BOARD OF EDUCATION
OF THE
TOWNSHIP OF BERLIN
SCHOOL DISTRICT
BERLIN, NEW JERSEY

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

22550

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INTRODUCTORY SECTION

Mr. Adam Lee
Superintendent

BERLIN TOWNSHIP SCHOOL DISTRICT

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www.btwpschools.org

Megan Stoddart
Business Administrator

Dina Bottley
Supervisor of Curriculum and Instruction

Kristin Braidwood
Supervisor of Special Services

Thomas Cunningham
Technology Coordinator

Charles Pfluger, C.E.F.M.
Supervisor Buildings and Grounds

December 4, 2025

Honorable President and Members of the Board of Education
Berlin Township School District
West Berlin, NJ 08091

Dear Board Members:

The Annual Comprehensive Financial Report of the Berlin Township School District for the fiscal year ended June 30, 2025 is hereby submitted. Responsibility for both accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Berlin Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 charge and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section contains 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 and the State Treasury Circular Letter 25-12, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". 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 questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Berlin Township School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14, as amended. All funds of the District are included in this report. The Berlin Township Board of Education constitutes the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as, special education for handicapped children. The district completed the 2024/2025 fiscal year with an average daily enrollment of 622 students which is an increase of 12 students from the previous year. The following details the changes in the average daily student enrollment of the district over the last eight years.

AVERAGE DAILY ENROLLMENT:

Fiscal Year	Student Enrollment	Percent Change
2024-2025	622	1.97%
2023-2024	610	(-1.61%)
2022-2023	620	2.31%
2021-2022	606	4.66%
2020-2021	579	(-10.65%)
2019-2020	648	(-1.97%)
2018-2019	661	6.61%
2017-2018	620	1.64%
2016-2017	610	(-2.55%)

2. ECONOMIC CONDITION AND OUTLOOK:

The student population of Berlin Township School District was, according to the District's Long Range Plan, predicted to plateau at approximately 700 students. Enrollment varies from year to year, with minimal swings in increases and decreases. Student mobility stemming from a small transient population can be documented and accounts for most charges in student population numbers.

The Township of Berlin contains very little land for residential construction and no significant growth pattern is expected.

3. MAJOR INITIATIVES:

During the 2024/2025 school year, the teaching staff of Berlin Township School District continued to receive professional development in the areas of differentiating instruction, Curriculum Development, Use of Technology in the Classroom (especially STEM), Positive Behavior Supports, School Climate and Culture and rubric design.

Technology upgrades continue to be made across all areas of the District, continuing with Chromebook utilization and upgrades to BenQ boards in the classrooms to replace outdated smartboards. The use of OnCourse, a student management software program, and Google Classroom were used by teachers to communicate with parents and sharing student achievement progress.

The most effective way to address student achievement is through giving the professional staff members the skills necessary to teach a diverse population of learners. The concentrated and focused professional development plan will continue training in the concept of curriculum development and implementation. Continual policy revision, cross-training, and review of regulations continue at the board office level.

4. INTERNAL ACCOUNTING 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 accounting 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 recognizing 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 the management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the District's 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. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts are reported as assignments of fund balance at June 30, 2025.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Units from a loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, workman's compensation, hazard and theft insurance on property and contents, and fidelity bonds. Additionally, the Board carries student accident insurance and provides the ability of parents to purchase this coverage for 24-hour wraparound coverage. The District's risk management is carried through the New Jersey School Boards Association Insurance Group for all lines of coverage.

9. OTHER INFORMATION:

Independent Audit – State statues require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Bowman & Company LLP. 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 and State Treasury circular Letter 25-12. The auditor's report on the general-purpose financial statement and combining and individual fund statements and schedule is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

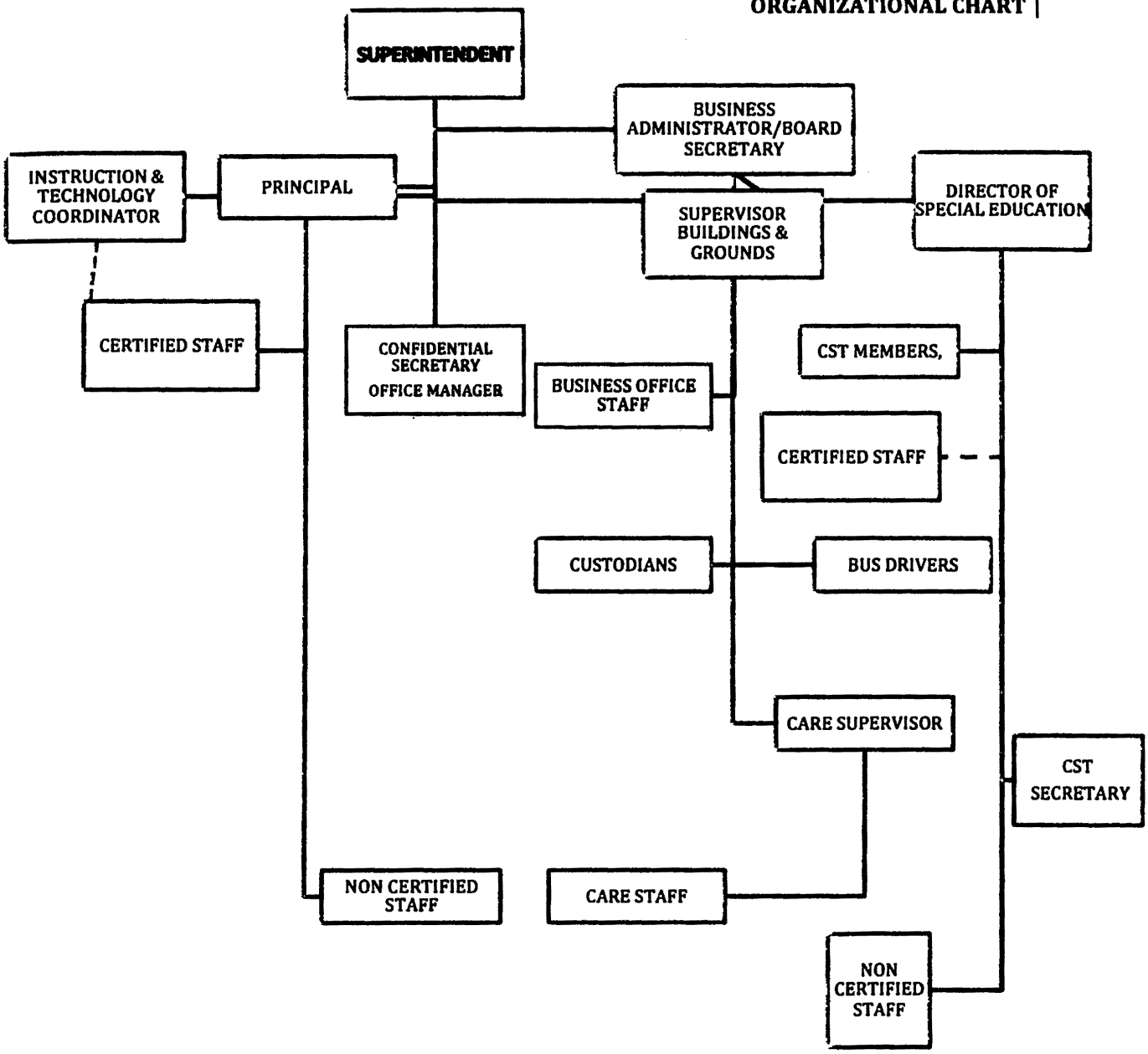
We would like to express our appreciation to the members of the Berlin Township School Board for their concern in providing fiscal accountability to the development and maintenance of our financial operation

Respectfully submitted,

Adam Lee, Superintendent

Megan Stoddart, School Business Administrator

ORGANIZATIONAL CHART



TOWNSHIP OF BERLIN SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Brian Davis, President	2027
Kimberly Reed, Vice President	2027
Michele Williams-Oriente	2025
Rebecca Allen	2026
Scott Golden	2025
Lisa Hill-Muff	2027
Sarah Rowe	2025
Stacey Juliano	2026
Matthew Phillips	2026

OTHER OFFICIALS

Mr. Adam Lee, Superintendent

Megan Stoddart, School Business Administrator / Board Secretary

Kathleen Forsythe, Treasurer of School Moneys

Joseph Betley, Esq. Solicitor

TOWNSHIP OF BERLIN SCHOOL DISTRICT

CONSULTANTS AND ADVISORS
June 30, 2025

Audit Firm

Bowman & Company LLP
6 N. Broad Street
Woodbury, NJ 08096

Attorney

Joseph Betley, Esquire
Acting for Capehart & Scatchard
8000 Midlantic Drive, Suite 300
Mount Laurel, New Jersey 08054

Official Depositories

Citizens Bank
79 New Jersey 73
Voorhees, New Jersey 08043

Fulton Bank
200 NJ-73
Berlin Township, New Jersey 08091

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Berlin School District
West Berlin, New Jersey 08091

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Berlin School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Township of Berlin School District, in the County of Camden, State of New Jersey, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our 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.

Emphasis of Matter

Change in Accounting Principle

As described in note 1 to the financial statements, during the fiscal year ended June 30, 2025, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Restatement of Prior Period Financial Statements

Because of the implementation of GASB Statement No. 101, net position of governmental activities as of July 1, 2024 on the statement of activities has been restated, as discussed in note 21 to the financial statements. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Berlin School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, and schedule of expenditures of federal awards, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 25-12-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is 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 statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025 on our consideration of the Township of Berlin School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Berlin School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Berlin School District's internal control over financial reporting and compliance.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS02548

Woodbury, New Jersey
December 4, 2025

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF BERLIN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

The discussion and analysis of Township of Berlin School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2025 and June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Financial Highlights for fiscal year 2025:

The total assets and deferred outflows of resources of the School District were greater than its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by $3,889,056.88 (net position).

The School District's total net position decreased by $1,705,213.23, from the prior year, primarily due to the implementation of GASB 101 and the restatement adjustment made during FY25.

As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of $976,859.16, an decrease of $999,167.02 in comparison with the prior year due to increased tuition and transportation costs.

Overview of the Financial Statements

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. 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 School District's net position and changes in that position. 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 School 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 the School District's facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business - type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Most of the School 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 the future periods. These funds are reported using an accounting method called modified accrual basis of 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 School District's general government operations and the basic services it provides. Governmental fund information helps you 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.

Proprietary Funds

Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to an external user for goods or services, are used to report the same functions presented as business-type activities in the government-wide financial statements. The School District uses enterprise funds to account for its food service program and after school program.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The School District as a Whole

The Statement of Net Position provides a snapshot of the School District as a whole.

The table on the following page provides a summary of the School District's net position for the year ended June 30, 2025.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Table 1

Net Position

	June 30, 2025	June 30, 2024
Assets:		
Cash and Cash Equivalents	$ 1,503,311.42	$ 2,261,414.00
Receivables, net	347,899.50	292,979.21
Inventory	6,237.19	10,524.26
Capital Assets, net	7,486,217.67	7,220,065.12
Total Assets	9,343,665.78	9,784,982.59
Deferred Outflows of Resources:		
Related to Pensions	492,490.00	376,726.00
Liabilities:		
Accounts Payable	743,845.04	190,446.71
Accrued Interest Payable	13,250.00	15,650.00
Unearned Revenue	166,522.06	402,088.71
Payable to State Government	8,268.00	
Noncurrent Liabilities:		
Due within One Year	392,627.21	266,673.22
Due beyond One Year	4,202,073.58	3,124,350.85
Total Liabilities	5,526,585.90	3,999,209.48
Deferred Inflows of Resources:		
Related to Pensions	420,513.00	568,229.00
Net Position:		
Net Investment in Capital Assets	6,161,217.67	5,655,065.12
Restricted	922,270.33	1,192,042.44
Unrestricted (Deficit)	(3,194,431.12)	(1,252,837.45)
Total Net Position	$ 3,889,056.88	$ 5,594,270.11

Prior year is not consistent due to the change in accounting principle for implementation of GASB 101, Compensated Absences.

The largest portion of the School Districts' net position (158%) reflects its investment in capital assets (i.e. land, buildings, equipment), less any related debt used to acquire those assets that is still outstanding. The School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending.

The net position of the business-type activities decreased by $20,783.02.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Table 2

Changes in Net Position

	June 30, 2025	June 30, 2024
Revenues		
Program Revenues:		
Charges for Services	$ 229,361.33	$ 255,074.95
Operating Grants and Contributions	1,619,625.63	2,348,644.71
General Revenues:		
Property Taxes	10,804,702.00	10,597,978.00
Federal and State Aid	8,535,145.16	7,295,677.21
Federal and State Aid - Restricted	724,669.33	14,400.00
Unrestricted Miscellaneous Revenues	61,550.54	239,535.90
Total Revenues	21,975,053.99	20,751,310.77
Program Expenses:		
Governmental Activities:		
Instruction	6,054,264.72	6,262,832.42
Support Services	15,081,207.26	13,842,044.44
Other	583,025.83	572,258.95
Total Expenses, Governmental Activities	21,718,497.81	20,677,135.81
Business-Type Activities:		
Food Service	318,407.41	313,303.54
After School Program	123,086.17	112,468.15
Total Expenses, Business-Type Activities	441,493.58	425,771.69
Total Expenses	22,159,991.39	21,102,907.50
Change in Net Position	$ (184,937.40)	$ (351,596.73)

Prior year is not consistent due to the change in accounting principle for implementation of GASB 101, Compensated Absences.

Governmental Activities

State Aid and the Local Tax Levy comprise 95.38% of the total revenues for government activities for the fiscal year 2025.

The increase in Governmental Activities Expenses from FY 2023-2024 to FY 2024-2025 was related to the implementation of GASB 101 and increases in tuition and transportation costs.

Instruction costs comprises 27.88% of the District's governmental expenses, while support service and other expenses, including tuition costs, comprise approximately 72.12% of the government expense.

The Statement of Activities shows the costs of the Governmental Activities' program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2025. That is, it identifies the cost of these services supported by general revenues.

Table 3

	Total Cost of services	Net Cost of services
Instruction	$ 6,054,264.72	$ 5,282,122.63
Support services:		
Tuition	4,803,595.83	4,803,595.83
Student and Instruction Related Service	2,527,524.31	2,327,504.43
School Administrative Services	281,353.83	281,353.83
General Administrative Services	337,710.54	337,710.54
Central Services	206,140.53	206,140.53
Plant Operation and Maintenance	1,214,847.57	1,214,847.57
Pupil Transportation	1,314,463.81	1,314,463.81
Unallocated Benefits	3,252,576.15	2,794,715.20
Reimbursed TPAF and Social Security	1,061,390.69	1,061,390.69
Interest on Long Term Debt	60,200.00	60,200.00
Transfer to Charter Schools	21,404.00	21,404.00
Unallocated Depreciation	583,025.83	583,025.83
Total Government Activities	$ 21,718,497.81	$ 20,288,474.89

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Tuition expenses include the cost to the School District to send pupils living within the District to private schools.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and Business and Other Support Services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administrative services.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Governmental Activities (Cont'd)

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health, dental, prescription and other employee benefits.

Reimbursed TPAF and Social Security costs are the amounts for the on-behalf payments made by the State of New Jersey for staff members included in the Teacher's Pension and Annuity Fund.

Unallocated depreciation is used to report the depreciation expense on capital assets whose use cannot be specifically identified to one particular function.

The dependence upon property taxes, federal and state aid is apparent. The local community, federal government and state, are the primary support for the Berlin Township School District.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of $23,401,454.43 (Exhibit B-2), expenditures of $24,400,621.45. The net change in fund balance was significant in the General Fund which had an decrease of $999,167.02. The decrease in fund balance in the general fund is primarily a result of decreased revenues over increased costs during fiscal year 2025.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law. Most of the funds are appropriated in the General Fund.

During the course of the 2025 fiscal year, the School District modified its General Fund budget as allowed by New Jersey School law. The majority of budget modifications resulted from transfers made throughout the 2024-25 school year.

For the General Fund, the original and final budget basis revenue was $17,918,318.00, with actual revenues in the amount of $21,237,932.48, resulting in a positive variance of $3,319,614.48. The positive variance occurred mainly because of the TPAF On-behalf and Social Security payments by the State of New Jersey.

The General Fund final budget basis expenditure appropriation estimate was $19,117,767.73 including prior year encumbrances compared with the original estimate of $19,117,767.73, which also included prior year encumbrances. Actual General Fund basis expenditures were $22,122,644.61.

Capital Assets

At the end of the fiscal year, the School District had $7,486,217.67 invested in land, land improvements, buildings and improvements, vehicles, and equipment combined for governmental activities and business-type activities.

