</u>	<u>95,720,694.36</u>
Less: Accumulated Depreciation				
Land Improvements	(3,502,779.74)	(114,197.04)		(3,616,976.78)
Buildings & Building Improvements	(31,425,634.28)	(1,466,694.67)		(32,892,328.95)
Machinery & Equipment	(3,787,613.48)	(250,140.52)	26,000.00	(4,011,754.00)
Total Depreciation	<u>(38,716,027.50)</u>	<u>(1,831,032.23)</u>	<u>26,000.00</u>	<u>(40,521,059.73)</u>
Total capital assets being depreciated, net of depreciation	<u>41,529,940.37</u>	<u>(1,363,455.29)</u>	<u>248,615.00</u>	<u>40,415,100.08</u>
Total Governmental Fund Activities	<u>\$56,411,214.92</u>	<u>(\$1,211,580.29)</u>	<u>\$248,615.00</u>	<u>\$55,199,634.63</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

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

Proprietary Activities:

Machinery & Equipment	\$347,754.91	\$25,837.01	\$373,591.92
Totals at historical cost	<u>347,754.91</u>	<u>25,837.01</u>	<u>373,591.92</u>
Less: Accumulated Depreciation			
Machinery & Equipment	(228,005.64)	(\$15,067.76)	(243,073.40)
Total Depreciation	<u>(228,005.64)</u>	<u>(15,067.76)</u>	<u>(243,073.40)</u>
Total Proprietary Activities	<u>\$119,749.27</u>	<u>\$10,769.25</u>	<u>\$130,518.52</u>

Depreciation expense of governmental activities was charged to functional expenses

areas of the District as follows:

Instruction:

Regular \$20,185.20

Support services:

Student & instruction related services 54,354.28

Technology 31,081.28

Plant operations and maintenance 191,521.44

Pupil transportation 65,035.81

Direct Expense of various functions 1,468,854.22

\$1,831,032.23

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 4: INTANGIBLE ASSETS

The District has recorded intangible assets. The assets are for various subscription-based information technology arrangements ("SBITAs"). These agreements are discussed in the SBITAs subsection of the Long-term liabilities section of these notes. The intangible assets are amortized on a straight-line basis over the terms of the related agreements. Intangible asset activity for the Governmental Funds for the year ended June 30, 2025 was as follows:

	Balance, <u>June 30, 2024</u>	Additions	Reductions	Balance, <u>June 30, 2025</u>
Governmental Funds:				
Intangible Assets:				
Software	\$44,597.63	_____	_____	\$44,597.63
Total Intangible Assets	<u>44,597.63</u>	_____	_____	<u>44,597.63</u>
Less: Accumulated Amortizations for:				
Software	(12,979.84)	(\$13,011.20)	_____	(25,991.04)
Total Accumulated Amortization	<u>(12,979.84)</u>	<u>(13,011.20)</u>	_____	<u>(25,991.04)</u>
Governmental Funds-Intangible				
Assets, net	<u>\$31,617.79</u>	<u>(\$13,011.20)</u>	_____	<u>\$18,606.59</u>

NOTE 5: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2025, the District had no bonds or notes authorized but not issued.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2025:

	(As restated)				
	Balance, 6/30/2024	Additions	Reductions	Balance, 6/30/2025	Due Within One Year
Bonds Payable	\$2,995,000.00		(\$1,500,000.00)	\$1,495,000.00	\$1,495,000.00
Compensated Absences	4,143,413.69		(111,587.70) *	4,031,825.99	317,374.00
SBITAs Payable	31,017.91		(12,463.08)	18,554.83	12,911.75
Net Pension Liability	10,222,194.00		(927,449.00)	9,294,745.00	
Installment Purchases					
Payable	774,118.88		(399,821.59)	374,297.29	275,458.85
Total	<u>\$18,165,744.48</u>		<u>(\$2,951,321.37)</u>	<u>\$15,214,423.11</u>	<u>\$2,100,744.60</u>

*In accordance with GASB Statement No. 101, the change in compensated absences is presented on a net basis.

Debt Service Requirements

The annual requirements to amortize all debt outstanding as of June 30, 2025, including interest payments on issued debt, are as follows:

Fiscal Year			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	<u>\$1,495,000.00</u>	<u>\$74,750.00</u>	<u>\$1,569,750.00</u>

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issue:

<u>Issue</u>	<u>Amount Outstanding</u>	<u>June 30, 2025</u>
\$13,970,000.00 in 2014 Refunding Bonds due in a remaining annual installment of \$1,485,000.00 at an interest rate of 5.000%		<u>\$1,495,000.00</u>
		<u>\$1,495,000.00</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Debt Capacity

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2025, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2024	\$3,542,835,039
2023	3,694,801,857
2022	<u>3,542,835,039</u>
	<u>\$10,780,471,935</u>
Average equalized valuation	<u>\$3,593,490,645</u>
School borrowing margin (4% of \$3,593,490,645)	\$143,739,626
Net school debt as of June 30 2025	<u>1,495,000</u>
School borrowing power available	<u>\$142,244,626</u>

Installment Purchases

The District has entered into several installment purchase agreements for technology, equipment, curriculum and buses. The agreements are for terms up to five years. Future annual debt service payments on installment purchases as of June 30, 2025 including interest of \$11,225.26 are as follows:

<u>Fiscal Year</u>	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026		\$275,458.85	\$8,657.43	\$284,116.28
2027		<u>98,838.44</u>	<u>2,567.83</u>	<u>101,406.27</u>
		<u>\$374,297.29</u>	<u>\$11,225.26</u>	<u>\$385,522.55</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Subscription-Based Information Technology Agreements Payable

The District has entered into an agreements for software that qualifies as subscription-based information technology agreements under GASB 96. The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2025, were as follows:

Fiscal Year			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$12,911.75	\$667.97	\$13,579.72
2027	3,849.05	203.16	4,052.21
2028	1,794.03	64.58	1,858.61
	<u>\$18,554.83</u>	<u>\$935.71</u>	<u>\$19,490.54</u>

NOTE 6: 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 Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision 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 under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 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. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A, 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A 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.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.*, the State of New Jersey makes the employer contribution on behalf of public school districts.

Three Year Trend Information for PERS

Year Ended	Annual Pension Cost	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
<u>June 30,</u>	<u>(APC)</u>		
2025	\$930,795.00	100%	\$930,795.00
2024	943,241.00	100%	943,241.00
2023	937,217.00	100%	937,217.00

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: PENSION PLANS (CONTINUED)

During the fiscal years ended June 30, 2025, 2024, and 2023, the State of New Jersey contributed \$9,413,205.00, \$9,681,643.00 and \$8,202,232.00 respectively, excluding post-retirement medical and long-term disability insurance, to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2025, 2024 and 2023, the State of New Jersey reimbursed the District \$1,971,107.80, \$1,933,836.20 and \$1,961,983.69 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

NOTE 7: ACCOUNTING AND REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2025, the State reported a net pension liability of \$9,294,745.00 for the District's proportionate share of the total net pension liability. 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. 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 was 0.0684038360 percent, which was a decrease of 0.0021701081 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized a pension expense of \$930,785.00 in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2023 measurement date

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 PENSION PLANS (CONTINUED)

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 186,191.00	\$ 24,745.00
Changes of assumptions	11,547.00	105,753.00
Net difference between projected and actual earnings on pension plan investments		430,972.00
Changes in proportion and differences between District contributions and proportionate share of contributions	291,960.00	661,434.00
District contributions subsequent to the measurement date	<u>942,480.00</u>	
	<u>\$ 1,432,178.00</u>	<u>\$ 1,222,904.00</u>

The \$942,480.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other local amounts reported by the State as the District's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68
PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2025	(\$468,526.80)
2026	231,460.20
2027	(249,571.80)
2028	(175,311.80)
2029	<u>(71,255.80)</u>
	<u><u>(\$733,206.00)</u></u>

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

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

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68
PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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

Long-Term 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 Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2024 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market 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. Treasury's	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68
PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$12,350,430.00	\$9,294,745.00	\$6,694,373.00

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68
PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2025, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the District under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the District does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the District related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the District as of the measurement date June 30, 2024 was 0.0687198665% which was a decrease of 0.0021220258 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the measurement dates June 30, 2024 and June 30, 2023 was \$29,966.00 and \$31,879.00, respectively.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68
PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these 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 nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2025 was as follows:

Net Pension Liability:

Districts proportionate share	\$-0-
State's proportionate share	
associated with the District	<u>111,026,401.00</u>
	<u><u>\$111,026,401.00</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 which was rolled forward to June 30, 2024. The net pension liability associated with the District 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 proportion of the TPAF net pension liability associated with the District was .2246356321% which was a decrease of .0037511140 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized on-behalf pension benefit and revenue of \$405,007.00 in the government-wide financial statements for contributions provided by the State. This pension benefit and revenue was based on the pension plans June 30, 2024 measurement date.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68
PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)
Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rate

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.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68
PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market 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%

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68
PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (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 Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	153,556
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	- 0 -
Total Plan Members	<u>372,741</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2025 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated	
with the District	<u>117,125,061</u>
	<u><u>\$117,125,061</u></u>

The total Non-Employer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2025, the District recognized on-behalf post-employment expense and revenue of \$4,398,585.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2024 measurement date.

At the June 30, 2024 measurement date, the District's proportion was .1963517568 percent, which was a increase of .0018849160 from its proportion measured as of June 30, 2023.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2025 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, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-5.65%*	2.75-6.55%*	3.25-16.25%*

*- Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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.

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2023 to June 30, 2024.

Balance at 6/30/23		\$101,826,082
Changes for the year:		
Service cost		\$4,305,162
Interest		3,855,480
Differences between expected and actual experience		1,219,495
Changes in assumptions or other inputs		8,762,512
Membership Contributions		100,822
Benefit payments - Net		<u>(2,944,492)</u>
Net changes		<u>15,298,979</u>
Balance at 6/30/24		<u>\$117,125,061</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2025, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	1.00% <u>Decrease</u> (2.93%)	At Discount <u>Rate (3.93%)</u>	1.00% <u>Increase</u> (4.93%)
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$137,178,531	\$117,125,061	\$100,997,909

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2025, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$97,566,029	\$117,125,061	\$142,601,992

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At the June 30, 2024 measurement date, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 12,525,146	\$ 21,873,010
Changes of assumptions	19,644,950	22,899,735
Changes in proportion	3,613,606	2,459,402
	<hr/> <u>\$ 35,783,702</u>	<hr/> <u>\$ 47,232,147</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

Measurement Period Ended	<u>Amount</u>
<u>June 30,</u>	
2025	(\$3,923,722)
2026	(\$3,252,784)
2027	(\$1,423,770)
2028	\$665,702
2029	(\$2,788,510)
Total	
Thereafter	(\$725,360)
	<hr/> <u>(\$11,448,445)</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

In accordance with GASBS No. 75, the District'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 in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

NOTE 9: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 10: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2024-2025 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors.

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 11: RISK MANAGEMENT (CONTINUED)

Property and Liability Insurance - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

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. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

Year Ended <u>June 30,</u>	Interest and			
	Employer <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2025	\$-0-	\$68,402.25	\$74,861.15	\$467,475.52
2024	-0-	74,779.82	98,469.17	473,934.42
2023	-0-	64,898.39	64,895.79	497,623.77

Health and Prescription Drug Insurance

As of June 30, 2025, the District has recognized an accrued liability of \$1,659,893.74 for the Supplemental Premium under the agreement with Cigna Health and Life Insurance Company (CHLIC).

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 12: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 101 (GASB 101), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for vested compensated absences of the governmental fund types are recorded in the district-wide statement of net position. As of June 30, 2025, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$4,031,825.99.

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 proprietary funds.

NOTE 13: FUND BALANCE APPROPRIATED-GAAP BASIS

General Fund - Of the \$10,114,502.32 in General Fund Balance at June 30, 2025, \$1,452,519.85 has been assigned for encumbrances; \$102,864.74 is non-spendable, \$3,437,807.04 has been restricted in the Capital Reserve Account; \$915,030.39 has been restricted in the Maintenance Reserve Account; \$272,527.77 has been restricted as excess surplus; \$2,443,675.00 has been restricted as excess surplus - subsequent years' expenditures; \$450,130.08 has been restricted as unemployment; and \$1,039,947.45 is unassigned.

NOTE 14: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted 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 resulting from the year ended June 30, 2025 is \$272,527.77.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)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 during the year ended June 30, 2025, is as follows:

Balance, July 1, 2024	\$3,978,983.32
Interest Earnings	\$61,896.18
Deposits:	
Board Resolution	<u>750,000.00</u>
	811,896.18
	<u>\$4,790,879.50</u>
Withdrawals:	
2024-25 Budget (Net)	<u>1,353,072.46</u>
Balance, June 30, 2025	<u>\$3,437,807.04</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 16: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve was established through a board resolution by the District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C. 6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years.

The activity of the maintenance reserve during the year ended June 30, 2025, is as follows:

Balance, July 1, 2024	\$1,012,871.86
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Interest Earnings	10,592.65
Deposits:	
Board Resolution	<u>350,000.00</u>
	<u>360,592.65</u>
	<u>\$1,373,464.51</u>

Withdrawals:

2024-25 Budget (Net)	<u>458,434.12</u>
Balance, June 30, 2025	<u>\$915,030.39</u>

NOTE 17: INVENTORY

Inventory in the Food Service Fund at June 30, 2025 consisted of the following:

Food and Supplies	<u>\$19,110.60</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 18: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2025.

NOTE 19: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2025:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund		\$67,844.79
Enterprise Funds	\$67,844.79	
	<u>\$67,844.79</u>	<u>\$67,844.79</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 20: RESTATEMENT

The District made the following prior year adjustment in the District Wide Financial Statements in accordance with the implementation of GASB 101, *Compensated Absences* as of June 30, 2024:

	<u>Governmental</u> <u>Activities</u>
Beginning Net Position 06/30/24	\$53,168,827.93
Adjustments:	
Noncurrent liabilities:	
Due beyond one year - Compensated Absences	<u>(3,145,115.63)</u>
Beginning Net Position 06/30/24 (As restated)	<u>\$50,023,712.30</u>

Township of Berkeley Heights School District
Notes to the Financial Statements
June 30, 2025

NOTE 21: LEASE RECEIVABLE

The District, as lessor, leases property at 175 Watchung Boulevard, Berkeley Heights, New Jersey for use of Wireless Edge Towers. The current lease term expires at December 31, 2026 with three additional extension options, each for 60 months. The lessee must provide notice of intention to terminate to the lessor not less than sixty days prior to the expiration of any subsequent renewal term. The lease receivable is measured as the present value of the future value of the minimum lease payments expected to be received during the lease term at the discount rate. The discount rate is 1.485% and is equal to the incremental borrowing rate of the Lessee.

Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Lease Receivable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$53,641.00	\$17,839.25
2027	56,602.08	17,022.58
2028	59,672.20	16,161.20
2029	62,854.93	15,253.47
2030	66,153.98	14,297.68
2031-2035	384,598.92	55,343.72
2036-2040	486,851.32	23,162.76
2041	55,441.58	240.38
 Total Minimum Lease Payments	 \$1,225,816.01	 \$159,321.04

NOTE 22: SUBSEQUENT EVENTS

The District has evaluated material subsequent events occurring after the financial statement date through November 14, 2025 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that there are no subsequent events needed to be disclosed.

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REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES:	BUDGET			ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	TRANSFERS AND AMENDMENTS	FINAL BUDGET		
Local Sources:					
Local Tax Levy	\$ 46,762,871.00	\$ 46,762,871.00	\$ 46,762,871.00	\$ 46,762,871.00	\$ 56,541.00
Tuition from Individuals	111,250.00	111,250.00	111,250.00	167,791.00	(16,872.44)
Tuition from Other LEAs Within State	5,941,320.00	5,941,320.00	5,940,447.56	5,940,447.56	(6,600.00)
Transportation Fees From Individuals	126,000.00	126,000.00	119,400.00	119,400.00	13,860.42
Rents and Royalties	195,750.00	195,750.00	196,101.42	196,101.42	146,379.47
Unrestricted Miscellaneous Revenues	442,086.00	442,086.00	588,475.57	588,475.57	10,442.65
Interest Earned on Maintenance Reserve	150.00	150.00	10,592.65	10,592.65	57,396.18
Interest Earned on Capital Reserve Funds	4,500.00	4,500.00	61,896.18	61,896.18	5,845.25
Other Restricted Miscellaneous Revenues					
Total Local Sources	53,563,937.00		53,583,337.00	53,886,929.63	272,992.63
State Sources:					
Categorical Transportation Aid	470,303.00	470,303.00	470,303.00	470,303.00	114,921.00
Extraordinary Aid	600,000.00	600,000.00	714,921.00	714,921.00	
Categorical Special Education Aid	2,377,140.00	2,377,140.00	2,377,140.00	2,377,140.00	
Categorical Security Aid	172,508.00	172,508.00	172,508.00	172,508.00	
Other State Aids	35,000.00	35,000.00	64,716.00	64,716.00	29,716.00
On-behalf TPAF Contributions-non-budgeted				9,298,027.00	9,298,027.00
NCGI-non-budgeted				115,178.00	115,178.00
Reimbursed TPAF Social Security Contribution-non-budgeted				1,971,107.80	1,971,107.80
Post Retirement Medical-non budgeted				2,750,546.00	2,750,546.00
Long-Term Disability Insurance-non-budgeted				3,585.00	3,585.00
Total State Sources	3,654,951.00		3,654,951.00	17,938,031.80	14,285,080.80
Total Revenues	57,238,888.00		57,238,888.00	71,794,961.43	14,556,073.43

EXPENDITURES:

CURRENT EXPENSE:				
Instruction - Regular Programs:				
Preschool - Salaries of Teachers	187,154.40	(44,000.00)	143,154.40	139,134.94
Kindergarten - Salaries of Teachers	907,182.50	(3,780.21)	903,382.29	886,865.64
Grades 1-5 - Salaries of Teachers	6,015,116.55	(222,153.70)	5,793,322.85	5,733,571.80
Grades 6-8 - Salaries of Teachers	3,984,336.80	(126,446.60)	3,857,380.20	3,882,770.18
Grades 9-12 - Salaries of Teachers	6,310,716.40	(314,277.26)	5,996,439.14	5,981,667.97
Regular Programs - Home Instruction:				
Salaries of Teachers	42,000.00	(21,014.61)	20,985.39	20,939.00
Purchased Professional Educational Services	52,795.10	14,131.00	66,326.10	61,503.49
Regular Programs - Undistributed Institution:				
Other Salaries for Instruction	109,920.00	8,468.90	118,388.90	118,388.90
Purchased Professional - Educational Services	110,715.00	(24,407.90)	86,308.00	79,000.87
Purchased Technical Services	384,952.00	(358,551.90)	26,401.10	25,604.82
Other Purchased Services (400 - 500 series)	121,234.63	267,054.25	388,348.88	381,809.93
General Supplies	435,340.98	102,167.67	537,508.65	451,597.51
Textbooks	44,138.00	3,000.00	47,138.00	40,744.74
Other Objects	2,056.00		2,056.00	197.00
Total Regular Programs	18,707,758.36	(7,19,895.46)	17,987,948.90	17,823,462.28

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instruction - Special Education:					
Learning and/or Language Disabilities-Mild/Moderate:					
Salaries of Teachers	\$ 198,608.00	\$ 32,000.00	\$ 230,608.00	\$ 230,430.25	\$ 177.75
Other Salaries for Instruction	88,992.00	(26,000.00)	62,992.00	62,922.80	69.20
Purchased Professional-Educational Services	120.00		120.00		120.00
General Supplies	2,150.00		2,150.00		1,459.03
Total Learning and/or Language Disabilities-Mild/Moderate	\$ 289,870.00	6,000.00	295,870.00	294,044.02	1,825.98
Learning and/or Language Disabilities-Severe:					
Auditory Impairments					
Salaries of Teachers	413,651.00	(40,000.00)	373,651.00	372,079.15	1,571.85
Other Salaries for Instruction	282,580.00	42,935.53	325,475.53	318,939.77	6,535.76
Purchased Professional-Educational Services	5,449.00	10,268.00	15,717.00	14,940.00	777.00
Other Purchased Services (400-500 series)	1,400.00	(550.00)	850.00		850.00
General Supplies	155.00		155.00		2.97
Other Objects					
Total Auditory Impairments	703,235.00	13,392.53	729.00	1,098.88	179.12
			717,127.53	701,110.83	10,016.70
Resource Room / Resource Center:					
Salaries of Teachers					
Other Salaries for Instruction	3,223,678.50	70,806.26	3,294,484.76	3,278,495.43	14,989.33
Purchased Professional-Educational Services	640,118.34	(140,414.73)	499,703.61	494,032.39	5,671.22
Other Purchased Services (400-500 series)	2,130.00		2,130.00	1,847.51	282.49
General Supplies	2,290.00		2,290.00		602.61
Total Resource Room / Resource Center	3,868,216.84	(69,908.47)	3,798,608.37	3,777,062.72	21,545.65
Autism					
Salaries of Teachers	427,465.00	(267,1.70)	424,793.30	424,793.30	
Other Salaries for Instruction	425,054.00	(297,500.00)	127,554.00	124,356.29	3,197.71
Purchased Professional-Educational Services	10,900.00	60.00	10,150.00	7,057.30	3,092.70
General Supplies					
Total Autism	822,609.00	(300,111.70)	562,497.30	556,206.59	6,280.41
Home Instruction:					
Salaries of Teachers					
Purchased Professional-Educational Services	25,000.00	(5,000.00)	20,000.00	18,398.90	1,601.10
Other Salaries for Instruction		5,000.00	5,000.00	2,500.00	2,500.00
Total Home Instruction	25,000.00		25,000.00	20,898.90	4,101.10
Total Special Education					
Basic Skills / Remedial:					
Salaries of Teachers	343,474.00	3,496.00	346,970.00	335,361.70	8,608.30
General Supplies	2,188.00	45.00	2,233.00	1,491.49	741.51
Total Basic Skills / Remedial	345,662.00	3,541.00	349,203.00	335,853.19	9,349.81

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Bilingual Education:					
Salaries of Teachers	\$ 244,607.00	\$ 5,200.00	\$ 249,807.00	\$ 247,551.20	\$ 2,255.80
Purchased Professional-Educational Services	175.00		175.00		175.00
Other Purchased Services (400-500 series)	1,800.00		1,800.00		1,800.00
General Supplies	200.00		200.00		200.00
Total Bilingual Education:	\$ 246,782.00	5,200.00	\$ 251,982.00	\$ 247,551.20	\$ 4,430.80
School Sponsored Co-Curricular Activities:					
Salaries	287,529.00	(35,899.44)	251,629.56	250,829.56	800.00
Purchased Services (300-500 series)	24,500.00	1,921.37	24,500.00	24,015.50	484.50
Supplies and Materials	30,938.00	(450.00)	32,889.37	8,428.84	24,432.55
Other Objects	8,695.00		8,245.00	3,592.04	4,652.96
Total School Sponsored Co-Curricular Activities:	351,622.00	(34,328.07)	317,233.93	286,863.94	30,369.99
School Sponsored Athletics:					
Salaries	968,785.00	(71,364.76)	897,420.24	885,984.37	11,435.87
Unused Vacation Payment to Terminated/Retired Staff	13,612.00		13,612.00		
Purchased Services (300-500 Series)	(10,531.13)		120,401.87	108,130.29	12,271.58
Supplies and Materials	5,392.76		147,496.62	132,641.20	14,795.42
Other Objects	(20,318.51)		73,719.49	73,394.14	325.35
Total School Sponsored Athletics	1,355,938.00	(83,409.64)	1,252,550.22	1,213,762.00	38,228.22
Total Other Instructional Programs	2,280,105.86	(109,096.71)	2,171,009.16	2,088,030.33	82,978.82
Total - Instruction	26,736,785.06	(1,178,473.81)	25,558,061.25	25,266,815.97	291,245.28
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Special					
Tuition to Other LEA's within the State - Regular					
Tuition to County Vocational School District - Special	735,524.00	(72,279.60)	663,244.40	646,713.31	16,531.09
Tuition to County Vocational School District - Regular	592,500.00	(5,990.88)	586,609.12	554,300.00	32,309.12
Tuition to Private Schools for the Handicapped w/in State	8,000.00	(8,000.00)			
Total Undistributed Expenditures - Instruction	756,591.00	(122,298.52)	634,561.48	632,119.24	2,442.24
Attendance and Social Work Services:					
Salaries	2,092,615.00	(208,200.00)	1,884,415.00	1,833,132.55	51,282.45
Total Attendance and Social Work Services	64,573.00		64,573.00	64,572.96	0.04
Health Services:					
Salaries	621,609.00	4,988.62	626,597.62	622,964.57	3,633.05
Purchased Professional and Technical Services	15,000.00	5,000.00	20,000.00	16,257.58	3,742.42
Other Purchased Services	39,437.00		39,437.00	34,280.32	5,156.68
Supplies and Materials	10,067.00		10,067.00	8,392.41	1,674.59
Other Objects	532.00		532.00	85.00	447.00
Total Health Services	686,645.00	9,988.62	636,633.62	681,979.88	14,653.74
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	780,734.00		780,734.00	780,264.14	469.86
Purchased Professional - Educational Services	122,289.00	434,512.50	556,801.50	539,459.55	17,341.95
Supplies and Materials	7,990.00		7,090.00	4,958.04	2,131.96
Total Other Support Services - Speech, OT, PT & Related Services	910,113.00	434,512.50	1,344,625.50	1,324,681.73	19,943.77