Table 4 shows a summary of the School District's fiscal 2025 balances:

Table 4
Capital Assets (Net of Depreciation)

	June 30, 2025	June 30, 2024
Land	$ 114,012.00	$ 114,012.00
Land Improvements	583,416.75	246,692.49
Buildings and Improvements	5,743,651.47	6,103,281.78
Vehicles	750,161.04	485,280.12
Equipment	294,976.41	270,798.73
Totals	$ 7,486,217.67	$ 7,220,065.12

Debt Administration

At the end of the current fiscal year, the Township of Berlin School District had total bonded debt outstanding of $1,325,000.00. All of the School Districts' bonded debt is governmental as opposed to business-type. The 2025-26 adopted budget has an appropriation of $303,000.00 representing the payment of principal & interest. The bonds have various interest rates and various maturity dates. Bonded Debt at end of prior year was $1,565,000.

Economic Factors and Next Year's Budget

For the 2024-2025 school year, the School District was able to stay within the State of New Jersey's cap on the increase in taxes levied of 2%. The School District continues to look for opportunities for cost containment including shared services. One of the most important factors affecting the budget is enrollment.

Contacting the School District's Financial Management

The School District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials and investors and creditors with a general overview of the School District's finances and to show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Berlin Township School Business Administrator/Board Secretary at 225 Grove Avenue, West Berlin, New Jersey, 08091.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$ 1,390,125.25	$ 113,186.17	$ 1,503,311.42
Receivables	332,480.92	15,418.58	347,899.50
Internal Balances	(19,446.46)	19,446.46	
Inventory		6,237.19	6,237.19
Capital Assets, net	7,470,001.67	16,216.00	7,486,217.67
Total Assets	9,173,161.38	170,504.40	9,343,665.78
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	492,490.00	-	492,490.00
LIABILITIES:			
Accounts Payable			
Related to Pensions	187,984.00		187,984.00
Other	555,861.04		555,861.04
Accrued Interest Payable	13,250.00		13,250.00
Payable to State Government	8,268.00		8,268.00
Unearned Revenue	162,171.51	4,350.55	166,522.06
Noncurrent Liabilities:			
Due within One Year	392,627.22		392,627.22
Due beyond One Year	4,202,073.58		4,202,073.58
Total Liabilities	5,522,235.35	4,350.55	5,526,585.90
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	420,513.00	-	420,513.00
NET POSITION:			
Net Investment in Capital Assets	6,145,001.67	16,216.00	6,161,217.67
Restricted for:			
Debt Service	0.62		0.62
Capital Projects	401,666.00		401,666.00
Unemployment Compensation	15,575.00		15,575.00
Excess Surplus	217,764.62		217,764.62
Student Activities	32,237.14		32,237.14
Community Education	5,026.95		5,026.95
Maintenance	250,000.00		250,000.00
Unrestricted (Deficit)	(3,344,368.97)	149,937.85	(3,194,431.12)
Total Net Position	$ 3,722,903.03	$ 166,153.85	$ 3,889,056.88

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

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2025

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
Instruction:							
Regular	$ 4,285,992.04		$ 772,142.09		$ (3,513,849.95)		$ (3,513,849.95)
Special Education	1,556,908.05				(1,556,908.05)		(1,556,908.05)
Other Instruction	211,364.63				(211,364.63)		(211,364.63)
Undistributed Expenditures:							
Tuition	4,803,595.83				(4,803,595.83)		(4,803,595.83)
Student and Instruction Related Services	2,527,524.31	$ 36,597.07	163,422.81		(2,327,504.43)		(2,327,504.43)
School Administrative Services	281,353.83				(281,353.83)		(281,353.83)
General Administrative Services	337,710.54				(337,710.54)		(337,710.54)
Central Services	206,140.53				(206,140.53)		(206,140.53)
Plant Operations and Maintenance	1,214,847.57				(1,214,847.57)		(1,214,847.57)
Pupil Transportation	1,314,463.81				(1,314,463.81)		(1,314,463.81)
Unallocated Benefits	3,252,576.15		457,860.95		(2,794,715.20)		(2,794,715.20)
Reimbursed TPAF and Social Security	1,061,390.69				(1,061,390.69)		(1,061,390.69)
Interest on Long-Term Debt	60,200.00				(60,200.00)		(60,200.00)
Transfer to Charter Schools	21,404.00				(21,404.00)		(21,404.00)
Unallocated Depreciation	583,025.83				(583,025.83)		(583,025.83)
Total Governmental Activities	21,718,497.81	36,597.07	1,393,425.85	-	(20,288,474.89)	-	(20,288,474.89)
Business-Type Activities:							
Food Service	318,407.41	75,008.46	226,199.78			$ (17,199.17)	(17,199.17)
After School Program	123,086.17	117,755.80				(5,330.37)	(5,330.37)
Total Business-Type Activities	441,493.58	192,764.26	226,199.78	-	-	(22,529.54)	(22,529.54)
Total Government	$ 22,159,991.39	$ 229,361.33	$ 1,619,625.63	-	(20,288,474.89)	(22,529.54)	(20,311,004.43)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					10,502,102.00		10,502,102.00
Property Taxes, Levied for Debt Service					302,600.00		302,600.00
Federal and State Aid Unrestricted					8,535,145.16		8,535,145.16
Federal and State Aid Restricted					724,669.33		724,669.33
Miscellaneous Income					59,804.02	1,746.52	61,550.54
Total General Revenues					20,124,320.51	1,746.52	20,126,067.03
Change in Net Position					(164,154.38)	(20,783.02)	(184,937.40)
Net Position -- July 1					5,407,333.24	186,936.87	5,594,270.11
Prior Period Adjustment					(1,520,275.83)	-	(1,520,275.83)
Net Position -- July 1 (Restated)					3,887,057.41	186,936.87	4,073,994.28
Net Position -- June 30					$ 3,722,903.03	$ 166,153.85	$ 3,889,056.88

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	$ 1,300,343.85	$ 37,264.09	$ 52,517.31		$ 1,390,125.25
Receivables:					
Interfunds Receivable:					
General Fund		471,061.33			471,061.33
Capital Projects Fund	9,498.97			$ 38,798.34	48,297.31
Debt Service Fund	38,797.72				38,797.72
Receivables from Other Governments:					
State of New Jersey	212,074.30				212,074.30
Federal Government		120,406.62			120,406.62
Total Assets	$ 1,560,714.84	$ 628,732.04	$ 52,517.31	$ 38,798.34	$ 2,280,762.53
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	$ 121,430.49	$ 425,248.44			$ 546,678.93
Payroll Deductions and Withholdings Payable	9,182.11				9,182.11
Due Other Governments		8,268.00			8,268.00
Interfunds Payable:					
General Fund			$ 9,498.97	$ 38,797.72	48,296.69
Special Revenue Fund	471,061.33				471,061.33
Enterprise Fund	19,446.46				19,446.46
Debt Service Fund			38,798.34		38,798.34
Unearned Revenue		157,951.51	4,220.00		162,171.51
Total Liabilities	621,120.39	591,467.95	52,517.31	38,797.72	1,303,903.37

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted:					
Capital Reserve	$ 401,666.00				$ 401,666.00
Maintenance Reserve	250,000.00				250,000.00
Excess Surplus -- Designated for Subsequent Year's Expenditures	217,764.62				217,764.62
Unemployment Compensation	15,575.00				15,575.00
Special Revenue Fund					
Debt Service Fund				$ 0.62	0.62
Student Activities		$ 32,237.14			32,237.14
Community Education		5,026.95			5,026.95
Assigned:					
Other Purposes	59,432.94				59,432.94
Designated for Subsequent Year's Expenditures	357,408.38				357,408.38
Unassigned:					
General Fund	(362,252.49)				(362,252.49)
Total Fund Balances (Deficit)	939,594.45	37,264.09		0.62	976,859.16
Total Liabilities and Fund Balances	$ 1,560,714.84	$ 628,732.04	$ 52,517.31	$ 38,798.34	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $20,573,012.80, and the accumulated depreciation is $13,103,011.13.	7,470,001.67
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.	(13,250.00)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,865,799.80)
Net Pension Liability	(1,728,901.00)
Accounts Payable related to the April 1, 2026 Required PERS pension contribution that is not to be liquidated with current financial resources.	(187,984.00)
Deferred Outflows of Resources - Related to Pensions	492,490.00
Deferred Inflows of Resources - Related to Pensions	(420,513.00)
Net position of governmental activities	$ 3,722,903.03

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

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
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	$ 10,502,102.00			$ 302,600.00	$ 10,804,702.00
Unrestricted Miscellaneous Revenues	59,804.02				59,804.02
Local Sources		$ 36,597.07			36,597.07
State Sources	10,535,203.39	1,013,387.37			11,548,590.76
Federal Sources	25,420.77	926,339.81			951,760.58
Total Revenues	21,122,530.18	1,976,324.25	-	302,600.00	23,401,454.43
EXPENDITURES:					
Current:					
Regular Instruction	3,677,387.39	771,194.68			4,448,582.07
Special Education Instruction	1,556,908.05				1,556,908.05
Other Instruction	211,364.63				211,364.63
Undistributed Expenditures:					
Tuition	4,803,595.83				4,803,595.83
Student and Instruction Related Services	2,327,504.43	200,019.88			2,527,524.31
School Administrative Services	281,345.09				281,345.09
General Administrative Services	310,775.82				310,775.82
Central Services	206,140.53				206,140.53
Plant Operations and Maintenance	1,209,466.57				1,209,466.57
Pupil Transportation	1,286,862.81				1,286,862.81
Unallocated Benefits	2,900,126.72	279,492.95			3,179,619.67
Reimbursed TPAF Pension and Social Security	3,086,869.69				3,086,869.69
Debt Service:					
Interest				62,600.00	62,600.00
Redemption of Principal				240,000.00	240,000.00
Capital Outlay	242,893.05	724,669.33			967,562.38
Transfer to Charter Schools	21,404.00				21,404.00
Total Expenditures	22,122,644.61	1,975,376.84	-	302,600.00	24,400,621.45
Excess (Deficiency) of Revenues over Expenditures	(1,000,114.43)	947.41	-	-	(999,167.02)
Net Change in Fund Balances	(1,000,114.43)	947.41	-	-	(999,167.02)
Fund Balance -- July 1	1,939,708.88	36,316.68	-	0.62	1,976,026.18
Fund Balance -- June 30	$ 939,594.45	$ 37,264.09	-	$ 0.62	$ 976,859.16

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

TOWNSHIP OF BERLIN 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		$ (999,167.02)
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	$ (695,779.83)	
Capital Outlays	967,562.38	
		271,782.55
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		240,000.00
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		2,400.00
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		231,898.09
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		88,932.00
Change in Net Position of Governmental Activities		$ (164,154.38)

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

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Food Service	After School Program	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 20,472.43	$ 92,713.74	$ 113,186.17
Accounts Receivable:			
State	714.85		714.85
Federal	14,467.90		14,467.90
Other	235.83		235.83
Inventory	6,237.19		6,237.19
Interfund Accounts Receivable - General Fund	109,511.96		109,511.96
Total Current Assets	151,640.16	92,713.74	244,353.90
Noncurrent Assets:			
Capital Assets:			
Equipment	223,573.00		223,573.00
Less Accumulated Depreciation	(207,357.00)		(207,357.00)
Total Noncurrent Assets	16,216.00	-	16,216.00
Total Assets	167,856.16	92,713.74	260,569.90
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	2,840.55	1,510.00	4,350.55
Interfund Payable:			
General Fund		90,065.50	90,065.50
Total Current Liabilities	2,840.55	91,575.50	94,416.05
NET POSITION:			
Net Investment in Capital Assets	16,216.00		16,216.00
Unrestricted	148,799.61	1,138.24	149,937.85
Total Net Position	$ 165,015.61	$ 1,138.24	$ 166,153.85

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

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenditures and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Food Service	After School Program	Totals
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Breakfast Program	$ 5,493.04		$ 5,493.04
School Lunch Program	35,007.88		35,007.88
Daily Sales Non-Reimbursable Programs	28,224.89		28,224.89
Special Functions	6,282.65		6,282.65
Program Fees		$ 117,755.80	117,755.80
Total Operating Revenue	75,008.46	117,755.80	192,764.26
OPERATING EXPENSES:			
Salaries	104,943.51	69,611.65	174,555.16
Employee Benefits	24,863.22	41,316.42	66,179.64
Purchased Professional and Technical Services	28,315.00		28,315.00
Other Purchased Services (400 and 500 Series)	5,201.02		5,201.02
Cost of Sales - Reimbursable Programs	121,809.70		121,809.70
Cost of Sales - Non-reimbursable Programs	14,229.97		14,229.97
Supplies and Materials	13,066.61	12,158.10	25,224.71
Miscellaneous	348.38		348.38
Depreciation	5,630.00		5,630.00
Total Operating Expenses	318,407.41	123,086.17	441,493.58
Operating Income (Loss)	(243,398.95)	(5,330.37)	(248,729.32)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	6,650.33		6,650.33
State School Breakfast Program	1,411.75		1,411.75
Federal Sources:			
National School Lunch Program	138,363.78		138,363.78
School Breakfast Program	51,351.38		51,351.38
Food Distribution Program	24,524.19		24,524.19
Healthy Hunger-Free Kids Act	3,898.35		3,898.35
Interest Revenue		1,746.52	1,746.52
Total Nonoperating Revenues (Expenses)	226,199.78	1,746.52	227,946.30
Change in Net Position	(17,199.17)	(3,583.85)	(20,783.02)
Net Position - July 1	182,214.78	4,722.09	186,936.87
Net Position - June 30	$ 165,015.61	$ 1,138.24	$ 166,153.85

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

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Food Service	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	$ 77,849.01	$ 115,406.80	$ 193,255.81
Payments to Employees	(104,943.51)	(69,611.65)	(174,555.16)
Payments for Employee Benefits	(24,863.22)	(41,316.42)	(66,179.64)
Payments to Suppliers	(154,121.25)	(12,158.10)	(166,279.35)
Net Cash Provided by (used for) Operating Activities	(206,078.97)	(7,679.37)	(213,758.34)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	7,672.61		7,672.61
Federal Sources	189,708.04		189,708.04
Operating Subsidies and Transfers	(10,052.08)		(10,052.08)
Net Cash Provided by (used for) Non-Capital Financing Activities	187,328.57	-	187,328.57
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	-	1,746.52	1,746.52
Net Increase (Decrease) in Cash and Cash Equivalents	(18,750.40)	(5,932.85)	(24,683.25)
Cash and Cash Equivalents, July 1	39,222.83	98,646.59	137,869.42
Cash and Cash Equivalents, June 30	$ 20,472.43	$ 92,713.74	$ 113,186.17
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (243,398.95)	$ (5,330.37)	$ (248,729.32)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:			
Depreciation	5,630.00		5,630.00
Food Distribution Program	24,524.19		24,524.19
Change in Assets and Liabilities:			
(Increase) / Decrease in Inventory	4,325.24		4,325.24
Increase / (Decrease) in Unearned Revenue	2,840.55	(2,349.00)	491.55
Total Adjustments	37,319.98	(2,349.00)	34,970.98
Net Cash Provided (Used) in Operating Activities	$ (206,078.97)	$ (7,679.37)	$ (213,758.34)

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

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K through 8 at its two schools. Students in grades 9 through 12 attend, on a tuition basis, the Pine Hill School District. The School District has an approximate enrollment at June 30, 2025 of 627.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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

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

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

Encumbrances (Cont'd)

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

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

Cash, Cash Equivalents and Investments

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

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

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

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

Tuition Receivable

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

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2025. The School District had no prepaid expenses for the fiscal year ended June 30, 2025.

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

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2025.

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

Capital Assets (Cont'd)

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

Description	Governmental Activites Estimated Lives	Business-Type Acitivites Estimated Lives
Land and Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Vehicles	5-10 Years	4-6 Years
Equipment	5-20 Years	12 Years

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2025 and 2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

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

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

Compensated Absences

Compensated absences are payments or settlements to employees for accumulated time such as paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical leave. A liability for compensated absences is recognized for leave that is attributable to services already rendered, accumulates, and that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The entire compensated absence liability, including applicable salary-related payments, is reported on the government-wide financial statements. Examples of salary-related payments include the employer share of Social Security and Medicare taxes. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. The governmental funds use the current financial resources measurement focus, and therefore expenditures are recognized for the amount that normally would be liquidated with expendable available financial resources, as payments come due each period, for example, use of leave or as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Net Position

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

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

Restricted **-** Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted **-** Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

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

Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

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

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

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

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

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2025:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Because of the implementation of GASB Statement No. 101, the School District has reported and disclosed compensated absences in accordance with the Statement (notes 15 and 21).

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statement that has an effective date that may affect future financial presentations:

Statement No. 103, *Financial Reporting Model Improvement*. The objective of this Statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through pre-agenda research conducted by the GASB. The Statement will become effective for the School District in the fiscal year ending June 30, 2026. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. All of the School District's bank balances of $2,821,162.22 were insured or collateralized as of June 30, 2025.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School 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 School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The balance in the reserve as of June 30, 2025 was $401,666.00 and there was no activity for fiscal year ended June 30, 2025.

The October 24, 2014 LRFP balance of local support costs of uncompleted projects is $7,650,969.00. There were no changes to the LRFP during the fiscal year 2025 and the balance in the reserve does not exceed the LRFP balance of local support costs of uncompleted projects.

Note 4: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District for the accumulation of funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

A school district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

The balance in the reserve as of June 30, 2025 was $250,000.00 and there was no activity for the fiscal year ended June 30, 2025.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 consisted of intergovernmental awards / grants and provided services. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

	Governmental Funds			Proprietary Funds		
Description	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities	Total
Federal Awards		$ 120,406.62	$ 120,406.62	$ 14,467.90	$ 14,467.90	$ 134,874.52
State Awards	$ 212,074.30		212,074.30	714.85	714.85	212,789.15
Provided Services				235.83	235.83	235.83
	$ 212,074.30	$ 120,406.62	$ 332,480.92	$ 15,418.58	$ 15,418.58	$ 347,899.50

Note 6: INVENTORY

Inventory recorded at June 30, 2025 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	$ 5,014.92
Supplies	1,222.27
	$ 6,237.19

Note 7: CAPITAL ASSETS

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

	Balance July 1, 2024	Additions	Retirements and Transfers	Balance June 30, 2025
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	$ 114,012.00			$ 114,012.00
Total Capital Assets, not being Depreciated	114,012.00	-	-	114,012.00
Capital Assets, being Depreciated:				
Land Improvements	528,595.30	$ 357,484.58		886,079.88
Building and Improvements	15,962,216.36	176,667.25		16,138,883.61
Vehicles	1,317,888.01	300,779.60		1,618,667.61
Equipment	1,682,738.75	132,630.95		1,815,369.70
Total Capital Assets, being Depreciated	19,491,438.42	967,562.38	-	20,459,000.80
Total Capital Assets, Cost	19,605,450.42	967,562.38	-	20,573,012.80
Less Accumulated Depreciation for:				
Land Improvements	(281,902.81)	(20,760.32)		(302,663.13)
Building and Improvements	(9,858,934.58)	(536,297.56)		(10,395,232.14)
Vehicles	(832,607.89)	(35,898.68)		(868,506.57)
Equipment	(1,433,786.02)	(102,823.27)		(1,536,609.29)
Total Accumulated Depreciation	(12,407,231.30)	(695,779.83)	-	(13,103,011.13)
Total Capital Assets, being Depreciated, Net	7,084,207.12	271,782.55	-	7,355,989.67
Governmental Activities Capital Assets, Net	$ 7,198,219.12	$ 271,782.55	-	$ 7,470,001.67
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	$ 223,573.00			$ 223,573.00
Total Capital Assets, being Depreciated	223,573.00	-	-	223,573.00
Total Capital Assets, Cost	223,573.00	-	-	223,573.00
Less Accumulated Depreciation for:				
Equipment	(201,727.00)	$ (5,630.00)		(207,357.00)
Total Accumulated Depreciation	(201,727.00)	(5,630.00)	-	(207,357.00)
Total Capital Assets, being Depreciated, Net	21,846.00	(5,630.00)	-	16,216.00
Business-Type Activities Capital Assets, Net	$ 21,846.00	$ (5,630.00)	-	$ 16,216.00

Note 7: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:	
Regular Instruction	$ 70,975.00
General Administration	8,797.00
Plant Operation and Maintenance	5,381.00
Transportation	27,601.00
Unallocated	583,025.83
Total Depreciation Expense - Governmental Activities	$ 695,779.83
Business-Type Activities:	
Food Service	$ 5,630.00

Note 8: LONG-TERM LIABILITIES

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

	(Restated) Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	$ 1,565,000.00		$ (240,000.00)	$ 1,325,000.00	$ 250,000.00
Other Liabilities:					
Compensated Absences	1,816,644.89	$ 726,657.96	(958,556.05)	1,584,746.80	142,627.22
Net Pension Liability	1,529,655.00	952,537.00	(797,238.00)	1,684,954.00	
Total Other Liabilities	3,346,299.89	1,679,194.96	(1,755,794.05)	3,269,700.80	142,627.22
Governmental Activities Long-Term Liabilities	$ 4,911,299.89	$ 1,679,194.96	$ (1,995,794.05)	$ 4,594,700.80	$ 392,627.22

The bonds payable are generally liquidated by the debt service fund, while net pension liability is liquidated by the general fund.

Note 8: LONG-TERM LIABILITIES (CONT'D)

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

Bond issues by the School District are as follows:

During fiscal year 2018, the School District issued $2,680,000.00 in school refunding bonds at interest rates varying from 3.00% to 4.00%. The final maturity of these bonds is April 1, 2030. The bonds will be paid from property taxes and debt service aid.

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 250,000.00	$ 53,000.00	$ 303,000.00
2027	260,000.00	43,000.00	303,000.00
2028	260,000.00	32,600.00	292,600.00
2029	270,000.00	22,200.00	292,200.00
2030	285,000.00	11,400.00	296,400.00
Total	$ 1,325,000.00	$ 162,200.00	$ 1,487,200.00

Bonds Authorized but not Issued - As of June 30, 2025, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Refer to note 15 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 10. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 9: TAX ABATEMENTS

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

The Township of Berlin has entered into various property tax abatement agreements with properties having aggregate assessed valuations of $5,748,600.00. Based on the School District's 2025 certified tax rate of $1.685, abated taxes totaled $96,863.91.

Note 10: PENSION PLANS

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

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

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
https://www.state.nj.us/treasury/pensions/financial-reports.shtml

General Information about the Pension Plans

Plan Descriptions

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

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

Note 10: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 10: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

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

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

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2024. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 35.88% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2025 because of the 100.00% special funding situation with the State of New Jersey.

Note 10: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Contributions (Cont'd)

Teachers' Pension and Annuity Fund (Cont'd) - Based on the most recent TPAF measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2025 was $2,018,642.00, and was paid by April 1, 2025. School District employee contributions to the Plan during the fiscal year ended June 30, 2025 were $480,923.54.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2024. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 15.65% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2024, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2025 was $168,733.00, and was paid by April 1, 2025. School District employee contributions to the Plan during the fiscal year ended June 30, 2025 were $92,734.06.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2025 was 0.45% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2025 was $5,432.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the year ended June 30, 2024 was $4,770.00.

Note 10: PENSION PLANS (CONT'D)

General Information About the Pension Plans (Cont'd)

Contributions (Cont'd)

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

For the fiscal year ended June 30, 2025, there were no employee or employer contributions.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Teachers' Pension and Annuity Fund

Pension Liability - At June 30, 2025, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

Proportionate Share of Net Pension Liability	$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	23,082,829.00
	$ 23,082,829.00

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. For the June 30, 2024 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2024 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.0467026386%, which was an increase of 0.0004730091% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2025, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2024 measurement date, was ($84,203.00).

Note 10: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System

Pension Liability - At June 30, 2025, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of $1,684,954.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the School District's proportion was 0.0124002691%, which was an increase of 0.0018395417% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2025, the School District recognized pension (benefit) expense of $87,352.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2024 measurement date.

For the fiscal year ended June 30, 2025, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2024 measurement date, was $5,432.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Deferred Outflows and Inflows of Resources - At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Resources
Differences between Expected and Actual Experience	$ 33,753.00	$ 4,486.00
Changes of Assumptions	2,093.00	19,171.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	78,127.00
Changes in Proportion and Differences between Contribution and Proportionate Share of Contributions	268,660.00	318,729.00
Contributions Subsequent to the Measurement Date	187,984.00	-
	$ 492,490.00	$ 420,513.00

Note 10: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System (Cont'd)

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of $187,984.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2026	$ (125,750.00)
2027	(37,228.00)
2028	6,388.00
2029	35,707.00
2030	4,876.00
	$ (116,007.00)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	-	5.00
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04	June 30, 2023	-	5.00
June 30, 2023	5.08	-	June 30, 2024	-	5.00
June 30, 2024	5.08	-			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04
			June 30, 2023	5.08	5.08
			June 30, 2024	5.08	5.08

Note 10: PENSION PLANS (CONT'D)

Actuarial Assumptions

The net pension liabilities were measured as of June 30, 2024 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2023. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 5.65% Based on Years of Service	2.75% - 6.55% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Note 10: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-US Developed Markets 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%
	100.00%	

Discount Rate -

Teachers' Pension and Annuity Fund - 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 would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Note 10: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate (Cont'd) -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

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

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2024, the Plan's measurement date, attributable to the School District is $0.00. The following, however, presents the net pension liability of the State as of June 30, 2024 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ -	$ -	$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	27,437,210.00	23,082,829.00	19,415,617.00
	$ 27,437,210.00	$ 23,082,829.00	$ 19,415,617.00

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2024, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 2,238,890.00	$ 1,684,954.00	$ 1,213,558.00

Note 10: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN

General Information about the OPEB Plan

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

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

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

General Information about the OPEB Plan (Cont'd)

Employees Covered by Benefit Terms - At June 30, 2024, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	372,741

Total Non-Employer OPEB Liability

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2025 was $32,146,553.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. For the June 30, 2024 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.0538913884%, which was an increase of 0.0007103517% from its proportion measured as of June 30, 2023.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2023, which was rolled forward to June 30, 2024, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	TPAF/ABP *	PERS *	PFRS *
Salary Increases	2.75% to 5.65%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

Total Non-Employer OPEB Liability (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd) -

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

Experience Studies - The actuarial assumptions used in the July 1, 2023 valuation, which was rolled forward to June 30, 2024, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 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%.

Discount Rate - The discount rate for June 30, 2024 measurement date 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

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

Balance at June 30, 2024		$ 27,846,478.00
Changes for the Year:		
Service Cost	$ 998,431.00	
Interest Cost	1,058,188.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	618,950.00	
Changes in Assumptions	2,404,990.00	
Member Contributions	27,672.00	
Gross Benefit Payments	(808,156.00)	
Net Changes		4,300,075.00
Balance at June 30, 2025		$ 32,146,553.00

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

Changes in the Total Non-Employer OPEB Liability (Cont'd)

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2023 to June 30, 2024 due to changes in the census and premium and claims experience.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2023 to June 30, 2024 due to the combined effect of the discount rate change; and changes in the trend update.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2024, associated with the School District, using a discount rate of 3.93%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	$ 37,650,498.00	$ 32,146,553.00	$ 27,720,239.00

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2024, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	$ 26,778,313.00	$ 32,146,553.00	$ 39,139,040.00

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

OPEB Expense - For the fiscal year ended June 30, 2025, the School District recognized $764,783.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2024 measurement date.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2025, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 3,437,695.00	$ 6,003,343.00
Changes of Assumptions	5,391,822.00	6,285,141.00
Changes in Proportion	624,883.00	1,318,175.00
	$ 9,454,400.00	$ 13,606,659.00

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

Fiscal Year Ending June 30,	
2026	$ (1,292,366.00)
2027	(1,100,982.00)
2028	(592,971.00)
2029	(8,780.00)
2030	(909,280.00)
Thereafter	(247,880.00)
	$ (4,152,259.00)

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2025, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were $2,000,696.00, $24,783.00, $591,847.00 and $712.00, respectively.

Note 13: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

					Ending Balance	
Fiscal Year Ended June 30,	School District Contributions	Employee Contributions	Interest Income	Claims Incurred	Claims Payable	Restricted Fund Balance
2025	$ 10,000.00	$ 15,478.18	$ 256.41	$ 24,308.30	-	$ 15,575.00
2024	68,981.98	25,340.32	149.60	84,343.14	$ 11,093.26	3,055.45
2023	-	41,760.03	224.23	61,001.52	964.50	3,055.45

Joint Insurance Pool - The School District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

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

The Fund publishes its own financial report which can be obtained at www.njsbaig.com.

Note 14: DEFERRED COMPENSATION

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

Metropolitan Life
Equitable
MFS
Lincoln
Travelers

Note 15: COMPENSATED ABSENCES

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2025, the liability for compensated absences reported on the government-wide statement of net position was $1,584,746.80.

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2025 is as follows:

Fund	Interfunds Receivable	Interfunds Payable
General	$ 48,296.69	$490,507.79
Special Revenue	471,061.33	
Capital Projects		48,297.31
Debt Service	38,798.34	38,797.72
Proprietary	109,511.96	90,065.50
	$667,668.32	$667,668.32

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2026, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 17: CONTINGENCIES

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

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

Note 18: CONCENTRATIONS

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

Note 19: FUND BALANCES

RESTRICTED

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

General Fund

For Capital Reserve Account - As of June 30, 2025, the balance in the capital reserve account is $401,666.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2025, the balance in the maintenance reserve account is $250,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. $217,764.62 of excess fund balance generated during 2023-2024 has been restricted and designated for utilization in the 2025-2026 budget.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 13). As a result, there exists at June 30, 2025 a restricted fund balance from employer contributions in the amount of $15,575.00 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2025 is $32,237.14.

For Community Education - The School District reports fund balance resulting from the receipt of monies to assist in engagement in the community. These funds are required to be used as restricted by the contributors. The balance of these funds as of June 30, 2025 is $5,026.95.

Debt Service Fund - As of June 30, 2025 the restricted debt service fund balance is $0.62. This balance was created by the completion of various capital projects under original cost. This amount will be utilized in future years to offset debt service payments.

Note 19: FUND BALANCES (CONT'D)

ASSIGNED

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

General Fund

Other Purposes - As of June 30, 2025, the School District had $59,432.94 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2026 $357,408.38 of general fund balance at June 30, 2025.

Note 20: DEFICIT FUND BALANCE

The School District has an unassigned deficit fund balance of $362,252.49 in the general fund as of June 30, 2025 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of $362,252.49 is less than the June state aid payments.