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other Support Services - Students - Extra Services					
Salaries	\$ 952,255.00	\$ 443,961.80	\$ 1,396,216.80	\$ 1,396,216.80	\$
Total Other Support Services - Students - Extra Services	<u>952,255.00</u>	<u>443,961.80</u>	<u>1,396,216.80</u>	<u>1,396,216.80</u>	<u></u>
Guidance:					
Salaries of Other Professional Staff	1,231,905.00	(17,857.36)	1,214,047.64	1,210,638.47	3,409.17
Salaries of Secretarial and Clerical Assistants	150,046.00	7,751.06	157,797.06	156,449.94	1,347.12
Purchased Professional - Educational Services	12,372.80		12,372.80	8,663.40	3,709.40
Other Purchased Services	13,123.00		13,123.00	6,878.08	6,244.92
Supplies and Materials	12,962.00		12,962.00	5,839.52	7,122.48
Other Objects	4,224.00		4,224.00	1,420.00	2,804.00
Total Guidance	<u>1,424,332.80</u>	<u>(10,106.30)</u>	<u>1,414,526.50</u>	<u>1,389,389.41</u>	<u>24,637.09</u>
Child Study Teams:					
Salaries of Other Professional Staff	1,341,072.00	38,000.00	1,379,072.00	1,371,706.99	7,365.01
Salaries of Secretarial and Clerical Assistants	127,759.00	(56,000.00)	127,599.00	345,506.73	431.97
Other Purchased Professional and Technical Services	401,506.73	(4,000.00)	401,506.73	294,389.89	50,616.84
Other Purchased Services (400-500 series)	12,940.00	(60.00)	8,840.00	6,384.76	2,455.24
Supplies and Materials	12,214.25		12,154.25	9,217.00	2,937.25
Total Child Study Teams	<u>1,895,391.98</u>	<u>(22,060.00)</u>	<u>1,873,331.98</u>	<u>1,809,525.67</u>	<u>63,806.31</u>
Improvement of Instruction Services / Other Support Svcs. Inst. Staff					
Summer Curriculum Development					
Salaries of Supervisors of Instruction	1,108,049.27	(67,240.91)	1,040,808.36	1,032,012.69	8,795.67
Salaries of Secretarial and Clerical Assists.	21,196.00	2,000.00	23,196.00	23,014.71	181.29
Unused Vacation Payment to Terminated/Retired Staff		41,447.60	41,447.60	41,447.60	
Other Purch Prof. and Tech. Services	2,400.00		2,400.00	2,050.00	350.00
Other Purchased Services (400-500)	10,000.00		3,639.42	703.50	2,935.92
Supplies and Materials	2,200.00		2,200.00	1,249.37	950.63
Other Objects	7,930.00		7,630.00	6,510.00	1,120.00
Other Support Services - Instructional Staff	1,151,475.27	(30,153.89)	1,121,321.38	1,106,987.87	14,333.51
Educational Media Services / School Library:					
Salaries	424,721.00	115,906.63	540,627.63	526,817.68	13,809.95
Purchased Professional and Technical Services	32,545.00	3,288.64	35,833.64	32,080.86	3,752.78
Other Purchased Services (400-500 Series)	3,698.00	(3,698.00)			
Supplies and Materials	17,116.00		17,116.00	14,594.71	2,521.29
Total Educational Media Services / School Library	<u>478,080.00</u>	<u>115,497.27</u>	<u>593,577.27</u>	<u>573,493.25</u>	<u>20,084.02</u>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	65,651.00		65,651.00	56,754.47	8,896.53
Salaries of Secretarial and Clerical Assistants	4,856.00		4,856.00	4,655.76	0.24
Other Purchased Professional - Educational Services	19,060.00		19,060.00	1,635.00	17,425.00
Other Purchased Services (400- 500)	34,775.00	(15,226.50)	19,548.50	6,450.86	13,097.64
Supplies and Materials	900.00		900.00		900.00
Total Instructional Staff Training Services	<u>125,042.00</u>	<u>(15,226.50)</u>	<u>109,815.50</u>	<u>69,496.98</u>	<u>40,319.41</u>

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support Services General Administration:					
Salaries	\$ 671,665.00	\$ 725.00	\$ 671,665.00	\$ 666,960.20	\$ 4,704.80
Legal Services	225,397.72	(725.00)	226,122.72	181,863.00	44,259.72
Audit Fees	47,000.00		46,275.00	45,500.00	775.00
Architectural/Engineering Services	65,740.99		65,740.99	17,937.50	47,803.49
Other Purchased Professional Services	34,800.00	(3,000.00)	31,800.00	24,950.00	6,850.00
Other Purchased Technical Services	55,000.00	15,300.00	70,800.00	70,792.96	7.04
Communications / Telephone	44,050.00	(9,368.87)	34,681.13	30,443.30	4,237.83
BOE Other Purchased Services	16,700.00	2,300.00	19,500.00	6,111.34	13,388.66
Misc. Purchased Services (400-500) (Other than 530 & amp; 585)	355,326.00	22,427.00	377,753.00	365,995.79	7,757.21
General Supplies	15,950.00		15,950.00	13,042.27	2,907.73
BOE In-House Training/ Meeting Supplies	1,000.00		1,000.00	145,000.00	145,000.00
Judgements against the School Entity	10,000.00		10,000.00	7,176.00	2,824.00
Miscellaneous Expenditures	27,500.00	(1,730.02)	25,769.98	23,014.89	2,755.09
BOE Membership Dues and Fees				1,602,787.25	
Total Support Services General Administration	<u>1,570,129.71</u>	<u>171,328.11</u>	<u>1,742,057.82</u>	<u>1,602,787.25</u>	<u>139,270.57</u>
Support Services School Administration:					
Salaries of Principals / Asst. Principals/Program Directors	1,447,746.30	(34,699.75)	1,413,046.57	1,386,860.80	23,185.77
Salaries of Secretarial and Clerical Assistants	515,330.00	5,449.91	520,779.91	517,730.36	3,049.55
Other Purchased Services(400-500 series)	19,940.00	5,323.71	25,763.71	20,532.20	5,231.51
Supplies and Materials	17,805.00	(6,946.71)	10,858.29	7,719.18	3,139.11
Other Objects	12,645.00	(560.00)	12,085.00	11,368.00	717.00
Total Support Services School Administration	<u>2,013,466.30</u>	<u>(30,392.82)</u>	<u>1,982,533.48</u>	<u>1,947,210.54</u>	<u>35,322.94</u>
Central Service:					
Salaries	543,830.00	(9,176.11)	534,653.89	511,807.25	22,846.64
Unused Vacation Payment to Terminated/Retired Staff		9,176.11	9,176.11	9,176.11	
Purchased Professional Services	25,431.00		25,431.00	24,427.96	1,003.04
Misc. Purch. Services (400-500)	7,500.00	4,113.00	11,613.00	11,022.33	590.67
Supplies and Materials	12,500.00	(3,188.50)	9,311.50	8,267.08	1,044.42
Miscellaneous Expenditures	2,400.00	(224.50)	1,475.50	1,475.50	
Total Central Service	<u>591,661.00</u>	<u>0.00</u>	<u>591,661.00</u>	<u>566,179.23</u>	<u>25,484.77</u>
Administrative Information Technology:					
Salaries	160,412.00	131,233.37	291,645.37	291,645.37	
Purchased Technical Services	385,831.42	(4,1145.45)	344,685.97	344,583.99	
Other Purchased Services	8,811.00	39,299.40	48,110.40	48,109.52	0.88
Supplies and Materials	198,475.11	(52,390.52)	145,594.50	144,915.37	3,679.22
Total Administrative Information Technology	<u>753,529.53</u>	<u>76,506.80</u>	<u>830,036.33</u>	<u>826,254.15</u>	<u>3,782.18</u>
Required Maintenance for School Facilities:					
Salaries	480,871.00	(1,433.38)	479,437.62	476,224.10	3,213.52
Cleaning, Repair and Maintenance Services	364,228.95	722,165.10	1,086,394.05	406,668.50	676,725.25
General Supplies	195,980.65	(23,251.14)	172,729.71	155,635.12	17,094.59
Other Objects	2,500.00	12.00	2,512.00	2,512.00	
Total Required Maintenance for School Facilities	<u>1,043,580.50</u>	<u>697,492.58</u>	<u>1,741,073.38</u>	<u>1,044,040.02</u>	<u>697,033.36</u>

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries	\$ 1,936,609.00	\$ (24,523.48)	\$ 1,912,085.52	\$ 1,848,259.93	\$ 63,825.59
Unused Vacation Payment to Terminated/Retired Staff	7,360.00	10,462.65	10,462.65	10,462.65	29.46
Purchased Professional and Technical Services	76,313.09	4,600.00	71,960.00	71,930.54	612.24
Cleaning, Repair and Maintenance Services	103,043.00	3,062.01	79,375.10	78,762.86	645.81
Other Purchased Property Services	13,099.56	116,142.56	115,496.75		
Insurance	56,685.00	(33,213.00)	23,472.00	23,472.00	100.00
Miscellaneous Purchased Services	2,000.00	(5,503.24)	2,000.00	1,900.00	6,046.76
General Supplies	114,411.09	(31,157.00)	108,907.85	102,861.09	124,905.20
Energy (Natural Gas)	281,163.00	305.91.34	250,006.00	125,096.80	514,088.00
Energy (Heat and Electricity)	508,838.11		539,429.45		25,341.45
Total Custodial Services	<u>3,096,422.29</u>	<u>(32,581.16)</u>	<u>3,053,841.13</u>	<u>2,882,350.62</u>	<u>221,510.51</u>
Care and Upkeep of Grounds:					
Salaries	92,013.00	92,013.00	79,450.96	79,450.96	12,562.04
Purchased Professional and Technical Services	191,272.07	(91,753.06)	63,674.58	63,674.58	35,844.43
General Supplies	50,005.00	(8,104.75)	41,900.25	41,900.25	29,275.12
Total Care and Upkeep of Grounds	<u>333,290.07</u>	<u>(98,857.81)</u>	<u>233,432.26</u>	<u>155,750.67</u>	<u>77,681.59</u>
Security:					
Purchased Professional and Technical Services	287,931.88	97,613.00	385,544.88	385,987.11	16,557.77
General Supplies	33,791.36		33,781.36	27,652.34	6,129.02
Total Security	<u>321,713.24</u>	<u>97,613.00</u>	<u>419,326.24</u>	<u>366,639.45</u>	<u>22,686.79</u>
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	234,362.00	(23,500.00)	210,862.00	208,571.84	2,290.16
Salaries for Pupil Transportation (Between Home and School) - Special Education	93,318.00	(14,000.00)	79,318.00	76,376.14	2,944.86
Salaries (Other than Home and School)	121,725.00	117,811.90	239,536.90	255,614.80	3,922.10
Unused Vacation Payment to Terminated/Retired Staff		2,188.10	2,188.10	2,188.10	
Management Fee- ESC & CTSAs Trans. Program		819.60	819.60	819.60	
Other Purchased Professional and Technical Services		7,250.00	56,685.00	52,122.09	4,562.91
Cleaning, Repair and Maintenance Services		(5,000.00)	43,079.35	40,768.70	2,310.65
Lease Payments - School Buses	37,327.00	(5,000.00)	37,327.00	37,326.16	0.84
Contracted Services - Aid in Lieu Payments-NonPub Sch	205,040.00	(20,000.00)	200,040.00	182,336.30	17,683.70
Contracted Services (Between Home & School) - Vendors	733,577.00		713,577.00	643,068.27	70,508.73
Contracted Services (Other than Between Home and School) - Vendors					
Contract Services (Sp. Ed. Stds.) - Vendors	89,730.00	24,738.00	114,468.00	61,190.92	53,277.08
Contracted Services - (Spec.Ed. Students) - ESCs & CTSAs	880,483.20	(30,319.60)	850,163.60	731,321.19	118,842.41
Miscellaneous Purchased Services - Transportation	3,050.00	7,000.00	10,050.00	8,603.75	1,446.25
General Supplies	41,700.00	150.00	41,850.00	31,663.80	10,186.20
Transportation Supplies	35,000.00	5,000.00	40,000.00	36,746.58	3,253.42
Other Objects		200.00	(150.00)	50.00	50.00
Total Student Transportation Services	<u>2,573,026.55</u>	<u>67,238.00</u>	<u>2,640,264.55</u>	<u>2,348,886.24</u>	<u>291,396.31</u>

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 827,295.81	\$ (10,055.25)	\$ 827,295.81	\$ 821,594.38	\$ 5,701.43
Other Retirement Contributions - PERS	965,775.00	(30,197.00)	955,819.75	955,819.75	
Workmen's Compensation	251,360.00	(175,009.59)	221,163.00	221,163.00	
Health Benefits	9,125,487.00	8,948,477.41	8,805,077.41	145,400.00	
Tuition Reimbursement	86,000.00	86,000.00	55,598.76	32,401.24	
Other Employee Benefits	44,391.00	(18,756.11)	25,634.89	12,844.89	
Unused Sick Payment to Terminated/Retired Staff	129,000.00	90,922.76	215,022.76	12,790.00	
Total Unallocated Benefits - Employee Benefits	11,423,408.81	(143,395.19)	11,279,413.62	11,085,120.95	\$ 196,292.67
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				9,298,027.00	(9,298,027.00)
NCI+non-budgeted				115,178.00	(115,178.00)
Post Retirement Medical-non budgeted				2,750,346.00	(2,750,346.00)
Long-Term Disability Insurance-non-budgeted				3,585.00	(3,585.00)
Reimbursed TPAF - Social Security Contribution-non-budgeted				1,971,107.80	(1,971,107.80)
Total On-Behalf TPAF Contributions (Non-Budgeted)				14,135,443.80	(14,138,443.80)
Total Undistributed Expenditures	33,491,051.35	1,521,625.01	35,012,676.36	47,191,598.13	(12,178,921.77)
General Current Expense:					
Interest Earned on Maintenance Reserve	150.00		150.00		
Total General Current Expense	150.00		150.00		
TOTAL EXPENDITURES - CURRENT EXPENSE	60,227,996.41	342,891.20	60,570,887.61	72,455,414.10	\$ 150.00
Equipment:					
Grades 9-12	9,362.92	9,362.92	9,362.92		
Learning and/or Language Disabilities-Mild/Moderate	2,387.50	2,387.50	2,387.50		
School Sponsored and Other Instructional Program	29,126.96	29,126.96	29,126.96		
Undistributed Expenditures - Instruction	65,416.31	65,416.31	65,259.55		
Undistributed Admin. Info Technology	29,205.00	100,110.64	85,181.05		
Undistributed Required Maintenance for School Facilities	156,897.36	156,897.36	31,089.86		
Undistributed-Custodial Services	2,740.00	2,740.00	2,740.00		
Undistributed Expenditures - Care and Upkeep of Grounds	52,992.55	52,992.55	20,006.22		
Undistributed Security	2,273.40	2,273.40	2,273.40		
Total Equipment	75,919.04	345,988.60	421,807.64	245,037.47	\$ 172,770.17
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	58,300.00	58,300.00	58,300.00		
Other Purch. of Tech Services	23,957.21	23,957.21	23,957.21		
Construction Services	599,385.34	637,671.62	35,151.48		
Other Objects	368.00	368.00	368.00		
Assessment for Debt Service on SDA Funding		29,934.00	29,934.00		
Total Facilities Acquisition and Construction Services	68,240.28	681,980.55	750,230.83	93,217.69	\$ 657,013.14
Interest Deposit to Capital Reserve	4,500.00		4,500.00		
TOTAL CAPITAL OUTLAY	148,659.32	1,027,979.15	1,176,538.47	342,255.16	\$ 834,283.31

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUDGET	TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
SPECIAL SCHOOLS:					
Salaries of Teachers	\$ 90,000.00	\$ (9,000.00)	\$ 81,000.00	\$ 62,860.95	\$ 18,139.05
Total Summer School Instruction	90,000.00	(9,000.00)	81,000.00	62,860.95	18,139.05
Total Summer School	90,000.00	(9,000.00)	81,000.00	62,860.95	18,139.05
TOTAL SPECIAL SCHOOLS	90,000.00	(9,000.00)	81,000.00	62,860.95	18,139.05
TOTAL EXPENDITURES	60,466,655.73	1,361,770.35	61,828,426.08	72,863,530.21	(11,035,104.13)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,227,767.73)	(1,361,770.35)	(4,589,538.08)	(1,068,568.78)	3,520,969.30
Capital Reserve - Transfer to Capital Projects Transfers to Cover Deficit (Enterprise Fund)		(1,440,986.00) (60,000.00)	(1,440,986.00) (60,000.00)	(864,886.00) (60,000.00)	(576,100.00)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Expenditures and Other Financing Sources	(3,227,767.73)	(2,862,756.35)	(6,090,524.08)	(1,993,454.78)	(4,097,069.30)
Fund Balances, July 1	12,298,042.36		12,298,042.36	12,298,042.36	
Fund Balances, June 30	\$ 9,070,274.63	\$ (2,862,756.35)	\$ 6,207,518.28	\$ 10,304,587.58	\$ (4,097,069.30)
Recapitulation:					
Assigned - Year-end Encumbrances				\$ 1,452,519.85	
Restricted - Excess Surplus - Current Year				272,527.77	
Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,443,675.00	
Restricted - Capital Reserve				3,437,907.04	
Restricted - Maintenance Reserve				915,030.39	
Restricted - Unemployment				450,130.08	
Unassigned Fund Balance				1,332,897.45	
				\$ 10,304,587.58	
Reconciliation to Governmental Funds Statements (GAAP):					
Lease Revenue Recognized on a GAAP Basis				102,564.74	
Prior Year Aid Payment not Recognized on GAAP Basis				(292,350.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 10,114,502.32	

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Other Sources	\$ 22,840.00	\$ 602,856.68	\$ 602,856.68	\$ 270,532.36	\$ (332,324.32)
State Sources	547,083.00	74,336.00	97,176.00	90,751.17	(6,424.83)
Federal Sources		199,631.69	746,719.69	724,856.66	(21,863.03)
Total Revenues	\$ 569,928.00	\$ 876,824.37	\$ 1,446,752.37	\$ 1,086,140.19	\$ (360,612.18)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 19,107.00	\$ 64,623.05	\$ 64,623.05	\$ 60,004.61	\$ 4,618.44
Purchased Professional/Educational Services	633.00	27,181.00	46,288.00	46,288.00	
Purchased Professional/Technical Services		10,420.00	11,053.00	6,840.40	4,212.60
Tuition	495,271.00		495,271.00	495,271.00	
General Supplies	52,018.00	10,405.84	62,423.84	39,525.73	22,898.09
Textbooks	2,899.00	175.97	3,074.97	1,353.53	1,721.44
Total Instruction	\$ 569,928.00	112,805.86	682,733.86	649,283.29	\$ 33,450.57
Support Services:					
Salaries of Teachers		4,255.40	4,255.40	3,901.83	353.57
Purchased Services Employee Benefits		50,069.19	50,069.19	48,575.87	1,493.32
Purchased Professional/Technical Services		43,500.48	43,500.48	43,500.48	
Other Purchased Services		12,968.86	12,968.86	12,968.86	
Supplies and Materials		19,294.67	19,294.67	1,000.00	18,294.67
Scholarships		551,916.01	551,916.01	245,047.17	306,868.84
Total Support Services	\$ 569,928.00	\$ 876,824.37	\$ 1,446,752.37	\$ 1,082,368.93	\$ 364,383.44
Excess (Deficiency) of Revenues Over (Under) Expenditures				3,771.26	
Fund Balances, July 1,				321,392.25	
Fund Balances, June 30				\$ 325,163.51	
Recapitulation:					
Restricted:					
Scholarships					
Student Activities					
Total Fund Balance				\$ 325,163.51	

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI (REQUIRED SUPPLEMENTARY INFORMATION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note A - Explanation of difference between budgetary inflows and outflows
 and GAAP revenues and expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 71,794,961.43	\$ 1,086,140.19
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	294,289.00	
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(292,950.00)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Adjust for encumbrances:		
Add prior year encumbrances	106,215.92	
Less current year encumbrances	(60,249.00)	
Lease accounting budgetary basis differs from GAAP in that revenue for lease income is not recognized using present value.	21,681.64	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 71,817,982.07</u>	<u>\$ 1,132,107.11</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$72,863,530.21	\$ 1,082,368.93
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances	106,215.92	
Less current year encumbrances	(60,249.00)	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 72,863,530.21</u>	<u>\$ 1,128,335.85</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Measurement Date Ending June 30	District's Proportion of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset)	
				as a percentage of its Covered- Employee Payroll	as a percentage of the total Pension Liability
2015	0.0652668655%	\$14,651,103	\$4,379,262	334.56%	47.92%
2016	0.0645415599%	19,115,359	4,469,881	427.65%	40.14%
2017	0.0666190900%	15,408,184	4,442,888	346.81%	48.09%
2018	0.0697247500%	13,728,456	5,042,435	272.26%	53.60%
2019	0.0720730011%	12,986,461	4,994,574	260.01%	56.27%
2020	0.0694671880%	11,328,282	5,103,963	221.95%	58.32%
2021	0.0722892384%	8,563,744	5,451,574	157.09%	70.33%
2022	0.0743204845%	11,215,984	5,402,022	207.63%	62.91%
2023	0.0705739441%	10,222,194	5,394,849	189.48%	65.23%
2024	0.0684038360%	9,294,745	5,624,137	165.27%	68.22%

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Contributions as a Percentage of Covered- Employee Payroll	
				District's Covered- Employee Payroll	\$4,469,881
2016	573,378	573,378	-0-	12.83%	12.83%
2017	576,245	576,245	-0-	12.97%	12.97%
2018	693,536	693,536	-0-	12.22%	12.22%
2019	701,061	701,061	-0-	14.04%	14.04%
2020	759,936	759,936	-0-	14.89%	14.89%
2021	846,591	846,591	-0-	15.53%	15.53%
2022	937,217	937,217	-0-	17.35%	17.35%
2023	943,241	943,241	-0-	17.48%	17.48%
2024	962,104	962,104	-0-	16.66%	16.66%
2025	943,240	943,240	-0-	15.88%	15.88%

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

Measurement Date Ending June 30.	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered- Employee Payroll		State's Proportionate Share of the Net Pension Liability (Asset) as a percentage of the District's Covered- Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
				Proportionate Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability (Asset)			
2015	0.2179062605%	-0-	\$137,726,062	\$22,342,727	-0-		616,42%	28.71%
2016	0.2238181394%	-0-	176,069,599	23,002,506	-0-		765,44%	22.33%
2017	0.2206775019%	-0-	148,788,729	24,125,457	-0-		616,73%	25.41%
2018	0.2253959980%	-0-	143,390,567	24,377,339	-0-		588,21%	26.49%
2019	0.2250718711%	-0-	138,128,732	23,919,266	-0-		577,48%	26.95%
2020	0.2272173366%	-0-	149,619,882	24,492,880	-0-		610,87%	24.60%
2021	0.2182855716%	-0-	104,941,200	25,594,895	-0-		410,01%	35.52%
2022	0.2182855716%	-0-	116,050,598	26,473,450	-0-		438,37%	32.29%
2023	0.2283867461%	-0-	116,551,853	26,932,270	-0-		432,76%	34.68%
2024	0.2246356321%	-0-	111,026,401	26,583,319	-0-		417,65%	37.99%

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Public Employees Retirement System

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement <u>June 30,</u>	Discount <u>Rate</u>	Long-Term	
		Expected <u>Rate of Return</u>	Actuarial <u>Experience Study Period</u>
2024	7.00%	7.00%	07/01/18-06/30/21
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11

Teachers Pension and Annuity Fund

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement <u>June 30,</u>	Discount <u>Rate</u>	Long-Term	
		Expected <u>Rate of Return</u>	Actuarial <u>Experience Study Period</u>
2024	7.00%	7.00%	07/01/18-06/30/21
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN
PENSIONS (GASB 75)**

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL
OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS

Total Non-Employer OPEB Liability - State's Proportionate Share
 of Total OPEB Liability Associated with the School District

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Balance at 6/30	\$101,826,082	\$99,871,496	\$116,792,098	\$133,986,844	\$82,108,046	\$89,487,839	\$102,30,890	\$109,987,082
Changes for the year:								
Service cost	\$4,305,162	\$4,394,267	\$5,415,545	\$6,398,296	\$3,483,334	\$3,340,698	\$3,718,094	\$4,479,767
Interest	3,855,480	3,586,190	2,646,705	3,029,710	2,956,455	3,545,588	3,754,491	3,230,012
Changes of benefit terms								
Differences between expected and actual experience								
Changes in assumptions or other inputs	1,219,495	(3,527,517)	4,346,109	(24,304,557)	23,226,117	(13,044,559)	(7,706,288)	
Contributions from Members	8,762,512	205,239	(26,791,425)	115,224	24,474,792	1,224,238	(10,269,177)	(13,113,716)
Benefit payments	100,822	91,901	84,103	77,455	70,701	74,714	82,702	87,251
Net changes	(2,944,492)	(2,795,494)	(2,621,639)	(2,386,563)	(2,332,601)	(2,520,472)	(2,392,873)	(2,369,506)
	<u>15,298,979</u>	<u>1,954,586</u>	<u>(16,920,602)</u>	<u>(17,194,746)</u>	<u>51,878,798</u>	<u>(7,378,793)</u>	<u>(12,813,051)</u>	<u>(7,686,192)</u>
Balance at 6/30	<u>\$117,125,061</u>	<u>\$101,826,082</u>	<u>\$99,871,496</u>	<u>\$116,792,098</u>	<u>\$133,986,844</u>	<u>\$82,108,046</u>	<u>\$89,487,839</u>	<u>\$102,300,890</u>
Covered Employee Payroll	32,207,456	32,327,119	31,875,472	31,046,469	29,596,843	28,913,840	29,596,843	28,913,840
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	395.73%	352.17%	339.47%	396.98%	455.43%	283.97%	302.36%	353.81%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

EXHIBIT "M-2"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Change in benefit terms:

None.

Change in assumptions:

The following assumptions were used in calculating the Net OPEB Liability in their respective accounting periods:

<u>Measurement</u>	
<u>Date Ending</u>	<u>Discount</u>
<u>June 30</u>	<u>Rate</u>
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

	SUPPLEMENTAL INSTRUCTION	NONPUBLIC SECURITY	NONPUBLIC TEXTBOOKS	NONPUBLIC TECHNOLOGY	EXAM AND CLASSIFICATION
REVENUES:					
Local Sources	\$ 1,156.40	\$ 7,107.70	\$ 1,353.53	\$ 1,181.95	\$ 5,684.00
State Sources					
Federal Sources					
Total Revenues	<u>1,156.40</u>	<u>7,107.70</u>	<u>1,353.53</u>	<u>1,181.95</u>	<u>5,684.00</u>
Instruction:					
Salaries of Teachers					
Purchased Professional / Educational Services					
Purchased Professional / Technical Services					
Tuition					
General Supplies					
Textbooks					
Total Instruction	<u>1,156.40</u>	<u>7,107.70</u>	<u>1,353.53</u>	<u>1,181.95</u>	<u>5,684.00</u>
Support Services:					
Personal Services Employee - Benefits					
Purchased Professional / Technical Services					
Other purchased services					
Supplies and Materials					
Scholarships					
Student Activities					
Total Support Services					
Facilities acquisition and construction serv.					
Instructional Equip.					
Non-Instructional Equip.					
Construction services					
Total facilities acq. and construction serv.					
Total Expenditures	<u>1,156.40</u>	<u>7,107.70</u>	<u>1,353.53</u>	<u>1,181.95</u>	<u>5,684.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balances, July 1.					
Fund Balances, June 30	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

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

REVENUES:	LOCAL	OPEN SCIENCE EDUCATION	SDA EMERGENT NEEDS	STUDENT ACTIVITIES	SCHOLARSHIPS
Local Sources	\$ 20,713.93	\$ 9,000.00	\$ 60,249.00	\$ 249,079.67	\$ 738.76
State Sources					
Federal Sources					
Total Revenues	20,713.93	9,000.00	60,249.00	249,079.67	738.76
Instruction:		9,000.00			
Salaries of Teachers					
Purchased Professional / Educational Services					
Purchased Professional / Technical Services					
Tuition	15,136.93				
General Supplies					
Textbooks					
Total Instruction	15,136.93	9,000.00			
Support Services:					
Personal Services Employee - Benefits					
Purchased Professional / Technical Services					
Other purchased services					
Supplies and Materials					
Scholarships					
Student Activities					
Total Support Services					
Facilities acquisition and construction serv:					
Instructional Equip.					
Non-Instructional Equip.					
Construction services					
Total facilities acq. and construction serv:					
Total Expenditures					
Excess (Deficiency) of Revenues					
Over (Under) Expenditures					
Fund Balances, July 1,					
Fund Balances, June 30					