Note 21: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE

During the fiscal year ended June 30, 2025, the School District adopted a change in accounting principle because of the implementation of new authoritative pronouncement, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. As a result, net position as of July 1, 2024 has been restated. The following table illustrates the restatement:

		Governmental Activities
Beginning Net Position as Previously Reported at July 1, 2024		$ 5,407,333.24
Prior Period Adjustment(s):		
Implementation of GASB Statement No. 101:		
Noncurrent Liabilities:		
Compensated Absences	$ (1,520,275.83)	
Total Prior Period Adjustment(s)		(1,520,275.83)
Net Position as Restated, July 1, 2024		$ 3,887,057.41

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 10,502,102.00		$ 10,502,102.00	$ 10,502,102.00	
Unrestricted Miscellaneous Revenues	10,000.00		10,000.00	59,804.02	$ 49,804.02
Interest Earned on Maintenance Reserve	1,676.00		1,676.00		(1,676.00)
Interest Earned on Capital Reserve Funds	2,287.00		2,287.00		(2,287.00)
Total - Local Sources	10,516,065.00	-	10,516,065.00	10,561,906.02	45,841.02
State Sources:					
School Choice Aid	505,347.00		505,347.00	505,347.00	
Categorical Special Education Aid	258,930.00		258,930.00	258,930.00	
Equalization Aid	5,414,418.00		5,414,418.00	5,414,418.00	
Categorical Security Aid	925,534.00		925,534.00	925,534.00	
Categorical Transportation Aid	270,602.00		270,602.00	270,602.00	
Other State Aids:					
Nonpublic Transportation Aid				5,781.00	5,781.00
Extraordinary Aid				183,124.00	183,124.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				591,847.00	591,847.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				2,000,696.00	2,000,696.00
On-Behalf T.P.A.F. Pension Contributions - Non-contributory Insurance (non-budgeted)				24,783.00	24,783.00
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability Insurance Premium (LTDI) (non-budgeted)				712.00	712.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				468,831.69	468,831.69
Total - State Sources	7,374,831.00	-	7,374,831.00	10,650,605.69	3,275,774.69
Federal Sources:					
Medicaid Reimbursement	27,422.00	-	27,422.00	25,420.77	(2,001.23)
Total Revenues	17,918,318.00	-	17,918,318.00	21,237,932.48	3,319,614.48

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	$ 244,062.00		$ 244,062.00	$ 244,062.00	
Grades 1 - 5	1,822,346.00		1,749,721.02	1,737,553.82	$ 12,167.20
Grades 6 - 8	1,187,613.00		1,155,113.00	1,155,113.00	
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000.00		3,200.00	3,200.00	
Purchased Professional - Educational Services	3,000.00		4,670.20	4,670.20	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	77,678.00		77,678.00	75,822.79	1,855.21
Purchased Professional - Educational Services	174,816.00		276,315.93	276,315.46	0.47
Purchased Technical Services	68,500.00		67,036.93	59,006.53	8,030.40
General Supplies	157,218.00		122,663.78	115,748.63	6,915.15
Textbooks	5,000.00		1,018.07	1,018.07	
Other Objects	7,120.00		4,927.57	4,876.89	50.68
Total Regular Programs	3,749,353.00	$ (42,946.50)	3,706,406.50	3,677,387.39	29,019.11
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	105,603.00		105,603.00	105,603.00	
Other Salaries for Instruction	22,798.00		22,798.00	22,798.00	
General Supplies	4,010.00		396.14	396.14	
Total - Learning and/or Language Disabilities	132,411.00	(3,613.86)	128,797.14	128,797.14	-

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education Instruction (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	$ 161,462.00		$ 159,617.25	$ 159,617.25	
Other Salaries for Instruction	30,023.00		25,928.81	25,928.81	
General Supplies	2,839.00		2,839.00	2,091.16	$ 747.84
Other Objects	750.00		1,310.00	1,306.32	3.68
Total - Multiple Disabilities	195,074.00	$ (5,378.94)	189,695.06	188,943.54	751.52
Resource Room/Center:					
Salaries of Teachers	1,012,228.00		952,613.36	952,613.36	
Other Salaries for Instruction	151,105.00		169,708.59	169,708.59	
General Supplies	4,392.00		2,021.66	2,021.66	
Textbooks	400.00				
Total - Resource Room/Center	1,168,125.00	(43,781.39)	1,124,343.61	1,124,343.61	-
Preschool Disabilities - Full-Time:					
Salaries Of Teachers	79,301.00		78,751.94	78,751.94	
Other Salaries for Instruction	37,177.00		35,762.95	35,762.95	
General Supplies	2,615.00		308.87	308.87	
Total Preschool Disabilities - Full-Time	119,093.00	(4,269.24)	114,823.76	114,823.76	-
Total - Special Education Instruction	1,614,703.00	(57,043.43)	1,557,659.57	1,556,908.05	751.52

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Basic Skills/Remedial:					
Salaries of Teachers	$ 125,404.00		$ 85,325.51	$ 85,325.51	
General Supplies	3,885.00		671.99	671.99	
Total - Basic Skills/Remedial	129,289.00	$ (43,291.50)	85,997.50	85,997.50	-
Bilingual Education - Instruction:					
Salaries of Teachers	72,962.00		69,313.90	69,313.90	
General Supplies	3,130.00		1,802.28	537.28	$ 1,265.00
Total - Bilingual Education	76,092.00	(4,975.82)	71,116.18	69,851.18	1,265.00
School-Sponsored Cocurricular Act - Instruction:					
Salaries	19,693.00		19,515.61	19,515.61	
Supplies and Materials	300.00		206.34	206.34	
Other Objects	1,050.00		660.00	534.00	126.00
Total - School-Sponsored Cocurricular Act	21,043.00	(661.05)	20,381.95	20,255.95	126.00
School-Sponsored Athletics - Instruction:					
Salaries	28,969.00		28,969.00	28,969.00	
Purchased Services	3,200.00		3,568.00	3,568.00	
Repairs			22.00		22.00
Supplies and Materials	2,500.00		2,500.00	2,473.00	27.00
Other Objects	250.00		250.00	250.00	
Total - School-Sponsored Athletics	34,919.00	390.00	35,309.00	35,260.00	49.00
Total - Instruction	5,625,399.00	(148,528.30)	5,476,870.70	5,445,660.07	31,210.63

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State - Regular	$ 3,617,988.00		$ 3,602,949.66	$ 3,602,949.66	
Tuition to Other LEAs within the State - Special	365,996.00		369,309.00	369,308.40	$ 0.60
Tuition to County Voc. School District - Regular	163,027.00		153,830.00	153,830.00	
Tuition to CSSD & Regional Day Schools	201,547.00		251,285.00	251,079.90	205.10
Tuition to Private Schools for the Disabled - State	388,576.00		319,245.73	317,972.87	1,272.86
Tuition - State Facilities			4,840.00	4,840.00	
Tuition - Other	94,461.00		103,821.00	103,615.00	206.00
Total - Instruction	4,831,595.00	$ (26,314.61)	4,805,280.39	4,803,595.83	1,684.56
Attendance and Social Work Services:					
Salaries	36,722.00		36,722.00	36,722.00	
Other Purchased Services (400-500 series)	28,500.00		28,500.00	28,435.63	64.37
Total - Attendance and Social Work Services	65,222.00	-	65,222.00	65,157.63	64.37
Health Services:					
Salaries	123,569.00		123,569.00	123,569.00	
Purchased Professional and Technical Services	20,940.00		17,269.25	17,269.25	
Other Purchased Services	400.00				
Supplies and Materials	2,928.00		4,677.67	4,638.65	39.02
Other Objects	745.00		435.00	435.00	
Total - Health Services	148,582.00	(2,631.08)	145,950.92	145,911.90	39.02
Other Support Services-Speech, OT, PT & Related Services:					
Salaries	166,386.00		203,242.45	203,242.45	
Purchased Professional - Educational Services	3,000.00		447.00	447.00	
Supplies and Materials	1,400.00		827.54	827.54	
Total - Other Support Services-Students-Related Services	170,786.00	33,730.99	204,516.99	204,516.99	-
Other Support Services - Students - Extra Services:					
Salaries	116,863.00		116,863.00	116,863.00	
Total Other Support Services - Students - Extra Services	116,863.00	-	116,863.00	116,863.00	-

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Guidance:					
Salaries of Other Professional Staff	$ 130,200.00		$ 130,200.00	$ 130,200.00	
Purchased Professional - Educational Services	1,500.00		908.01	908.01	
Other Purchased Services (400-500 series)	400.00		85.00	85.00	
Supplies and Materials	525.00		321.25	146.25	$ 175.00
Other Objects	280.00		498.60	453.60	45.00
Total Guidance	132,905.00	$ (892.14)	132,012.86	131,792.86	220.00
Child Study Team:					
Salaries of Other Professional Staff	381,702.00		381,702.00	381,702.00	
Salaries of Secretarial and Clerical Assistants	42,627.00		42,627.00	42,627.00	
Other Purchased Prof. and Tech. Services	460,266.25		789,846.62	789,763.12	83.50
Other Purchased Services (400-500 series)	3,000.00		345.00	345.00	
Supplies and Materials	6,800.00		4,055.67	3,953.97	101.70
Other Objects	3,000.00				
Total Child Study Team	897,395.25	321,181.04	1,218,576.29	1,218,391.09	185.20
Improvement Instructional Services:					
Salaries of Supervisors of Instruction	158,417.00		158,417.00	158,417.00	
Purchased Professional Educational Services	24,150.00		23,508.74	23,508.74	
Other Objects	1,650.00		1,459.36	1,459.36	
Total Improvement Instructional Services	184,217.00	(831.90)	183,385.10	183,385.10	-

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Educational Media Services/School Library:					
Salaries	$ 189,046.00		$ 189,046.00	$ 189,046.00	
Other Purchased Services	80,891.00		46,955.51	46,955.51	
Supplies and Materials	21,026.00		19,914.33	19,824.55	$ 89.78
Other Objects	400.00				
Total Educational Media Services/School Library	291,363.00	$ (35,447.16)	255,915.84	255,826.06	89.78
Instructional Staff Training Services:					
Purchased Professional - Educational Services	12,400.00		3,456.00	3,456.00	
Other Purchased Services	1,750.00		249.00	249.00	
Supplies and Materials	2,000.00		1,954.80	1,954.80	
Total Instructional Staff Training Services	16,150.00	(10,490.20)	5,659.80	5,659.80	-
Support Services General Administration:					
Salaries	162,447.00		162,447.00	162,447.00	
Legal Services	40,000.00		38,338.00	35,122.00	3,216.00
Audit Fees	36,500.00		33,025.00	33,025.00	

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration (Cont'd):					
Purchased Technical Services	$ 2,000.00				
Communications/Telephone	16,000.00		$ 35,726.38	$ 35,725.69	$ 0.69
Travel	4,635.00		2,304.00	2,304.00	
BOE Other Purchased Services	38,913.00		30,542.68	30,542.68	
General Supplies	2,000.00		1,990.00	1,987.96	2.04
Miscellaneous Expenditures	2,000.00		9,621.94	9,621.49	0.45
BOE Membership Dues and Fees	9,500.00				
Total Support Services General Administration	313,995.00	-	313,995.00	310,775.82	3,219.18
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	187,108.00		187,108.00	187,108.00	
Salaries of Secretarial and Clerical Assistants	84,184.00		84,184.00	84,184.00	
Purchased Professional and Technical Services	3,850.00		1,567.00	1,517.43	49.57
Travel	2,750.00		380.00	380.00	
Supplies and Materials	9,100.00		2,630.43	2,630.43	
Other Objects	7,780.00		5,525.23	5,525.23	
Total Support Services School Administration	294,772.00	$ (13,377.34)	281,394.66	281,345.09	49.57

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Central Services:					
Salaries	$ 165,212.00		$ 165,212.00	$ 165,212.00	
Purchased Professional Services	38,547.00		39,075.45	39,038.45	$ 37.00
Miscellaneous Purchased Services	1,450.00		1,184.52	1,145.04	39.48
Supplies and Materials	750.00		987.03	745.04	241.99
Miscellaneous Expenditures	500.00				
Total Central Services	206,459.00	-	206,459.00	206,140.53	318.47
Administration - Information Technology:					
Salaries	95,067.00		95,067.00	95,067.00	
Purchased Technical Services	48,857.00		43,892.62	43,892.62	
Supplies and Materials	3,807.00		3,959.00	3,458.88	500.12
Other Objects	9,932.00		9,505.00	9,505.00	
Total - Administration - Information Technology	157,663.00	$ (5,239.38)	152,423.62	151,923.50	500.12
Required Maintenance for School Facilities:					
Salaries	111,502.00		111,502.00	111,502.00	
Cleaning, Repair & Maintenance Services	87,941.00		79,636.76	77,659.36	1,977.40
General Supplies	18,000.00		15,909.07	15,909.07	
Other Objects	300.00				
Total - Required Maintenance for School Facilities	217,743.00	(10,695.17)	207,047.83	205,070.43	1,977.40

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Custodial Services:					
Salaries	$ 251,467.00		$ 251,467.00	$ 251,467.00	
Purchased Professional & Technical Services	5,950.00		2,682.00	2,682.00	
Cleaning, Repair & Maintenance Services	59,762.46		51,986.43	51,247.79	$ 738.64
Other Purchased Property Services	32,275.00		31,431.30	31,431.30	
Insurance	82,500.00		73,402.11	73,402.11	
General Supplies	42,000.00		38,950.88	38,768.76	182.12
Energy (Natural Gas)	60,000.00		37,838.69	37,614.77	223.92
Energy (Electricity)	200,000.00		198,300.00	196,038.10	2,261.90
Other Objects	1,300.00		1,300.00	1,125.00	175.00
Total Custodial Services	735,254.46	$ (47,896.05)	687,358.41	683,776.83	3,581.58
Care and Upkeep of Grounds:					
General Supplies	3,000.00		3,000.00	2,738.45	261.55
Total Care and Upkeep of Grounds	3,000.00	-	3,000.00	2,738.45	261.55
Security:					
Purchased Professional & Technical Services	111,940.00		124,990.00	124,990.00	
Total Security	111,940.00	13,050.00	124,990.00	124,990.00	-
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	406,304.00		406,304.00	406,304.00	
Management Fee - ES & CTSA Trans. Program	35,000.00		43,920.22	43,919.79	0.43

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services (Cont'd):					
Cleaning, Repair, & Maintenance Services	$ 51,919.57		$ 76,897.08	$ 76,845.81	$ 51.27
Contracted Services (Special Ed. Students) - ESC's & CTSA's	650,000.00		663,575.15	663,575.05	0.10
Contracted Services - Aid in Lieu of Payments - NonPublic School	19,000.00		12,524.50	12,476.20	48.30
Contracted Services - Aid in Lieu of Payments - Choice School	15,000.00		9,326.00	8,239.00	1,087.00
Miscellaneous Purchased Services - Transportation	4,000.00		4,150.00	4,150.00	
General Supplies	56,988.00		70,121.23	70,121.23	
Other Objects	1,000.00		1,231.73	1,231.73	
Total Student Transportation Services	1,239,211.57	$ 48,838.34	1,288,049.91	1,286,862.81	1,187.10
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	130,000.00		121,393.10	121,056.86	336.24
T.P.A.F. Contributions - ERIP	500.00		500.00		500.00
Other Retirement Contributions -- PERS	155,000.00		168,735.00	168,735.00	
Other Retirement Contributions -- ERIP	25,000.00		1,647.64	1,647.64	
Unemployment Compensation	55,518.02		10,518.02	10,000.00	518.02
Workmen's Compensation	75,335.00		66,340.56	66,340.56	
Health Benefits	2,555,633.00		2,522,913.68	2,522,852.04	61.64
Tuition Reimbursement	14,500.00		9,500.00	9,494.62	5.38
Total Unallocated Benefits - Employee Benefits	3,011,486.02	(109,938.02)	2,901,548.00	2,900,126.72	1,421.28

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				$ 591,847.00	$ (591,847.00)
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				2,000,696.00	(2,000,696.00)
On-Behalf T.P.A.F. Pension Contributions - Non-contributory Insurance (non-budgeted)				24,783.00	(24,783.00)
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability Insurance Premium (LTDI) (non-budgeted)				712.00	(712.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				468,831.69	(468,831.69)
Total On-Behalf TPAF Contributions	-	-	-	3,086,869.69	(3,086,869.69)
Total Undistributed Expenses	$ 13,146,602.30	$ 153,047.32	$ 13,299,649.62	16,371,720.13	(3,072,070.51)
Total Expenditures - Current Expense	18,772,001.30	4,519.02	18,776,520.32	21,817,380.20	(3,040,859.88)
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures - Administrative Information Technology	3,599.00		84,609.98	84,609.98	
Total - Equipment	3,599.00	81,010.98	84,609.98	84,609.98	-
Facilities Acquisition and Construction Services:					
Undistributed Expenditures:					
Construction Services	231,270.43		231,270.43	199,250.43	32,020.00
Infrastructure	86,392.00				
Total Facilities Acquisition and Construction Services	317,662.43	(86,392.00)	231,270.43	199,250.43	32,020.00
Interest Deposit to Maintenance Reserve	1,676.00	-	1,676.00	-	1,676.00
Interest Deposit to Capital Reserve	2,287.00	-	2,287.00	-	2,287.00
Total Capital Outlay	325,224.43	(5,381.02)	319,843.41	283,860.41	35,983.00

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Transfer of Funds to Charter Schools	$ 20,542.00	$ 862.00	$ 21,404.00	$ 21,404.00	
Total Expenditures	19,117,767.73	-	19,117,767.73	22,122,644.61	$ (3,004,876.88)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,199,449.73)	-	(1,199,449.73)	(884,712.13)	314,737.60
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,199,449.73)	-	(1,199,449.73)	(884,712.13)	314,737.60
Fund Balances, July 1	2,531,894.38	-	2,531,894.38	2,531,894.38	-
Fund Balances, June 30	$ 1,332,444.65	-	$ 1,332,444.65	$ 1,647,182.25	$ 314,737.60
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				$ 401,666.00	
Maintenance Reserve				250,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				217,764.62	
Unemployment Compensation				15,575.00	
Assigned Fund Balance:					
Year-End Encumbrances				59,432.94	
Designated for Subsequent Year's Expenditures				357,408.38	
Unassigned Fund Balance				345,335.31	
				1,647,182.25	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(707,587.80)	
Fund Balance per Governmental Funds (GAAP)				$ 939,594.45	