TOWNSHIP OF BERKELEY HEIGHTS - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	NONPUBLIC NURSING	HIGH IMPACT TUTORING	NON-TITLE I ESSER III	ARP NJTSS MENTAL HEALTH
REVENUES:				
Local Sources	\$ 5,018.59	\$ 10,220.00	\$ 93,970.15	\$ 10,436.38
State Sources				
Federal Sources				
Total Revenues	5,018.59	10,220.00	93,970.15	10,436.38
Instruction:				
Salaries of Teachers	7,468.30	32,342.00	9,212.75	
Purchased Professional / Educational Services				
Purchased Professional / Technical Services				
Tuition	5,018.59	2,180.40		
General Supplies				
Textbooks				
Total Instruction	5,018.59	9,648.70	32,342.00	9,212.75
Support Services:				
Personal Services Employee - Benefits	571.30	2,474.17	704.77	
Purchased Professional / Technical Services				
Other purchased services				
Supplies and Materials				
Scholarships				
Student Activities				
Total Support Services	571.30	61,628.15	1,223.63	
Facilities acquisition and construction serv:				
Instructional Equip.				
Non-Instructional Equip.				
Construction services				
Total facilities acq. and construction serv:				
Total Expenditures	5,018.59	10,220.00	93,970.15	10,436.38
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-	-0-	-0-	-0-
Fund Balances, July 1,				
Fund Balances, June 30	-0-	-0-	-0-	-0-

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

REVENUES:	TITLE IIIA		TITLE III		IDEA PART B BASIC		IDEA PART B PRESCHOOL		TOTALS	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Local Sources										270,532.36
State Sources										90,751.17
Federal Sources										724,856.66
Total Revenues	33,288.00		11,162.60		549,562.00		16,217.53			1,086,140.19
Instruction:										
Salaries of Teachers			1,981.56							60,004.61
Purchased Professional / Educational Services		33,288.00								46,288.00
Purchased Professional / Technical Services										6,840.40
Tuition					495,271.00					495,271.00
General Supplies			3,601.45		5,298.73					39,525.75
Textbooks										1,353.55
Total Instruction	33,288.00		5,583.01		500,569.73		13,000.00			649,283.29
Support Services:										
Personal Services Employee - Benefits			151.59		42,112.37		810.00			3,901.83
Purchased Professional / Technical Services			2,450.00							48,575.87
Other purchased services										43,500.48
Supplies and Materials										12,968.86
Scholarships										1,000.00
Student Activities										245,047.17
Total Support Services	33,288.00		2,601.59		42,112.37		810.00			354,994.21
Facilities acquisition and construction serv:										
Instructional Equip.			2,978.00				6,879.90			8,555.00
Non-Instructional Equip.										6,879.90
Construction services										62,656.53
Total facilities acq. and construction serv:	33,288.00		2,978.00		6,879.90		2,407.53			78,091.43
Total Expenditures	0-		11,162.60		549,562.00		16,217.53			1,082,368.93
Excess (Deficiency) of Revenues Over (Under) Expenditures			0-		0-		0-			3,771.26
Fund Balances, July 1,										321,392.25
Fund Balances, June 30			0-		0-		0-			325,163.51

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

EXHIBIT "F-1"

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

REVENUES AND OTHER FINANCING SOURCES:

SDA Grants \$ 576,100.00
Capital reserve 864,886.00

Total Revenues and Other Financing Sources 1,440,986.00

EXPENDITURES AND OTHER FINANCING USES:

Other Purchased Professional and Tech. Services \$ 128,100.00
Other Objects 735.78

Total Expenditures and Other Financing Uses 128,835.78

Excess (deficiency) of revenues over (under) expenditures 1,312,150.22

Fund Balance - Beginning of Year

Fund Balance - End of Year \$ 1,312,150.22

Reconciliation to GAAP Financial Statements:

Fund Balance- Budgetary Basis (Exhibit F-2) \$ 1,312,150.22

Less: Unearned Revenue (GAAP Basis) 524,566.00

Fund Balance- GAAP Basis (Exhibit B-1) \$ 787,584.22

Recapitulation:

Reserved for Encumbrances \$ 787,584.22

\$ 787,584.22

EXHIBIT "F-2"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
AS OF JUNE 30, 2025

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>BALANCE JUNE 30, 2025</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
WOODRUFF SCHOOL ROOF REPLACEMENT	\$ 1,130,500.00	\$ 309,750.00	\$ 27,500.00	\$ 1,029,900.00
COLUMBIA MIDDLE SCHOOL ROOF REPLACEMENT REFERENDUM	736.00	736.00	735.78	282,250.00 0.22
Totals	\$ 1,440,986.00	\$ 309,750.00	\$ 128,835.78	\$ 1,312,150.22

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
WOODRUFF SCHOOL ROOF REPLACEMENT
BUDGETARY BASIS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$ 452,200.00	\$ 452,200.00	\$ 452,200.00	\$ 452,200.00
Capital Reserve	678,300.00	678,300.00	678,300.00	678,300.00
Total Revenues and Other Financing Sources	0.00	1,130,500.00	1,130,500.00	1,130,500.00
EXPENDITURES AND OTHER FINANCING USES:				
Other Purchased Professional and Tech. Services		100,600.00	100,600.00	133,600.00
Construction Services			0.00	996,900.00
Total Expenditures and Other Financing Uses	0.00	100,600.00	100,600.00	1,130,500.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 0.00	\$ 1,029,900.00	\$ 1,029,900.00	
ADDITIONAL PROJECT INFORMATION:				
Project Number	39-0310-050-23-R501			
Grant Date	12/15/2023			
Bond Authorization Date				
Bonds Authorization				
Bonds Issued				
Original Authorized Cost	\$ 1,130,500.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,130,500.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	8.90%			
Original Target Completion Date	6/30/26			
Revised Target Completion Date	6/30/26			

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
COLUMBIA MIDDLE SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
SDA Grant	\$	123,900.00	\$	123,900.00
Capital Reserve		185,850.00		185,850.00
Total Revenues and Other Financing Sources		309,750.00		309,750.00
EXPENDITURES AND OTHER FINANCING USES:				
Other Purchased Professional and Tech. Services		27,500.00		27,500.00
Construction Services				37,000.00
Total Expenditures and other financing uses		27,500.00		27,500.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	282,250.00	\$	282,250.00
ADDITIONAL PROJECT INFORMATION:				
Project Number		39-0310-030-23-R501		
Grant Date		1/16/24		
Bond Authorization Date				
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$	309,750.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	309,750.00		
Percentage Increase over Original Authorized Cost				
Percentage Completion		8.88%		
Original Target Completion Date		6/30/26		
Revised Target Completion Date		6/30/26		

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
WILLIAM WOODRUFF ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Capital Reserve	736.00	736.00	736.00	736.00
Total Revenues and Other Financing Sources	736.00	736.00	736.00	736.00
EXPENDITURES AND OTHER FINANCING USES:				
Other Objects	735.78	735.78	735.78	736.00
Total Expenditures and other financing uses	735.78	735.78	735.78	736.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 0.22	\$ 0.22	\$ 0.22	
ADDITIONAL PROJECT INFORMATION:				
Project Number				
Grant Date				
Bond Authorization Date				
Bonds Authorized				
Bonds Issued				
Original Authorized Cost	\$ 736.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 736.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion		99.97%		
Original Target Completion Date		6/30/26		
Revised Target Completion Date		6/30/26		

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds, SBITAs

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JUNE 30, 2024	BALANCE JUNE 30, 2025	RETIRER
			DATE	AMOUNT				
Refunding Bonds Series 2014	5/14/2014	13,970,000.00	3/1/2026	\$ 1,495,000.00	5.000%	\$ 2,995,000.00	\$ 1,500,000.00	\$ 1,495,000.00
						\$ 2,995,000.00	\$ 1,500,000.00	\$ 1,495,000.00

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASES
AS OF JUNE 30, 2025

SERIES	DATE	TERM	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL INSTALLMENT PURCHASE		AMOUNT OUTSTANDING JUNE 30, 2024	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2025
				AMOUNT OF ORIGINAL PURCHASE	AMOUNT OUTSTANDING JUNE 30, 2024			
2020 Maintenance Truck and Technology	6/20/2020	5	1.87%	550,000.00	\$ 112,717.77	\$ 112,717.77	\$	
2021 Technology & Equipment	6/14/2021	5	1.16%	243,000.00	98,133.71	48,783.65	49,350.06	
Copiers & Printers	10/27/2020	5	3.65%	205,297.29	69,201.92	43,240.74	25,961.18	
2023 Technology & Equipment	7/1/2022	5	2.59%	380,000.00	204,995.17	101,183.21	103,811.96	
2023 Technology & Equipment	7/1/2022	5	2.59%	480,000.00	<u>289,070.31</u>	<u>93,896.22</u>	<u>195,174.09</u>	
				\$ 774,118.88	\$ 399,821.59	\$ 374,297.29		

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>ORIGINAL BUDGET</u>	<u>MODIFIED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 1,097,799.00	\$ 1,097,799.00	\$ 1,097,799.00	\$
State sources:				
Debt Service Aid Type II	<u>551,951.00</u>	<u>551,951.00</u>	<u>551,951.00</u>	<u>551,951.00</u>
Total revenues	<u>1,649,750.00</u>	<u>1,649,750.00</u>	<u>1,649,750.00</u>	<u>1,649,750.00</u>
EXPENDITURES:				
Regular debt service:				
Interest	149,750.00	149,750.00	149,750.00	149,750.00
Redemption of principal	<u>1,500,000.00</u>	<u>1,500,000.00</u>	<u>1,500,000.00</u>	<u>1,500,000.00</u>
Total regular debt service-expenditures	<u>1,649,750.00</u>	<u>1,649,750.00</u>	<u>1,649,750.00</u>	<u>1,649,750.00</u>
Fund balance, July 1	0.38	0.38	0.38	0.38
Fund balance, June 30	<u>\$ 0.38</u>	<u>\$ 0.38</u>	<u>\$ 0.38</u>	<u>\$ 0.38</u>

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS
AS OF JUNE 30, 2025

SERIES	DATE	TERM	INTEREST RATE PAYABLE	AMOUNT OF ISSUE	AMOUNT OUTSTANDING		DECREASE	AMOUNT OUTSTANDING JUNE 30, 2025
					JUNE 30, 2024	JUNE 30, 2025		
Software	7/1/2023	3	3.60%	\$ 27,600.82	\$ 18,073.31	\$ 8,876.87	\$ 9,196.44	
Software	7/1/2023	4	3.60%	8,327.55	6,133.95	1,972.78	4,161.17	
Software	7/1/2023	5	3.60%	8,669.26	6,810.65	1,613.43	5,197.22	
					\$ 31,017.91	\$ 12,463.08	\$ 18,554.83	

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**STATISTICAL SECTION
(UNAUDITED)**

**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
STATISTICAL SECTION**

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
NET POSITION BY COMPONENT
(accrual basis of accounting)
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	\$ 53,330,337.34	\$ 52,649,279	\$ 52,208,077	\$ 54,300,921	\$ 50,262,303	\$ 50,016,965	\$ 49,526,421	\$ 47,522,832	\$ 46,183,660	\$ 43,899,322
Non-spendable	102,865	81,183	56,746	29,597	5,344,360	4,254,026	3,142,611	1,117,662	2,670,124	2,520,840
Restricted	7,844,334	9,654,229	7,973,993	5,725,743	(10,604,184)	(12,988,114)	(14,380,930)	(14,459,625)	(14,041,721)	(13,017,523)
Unrestricted(deficit)	(10,804,382)	(9,215,863)	(9,744,057)							
Total governmental activities net position	\$ 50,473,154	\$ 50,494,759	\$ 49,452,077	\$ 42,618,349	\$ 39,890,061	\$ 38,788,234	\$ 34,180,870	\$ 34,812,063	\$ 33,402,639	
Business-type activities										
Net investment in capital assets	\$ 130,519	\$ 119,749	\$ 134,538	\$ 105,399	\$ 98,953	\$ 111,298	\$ 94,965	\$ 65,448	\$ 68,952	\$ 37,746
Unrestricted(deficit)	426	25,633	(158,372)	(177,440)	(107,956)	(72,041)	(8,003)	47,021	91,432	27,110
Total business-type activities net position	\$ 130,945	\$ 145,383	\$ (23,834)	\$ (72,041)	\$ (8,003)	\$ 158,319	\$ 193,951	\$ 156,880	\$ 96,062	\$ 35,105
District-wide										
Net investment in capital assets	53,460,856	52,769,028	52,342,615	54,406,320	50,362,256	50,128,263	\$ 49,621,386	\$ 47,588,281	\$ 46,252,612	\$ 43,937,068
Non-spendable	102,865	81,183	56,746	29,597	5,344,360	4,254,026	3,142,611	1,117,662	2,670,124	2,520,840
Restricted	7,844,334	9,654,229	7,973,993	5,725,743	(10,781,624)	(13,096,070)	(14,333,909)	(14,388,193)	(14,014,611)	(13,017,164)
Unrestricted(deficit)	(10,803,956)	(9,190,230)	(9,902,429)							
Total district net position	\$ 50,564,098	\$ 53,314,210	\$ 50,470,924	\$ 49,380,036	\$ 42,610,546	\$ 40,048,380	\$ 38,982,185	\$ 34,337,750	\$ 34,908,125	\$ 33,440,744

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
CHANGES IN NET POSITION
(accrual basis of accounting)
UNAUDITED

	2025	2024	2023	2022	Fiscal Year Ending June 30, 2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 24,984,243	\$ 26,389,004	\$ 26,726,956	\$ 26,986,190	\$ 30,901,806	\$ 28,232,335	\$ 27,573,696	\$ 30,472,151	\$ 30,125,270	\$ 27,356,924
Special education	9,368,181	9,386,461	9,654,770	9,202,007	10,002,724	9,429,767	9,894,252	10,120,509	9,756,196	8,607,890
Other special instruction										
Other instruction	2,777,951	2,735,396	2,686,506	2,752,069	2,759,774	2,584,978	2,806,214	2,946,080	2,813,804	2,519,404
Support Services:										
Tuition										
Student and instruction related services	11,727,724	10,624,078	10,126,286	9,818,067	10,778,728	9,812,711	9,082,887	9,985,929	9,545,193	8,586,876
General administration	1,868,672	1,646,604	1,683,938	1,780,264	1,802,139	1,629,355	1,622,297	1,547,282	1,457,381	1,377,435
School administrative services	2,503,968	2,492,786	2,559,867	2,572,239	2,599,423	2,868,509	2,879,600	3,255,411	3,228,452	2,794,094
Central services	1,700,941	1,294,406	1,194,184	1,127,615	1,386,239	1,256,986	1,266,084	1,384,059	1,309,192	1,052,584
Plant operations and maintenance	6,725,429	6,050,305	5,781,402	6,272,373	5,844,665	5,126,685	5,288,410	5,970,093	4,630,601	4,843,150
Pupil transportation	2,611,989	2,372,334	2,154,638	1,876,479	1,683,246	1,384,919	1,634,271	1,634,394	1,665,499	1,856,029
Special schools	88,221	116,880		107,051	114,895	107,327	24,564	28,533	121,576	42,143
Charter Schools									117,083	
Interest on long-term debt	142,849	230,053	295,101	357,423	434,989	519,886	610,114	652,931	670,812	705,024
Unallocated amortization	1,468,854	1,413,186	1,418,139	1,405,706	1,414,930	1,423,935		1,385,011	1,311,418	1,048,801
Total governmental activities expenses	65,969,021	64,751,493	64,321,787	64,257,481	70,328,122	64,395,906		62,778,401	69,455,229	60,796,354
Business-type activities:										
Food service	1,180,978	1,139,248	1,115,721	825,054	181,073	747,248	983,998	942,760	975,096	978,880
Total business-type activities expenses	\$ 1,180,978	\$ 1,139,248	\$ 1,115,721	\$ 825,054	\$ 181,073	\$ 747,248	\$ 983,998	\$ 942,760	\$ 975,096	\$ 978,880
Total district expenses	\$ 67,149,999	\$ 65,890,741	\$ 65,437,507	\$ 65,082,536	\$ 70,509,194	\$ 65,143,154	\$ 63,763,400	\$ 70,397,990	\$ 67,805,997	\$ 61,769,234
Program Revenues										
Governmental activities:										
Charges for services										
Instruction (Tuition)	\$ 6,466,718	\$ 6,738,962	\$ 6,917,367	\$ 6,297,074	\$ 15,505,556	\$ 20,425,535	\$ 15,656,985	\$ 17,049,271	\$ 20,694,085	\$ 19,336,512
Operating grants and contributions	10,352,398	12,466,726	13,406,078	15,505,556	22,563,846	26,592,209	167,253	167,253	9,931	766,548
Capital grants and contributions	175,592	10,236	318,423							
Total governmental activities revenues	16,994,708	19,215,923	20,581,888	21,802,630	26,514,458	21,050,382		22,851,908	26,646,805	26,385,270
Business-type activities:										
Charges for services										
Food service	1,106,540	1,150,093	1,132,789	761,016	14,751	711,616	1,024,728	1,003,579	996,888	990,352
Total business-type activities program revenues	1,106,540	1,150,093	1,132,789	761,016	14,751	711,616	1,024,728	1,003,579	996,888	990,352
Total district program revenues	18,101,249	20,366,016	21,714,637					26,592,209	21,761,998	21,381,958
Net (Expense)/Revenue										
Governmental activities	(48,974,313)	(45,535,570)	(43,739,918)	(42,454,851)	(43,813,664)	(43,345,524)	(39,927,494)	(42,808,24)	(40,445,632)	(40,001,399)
Business-type activities	(74,438)	10,845	17,068	(64,039)	(166,322)	(35,632)	40,730	60,819	21,592	11,472
Total district-wide net expense	\$ (49,048,750)	\$ (45,524,725)	\$ (43,722,850)	\$ (42,518,890)	\$ (43,979,985)	\$ (43,381,156)	\$ (39,886,764)	\$ (42,747,606)	\$ (40,424,039)	\$ (39,989,927)

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
CHANGES IN NET POSITION
(accrual basis of accounting)
UNAUDITED

	2025	2024	2023	2022	Fiscal Year Ending June 30, 2021	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 46,762,871	\$ 45,846,446	\$ 44,896,169	\$ 43,765,187	\$ 43,319,662	\$ 42,570,866	\$ 41,431,500	\$ 40,283,522	\$ 39,227,836	\$ 38,458,663
Taxes levied for debt service	1,097,799.00	1,140,719.00	1,186,801.00	1,582,054.00	1,591,540	1,616,184	1,622,125	1,644,438	1,608,376	1,695,547
State aid restricted for debt service	173,031.00	172,508.00	40,882.00	44,016.00	38,133	40,335	36,434	130,967	106,710	81,833
Unrestricted state aid	551,951.00	573,531.00	596,689.00	600,546.00	595,110	598,791	592,100	593,637	595,043	592,831
Miscellaneous income	898,101.71	898,239.10	504,804.96	440,415.58	392,775	533,267	632,922	575,836	532,348	416,712
Investment Earnings										
Transfers										
Total governmental activities	<u>(60,000)</u>	<u>(158,372)</u>	<u>47,225,656</u>	<u>46,432,219</u>	<u>45,757,220</u>	<u>45,478,578</u>	<u>44,315,081</u>	<u>43,228,400</u>	<u>42,070,313</u>	<u>(27,000)</u>
Business-type activities:										
Investment earnings										
Disposal of capital asset (net)										
Transfers										
Total business-type activities	<u>60,000</u>	<u>158,372</u>	<u>48,631,443</u>	<u>47,225,656</u>	<u>46,432,219</u>	<u>45,757,220</u>	<u>45,478,578</u>	<u>44,311,423</u>	<u>43,228,400</u>	<u>42,070,313</u>
Total district-wide										
Change in Net Position										
Governmental activities	\$ 449,441	\$ 2,937,501	\$ 3,485,737	\$ 3,977,368	\$ 1,943,556	\$ 2,133,054	\$ 4,387,587	\$ 419,975	\$ 1,624,681	\$ 1,217,187
Business-type activities	<u>(14,438)</u>	<u>169,217</u>	<u>17,068</u>	<u>(64,039)</u>	<u>(166,322)</u>	<u>(35,632)</u>	<u>37,071</u>	<u>60,819</u>	<u>21,592</u>	<u>38,489</u>
Total district	<u>\$ 435,003</u>	<u>\$ 3,106,718</u>	<u>\$ 3,502,806</u>	<u>\$ 3,913,329</u>	<u>\$ 1,777,234</u>	<u>\$ 2,097,422</u>	<u>\$ 4,424,658</u>	<u>\$ 480,794</u>	<u>\$ 1,646,274</u>	<u>\$ 1,255,676</u>

Source: ACFR Schedule A-2

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,				2016					
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ 102,865	\$ 81,183	\$ 56,746	\$ 29,597	\$ 5,354,125	\$ 5,032,567	\$ 4,254,026	\$ 3,142,611	\$ 2,369,236	\$ 2,886,629
Restricted	7,519,170	9,332,337	7,676,998	5,354,125	1,104,503	1,215,486	1,256,534	513,220	319,514	2,777,633
Assigned	1,452,520	1,774,746	2,303,888	1,136,438	2,520,865	1,334,942	1,334,077	1,238,233	1,255,729	202,183
Unassigned	1,039,947	896,110	1,022,288							1,064,127
Total general fund	<u>\$ 10,114,502</u>	<u>\$ 12,084,936</u>	<u>\$ 11,059,920</u>	<u>\$ 9,241,025</u>	<u>\$ 8,657,891</u>	<u>\$ 6,804,454</u>	<u>\$ 6,804,454</u>	<u>\$ 5,733,323</u>	<u>\$ 4,120,689</u>	<u>\$ 4,471,872</u>
All Other Governmental Funds										
Reserved	\$ 325,164	\$ 321,392	\$ 296,995	\$ 371,618	\$ 311,793					
Restricted	787,584									
Committed										
Unassigned										
Total all other governmental funds	<u>\$ 1,112,748</u>	<u>\$ 321,392</u>	<u>\$ 296,995</u>	<u>\$ 371,618</u>	<u>\$ 311,793</u>					

Source: ACFR Schedule B-1

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
UNAUDITED

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	Fiscal Year Ending June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues											
Tax Levy	\$ 47,860,670	\$ 46,987,165	\$ 46,083,270	\$ 45,347,241	\$ 44,731,202	\$ 44,187,050	\$ 43,053,625	\$ 41,927,960	\$ 40,836,212	\$ 40,154,210	
Transportation Fees from Individuals	119,400	112,600	99,200	83,700	6,686,446	6,486,630	6,414,792	6,277,035	6,541,825	6,914,558	6,323,270
Miscellaneous	7,286,873	7,574,203	7,345,000	6,686,446	13,445,684	11,637,543	11,094,696	9,625,205	9,227,285	8,248,468	8,248,468
State Sources	18,655,271	18,534,342	18,087,148	16,014,324	894,367	943,375	665,183	712,104	734,823	734,823	691,153
Federal Sources	786,422	889,362	1,429,829	1,429,446	69,006,078	65,606,391	62,924,569	61,137,460	58,834,374	57,712,878	55,417,100
Total Revenue	74,648,635	74,097,672	73,044,446	73,044,446							
Expenditures											
Instruction	18,010,336	18,337,993	18,336,170	18,148,381	17,570,390	17,104,944	16,052,430	16,623,743	16,388,073	16,183,260	
Regular Instruction	5,911,815	5,977,651	6,150,340	5,930,016	5,725,778	5,550,351	5,598,408	5,373,638	5,161,050	4,845,196	
Special Education Instruction											
Other Special Instruction											
Other Instruction											
School Sponsored Activities and Athletics											
Support Services:											
Tuition	1,833,133	1,658,737	1,686,453	1,241,972	1,249,246	1,469,636	1,484,196	1,441,486	1,505,847	1,555,706	
Student & Instruction Related Services	8,667,909	7,600,027	7,180,400	6,668,845	6,553,108	6,221,932	5,510,547	5,599,916	5,333,565	5,229,975	
Student & Instruction Related Services											
Educational Media / School Library	1,346,110	1,386,777	1,452,672	1,378,126	1,272,893	1,269,162	1,128,893	1,025,027	1,033,871		
General Administration	1,987,211	1,953,269	1,940,815	1,977,555	2,036,966	1,928,381	1,851,717	1,873,043	1,864,630	1,766,808	
School Administrative Services	1,392,430	1,178,200	983,113	1,045,514	986,140	921,051	976,864	980,807	916,884	697,172	
Central Services	4,331,632	4,087,372	3,819,980	4,104,906	3,654,364	3,527,076	3,527,716	3,559,123	3,347,766	3,329,192	
Plant Operations and Maintenance	2,348,868	2,229,444	1,986,202	1,694,906	1,535,364	1,313,776	1,620,039	1,529,642	1,591,256	1,710,009	
Pupil Transportation											
Other Support Services	25,221,565	24,288,746	23,358,312	20,807,189	19,011,190	17,287,852	16,551,269	15,855,365	14,163,762	13,218,359	
Unallocated Benefits	69,386	69,197	1,521,704	1,241,804	1,000,1295	1,306,593	950,198	3,005,022	3,646,596	1,590,327	
Capital Outlay	62,861	79,668	-	71,475	65,000	64,859	69,170	64,584	62,231	42,143	
Special Schools											
Charter Schools											
Special Revenue Funds											
Debt Service:											
Principal	1,500,000	1,490,000	1,485,000	2,237,982	2,167,516	2,046,551	2,027,266	2,021,378	1,585,000	1,565,000	
Interest and Other Charges	149,750	224,250	298,500	342,600	426,650	509,975	579,225	623,075	664,400	729,13	
Total expenditures	75,757,714	73,105,711	72,074,844	68,920,452	65,039,180	62,216,169	59,943,578	61,282,955	58,884,767	55,113,110	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,9079)	991,961	969,602	85,626	566,711	708,400	1,293,881	(2,448,582)	(1,171,889)	303,990	
Other Financing Sources (Uses)											
Installment Purchases (Non-Budgeted)											
Cancelled SDA Grant											
Total Other Financing Sources (Uses)	(60,000)	215,825	774,670	557,334	811,587	322,431	350,000	2,064,953	1,597,096	158,928	
Net Change in Fund Balances	\$ (111,9079)	\$ 1,049,414	\$ 1,744,272	\$ 642,959	\$ 1,378,298	\$ 1,030,831	\$ 1,943,981	\$ (333,629)	\$ 398,208	\$ 462,318	
Debt Service as a Percentage of Noncapital Expenditures	2.20%	2.37%	2.53%	3.81%	4.05%	4.20%	4.43%	4.54%	4.07%	4.29%	

Source: ACFR Schedule B-2

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT "J-5"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Interest on Investments</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 5,904,850		\$ 21,018	\$ 57,367	\$ 335,129	\$ 6,318,364
2017	6,382,210		25,889	89,705	410,896	6,908,700
2018	5,947,584		73,595	141,349	350,263	6,512,791
2019	5,523,407		164,142	183,918	267,731	6,139,197
2020	5,656,965		124,852	142,966	298,451	6,223,234
2021	5,886,244		17,958	120,013	251,298	6,275,513
2022	5,990,556	\$ 178,930	15,713	168,967	157,533	6,511,699
2023	6,602,495	99,200	150,006	195,973	34,592	7,082,266
2024	6,297,985	112,600	318,089	204,663	214,065	7,147,402
2025	6,098,239	119,400	338,383	209,610	158,219	6,923,851

Source: District Records

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

UNAUDITED.