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	$ 40,000.00		$ 40,000.00	$ 36,597.07	$ (3,402.93)
State Sources:					
Preschool Education Aid	1,126,071.00	-	1,126,071.00	1,013,387.37	(112,683.63)
Federal Sources:					
Title I	296,398.00		296,398.00	266,695.67	(29,702.33)
Title I SIA	35,896.00		35,896.00		(35,896.00)
Title IIA	53,386.00		53,386.00	27,938.00	(25,448.00)
Title IV	31,989.00		31,989.00	4,451.00	(27,538.00)
I.D.E.A., Basic Part B	164,152.00		164,152.00	164,144.00	(8.00)
I.D.E.A., Part B, Preschool	6,968.00		6,968.00	6,847.95	(120.05)
Total - Federal Sources	588,789.00		588,789.00	470,076.62	(118,712.38)
Total Revenues	1,754,860.00	-	1,754,860.00	1,520,061.06	(234,798.94)

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries	$ 449,212.00		$ 449,212.00	$ 424,379.04	$ 24,832.96
Other Salaries for Instruction	93,353.00		93,353.00	72,927.47	20,425.53
Purchased Educational and Technical Services	6,898.00	$ 31,339.00	38,237.00	15,611.00	22,626.00
Other Purchased Services	149,144.00	47,638.00	196,782.00	165,922.00	30,860.00
General Supplies	80,317.00		80,317.00	42,032.10	38,284.90
Other Objects	2,594.00		2,594.00		2,594.00
Total Instruction	781,518.00	78,977.00	860,495.00	720,871.61	139,623.39
Support Services:					
Salaries of Supervisors of Instruction	9,324.00		9,324.00	9,001.19	322.81
Salaries Program Directors	18,205.00		18,205.00	18,204.99	0.01
Salaries of Other Professional Staff	11,627.00		11,627.00	6,986.04	4,640.96
Salaries of Secretarial and Clerical Assistants	8,519.00		8,519.00	8,489.94	29.06
Other Salaries	32,747.00		32,747.00	31,521.64	1,225.36
Salaries of Family/Parent Liaison and Community Parent Involment Specialists	9,564.00		9,564.00	9,564.00	
Salaries of Facilitaors, Math Coaches, Literacy Coaches and Master Trachers	38,304.00		38,304.00	31,826.60	6,477.40
Personal Services-Employee Benefits	350,999.00		350,999.00	271,952.83	79,046.17
Purchased Professional and Technical Services	40,110.00	(36,142.00)	3,968.00	3,968.00	
Personal Services - Expansion Other	29,854.00		29,854.00	29,850.00	4.00
Other Purchased Services	42,835.00	(42,835.00)			
Student Activities	40,000.00		40,000.00	35,649.66	4,350.34
Total Support Services	632,088.00	(78,977.00)	553,111.00	457,014.89	96,096.11

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Facilities Acquisition and Construction Services:					
Instructional Equipment	$ 7,195.00		$ 7,195.00	$ 7,168.15	$ 26.85
Non-Instructional Equipment	334,059.00		334,059.00	334,059.00	
Total Facilities Acquisition and Construction Services	341,254.00	-	341,254.00	341,227.15	26.85
Total Expenditures	1,754,860.00	-	1,754,860.00	1,519,113.65	235,746.35
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	947.41	947.41
Fund Balance, July 1				36,316.68	
Fund Balance, June 30				$ 37,264.09	
Recapitulation:					
Restricted:					
Community Education				$ 5,026.95	
Student Activities				32,237.14	
Total Fund Balance				$ 37,264.09	

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2025

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	$ 21,237,932.48	$1,520,061.06
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		456,263.19
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	592,185.50	
The Restricted State Aids recorded in the Special Revenue Fund are realized utilizing the budgetary basis which dictates that revenue must equal expenditures and differs from GAAP which recognizes the revenue once the eligibility criteria are met as specified in Note 1 and GASB 33.		69,550.50
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	(707,587.80)	(69,550.50)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	$ 21,122,530.18	$1,976,324.25
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	$ 22,122,644.61	$1,519,113.65
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		456,263.19
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	$ 22,122,644.61	$1,975,376.84

REQUIRED SUPPLEMENTARY INFORMATION
PART III

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Plan Years

	Measurement Date Ending June 30,				
	2024	**2023**	**2022**	**2021**	**2020**
School District's Proportion of the Net Pension Liability	0.0124002691%	0.0105607274%	0.0109013295%	0.0145941962%	0.0140562239%
School District's Proportionate Share of the Net Pension Liability	$ 1,684,954.00	$ 1,529,655.00	$ 1,645,161.00	$ 1,728,901.00	$ 2,292,203.00
School District's Covered Payroll (Plan Measurement Period)	$ 1,032,920.00	$ 897,680.00	$ 793,576.00	$ 1,187,704.00	$ 1,109,688.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	163.13%	170.40%	207.31%	145.57%	206.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%

	2019	**2018**	**2017**	**2016**	**2015**
School District's Proportion of the Net Pension Liability	0.0114098262%	0.0113766589%	0.0108161416%	0.0109266727%	0.0098928526%
School District's Proportionate Share of the Net Pension Liability	$ 2,055,878.00	$ 2,240,007.00	$ 2,517,825.00	$ 3,236,167.00	$ 2,220,747.00
School District's Covered Payroll (Plan Measurement Period)	$ 866,860.00	$ 848,940.00	$ 807,964.00	$ 787,588.00	$ 726,024.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	237.16%	263.86%	311.63%	410.90%	305.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years

	Fiscal Year Ended June 30,				
	2025	**2024**	**2023**	**2022**	**2021**
Contractually Required Contribution	$ 187,984.00	$ 168,735.00	$ 141,147.00	$ 137,471.00	$ 170,915.00
Contributions in Relation to the Contractually Required Contribution	(187,984.00)	(168,735.00)	(141,147.00)	(137,471.00)	(170,915.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School District's Covered Payroll (Fiscal Year)	$ 1,200,901.00	$ 1,109,749.00	$ 906,666.00	$ 824,728.00	$ 779,148.00
Contributions as a Percentage of School District's Covered Payroll	15.65%	15.20%	15.57%	16.67%	21.94%

	2020	**2019**	**2018**	**2017**	**2016**
Contractually Required Contribution	$ 153,768.00	$ 110,984.00	$ 113,161.00	$ 100,200.00	$ 97,071.00
Contributions in Relation to the Contractually Required Contribution	(153,768.00)	(110,984.00)	(113,161.00)	(100,200.00)	(97,071.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School District's Covered Payroll (Fiscal Year)	$ 1,020,490.00	$ 931,885.00	$ 804,701.00	$ 784,023.00	$ 712,689.00
Contributions as a Percentage of School District's Covered Payroll	15.07%	11.91%	14.06%	12.78%	13.62%

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Plan Years

	Measurement Date Ending June 30,				
	2024	**2023**	**2022**	**2021**	**2020**
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	100.00%	100.00%	100.00%	100.00%	100.00%
	100.00%	100.00%	100.00%	100.00%	100.00%
School District's Proportionate Share of the Net Pension Liability	$ -	$ -	$ -	$ -	$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	23,082,829.00	23,592,214.00	26,174,921.00	25,945,881.00	34,021,504.00
	$ 23,082,829.00	$ 23,592,214.00	$ 26,174,921.00	$ 25,945,881.00	$ 34,021,504.00
School District's Covered Payroll (Measurement Period)	$ 6,915,304.00	$ 6,382,888.00	$ 6,232,392.00	$ 6,771,160.00	$ 6,970,376.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	333.79%	369.62%	419.98%	383.18%	488.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	32.29%	35.52%	24.60%	26.95%

	2019	**2018**	**2017**	**2016**	**2015**
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	100.00%	100.00%	100.00%	100.00%	100.00%
	100.00%	100.00%	100.00%	100.00%	100.00%
School District's Proportionate Share of the Net Pension Liability	$ -	$ -	$ -	$ -	$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	32,450,960.00	35,442,831.00	34,522,723.00	39,499,950.00	31,266,343.00
	$ 32,450,960.00	$ 35,442,831.00	$ 34,522,723.00	$ 39,499,950.00	$ 31,266,343.00
School District's Covered Payroll (Measurement Period)	$ 6,565,104.00	$ 6,551,456.00	$ 6,829,564.00	$ 6,184,204.00	$ 5,978,372.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	494.29%	540.99%	505.49%	638.72%	522.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2025

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

Chapter 121, P.L. 2023 permits teachers, as well as professional staff members who provide special services, who have retired from TPAF to return to employment for up to two years without reenrollment in the TPAF if employment commences during the 2023-2024 school year.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

Year	Rate	Year	Rate
2024	7.00%	2019	5.60%
2023	7.00%	2018	4.86%
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%

The long-term expected rate of return used as of June 30 measurement date is as follows:

Year	Rate	Year	Rate
2024	7.00%	2019	7.00%
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

Chapter 249, P.L. 2023 extends provisions of Chapter 498, P.L. 2021 for calendar years 2023 or 2024 to allow for a temporary return to employment by a former employee of the Legislature after retirement from PERS.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

Year	Rate	Year	Rate
2024	7.00%	2019	6.28%
2023	7.00%	2018	5.66%
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%

The long-term expected rate of return used as of June 30 measurement date is as follows:

Year	Rate	Year	Rate
2024	7.00%	2019	7.00%
2023	7.00%	2018	7.00%
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
Last Eight Plan Years

	Measurement Date Ending June 30,			
	2024	**2023**	**2022**	**2021**
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District				
Changes for the Year:				
Service Cost	$ 998,431.00	$ 1,026,544.00	$ 1,485,998.00	$ 1,794,575.00
Interest Cost	1,058,188.00	980,719.00	721,759.00	861,637.00
Changes in Benefit Terms				(35,354.00)
Difference Between Expected and Actual Experience	618,950.00	(712,605.00)	(189,882.00)	(5,941,689.00)
Changes in Assumptions	2,404,990.00	56,127.00	(7,306,046.00)	32,769.00
Member Contributions	27,672.00	25,132.00	22,935.00	22,028.00
Gross Benefit Payments	(808,156.00)	(764,486.00)	(714,923.00)	(678,729.00)
Net Change in Total Non-Employer OPEB Liability	4,300,075.00	611,431.00	(5,980,159.00)	(3,944,763.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	27,846,478.00	27,235,047.00	33,215,206.00	37,159,969.00
Total Non-Employer OPEB Liability - End of Fiscal Year	$ 32,146,553.00	$ 27,846,478.00	$ 27,235,047.00	$ 33,215,206.00
School District's Covered Payroll (Plan Measurement Period)	$ 7,085,926.00	$ 6,714,120.00	$ 6,293,194.00	$ 6,015,075.00
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	453.67%	414.75%	432.77%	552.20%

	Measurement Date Ending June 30,			
	2020	**2019**	**2018**	**2017**
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District				
Changes for the Year:				
Service Cost	$ 959,457.00	$ 955,385.00	$ 1,009,320.00	$ 1,219,967.00
Interest Cost	835,379.00	1,021,760.00	1,096,786.00	950,656.00
Changes in Benefit Terms				
Difference Between Expected and Actual Experience	5,985,115.00	(4,201,434.00)	(2,648,795.00)	
Changes in Assumptions	6,787,849.00	346,204.00	(2,959,441.00)	(4,013,403.00)
Member Contributions	19,608.00	21,128.00	23,833.00	25,550.00
Gross Benefit Payments	(646,924.00)	(712,769.00)	(689,594.00)	(693,870.00)
Net Change in Total Non-Employer OPEB Liability	13,940,484.00	(2,569,726.00)	(4,167,891.00)	(2,511,100.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	23,219,485.00	25,789,211.00	29,957,102.00	32,468,202.00
Total Non-Employer OPEB Liability - End of Fiscal Year	$ 37,159,969.00	$ 23,219,485.00	$ 25,789,211.00	$ 29,957,102.00
School District's Covered Payroll (Plan Measurement Period)	$ 6,746,473.00	$ 6,844,513.00	$ 6,275,447.00	$ 6,273,687.00
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	550.81%	339.24%	410.95%	477.50%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2025

Changes in Benefit Terms:

None.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

Year	Rate	Year	Rate
2024	3.93%	2020	2.21%
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included trend update.

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 is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

		E.S.S.A.			I. D. E. A. -- Part B				
	Total	Title I	Title IIA	Title IV	Basic	Preschool	Preschool Education Aid	Community Education	Student Activity Fund
REVENUES:									
Federal Sources	$ 470,076.62	$ 266,695.67	$ 27,938.00	$ 4,451.00	$ 164,144.00	$ 6,847.95			
State Sources	1,013,387.37						$ 1,013,387.37		
Local Sources	36,597.07							$ 95.58	$ 36,501.49
Total Revenues	1,520,061.06	266,695.67	27,938.00	4,451.00	164,144.00	6,847.95	1,013,387.37	95.58	36,501.49
Instruction:									
Salaries	424,379.04	172,747.92					251,631.12		
Other Salaries for Instruction	72,927.47						72,927.47		
Purchased Professional and Technical Services	15,611.00		11,750.00	3,861.00					
Other Purchased Services	165,922.00		16,188.00	590.00	149,144.00				
General Supplies	42,032.10	3,099.61			15,000.00	2,879.95	21,052.54		
Total Instruction	720,871.61	175,847.53	27,938.00	4,451.00	164,144.00	2,879.95	345,611.13	-	-
Support Services:									
Salaries of Supervisors of Instruction	9,001.19						9,001.19		
Salaries of Program Directors	18,204.99						18,204.99		
Salaries of Other Professional Staff	6,986.04						6,986.04		
Salaries of Secretarial and Clerical Assistants	8,489.94						8,489.94		
Other Salaries	31,521.64						31,521.64		
Salaries of Community Parent Involvement Specialists	9,564.00						9,564.00		
Salaries of Master Teachers	31,826.60						31,826.60		
Personal Services-Employee Benefits	271,952.83	90,848.14					181,104.69		
Purchased Professional and Technical Services	3,968.00					3,968.00			
Other Purchased Professional - Education Services	29,850.00						29,850.00		
Student Activities	35,649.66								35,649.66
Total Support Services	457,014.89	90,848.14	-	-	-	3,968.00	326,549.09	-	35,649.66
Facilities Acquisition and Construction Services:									
Instructional Equipment	7,168.15						7,168.15		
Non Instructional Equipment	334,059.00						334,059.00		
Total Facilities Acquisition and Construction Services	341,227.15	-	-	-	-	-	341,227.15	-	-
Total Expenditures	1,519,113.65	266,695.67	27,938.00	4,451.00	164,144.00	6,847.95	1,013,387.37	-	35,649.66
Excess (Deficiency) of Revenues Over (Under) Expenditures	947.41	-	-	-	-	-	-	95.58	851.83
Fund Balance, July 1	36,316.68	-	-	-	-	-	-	4,931.37	31,385.31
Fund Balance, June 30	$ 37,264.09	-	-	-	-	-	-	$ 5,026.95	$ 32,237.14

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 271,926.00	$ 251,631.12	$ 20,294.88
Other Salaries for Instruction	93,353.00	72,927.47	20,425.53
Supplies and Materials	21,264.00	21,052.54	211.46
Other Objects	2,594.00		2,594.00
Total Instruction	389,137.00	345,611.13	43,525.87
Support Services:			
Salaries of Supervisors of Instruction	9,324.00	9,001.19	322.81
Salaries of Program Directors	18,205.00	18,204.99	0.01
Salaries of Other Professional Staff	11,627.00	6,986.04	4,640.96
Salaries of Secretarial and Clerical Assistants	8,519.00	8,489.94	29.06
Other Salaries	32,747.00	31,521.64	1,225.36
Salaries of Community Parent Involvement Specialists	9,564.00	9,564.00	
Salaries of Master Teachers	38,304.00	31,826.60	6,477.40
Personal Services - Employee Benefits	237,536.00	181,104.69	56,431.31
Other Purchased Professional - Education Services	29,854.00	29,850.00	4.00
Total Support Services	395,680.00	326,549.09	69,130.91
Facilities Acquisition and Construction Services:			
Instructional Equipment	7,195.00	7,168.15	26.85
Non Instructional Equipment	334,059.00	334,059.00	
Total Expenditures	$ 1,126,071.00	$ 1,013,387.37	$ 112,683.63

Calculation of Budget and Carryover

Total revised 2024-25 Preschool Education Aid Allocation	$ 792,012.00
Add: Actual ECPA/PEA Carryover (June 30, 2024)	428,802.08
Total Preschool Education Funds Available for 2024-25 Budget	1,220,814.08
Less: 2024-25 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	1,126,071.00
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2025	94,743.08
Add: June 30, 2025 Unexpended Preschool Education Aid	112,683.63
2024-25 Carryover - Preschool Education Aid/Preschool	$ 207,426.71
2024-25 Preschool Education Aid Carryover Budgeted for Preschool Programs 2025-26	$ 94,743.00

PROPRIETARY FUNDS

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Food Service	After School Program	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 20,472.43	$ 92,713.74	$ 113,186.17
Accounts Receivable:			
State	714.85		714.85
Federal	14,467.90		14,467.90
Other	235.83		235.83
Inventory	6,237.19		6,237.19
Interfund Accounts Receivable - General Fund	109,511.96		109,511.96
Total Current Assets	151,640.16	92,713.74	244,353.90
Noncurrent Assets:			
Capital Assets:			
Equipment	223,573.00		223,573.00
Less Accumulated Depreciation	(207,357.00)		(207,357.00)
Total Noncurrent Assets	16,216.00	-	16,216.00
Total Assets	167,856.16	92,713.74	260,569.90
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	2,840.55	1,510.00	4,350.55
Interfund Payable:			
General Fund		90,065.50	90,065.50
Total Current Liabilities	2,840.55	91,575.50	94,416.05
NET POSITION:			
Net Investment in Capital Assets	16,216.00		16,216.00
Unrestricted	148,799.61	1,138.24	149,937.85
Total Net Position	$ 165,015.61	$ 1,138.24	$ 166,153.85

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Food Service	After School Program	Totals
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Breakfast Program	$ 5,493.04		$ 5,493.04
School Lunch Program	35,007.88		35,007.88
Daily Sales Non-Reimbursable Programs	28,224.89		28,224.89
Special Functions	6,282.65		6,282.65
Program Fees		$ 117,755.80	117,755.80
Total Operating Revenue	75,008.46	117,755.80	192,764.26
OPERATING EXPENSES:			
Salaries	104,943.51	69,611.65	174,555.16
Employee Benefits	24,863.22	41,316.42	66,179.64
Purchased Professional and Technical Services	28,315.00		28,315.00
Other Purchased Services (400 and 500 Series)	5,201.02		5,201.02
Cost of Sales - Reimbursable Programs	121,809.70		121,809.70
Cost of Sales - Non-reimbursable Programs	14,229.97		14,229.97
Supplies and Materials	13,066.61	12,158.10	25,224.71
Depreciation	5,630.00		5,630.00
Miscellaneous	348.38		348.38
Total Operating Expenses	318,407.41	123,086.17	441,493.58
Operating Income (Loss)	(243,398.95)	(5,330.37)	(248,729.32)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	6,650.33		6,650.33
State School Breakfast Program	1,411.75		1,411.75
Federal Sources:			
National School Lunch Program	138,363.78		138,363.78
School Breakfast Program	51,351.38		51,351.38
Food Distribution Program	24,524.19		24,524.19
Healthy Hunger-Free Kids Act	3,898.35		3,898.35
Interest Revenue		1,746.52	1,746.52
Total Nonoperating Revenues (Expenses)	226,199.78	1,746.52	227,946.30
Change in Net Position	(17,199.17)	(3,583.85)	(20,783.02)
Net Position - July 1	182,214.78	4,722.09	186,936.87
Net Position - June 30	$ 165,015.61	$ 1,138.24	$ 166,153.85

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds		
	Food Service	After School Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	$ 77,849.01	$ 115,406.80	$ 193,255.81
Payments to Employees	(104,943.51)	(69,611.65)	(174,555.16)
Payments for Employee Benefits	(24,863.22)	(41,316.42)	(66,179.64)
Payments to Suppliers	(154,121.25)	(12,158.10)	(166,279.35)
Net Cash Provided by (used for) Operating Activities	(206,078.97)	(7,679.37)	(213,758.34)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	7,672.61		7,672.61
Federal Sources	189,708.04		189,708.04
Operating Subsidies and Transfers	(10,052.08)		(10,052.08)
Net Cash Provided by (used for) Non-Capital Financing Activities	187,328.57	-	187,328.57
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	-	1,746.52	1,746.52
Net Increase (Decrease) in Cash and Cash Equivalents	(18,750.40)	(5,932.85)	(24,683.25)
Cash and Cash Equivalents, July 1	39,222.83	98,646.59	137,869.42
Cash and Cash Equivalents, June 30	$ 20,472.43	$ 92,713.74	$ 113,186.17
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (243,398.95)	$ (5,330.37)	$ (248,729.32)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:			
Depreciation	5,630.00		5,630.00
Food Distribution Program	24,524.19		24,524.19
Change in Assets and Liabilities:			
(Increase) / Decrease in Inventory	4,325.24		4,325.24
Increase / (Decrease) in Unearned Revenue	2,840.55	(2,349.00)	491.55
Total Adjustments	37,319.98	(2,349.00)	34,970.98
Net Cash Provided (Used) in Operating Activities	$ (206,078.97)	$ (7,679.37)	$ (213,758.34)

LONG-TERM DEBT

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2025

	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2024	Retired	Balance June 30, 2025
Renovations and Improvements to various school buildings; Refunding Series 2017	12/1/2017	$ 2,680,000.00	04/01/26	$ 250,000.00	4.000%			
			04/01/27	260,000.00	4.000%			
			04/01/28	260,000.00	4.000%			
			04/01/29	270,000.00	4.000%			
			04/01/30	285,000.00	4.000%	$ 1,565,000.00	$ 240,000.00	$ 1,325,000.00

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 302,600.00	-	$ 302,600.00	$ 302,600.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	62,600.00		62,600.00	62,600.00	
Redemption of Principal	240,000.00		240,000.00	240,000.00	
Total Regular Debt Service	302,600.00	-	302,600.00	302,600.00	-
Total Expenditures	302,600.00	-	302,600.00	302,600.00	-
Fund Balance, July 1	0.62	-	0.62	0.62	-
Fund Balance, June 30	$ 0.62	-	$ 0.62	$ 0.62	-

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021 (a)	2020	2019	2018	2017	2016
Governmental Activities										
Net Investment in Capital Assets	$ 6,145,001.67	$ 5,633,219.12	$ 5,347,837.08	$ 5,470,001.69	$ 5,703,358.38	$ 5,999,335.80	$ 6,008,180.45	$ 5,687,029.42	$ 5,452,330.82	$ 5,479,560.80
Restricted	922,270.33	1,192,042.44	2,103,546.33	1,865,087.18	1,033,710.37	1,047,192.84	1,098,395.33	1,351,681.04	1,945,924.03	1,551,820.26
Unrestricted (Deficit)	(3,344,368.97)	(1,417,928.32)	(1,358,304.35)	(1,908,158.28)	(1,723,362.51)	(2,181,648.15)	(1,743,396.56)	(851,138.81)	(1,709,663.07)	(971,651.00)
Total Governmental Activities Net Assets	$ 3,722,903.03	$ 5,407,333.24	$ 6,093,079.06	$ 5,426,930.59	$ 5,013,706.24	$ 4,864,880.49	$ 5,363,179.22	$ 6,187,571.65	$ 5,688,591.78	$ 6,059,730.06
Business-Type Activities										
Net Investment in Capital Assets	$ 16,216.00	$ 21,846.00	$ 28,243.00	$ 38,581.00	$ 38,581.00	$ 61,045.00	$ 72,277.00	$ 86,256.00	$ 100,235.00	$ 114,214.00
Unrestricted	149,937.85	165,090.87	158,604.00	166,951.41	165,724.31	43,165.71	98,457.98	95,102.10	57,339.63	64,703.31
Total Business-Type Activities Net Assets	$ 166,153.85	$ 186,936.87	$ 186,847.00	$ 205,532.41	$ 204,305.31	$ 104,210.71	$ 170,734.98	$ 181,358.10	$ 157,574.63	$ 178,917.31
Government-Wide										
Net Investment in Capital Assets	$ 6,161,217.67	$ 5,655,065.12	$ 5,376,080.08	$ 5,508,582.69	$ 5,741,939.38	$ 6,060,380.80	$ 6,080,457.45	$ 5,773,285.42	$ 5,552,565.82	$ 5,593,774.80
Restricted	922,270.33	1,192,042.44	2,103,546.33	1,865,087.18	1,033,710.37	1,047,192.84	1,098,395.33	1,351,681.04	1,945,924.03	1,551,820.26
Unrestricted (Deficit)	(3,194,431.12)	(1,252,837.45)	(1,199,700.35)	(1,741,206.87)	(1,557,638.20)	(2,138,482.44)	(1,644,938.58)	(756,036.71)	(1,652,323.44)	(906,947.69)
Total Government-Wide Net Position	$ 3,889,056.88	$ 5,594,270.11	$ 6,279,926.06	$ 5,632,463.00	$ 5,218,011.55	$ 4,969,091.20	$ 5,533,914.20	$ 6,368,929.75	$ 5,846,166.41	$ 6,238,647.37

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021 (a)	2020	2019	2018	2017	2016
Expenses										
Governmental Activities										
Instruction										
Regular	$ 4,285,992.04	$ 4,444,647.51	$ 4,563,461.33	$ 3,835,504.89	$ 3,500,147.81	$ 3,546,704.40	$ 3,864,731.61	$ 3,646,596.03	$ 3,604,939.42	$ 3,591,595.72
Special Education	1,556,908.05	1,591,031.36	1,430,870.98	1,504,617.20	1,543,800.77	1,625,308.70	1,810,040.82	1,220,359.26	1,403,868.50	1,455,542.85
Other Instruction	211,364.63	227,153.55	169,204.63	183,145.74	118,234.37	196,228.16	382,272.12	380,377.36	352,363.34	458,687.58
Support Services:										
Tuition	4,803,595.83	4,165,943.51	3,917,939.60	3,925,958.19	4,163,006.38	3,754,928.30	3,357,041.65	2,999,978.49	3,247,200.36	3,049,105.63
Student & Instruction Related Services	2,527,524.31	2,121,543.81	1,485,103.40	1,196,570.78	1,308,419.37	1,425,463.12	1,591,231.67	1,320,602.84	1,430,325.00	1,324,203.05
School Administrative Services	281,353.83	299,522.02	281,093.85	302,905.40	390,819.60	323,311.57	339,213.92	308,700.79	299,623.23	314,530.53
General and Business Administrative Services	337,710.54	388,402.72	419,516.16	357,280.16	387,522.85	534,894.14	517,584.53	592,958.45	485,953.91	488,913.23
Plant Operations and Maintenance	206,140.53	198,334.47	193,426.78	187,526.77	189,055.57					
Plant Operations and Maintenance	1,214,847.57	1,072,834.68	1,119,031.89	955,446.31	939,241.41	850,383.36	974,122.19	874,792.51	989,035.92	879,361.93
Pupil Transportation	1,314,463.81	1,224,459.08	1,161,128.17	788,955.32	473,939.93	778,586.64	823,717.55	711,945.42	811,750.46	656,150.35
Unallocated Benefits	3,252,576.15	2,797,991.60	2,414,742.36	3,575,867.67	3,460,773.94	5,553,756.51	5,984,296.44	6,884,328.03	6,125,445.54	4,853,067.05
Reimbursed TPAF and Social Security	1,061,390.69	1,573,012.55	1,638,457.43	1,520,190.47	3,035,103.31					
Interest on Long-term Debt	60,200.00	69,500.00	78,400.00	85,550.00	92,037.50	98,600.00	106,737.50	(33,058.86)	141,685.00	151,194.37
Transfer to Charter Schools	21,404.00									
Unallocated Depreciation	583,025.83	502,758.95	470,553.50	477,652.71	488,654.85	503,158.46	498,822.83	455,669.00	440,751.00	453,539.00
Total Governmental Activities Expenses	21,718,497.81	20,677,135.81	19,342,930.08	18,897,171.61	20,090,757.66	19,191,323.36	20,249,812.83	19,363,249.32	19,332,941.68	17,675,891.29
Business-Type Activities:										
Food Service	318,407.41	313,303.54	292,146.86	248,397.20	138,287.41	207,765.04	249,663.99	247,894.71	272,769.90	287,613.18
After School Program	123,086.17	112,468.15	137,340.42	105,903.48	116.47	132,163.35	161,972.41	168,454.22	187,485.73	169,363.05
Total Business-Type Activities Expense	441,493.58	425,771.69	429,487.28	354,300.68	138,403.88	339,928.39	411,636.40	416,348.93	460,255.63	456,976.23
Total District Expenses	$ 22,159,991.39	$ 21,102,907.50	$ 19,772,417.36	$ 19,251,472.29	$ 20,229,161.54	$ 19,531,251.75	$ 20,661,449.23	$ 19,779,598.25	$ 19,793,197.31	$ 18,132,867.52
Program Revenues										
Governmental Activities:										
Charges for Services	$ 36,597.07	$ 23,861.14	$ 23,490.96	$ 21,445.67	$ 11,350.16					
Operating Grants and Contributions	1,393,425.85	2,155,733.91	619,374.70	765,980.67	2,305,885.29	$ 1,260,666.93	$ 2,054,190.98	$ 3,278,109.86	$ 2,811,402.27	$ 1,974,951.51
Total Governmental Activities Program Revenues	1,430,022.92	2,179,595.05	642,865.66	787,426.34	2,317,235.45	1,260,666.93	2,054,190.98	3,278,109.86	2,811,402.27	1,974,951.51
Business-Type activities:										
Charges for services										
Food Service	75,008.46	115,760.52	61,572.18	250.00	134.00	44,779.22	75,342.38	77,174.04	82,658.06	77,506.29
After School Program	117,755.80	115,453.29	123,825.78	96,181.41		80,652.75	174,132.39	188,836.04	177,756.62	162,664.08
Operating Grants and Contributions	226,199.78	192,910.80	211,889.27	338,769.87	148,852.44	129,003.35	151,538.51	174,122.32	178,003.27	190,502.66
Total Business-Type Activities Program Revenues	418,964.04	424,124.61	397,287.23	435,201.28	148,986.44	254,435.32	401,013.28	440,132.40	438,417.95	430,673.03
Total Government-Wide Program Revenues	$ 1,848,986.96	$ 2,603,719.66	$ 1,040,152.89	$ 1,222,627.62	$ 2,466,221.89	$ 1,515,102.25	$ 2,455,204.26	$ 3,718,242.26	$ 3,249,820.22	$ 2,405,624.54
Net (Expense)/Revenue										
Governmental Activities	$ (20,288,474.89)	$ (18,497,540.76)	$ (18,700,064.42)	$ (18,109,745.27)	$ (17,773,522.21)	$ (17,930,656.43)	$ (18,195,621.85)	$ (16,085,139.46)	$ (16,521,539.41)	$ (15,700,939.78)
Business-type Activities	(22,529.54)	(1,647.08)	(32,200.05)	80,900.60	10,582.56	(85,493.07)	(10,623.12)	23,783.47	(21,837.68)	(26,303.20)
Total Government-Wide Net Expense	$ (20,311,004.43)	$ (18,499,187.84)	$ (18,732,264.47)	$ (18,028,844.67)	$ (17,762,939.65)	$ (18,016,149.50)	$ (18,206,244.97)	$ (16,061,355.99)	$ (16,543,377.09)	$ (15,727,242.98)

(continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021 (a)	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$ 10,502,102.00	$ 10,296,178.00	$ 10,094,292.00	$ 9,218,349.00	$ 9,037,597.00	$ 8,860,389.00	$ 8,686,656.00	$ 8,516,329.00	$ 8,349,342.00	$ 8,185,629.00
Taxes Levied for Debt Service	302,600.00	301,800.00	300,600.00	307,200.00	247,183.00	320,250.00	279,812.00	134,719.00	134,319.00	384,095.00
Unrestricted Grants and Contributions	8,535,145.16	7,295,677.21	8,932,376.91	8,980,945.92	8,544,260.20	7,994,175.05	8,013,281.35	7,588,467.74	7,209,709.85	7,017,184.51
Restricted Grants and Contributions	724,669.33	14,400.00								
Tuition Received						226,669.42	318,479.57	285,321.58	370,274.75	443,410.15
Restricted Miscellaneous Income					6,996.10					
Miscellaneous Income	59,804.02	237,798.95	50,968.08	25,975.72	36,973.55	49,619.70	73,000.50	59,282.01	87,250.53	49,254.38
Transfers			(12,024.10)	(9,501.02)	(68.74)	(18,745.47)			(495.00)	
Total Governmental Activities	20,124,320.51	18,145,854.16	19,366,212.89	18,522,969.62	17,872,941.11	17,432,357.70	17,371,229.42	16,584,119.33	16,150,401.13	16,079,573.04
Business-Type Activities:										
Investment Earnings	1,746.52	1,736.95	1,490.54	221.05	47.73	223.33				
Transfers			12,024.10	9,501.02	68.74	18,745.47			495.00	
Total Business-Type Activities	1,746.52	1,736.95	13,514.64	9,722.07	116.47	18,968.80	-	-	495.00	-
Total Government-Wide	$ 20,126,067.03	$ 18,147,591.11	$ 19,379,727.53	$ 18,532,691.69	$ 17,873,057.58	$ 17,451,326.50	$ 17,371,229.42	$ 16,584,119.33	$ 16,150,896.13	$ 16,079,573.04
Change in Net Position										
Governmental Activities	$ (164,154.38)	$ (351,686.60)	$ 666,148.47	$ 413,224.35	$ 99,418.90	$ (498,298.73)	$ (824,392.43)	$ 498,979.87	$ (371,138.28)	$ 378,633.26
Business-Type Activities	(20,783.02)	89.87	(18,685.41)	90,622.67	10,699.03	(66,524.27)	(10,623.12)	23,783.47	(21,342.68)	(26,303.20)
Total Government-Wide	$ (184,937.40)	$ (351,596.73)	$ 647,463.06	$ 503,847.02	$ 110,117.93	$ (564,823.00)	$ (835,015.55)	$ 522,763.34	$ (392,480.96)	$ 352,330.06