Calendar Year	Residential Vacant Land	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Total Estimated Actual (County Equalized Value)
2016	21,514,700	1,370,401,350	420	376,331,600	37,612,350	5,822,900	1,811,683,320	1,748,125	2.898	3,293,370,878
2017	18,151,100	1,376,587,950	420	383,683,800	34,709,350	5,822,900	1,818,955,520	949,329	1,819,904,849	2.234
2018	21,771,500	1,382,091,250	420	385,811,800	31,409,350	5,822,900	1,826,907,220	967,049	1,827,874,269	2.330
2019	21,359,300	1,387,454,700	420	381,866,700	31,409,350	5,822,900	1,827,913,370	946,798	1,828,860,168	2.325
2020	22,846,500	1,389,780,600	420	385,636,500	31,409,350	5,822,900	1,835,496,270	958,488	1,836,454,758	2.241
2021	23,432,400	1,394,831,800	420	381,442,700	35,681,150	5,822,900	1,841,211,370	1,003,954	1,842,215,324	2.445
2022	23,674,400	1,401,313,000	420	385,769,200	33,776,850	5,822,900	1,850,396,770	949,104	1,851,305,874	2.470
2023	32,611,400	1,404,752,500	420	362,843,000	33,776,850	5,822,900	1,839,807,070	929,335	1,840,736,405	2.528
2024	24,553,700	1,418,040,300	420	362,801,100	30,406,000	5,822,900	1,841,624,420	880,265	1,842,504,685	2.574
2025	20,881,100	1,445,957,000	420	358,824,200	30,406,000	5,822,900	1,861,891,620	803,945	1,862,695,565	2.617

Source: District records Tax list summary & Municipal Tax Assessor

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

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100

EXHIBIT "J-7"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

(rate per \$100 of assessed value)

UNAUDITED

Calendar Year Ended Dec. 31	Berkeley Heights Public Schools	Berkeley Heights Township	Union County	Total
2016	2.230	0.760	0.980	3.970
2017	2.270	0.760	1.000	4.030
2018	2.325	0.788	0.977	4.090
2019	2.390	0.810	0.980	4.180
2020	2.420	0.810	0.970	4.200
2021	2.445	0.831	0.900	4.176
2022	2.470	0.849	0.880	4.199
2023	2.528	0.872	0.825	4.225
2024	2.574	0.887	0.826	4.287
2025	2.617	0.912	0.872	4.401

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any appending growth adjustments.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable
- b** Rates for debt service are based on each year's requirements.

EXHIBIT "J-8"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2025		2016		Rank	% of Total District Net Assessed Value
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value		
Alcatel Lucent	76,065,000	1	4.08%	86,065,000	1	4.75%
The Connell Company	48,000,000	2	2.58%	48,000,000	2	2.65%
The Connell Corporate Center 1 LLC	35,386,800	3	1.90%	36,400,000	4	2.01%
Welltower OM Group LLC	33,101,000	4	1.78%			
200 Connell LLC	25,507,900	5	1.37%			
Connell East LLC	18,518,300	6	0.99%			
SIG Mountain LLC	16,526,400	7	0.89%			
Connell Hospitality LLC	14,500,000	8	0.78%			
The Connell Company LTF RE CO INC	12,351,800	9	0.66%			
Runnels Property LLC	10,106,200	10	0.54%			
Berkeley Development, LP				15,801,000	8	0.87%
BB#1-28526-BZS001, CBRE				10,106,200	10	0.56%
Connell East LLC				10,500,000	9	0.58%
Diamond Hill JT. Vent. C/O Summit Med				24,200,000	6	1.33%
Total	\$ 290,063,400		15.57%	33,101,000	3	1.02%
				\$ 309,291,500		1.83%
						17.06%

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 38,458,663	\$ 38,458,663	100.00%	
2017	\$ 40,836,212	\$ 40,836,212	100.00%	
2018	\$ 41,927,960	\$ 41,927,960	100.00%	
2019	\$ 43,053,625	\$ 43,053,625	100.00%	
2020	\$ 44,187,050	\$ 44,187,050	100.00%	
2021	\$ 44,731,202	\$ 44,731,202	100.00%	
2022	\$ 45,347,241	\$ 45,347,241	100.00%	
2023	\$ 46,083,270	\$ 46,083,270	100.00%	
2024	\$ 46,987,165	\$ 46,987,165	100.00%	
2025	\$ 47,860,670	\$ 47,860,670	100.00%	

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

Note:

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita ^a
	General Obligation Bonds	Financed Purchase Agreements	SBITAs Payable			
2016	\$ 16,110,000.00	\$ 1,604,280.35		\$ 17,714,280.35	13,359	1,326
2017	14,525,000.00	4,016,392.16		18,541,392.16	13,441	1,379
2018	12,910,000.00	3,047,637.24		15,957,637.24	13,430	1,188
2019	11,275,000.00	2,413,703.64		13,688,703.64	13,468	1,016
2020	9,570,000.00	2,121,935.44		11,691,935.44	13,371	874
2021	7,810,000.00	2,139,792.07		9,949,792.07	13,313	747
2022	5,970,000.00	1,123,631.69		7,093,631.69	13,169	539
2023	4,485,000.00	1,389,765.34		5,874,765.34	13,071	449
2024	2,995,000.00	774,118.88	\$ 31,017.91	3,800,136.79	13,293	286
2025	1,495,000.00	374,297.29	\$ 18,554.83	1,887,852.12	14,510	130

Source: District ACFR Schedules I-1, I-2, I-4

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

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable	
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Total Municipal Assessed Value	Value ^a of Property	Per Capita ^b
2016	\$ 16,110,000.00	-0-	\$ 16,110,000.00	1,811,683,320.00	0.89%	1,205.93
2017	14,525,000.00	-0-	14,525,000.00	1,818,955,520.00	0.80%	1,080.65
2018	12,910,000.00	-0-	12,910,000.00	1,826,907,220.00	0.71%	961.28
2019	11,275,000.00	-0-	11,275,000.00	1,827,913,370.00	0.62%	837.17
2020	9,570,000.00	-0-	9,570,000.00	1,835,496,270.00	0.52%	715.73
2021	7,810,000.00	-0-	7,810,000.00	1,841,211,370.00	0.42%	586.64
2022	5,970,000.00	-0-	5,970,000.00	1,850,356,770.00	0.32%	453.34
2023	4,485,000.00	-0-	4,485,000.00	1,839,807,070.00	0.24%	343.13
2024	2,995,000.00	-0-	2,995,000.00	1,841,624,420.00	0.16%	225.31
2025	1,495,000.00	-0-	1,495,000.00	1,861,891,620.00	0.08%	103.03

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Berkeley Heights Township	\$ 56,672,681	100.00%	\$ 56,672,681
Other debt Union County	482,595,186	3.90%	18,821,212
Subtotal, overlapping debt			75,493,893
Berkeley Heights School District Direct Debt	1,495,000	100.00%	1,495,000
Total direct and overlapping debt			<u>\$ 76,988,893</u>

Sources: Township Chief Financial Officer and County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Berkeley Heights. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT I
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized valuation basis				
	2024	2023	2022	2021	2020
Average equalized valuation of taxable property	[A3]				
Debt limit (4% of average equalization value)	[B]				
Net bonded school debt	[C]				
Legal debt margin	[B-C]				
	<u><u>\$ 4,032,582,638</u></u>				
	<u><u>\$ 161,303,306</u></u>				
	<u><u>\$ 1,495,000</u></u>				
	<u><u>\$ 159,808,306</u></u>				

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 126,969,328	\$ 129,154,391	\$ 132,654,307	\$ 134,747,538	\$ 136,478,841	\$ 138,204,319	\$ 141,177,407	\$ 149,656,233	\$ 161,303,306	
Total net debt applicable to limit	<u><u>16,110,000</u></u>	<u><u>16,110,000</u></u>	<u><u>12,910,000</u></u>	<u><u>11,275,000</u></u>	<u><u>9,570,000</u></u>	<u><u>7,810,000</u></u>	<u><u>5,970,000</u></u>	<u><u>4,485,000</u></u>	<u><u>2,995,000</u></u>	<u><u>1,495,000</u></u>
Legal debt margin	<u><u>\$ 110,859,328</u></u>	<u><u>\$ 113,044,391</u></u>	<u><u>\$ 119,744,307</u></u>	<u><u>\$ 123,472,538</u></u>	<u><u>\$ 126,908,841</u></u>	<u><u>\$ 129,047,180</u></u>	<u><u>\$ 132,234,319</u></u>	<u><u>\$ 136,692,407</u></u>	<u><u>\$ 146,661,233</u></u>	<u><u>\$ 159,808,306</u></u>
Total net debt applicable to the limit as a percentage of debt limit	12.69%	12.47%	9.73%	8.37%	7.01%	5.71%	4.32%	3.18%	2.00%	0.93%

Source: Abstract of Ratables and District Records ACFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

EXHIBIT "J-14"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year Ended December 31</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2015	3.7%	60,089	13,359
2016	3.5%	61,808	13,441
2017	3.1%	61,624	13,430
2018	2.9%	64,413	13,468
2019	2.5%	68,262	13,371
2020	6.4%	70,865	13,313
2021	4.8%	72,543	13,169
2022	2.6%	77,007	13,071
2023	3.2%	76,616	13,293
2024	3.7%	82,502	14,510

Source: N.J. Department of Labor

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
UNAUDITED

* Information for this schedule was not available at the time of audit.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	204	204	204	203	204	205	210	210	211	211
Special education	30	32	34	36	37	40	42	46	45	45
Other special education	25	25	26	27	27	27	30	35	34	34
Vocational	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	28	29	29	29	29	29	32	31	31	31
General administration	3	3	3	3	3	3	4	4	3	3
School administrative services	9	9	9	9	9	9	9	9	9	9
Other Administrative Services	7	7	7	6	6	7	8	8	8	8
Central services	5	5	5	5	5	5	6	6	6	6
Administrative Information Technology	6	7	6	6	6	6	6	6	6	6
Plant operations and maintenance	32	32	32	32	32	32	32	33	32	32
Pupil transportation	7	7	7	7	6	6	6	6	6	6
Other Support Services	63	65	62	63	65	70	68	60	59	61
Food Service	8	7	7	7	7	4				
Total	415	412	418	420	422	420	456	459	455	456

Source: District Personnel Records

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a						Pupil/Teacher Ratio			
		Cost per Pupil ^d	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	2,681	51,227,970	19,108	5.14%	299	14:1	12:1	11:1	2,671	2,568	0.17%
2017	2,700	52,988,771	19,625	2.71%	300	14:1	12:1	11:1	2,700	2,589	1.09%
2018	2,622	56,039,858	21,373	8.90%	302	14:1	12:1	11:1	2,622	2,501	-2.90%
2019	2,574	56,679,156	22,020	3.03%	303	14:1	12:1	11:1	2,572	2,461	-1.89%
2020	2,553	58,694,601	22,990	4.41%	305	14:1	12:1	11:1	2,559	2,473	-0.51%
2021	2,477	61,852,905	24,971	8.61%	307	7.8:1	7.6:1	8.7:1	2,494	2,420	-2.54%
2022	2,481	65,098,066	26,239	5.08%	308	8.1:1	7.4:1	8.7:1	2,506	2,387	0.48%
2023	2,444	68,759,640	28,138	7.24%	311	8:1	9:1	9:1	2,493	2,362	-0.52%
2024	2,395	70,699,490	29,520	4.91%	310	8:1	9:1	9:1	2,416	2,299	-3.09%
2025	2,327	73,468,578	31,572	6.95%	215	11:1	10:1	11:1	2,327	2,220	-3.68%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRs).

d Cost per pupil represents operating expenditures divided by enrollment.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION

UNAUDITED

District Building		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Elementary</u>											
Mary Kay McMillin School (1961)	Square Feet	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137
	Capacity (students)	332	332	332	332	332	332	332	332	332	332
	Enrollment	346	338	326	313	338	304	255	244	239	251
Hughes School (1953)	Square Feet	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600
	Capacity (students)	278	278	278	278	278	278	278	278	278	278
	Enrollment	258	289	270	276	283	264	313	276	270	245
Mountain Park (1958)	Square Feet	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092
	Capacity (students)	278	278	278	278	278	278	278	278	278	278
	Enrollment	228	220	229	230	239	243	202	223	213	221
Woodruff School (1961)	Square Feet	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820
	Capacity (students)	235	235	235	235	235	235	235	235	235	235
	Enrollment	245	240	207	202	184	180	229	234	243	237
<u>Middle School</u>											
Columbia	Square Feet	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610
	Capacity (students)	665	665	665	665	665	665	545	665	665	665
	Enrollment	570	554	566	597	583	545	542	560	537	512
High School	Governor Livingston	186,983	186,983	186,983	186,983	189,983	186,983	186,983	186,983	186,983	186,983
	Square Feet	903	903	903	903	903	903	903	903	903	903
	Capacity (students)	1,034	1,064	1,024	963	940	941	940	907	893	836

Source: District records, ASSA
Note: Increases in square footage and capacity are the result of
and additions. Enrollment is based on the annual October district count.

TOWNSHIP OF BERKELEY HEIGHTS - SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
UNAUDITED

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

School Facilities	Project # (s)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governor Livingston High School	N/A	\$ 448,479	\$ 415,473	\$ 322,434	\$ 382,360	\$ 313,006	\$ 361,357	\$ 318,159	\$ 370,922	\$ 344,644	\$ 324,254
Columbia Middle School	N/A	220,624	243,581	201,139	196,944	250,612	226,982	198,014	192,928	160,123	213,589
T.P. Hughes Elementary School	N/A	90,345	74,668	56,434	76,740	131,570	76,664	62,516	108,547	85,760	68,066
Mary Kay McMillin School	N/A	87,996	89,194	82,680	93,822	114,892	98,142	80,928	59,897	70,624	81,516
Mountain Park Elementary School	N/A	101,874	95,761	65,084	88,535	126,841	103,487	73,033	92,602	77,066	79,976
Woodruff Elementary School	N/A	94,724	86,267	76,324	72,937	105,892	67,912	60,298	85,979	63,213	76,811
Total School Facilities		1,044,040	1,004,944	804,095	911,338	1,042,813	934,544	792,648	909,975	801,430	844,212
Grand Total		<u>\$ 1,044,040</u>	<u>\$ 1,004,944</u>	<u>\$ 804,095</u>	<u>\$ 911,338</u>	<u>\$ 1,042,813</u>	<u>\$ 934,544</u>	<u>\$ 792,648</u>	<u>\$ 909,975</u>	<u>\$ 801,430</u>	<u>\$ 844,212</u>

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2025

UNAUDITED

		<u>LIMITS</u>	<u>DEDUCTIBLE</u>
Blanket Building and Contents	\$	153,671,023	5,000
Boiler & Machinery			
Flood - Outside 100 Year Flood Zone		1,015,000	25,000
Flood - Inside 100 Year Flood Zone			
<u>ENVIRONMENTAL POLICY</u>			
Environmental Impairment Liability (Group Aggregate)		1,000,000	10,000
Each Impairment Aggregate limit per Insured:			
<u>GENERAL LIABILITY COVERAGES</u>			
Each Occurrence Limit		1,000,000	
Personal and Advertising Injury Limit		1,000,000	
General Aggregate Limit		3,000,000	
Products/Completed Operations, Aggregate Limit		3,000,000	
Damage to Premises Rented to You		1,000,000	
Medical Expense Limit		10,000	
<u>AUTOMOBILE</u>			
Liability		1,000,000	
Uninsured/Underinsured Motorists		1,000,000	
Comprehensive and Collision Deductibles			1000/3000
<u>PROFESSIONAL LIABILITY POLICY</u>			
School Board Legal Liability Limit		1,000,000	5,000
Employment Related Practices Limit		1,000,000	5,000
<u>CRIME</u>			
Employee Dishonesty-per employee		100,000	1,000
Forgery & Alteration		100,000	
<u>STATUTORY BONDS</u>			
Public Official Bond -Bus Admn/Treasurer		400,000	
<u>UMBRELLA LIABILITY</u>			
Limit of Liability		15,000,000	10,000
<u>EXCESS UMBRELLA</u>			
NJ Unshared Excess Liability		20,000,000	

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2025

UNAUDITED

Disability Insurance-Athletic	1,000,000	
Student Accident Full Excess Plan	5,000,000	
Voluntary Accident Full Excess Plan	500,000	
Cyber Liability	1,000,000	15,000
Privacy Liability	1,000,000	15,000
Legal & Regulatory Costs Coverage	1,000,000	15,000
Security & Forensic Costs Coverage	1,000,000	15,000
Management Liability	1,000,000	15,000
Multimedia Liability - Defamation	1,000,000	15,000
Cyber Extortion	1,000,000	15,000
Business Income and Extra Expense	1,000,000	15,000
PCI Fines, Penalties & Assessments	1,000,000	15,000
Workers Compensation:		
Self Insured Retention	600,000	
Bi By Accident-Each Accident	1,000,000	
BI by Disease-Each Employee	1,000,000	
BI by Disease - Policy Limit	1,000,000	
BI by Disease-Each Employee	1,000,000	
BI by Disease - Policy Limit	1,000,000	

* Denotes insurance representative has reviewed this information

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members
of the Board of Education
Township of Berkeley Heights School District
County of Union
Berkeley Heights, New Jersey 07922

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Berkeley Heights School District, in the County of Union, State of New Jersey (the "District") 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, and have issued our report thereon dated November 14, 2025.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY LLC

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted instances of noncompliance that we have reported to the District in a separate Auditor's Management Report on Administrative Finding – Finance and Compliance dated November 14, 2025.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

November 14, 2025



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Township of Berkeley Heights School District
County of Union
Township of Berkeley Heights, New Jersey 07922

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards and the *New Jersey OMB State Grant Compliance Supplement* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY LLC

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and the *New Jersey OMB State Grant Compliance Supplement*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *New Jersey OMB State Grant Compliance Supplement*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

SUPLEE, CLOONEY & COMPANY LLC

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *New Jersey OMB State Grant Compliance Supplement*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

November 14, 2025

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

FEDERAL GRANT/PROGRAM PASS-THROUGH GRANT/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FEDERAL AWARD I.D. NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM TO	BALANCE JUNE 30, 2024 (ACCOUNTS RECEIVABLE)	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	REPAYMENT OF PRIOR YEARS BALANCES			BALANCE JUNE 30, 2025 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
									ADJUSTMENTS	ADJUSTMENTS	ADJUSTMENTS		
U.S. Department of Education													
Passed-Through State Department of Education:													
Special Revenue Funds													
E.S.E.A.	84-367	\$3656A240300	ESEA031024	\$22,479.00	07/01/2023	06/30/2024	(\$3,070.63)	\$3,070.63					
Title IA	84-365	\$3656A250300	ESEA031025	33,288.00	07/01/2024	06/30/2025	3,196.37	3,196.37	(\$33,288.00)				
Title II	84-365	\$3656A240300	ESEA031024	26,716.00	07/01/2023	06/30/2024	2,090.57	2,090.57					
Title III	84-365	\$3656A250300	ESEA031025	29,820.00	07/01/2024	06/30/2025	10,449.43	10,449.43	(11,162.62)				
Total E.S.E.A.							5,161.20	47,803.00	(44,450.60)				
I.D.E.A. Part B Special Education Cluster													
I.D.E.A. Part B, Basic	84-027	H027A240100	IDEA031024	567,083.00	07/01/2023	06/30/2024	(19,430.83)	19,430.83					
I.D.E.A. Part B, Basic	84-027	H027A250100	IDEA031025	549,562.00	07/01/2024	06/30/2025	(526,927.27)	526,927.27	(\$49,562.00)				
I.D.E.A. Part B - Preschool	84-173	H173A240100	IDEA031024	16,775.00	07/01/2023	06/30/2024	(1,265.80)	1,265.80					
I.D.E.A. Part B - Preschool	84-173	H173A250100	IDEA031025	16,082.00	07/01/2024	06/30/2025		11,065.36	(16,217.53)				
Total I.D.E.A. Part B Special Education Cluster							20,696.83	559,469.26	(565,779.53)				
Education Stabilization Fund													
Corona Virus Relief Fund	84-425U	S425U240027	21-5120-518	569,261.00	01/01/2022	1/23/2024	(47,173.89)	141,143.84	(83,970.15)				
CR Non Title I	84-425U	S425U240027	21-5120-523	45,000.00	03/15/2020	06/30/2024	(3,961.52)	14,387.90	(10,436.38)				
NJTS Mental Health Support Staffing							(51,125.21)	155,331.74	(104,409.53)				
Total Education Stabilization Fund							70,983.04	762,860.00	(74,636.86)				
Total U.S. Department of Education													
U.S. Department of Treasury													
Passed-Through State Department of Education:													
Corona Virus Relief Fund													
N.J. High Impact Tutoring	21-027	SLRFDOE1SES		75,946.00	07/01/2023	06/30/2024	(12,674.85)	18,354.00	(10,229.00)				
Total U.S. Department of Treasury							(12,674.85)	18,354.00	(10,229.00)				
Total Special Revenue Fund													
Total Federal Financial Assistance							(\$85,657.89)	\$761,156.00	(\$724,856.66)				

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

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

STATE GRANT OR PROGRAM TITLE	PROJECT NUMBER	GRANT OR STATE AMOUNT	AWARD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2024 (ACCOUNTS RECEIVABLE TO UNEARNEED REVENUE)	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	BALANCES OF PRIOR YEARS RECEIVABLE	REVENUE	BALANCE AT JUNE 30, 2025 (ACCOUNTS UNEARNEED TO DUE TO GRANTOR)	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	MEMO	
<u>State Department of Education</u>															
General Funds:															
State Aid Cluster:															
Special Education Aid	25-495-034-5120-089	\$2,277,140.00	07/01/2024	06/30/2025	\$2,146,546.00	(\$2,377,140.00)	\$230,594.00					\$230,594.00	\$2,377,140.00		
Security Aid	25-495-034-5120-084	172,508.00	07/01/2024	06/30/2025	155,773.00	(172,508.00)	18,735.00					18,735.00	172,508.00		
Stabilization Aid	25-495-034-5120-169	3,539.00	07/01/2024	06/30/2025	3,539.00	(3,539.00)							3,539.00		
Total State Aid Cluster															
Transportation Aid	25-495-034-5120-014	470,303.00	07/01/2024	06/30/2025	424,682.00	(470,303.00)	45,621.00					45,621.00	470,303.00		
Non-Public Transportation Aid	25-495-034-5120-014	61,177.00	07/01/2024	06/30/2025	61,177.00	(61,177.00)							61,177.00	61,177.00	
Non-Public Transportation Aid	24-495-034-5120-014	77,865.00	07/01/2023	06/30/2024	(\$77,865.00)		77,865.00						77,865.00	77,865.00	
Extraordinary Aid	25-100-034-5120-473	714,921.00	07/01/2024	06/30/2025	695,560.00	(714,921.00)	714,921.00						714,921.00	714,921.00	
Extraordinary Aid	24-100-034-5120-473	595,560.00	07/01/2023	06/30/2024	(595,560.00)		595,560.00						595,560.00	595,560.00	
On-behalf TPAF Contributions	25-495-034-5094-002	9,288,027.00	07/01/2024	06/30/2025	9,288,027.00	(9,288,027.00)							9,288,027.00	9,288,027.00	
NCGI	25-495-034-5094-004	15,178.00	07/01/2024	06/30/2025	15,178.00	(15,178.00)							15,178.00	15,178.00	
Post Retirement Medical	25-495-034-5094-001	2,750,546.00	07/01/2024	06/30/2026	2,750,546.00	(2,750,546.00)							2,750,546.00	2,750,546.00	
Long-Term Disability Insurance	25-495-034-5094-004	3,585.00	07/01/2024	06/30/2025	3,585.00	(3,585.00)							3,585.00	3,585.00	
TPAF Social Security Aid	25-495-034-5095-003	1,971,197.80	07/01/2024	06/30/2025	1,872,562.41	(1,971,197.80)							1,971,197.80	1,971,197.80	
TPAF Social Security Aid	24-495-034-5095-003	1,933,836.20	07/01/2023	06/30/2024	(94,819.24)		94,819.24						94,819.24	1,933,836.20	
Total General Fund					(78,184.24)										
Special Revenue Earnings:															
N/A Nonpublic Aid:															
Technology Aid	25-100-034-5120-373	1,372.00	07/01/2024	06/30/2025	\$147.98		1,372.00	(1,181.95)					\$190.05	1,181.95	
Technology Aid	24-100-034-5120-373	2,891.00	07/01/2023	06/30/2024			8,610.00	(7,107.70)						2,891.00	
Security Aid	25-100-034-5120-509	8,610.00	07/01/2024	06/30/2025			731.36						1,502.30	7,107.70	
Security Aid	24-100-034-5120-509	12,505.00	07/01/2023	06/30/2024			1,432.00	(1,353.53)						12,505.00	
Textbook Aid	25-100-034-5120-084	1,432.00	07/01/2024	06/30/2025			81.64							1,353.53	
Textbook Aid	24-100-034-5120-084	3,411.00	07/01/2023	06/30/2024			5,480.00	(5,018.59)						3,411.00	
Nursing	25-100-034-5120-070	5,480.00	07/01/2024	06/30/2025			573.93							441.41	
Nursing	24-100-034-5120-070	7,320.00	07/01/2023	06/30/2024										7,320.00	
Handicapped Services:															
Supplemental Instruction	25-100-034-5120-088	5,369.00	07/01/2024	06/30/2025			5,369.00	(1,156.40)						4,212.60	1,156.40
Supplemental Instruction	24-100-034-5120-088	867.00	07/01/2023	06/30/2024			41.40								825.60
Examination & Classification	25-100-034-5120-088	5,684.00	07/01/2024	06/30/2025			5,684.00	(5,684.00)							5,684.00
Examination & Classification	24-100-034-5120-088	2,559.00	07/01/2023	06/30/2024			852.83								1,708.17
Open Source Education		9,000.00	07/01/2024	06/30/2025	(9,000.00)		60,249.00	(60,249.00)							9,000.00
SDA Emergent Needs	25-100-034-5120-519	62,984.00	07/01/2024	06/30/2025											61,204.00
Total Special Revenue Fund					(9,000.00)		2,429.14								
															120,364.94

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

TOWNSHIP OF BERKELEY HEIGHTS - SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

Township of Berkeley Heights School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2025

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Berkeley Heights School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financials assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

**Township of Berkeley Heights School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2025**

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,339.00) for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$45,966.92) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$17,939,370.80	\$17,939,370.80
Special Revenue Fund	\$766,421.84	95,152.91	861,574.75
Capital Projects Fund		51,534.00	51,534.00
Debt Service Fund		<u>551,951.00</u>	<u>551,951.00</u>
GAAP Adjustment	<u>(41,565.18)</u>	<u>(5,740.74)</u>	<u>(47,305.92)</u>
Total Awards & Financial Assistance	<u>\$724,856.66</u>	<u>\$18,632,267.97</u>	<u>\$19,357,124.63</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2025. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2025.

Township of Berkeley Heights School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

(1) Type of Auditor’s Report Issued:	Unmodified
(2) Internal Control Over Financial Reporting:	
(a) Material weakness(es) identified?	No
(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(3) Noncompliance material to the basic financial statements noted during the audit?	No

Federal Program(s) - Not Applicable

State Program(s)

(1) Internal Control Over Major State Programs:	
(a) Material weakness(es) identified?	No
(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(2) Type of Auditor’s Report issued on compliance for major state program(s)?	Unmodified
(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?	No
(4) Identification of Major State Program(s):	

<u>Program</u>	<u>Grant Number</u>
Reimbursed TPAF Social Security Contributions	495-034-5095-003
Transportation Aid	495-034-5120-014

(5) Program Threshold Determination:	
Type A State Program Threshold > \$750,000.00	
Type B State Program Threshold <= \$750,000.00	
(6) Auditee qualified as a low-risk auditee under OMB Circular 15-08?	Yes

Township of Berkeley Heights School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings – None Reported

Compliance Findings – None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – Not Applicable

State Programs – None Reported

Township of Berkeley Heights School District
Union County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable