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021 (a)	2020	2019	2018	2017	2016
General Fund										
Restricted	$ 885,005.62	$ 1,157,428.70	$ 1,734,204.17	$ 1,488,410.32	$ 658,266.17	$ 651,666.00	$ 702,868.49	$ 1,052,749.97	$ 1,234,467.77	$ 1,361,698.57
Assigned	416,841.32	782,280.18	747,221.12	526,509.02	641,887.07	391,124.59	625,047.23	1,552,702.61	587,553.32	374,648.40
Unassigned (Deficit)	(362,252.49)	217,431.00	254,178.91	177,706.05	474,497.32	201,437.26	373,626.10	321,404.82	289,935.51	309,305.91
Total General Fund	$ 939,594.45	$ 2,157,139.88	$ 2,735,604.20	$ 2,192,625.39	$ 1,774,650.56	$ 1,244,227.85	$ 1,701,541.82	$ 2,926,857.40	$ 2,111,956.60	$ 2,045,652.88
All Other Governmental Funds										
Restricted:										
Special Revenue Fund	$ 37,264.09	$ 36,316.68	$ 35,282.32	$ 42,617.02	$ 41,384.36					
Capital Projects			334,059.22	334,059.22	334,059.22	$ 334,059.22	$ 334,059.22	$ 334,059.22	$ 334,059.22	$ 334,059.22
Debt Service	0.62	0.62	0.62	0.62	0.62	61,467.62	61,467.62	61,467.62	377,397.04	566,095.04
Unassigned (Deficit), Reported in:										
Special Revenue Fund				(37,360.40)	(3,627.90)	(6,342.40)	(3,516.30)	(3,849.00)	(3,849.00)	(6,158.40)
Total All Other Governmental Funds	$ 37,264.71	$ 36,317.30	$ 369,342.16	$ 339,316.46	$ 371,816.30	$ 389,184.44	$ 392,010.54	$ 391,677.84	$ 707,607.26	$ 893,995.86

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021 (a)	2020	2019	2018	2017	2016
Revenues										
Tax Levy	$ 10,804,702.00	$ 10,597,978.00	$ 10,394,892.00	$ 9,525,549.00	$ 9,284,780.00	$ 9,180,639.00	$ 8,966,468.00	$ 8,651,048.00	$ 8,483,661.00	$ 8,569,724.00
Tuition Charges						226,669.42	318,479.57	285,321.58	370,274.75	443,410.15
Miscellaneous	96,401.09	261,660.09	74,459.04	47,421.39	55,319.81	49,619.70	73,000.50	59,282.01	87,250.53	49,254.38
State Sources	11,548,590.76	9,841,896.82	9,254,985.53	9,152,410.55	8,570,410.31	8,017,863.11	8,042,171.93	7,648,068.00	7,242,667.06	7,069,712.40
Federal Sources	951,760.58	1,183,086.30	1,317,236.08	677,271.04	541,185.18	378,355.87	422,676.40	471,572.60	386,503.06	415,348.62
Total Revenue	23,401,454.43	21,884,621.21	21,041,572.65	19,402,651.98	18,451,695.30	17,853,147.10	17,822,796.40	17,115,292.19	16,570,356.40	16,547,449.55
Expenditures										
Instruction										
Regular Instruction	4,448,582.07	4,375,764.51	4,469,286.33	3,784,329.89	3,417,172.81	3,462,979.40	3,805,056.61	3,545,021.03	3,536,214.42	3,521,870.72
Special Education Instruction	1,556,908.05	1,591,031.36	1,430,870.98	1,504,617.20	1,543,800.77	1,625,308.70	1,810,040.82	1,220,359.26	1,403,868.50	1,455,542.85
Other Instruction	211,364.63	227,153.55	169,204.63	183,145.74	118,234.37	196,228.16	382,272.12	380,377.36	352,363.34	458,687.58
Support Services:										
Tuition	4,803,595.83	4,165,943.51	3,917,939.60	3,925,958.19	4,163,006.38	3,754,928.30	3,357,041.65	2,999,978.49	3,247,200.36	3,049,105.63
Student & Instruction Related Services	2,527,524.31	2,121,543.81	1,485,103.40	1,196,570.78	1,308,419.37	1,425,463.12	1,591,231.67	1,320,602.84	1,430,325.00	1,324,203.05
School Administrative Services	281,345.09	299,578.02	281,037.85	302,905.40	390,819.60	323,311.57	337,363.92	306,525.79	299,273.23	307,730.53
General Business and Administrative Svs	310,775.82	379,605.72	410,719.16	348,483.16	378,725.85	529,422.14	508,787.53	584,111.45	476,806.91	487,091.23
Central Services	206,140.53	198,334.47	193,426.78	187,526.77	184,455.57					
Plant Operations and Maintenance	1,209,466.57	1,067,453.68	1,113,650.89	950,065.31	933,860.41	845,002.36	968,741.19	869,411.51	983,654.92	873,980.93
Pupil Transportation	1,286,862.81	1,196,858.08	1,133,527.17	761,354.32	446,338.93	750,985.64	796,116.55	684,344.42	748,847.46	593,247.35
Other Support Services	6,266,489.36	6,083,520.47	5,310,034.36	5,418,469.19	4,704,063.35	4,673,594.50	4,449,499.36	3,928,885.92	3,506,055.12	3,331,692.06
Capital Outlay	967,562.38	670,894.99	241,142.89	137,050.02	90,431.43	387,067.81	692,727.86	319,121.60	301,577.02	562,686.80
Transfer to Charter Schools	21,404.00									
Debt Service:										
Principal	240,000.00	230,000.00	220,000.00	220,000.00	215,000.00	220,000.00	240,000.00	280,000.00	260,000.00	315,000.00
Interest	62,600.00	71,800.00	80,600.00	87,200.00	93,650.00	100,250.00	108,900.00	102,792.72	143,760.00	153,672.50
Total Expenditures	24,400,621.45	22,679,482.17	20,456,544.04	19,007,675.97	17,987,978.84	18,294,541.70	19,047,779.28	16,541,532.39	16,689,946.28	16,434,511.23
Excess (Deficiency) of Revenues Over (Under) Expenditures	(999,167.02)	(794,860.96)	585,028.61	394,976.01	463,716.46	(441,394.60)	(1,224,982.88)	573,759.80	(119,589.88)	112,938.32
Other Financing Sources (Uses)										
Proceeds of Refunding Bonds								2,680,000.00		
Premium on Refunding Bonds								247,128.40		
Payment to Refunded Bond Escrow Account								(3,001,916.82)		
Operating Transfers Out			(12,024.10)	(9,501.02)	(68.74)	(18,745.47)			(495.00)	
Total Other Financing Sources (Uses)	-	-	(12,024.10)	(9,501.02)	(68.74)	(18,745.47)	-	(74,788.42)	(495.00)	-
Net Change in Fund Balances	$ (999,167.02)	$ (794,860.96)	$ 573,004.51	$ 385,474.99	$ 463,647.72	$ (460,140.07)	$ (1,224,982.88)	$ 498,971.38	$ (120,084.88)	$ 112,938.32
Debt Service as a Percentage of Noncapital Expenditures	1.29%	1.37%	1.49%	1.63%	1.72%	1.79%	1.90%	2.36%	2.46%	2.95%

(a) - Beginning for the fiscal year ended June 30, 2021, the School District implemented GASB 84.

Source: District Records

TOWNSHIP OF BERLIN SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Interest on Investments	$ 40,199.62	$ 69,088.83	$ 50,968.08	$ 11,455.37	$ 8,340.97	$ 14,245.65	$ 36,171.09	$ 13,973.08	$ 11,352.66	$ 2,595.45
Tuition					20,661.48	226,669.42	318,479.57	285,321.58	370,274.75	443,410.15
Refund of Prior Year Expenditures	12,519.55	14,407.95		494.25		5,358.10	17,128.68	3,000.00	24,902.42	8,216.09
Cancelled Prior Year Checks									15,752.90	
Capital Projects Receivable Collection		123,031.50								
E-Rate				10,685.52	14,674.75	16,527.04		21,310.89	11,624.60	26,883.25
Use of Facilities	6,312.90					10,228.50	18,477.03	18,278.50	15,426.00	7,400.00
Sale of Assets	138.75			468.98	292.45	1,992.96		860.33	2,001.71	
Miscellaneous	633.20	31,270.67		2,871.60		1,267.45	1,223.70	1,859.21	6,190.24	4,159.59
	$ 59,804.02	$ 237,798.95	$ 50,968.08	$ 25,975.72	$ 43,969.65	$ 276,289.12	$ 391,480.07	$ 344,603.59	$ 457,525.28	$ 492,664.53

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg./Qual.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2025	$ 10,039,000.00	$ 380,933,800.00	$ 51,500.00	$ 28,000.00	$ 194,749,100.00	$ 55,006,000.00	$ 6,848,200.00	$ 647,655,600.00	$ 64.00	$ 647,655,664.00	$ 46,283,200.00	$ 1,003,220,069.00	$ 1.685
2024	9,715,500.00	379,468,400.00	248,100.00	27,700.00	194,018,200.00	55,006,000.00	6,848,200.00	645,332,100.00	72.00	645,332,172.00	45,971,900.00	889,955,963.00	1.658
2023	10,629,200.00	378,063,600.00	248,100.00	29,600.00	190,151,800.00	54,925,800.00	6,848,200.00	640,896,300.00	80.00	640,896,380.00	45,084,300.00	793,420,462.00	1.638
2022	11,061,500.00	376,649,100.00	248,100.00	28,400.00	187,243,500.00	54,560,800.00	6,848,200.00	636,639,600.00	1,559,235.00	638,198,835.00	45,052,200.00	719,879,048.00	1.561
2021	11,258,300.00	374,155,400.00	248,100.00	28,400.00	187,378,500.00	54,560,800.00	6,848,200.00	634,477,700.00	1,678,873.00	636,156,573.00	45,781,600.00	680,827,493.00	1.479
2020	12,068,400.00	364,138,400.00	251,200.00	29,200.00	185,913,200.00	54,560,800.00	6,848,200.00	623,809,400.00	1,608,266.00	625,417,666.00	44,018,000.00	616,981,811.00	1.476
2019	12,299,200.00	345,815,500.00	251,200.00	29,200.00	187,957,400.00	50,599,500.00	6,848,200.00	603,800,200.00	1,712,610.00	605,512,810.00	43,024,800.00	605,973,202.00	1.499
2018	12,598,200.00	330,467,900.00	251,200.00	29,200.00	187,335,600.00	49,238,800.00	6,848,200.00	586,769,100.00	1,596,447.00	588,365,547.00	42,834,700.00	606,847,196.00	1.497
2017	13,561,500.00	320,021,100.00	251,200.00	29,200.00	183,921,000.00	49,375,000.00	6,848,200.00	574,007,200.00	1,665,368.00	575,672,568.00	42,399,000.00	581,926,248.00	1.488
2016 (3)	14,792,100.00	306,646,000.00	251,200.00	29,200.00	184,949,200.00	49,480,300.00	6,848,200.00	562,996,200.00	1,665,368.00	564,661,568.00	40,567,800.00	556,143,293.00	1.510

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
(2) Tax Rates are per $100.00 of Assessed Valuation
(3) Reassessment

Source: Municipal Tax Assessor

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per $100 of assessed value)
Unaudited

	District Direct Rate			Overlapping Rates			
Fiscal Year Ended June 30,	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Berlin	Fire District	County of Camden	Total Direct and Overlapping Tax Rate
2025	$ 1.638	$ 0.047	$ 1.685	$ 1.328	$ 0.139	$ 0.929	$ 4.081
2024	1.611	0.047	1.658	1.315	0.136	0.909	4.018
2023	1.591	0.047	1.638	1.306	0.132	0.891	3.967
2022	1.511	0.050	1.561	1.277	0.130	0.885	3.853
2021	1.440	0.039	1.479	1.277	0.115	0.904	3.775
2020	1.425	0.051	1.476	1.281	0.105	0.924	3.786
2019	1.452	0.047	1.499	1.257	0.106	0.867	3.729
2018	1.474	0.023	1.497	1.224	0.095	0.922	3.738
2017	1.464	0.024	1.488	1.214	0.090	0.900	3.692
2016 (3)	1.442	0.068	1.510	1.195	0.089	0.873	3.667

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
(2) Rates for debt service are based on each year's requirements.
(3) Reassessment

Source: Municipal Tax Collector

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Information was unavailable			Information was unavailable		
Total	-		0.00%	-		0.00%

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1) Amount	Percentage of Levy	Collections in Subsequent Years
2025	$ 10,804,702.00	$ 10,804,702.00	100.00%	
2024	10,597,978.00	10,597,978.00	100.00%	
2023	10,394,892.00	10,394,892.00	100.00%	
2022	9,525,549.00	9,525,549.00	100.00%	
2021	9,284,780.00	9,284,780.00	100.00%	
2020	9,180,639.00	9,180,639.00	100.00%	
2019	8,966,468.00	8,966,468.00	100.00%	
2018	8,650,648.00	8,650,648.00	100.00%	
2017	8,483,661.00	8,483,661.00	100.00%	
2016	8,569,724.00	8,569,724.00	100.00%	

(1) 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.

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

	Governmental Activities (1)			Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds	TPAF Early Retirement Liability Payable	Financed Purchases	Financed Purchases	Total District	Percentage of Personal Income (2)	Per Capita (3)
2025	$ 1,325,000.00	-	-	-	$ 1,325,000.00	(4)	(4)
2024	1,565,000.00	-	-	-	1,565,000.00	(4)	$ 258.93
2023	1,795,000.00	-	-	-	1,795,000.00	0.46%	300.57
2022	2,015,000.00	$ 2,283.65	-	-	2,017,283.65	0.55%	339.10
2021	2,235,000.00	12,265.00	-	-	2,247,265.00	0.62%	379.35
2020	2,450,000.00	35,368.00	-	-	2,485,368.00	0.75%	424.56
2019	2,670,000.00	58,610.00	-	-	2,728,610.00	0.90%	478.28
2018	2,910,000.00	81,852.00	-	-	2,991,852.00	1.03%	529.25
2017	3,394,000.00	106,255.00	-	-	3,500,255.00	1.26%	629.88
2016	3,654,000.00	130,813.00	-	-	3,784,813.00	1.42%	687.52

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

Sources:
(1) District Records
(2) Personal income has been estimated based upon the municipal population and per capita
(3) Per Capita personal income by county-estimated based upon the 2020 Census published
(4) Unavailable

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2025	$ 1,325,000.00		$ 1,325,000.00	0.20%	(3)
2024	1,565,000.00		1,565,000.00	0.24%	258.93
2023	1,795,000.00		1,795,000.00	0.28%	300.57
2022	2,015,000.00		2,015,000.00	0.32%	338.71
2021	2,235,000.00		2,235,000.00	0.35%	377.28
2020	2,450,000.00		2,450,000.00	0.39%	418.52
2019	2,670,000.00		2,670,000.00	0.44%	468.01
2018	2,910,000.00		2,910,000.00	0.49%	514.77
2017	3,394,000.00		3,394,000.00	0.59%	610.76
2016	3,654,000.00		3,654,000.00	0.65%	663.76

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

(1) See Exhibit No. J-6 for property tax data.
(2) Population data can be found in Exhibit No. J-14.
(3) Information not available.

Source: District Records.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024
Unaudited

Township of Berlin:	Gross Debt	Deductions	Statutory Net Debt Outstanding	Net Debt Outstanding Allocated to Berlin Township
Municipal Debt: (1)				
Berlin Township School District	$ 1,565,000.00	$ 1,565,000.00		
Berlin Township Sewer Utility	1,865,000.00	1,865,000.00		
Berlin Township	7,865,000.00		$ 7,865,000.00	$ 7,865,000.00
	11,295,000.00	3,430,000.00	7,865,000.00	7,865,000.00
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	61,099,583.00	38,846,103.00 (3)	22,253,480.00	371,295.92 (5)
Notes	12,980,000.00		12,980,000.00	(5)
Loan Agreement	307,080,000.00		307,080,000.00	5,123,583.01 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	220,129,800.00	220,129,800.00 (4)		
	601,289,383.00	258,975,903.00	342,313,480.00	5,494,878.94
	$ 612,584,383.00	$ 262,405,903.00	$ 350,178,480.00	$ 13,359,878.94

Sources:
(1) 2024 Annual Debt Statement / 2024 Audit Report
(2) Source: County of Camden
(3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
(4) Deductible in accordance with N.J.S. 40:37A-80.
(5) Such debt is allocated as a proportion of the Township's share of the total 2024 Equalized Value, which is 1.668%.
The source for this computation was the 2024 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized valuation basis		
2024		$ 999,120,762.00
2023		883,385,665.00
2022		787,725,316.00
	[A]	$ 2,670,231,743.00
Average equalized valuation of taxable property	**[A/3]**	$ 890,077,247.67
Debt limit (3% of average equalization value)	**[B]**	26,702,317.43
Total Net Debt Applicable to Limit	**[C]**	1,325,000.00
Legal Debt Margin	**[B-C]**	$ 25,377,317.43

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit	$ 26,702,317.43	$ 23,865,797.45	$ 21,705,126.51	$ 20,394,487.81	$ 19,108,078.00	$ 18,351,882.29	$ 17,473,247.22	$ 17,021,076.25	$ 16,694,579.66	$ 16,479,854.51
Total net debt applicable to limit	1,325,000.00	1,565,000.00	1,795,000.00	2,015,000.00	2,235,000.00	2,450,000.00	2,670,000.00	2,910,000.00	3,394,000.00	3,654,000.00
Legal debt margin	$ 25,377,317.43	$ 22,300,797.45	$ 19,910,126.51	$ 18,379,487.81	$ 16,873,078.00	$ 15,901,882.29	$ 14,803,247.22	$ 14,111,076.25	$ 13,300,579.66	$ 18,939,642.68
Total net debt applicable to the limit as a percentage of debt limit	4.96%	6.56%	8.27%	9.88%	11.70%	13.35%	15.28%	17.10%	20.33%	22.17%

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2025	(5)	(5)	(5)	(5)
2024	6,044	(5)	(5)	4.5%
2023	5,972	$ 388,102,364.00	$ 64,987.00	4.3%
2022	5,949	368,772,561.00	61,989.00	3.9%
2021	5,924	362,299,992.00	61,158.00	6.4%
2020	5,854	332,079,858.00	56,727.00	10.4%
2019	5,705	304,789,625.00	53,425.00	3.5%
2018	5,653	291,762,636.00	51,612.00	4.4%
2017	5,557	277,205,388.00	49,884.00	4.9%
2016	5,505	266,469,525.00	48,405.00	5.8%

Source:
(1) Population information provided by the NJ Dept of Labor and Workforce Development (July 1) (Updated)
(2) Personal income has been estimated based upon the municipal population and per capita personal income presented
(3) Per Capita personal income by municipality-estimated based upon the 2020 Census published by the US Bureau of Economic Analysis (Updated)
(4) Unemployment data provided by the NJ Dept of Labor and Workforce Development
(5) Information unavailable

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Total Municipal Employment**	**Employees**	**Rank**	**Percentage of Total Municipal Employment**
	Information was unavailable			Information was unavailable		
	-		0.00%	-		0.00%

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction										
Regular	49	48	45	45	44	48	48	48	48	47
Special education	21	21	21	22	22	36	36	36	36	36
Support Services:										
Student & instruction related services	14	16	14	12	11	21	21	21	21	20
School administrative services	5	5	5	5	5	5	5	5	5	5
General and business administrative services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	7	7	7	7	7	7	7	7	7	7
Pupil transportation	9	9	9	7	6	6	6	6	6	6
After School Program	2	2	2	2	2	1	1	1	1	1
Total	112.0	113.0	108.0	105.0	102.0	129.0	129.0	129.0	129.0	127.0

Source: District Personnel Records

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Resident Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (3)	Pupil/Teacher Ratio Elementary	Pupil/Teacher Ratio Middle School	Average Daily Enrollment (ADE) (4)	Average Daily Attendance (ADA) (4)	% Change in Average Daily Enrollment	Student Attendance Percentage
2025	627	$ 23,130,459.07	$36,890.68	3.67%	84.0	1:12	1:13	623.0	576.0	1.07%	92.46%
2024	610	21,706,787.18	35,584.90	10.79%	85.0	1:12	1:09	621.0	580.1	3.25%	93.41%
2023	620	19,914,801.15	32,120.65	4.86%	80.0	1:10	1:10	616.4	571.2	2.94%	92.67%
2022	606	18,563,425.95	30,632.72	0.84%	79.0	1:09	1:09	601.4	556.8	-7.19%	92.58%
2021	579	17,588,897.41	30,378.06	11.93%	77.0	1:12	1:10	598.8	569.6	-9.41%	95.12%
2020	648	17,587,223.89	27,140.78	-0.37%	85.0	1:09	1:08	648.0	616.0	4.52%	95.06%
2019	661	18,006,151.42	27,240.77	30.53%	85.0	1:09	1:08	661.0	608.0	6.61%	91.98%
2018	759	15,839,618.07	20,869.06	-0.91%	84.0	1:09	1:08	620.0	588.0	0.58%	94.84%
2017	759	15,984,609.26	21,060.09	6.51%	85.0	1:09	1:08	616.4	580.2	-1.89%	94.13%
2016	779	15,403,151.93	19,772.98	4.52%	83.0	1:09	1:08	628.3	594.2	-0.74%	94.57%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

(1) Operating expenditures equal total expenditures from Exh. J-4 less debt service and capital outlay.
(2) Operating expenditures equal total expenditures less debt service and capital outlay
(3) Teaching staff includes only full-time equivalents of certificated staff.
(4) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF BERLIN SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District Building										
Elementary										
John F. Kennedy Elementary (1965)										
Square Feet	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060	51,060
Capacity (students)	351	351	351	351	351	351	351	351	351	351
Enrollment	366	350	354	291	270	317	316	316	316	315
Middle										
Dwight D. Eisenhower Middle School (1968)										
Square Feet	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870
Capacity (students)	409	409	409	409	409	409	409	409	409	409
Enrollment	261	260	266	326	309	327	295	295	295	295
Other										
Central Administration (1968)										
Square Feet	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750
Warehouse (2006)										
Square Feet	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200

Number of Schools at June 30, 2025
- Elementary = 1
- Middle School = 1
- Senior High School = 0
- Other = 2

Source: District Facilities Office

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
Unaudited

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

		Fiscal Year Ended June 30,									
* School Facilities	Project # (s)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
John F. Kennedy Elementary School	N/A	$ 81,549.77	$ 78,960.55	$ 65,593.75	$ 63,018.79	$ 68,619.67	$ 66,560.23	$ 81,593.33	$ 63,893.71	$ 69,853.27	$ 59,863.26
Dwight D. Eisenhower Middle School	N/A	92,414.11	84,391.77	93,843.88	79,551.19	88,112.69	75,752.46	89,991.91	80,945.06	86,466.54	80,733.91
Total School Facilities		173,963.88	163,352.32	159,437.63	142,569.98	156,732.36	142,312.69	171,585.24	144,838.77	156,319.81	140,597.17
Other Facilities	N/A	31,106.55	20,280.52	13,480.22	23,303.05	19,222.37	21,332.15	24,022.73	12,021.02	22,579.56	16,935.77
Grand Total		$ 205,070.43	$ 183,632.84	$ 172,917.85	$ 165,873.03	$ 175,954.73	$ 163,644.84	$ 195,607.97	$ 156,859.79	$ 178,899.37	$ 157,532.94

* School Facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Insurance Schedule
June 30, 2025
Unaudited

	Coverage		Deductible
School Package Policy (1)			
Article I - Property			
Blanket Real and Personal Property - per occurrence	$ 350,000,000.00		$ 5,000.00
Blanket Extra Expense	50,000,000.00		5,000.00
Blanket Valuable Papers and Records	10,000,000.00		5,000.00
Demolition and Increased			
Cost of Construction-per occurrence	10,000,000.00		
Fire Department Service Charge	10,000.00		
Arson Reward	10,000.00		
Pollutant Cleanup and Removal	250,000.00		
Sublimits: Flood Zone (SFHA)			
Per occurrence	15,000,000.00	per building	500,000.00
NJSBAIG annual aggregate	15,000,000.00	bldg. contents	500,000.00
Accounts Receivable	250,000.00		
All Other Flood Zones			
Per occurrence/ NJSBAIG annual aggregate	75,000,000.00	per member	10,000.00
Earthquake			
Per occurrence	50,000,000.00		
NJSBAIG annual aggregate	50,000,000.00		
Terrorism			
Per occurrence	1,000,000.00		
NJSBAIG annual aggregate	1,000,000.00		
Article II - Electronic Data Processing			
Blanket Hardware/ Software - per occurrence	110,000.00		1,000.00
Blanket Extra Expense	included		
Coverage Extensions:			
Transit	25,000.00		
Loss of Income	10,000.00		
Terrorism	included in property		
Flood	1,000,000.00		
Flood Deductibles			
Zones A&V			500,000.00
All Other Zones			10,000.00
Article III - Equipment Breakdown			
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000.00		5,000.00
Sublimits:			
Property Damage	Included		
Off Premises Property Damage	100,000.00		
Business Income	Included		
Extra Expense	10,000,000.00		12 hours
Service Interruption	10,000,000.00		
Perishable Goods	500,000.00		
Data Restoration	100,000.00		

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Insurance Schedule
June 30, 2025
Unaudited

	Coverage		Deductible
School Package Policy (1) (Continued)			
Article III - Equipment Breakdown (Continued)			
Contingent Business Income	$ 100,000.00		
Demolition	1,000,000.00		
Ordinance of Law	1,000,000.00		
Expediting Expenses	500,000.00		
Hazardous Substances	500,000.00		
Newly Acquired Locations (120 days notice)	250,000.00		60 days
Terrorism	Included		
Interruption of service waiting period 24 hours			
Article IV - Crime			
Public Employee Dishonesty with Faithful Performance	50,000.00		$ 500.00
Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	10,000.00		500.00
Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	10,000.00		500.00
Forgery or Alteration	100,000.00		500.00
Computer Fraud	100,000.00		500.00
Pubic Official Bonds			
Treasurer	225,000.00		
Board Secretary	250,000.00		
Article V - Comprehensive General Liability			
Bodily Injury and Property Damage - Single Limit	6,000,000.00		
Bodily Injury from Products and Completed Operations	6,000,000.00		
Sexual Abuse			
Per Occurrence	6,000,000.00		
Annual NJSBAIG Aggregate	17,000,000.00		
Personal Injury and Advertising Injury			
Per Occurrence	6,000,000.00		
Annual Aggregate	6,000,000.00		
Employee Benefits Liability - Per Occurrence/Annual	6,000,000.00	Each Claim	1,000.00
Premises Medical Payments	5,000.00		
Terrorism - Per Occurrences/Annual NJSBAIG	1,000,000.00		
Article VI - Automobile			
Combined Single Limit for Bodily Injury and Property Damage - Any Auto - Per accident	6,000,000.00		1,000.00
Uninsured/ Underinsured Motorists			
Private Passenger Auto Combined Single Limit	1,000,000.00		
All Other Vehicles			
Bodily Injury per person	15,000.00		
Bodily Injury per accident	30,000.00		
Property Damage per accident	5,000.00		

(Continued)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Insurance Schedule
June 30, 2025
Unaudited

	Coverage	Deductible
School Package Policy (1) (Continued)		
Article VI - Automobile (Continued)		
Personal Injury Protection (Including Pedestrians)	$ 250,000.00	
Medical Payments		
Private Passenger Vehicles	10,000.00	
All Other Vehicles	5,000.00	
Terrorism - Per Occurrence/ Annual NJSBAIG	1,000,000.00	
Errors and Omissions (1)		
Coverage A	5,000,000.00	$ 5,000.00
Coverage B		
Each Claim	100,000.00	5,000.00
Each Policy Period	300,000.00	
Workers' Compensation (1)		
Bodily Injury by Accident	2,000,000.00	
Bodily Injury by Disease		
Each Employee	2,000,000.00	
Aggregate limit	2,000,000.00	
Student Accident Insurance (2)	1,000,000.00	
Catastrophic Injury	500,000.00	
Surety Bonds (1)		
Treasurer	225,000.00	
Board Secretary	250,000.00	

(1) New Jersey School Boards Insurance Group
(2) Markel Insurance

Source: District Records

SINGLE AUDIT SECTION

Exhibit K-1

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Berlin School District
West Berlin, New Jersey 08091

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Township of Berlin School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 4, 2025. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the restatement of the prior period financial statements resulting from the new accounting principle.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Berlin School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as item Finding No. 2025-001.

The Township of Berlin School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Evan J. Palmer

Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS 02548

Woodbury, New Jersey
December 4, 2025

Exhibit K-2

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF NEW JERSEY CIRCULAR 25-12-OMB

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Berlin School District
West Berlin, New Jersey 08091

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Township of Berlin School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2025. The School District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs.*

In our opinion, the Township of Berlin School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of State of New Jersey Circular 25-12-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and State of New Jersey Circular 25-12-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our 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 School District's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 25-12-OMB, 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 judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and State of New Jersey Circular 25-12-OMB, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 25-12-OMB, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that 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 State of New Jersey Circular 25-12-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Evan J. Palmer

Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS02548

Woodbury, New Jersey
December 4, 2025

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2025

Federal Grantor/ Pass-through Grantor /Program or Cluster Total	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2024
U.S. Department of Agriculture								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
Non-Cash Assistance (Food Distribution):								
National School Lunch Program - Commodities (Noncash)	10.555		241NJ304N1099	N/A	$ 24,524.19	7/1/24	6/30/25	
Non-Cash Assistance Subtotal								-
Cash Assistance:								
School Breakfast Program	10.553		241NJ304N1099	100-010-3350-028	43,019.08	7/1/23	6/30/24	$ (2,929.03)
School Breakfast Program	10.553		251NJ304N1099	100-010-3350-028	51,351.38	7/1/24	6/30/25	
Total School Breakfast Program								(2,929.03)
National School Lunch Program	10.555		241NJ304N1099	100-010-3350-026	118,827.25	7/1/23	6/30/24	(7,633.40)
National School Lunch Program	10.555		251NJ304N1099	100-010-3350-026	142,262.13	7/1/24	6/30/25	
Total National School Lunch Program								(7,633.40)
Cash Assistance Subtotal								(10,562.43)
Total Child Nutrition Cluster								(10,562.43)
U.S. Department of Health and Human Services								
Passed-through State Department of Human Services:								
General Fund:								
Medical Assistance Program Cluster	93.778		2505NJ5MAP	N/A	25,420.77	7/1/24	6/30/25	-
U.S. Department of Education								
Passed-through State Department of Education:								
E.S.S.A.:								
Grants to Local Educational Agencies (Title I)	84.010		S010A240030	ESSA034024	367,381.00	7/1/23	9/30/24	(109,847.22)
Grants to Local Educational Agencies (Title I)	84.010		S010A250030	ESSA034024	296,398.00	7/1/24	9/30/25	
Total Grants to Local Educational Agencies (Title I)								(109,847.22)
Supporting Effective Instruction (Title II)	84.367		S367A240029	ESSA034024	56,369.00	7/1/23	9/30/24	(13,694.39)
Supporting Effective Instruction (Title II)	84.367		S367A250029	ESSA034024	53,386.00	7/1/24	9/30/25	
Total Supporting Effective Instruction (Title II)								(13,694.39)
Student Support and Academic Enrichment (Title IV)	84.424		S424A240031	ESSA034024	29,580.00	7/1/23	9/30/24	(5,500.00)
Student Support and Academic Enrichment (Title IV)	84.424		S424A250031	ESSA034024	31,989.00	7/1/24	9/30/25	
Total Student Support and Academic Enrichment (Title IV)								(5,500.00)
Total Every Student Succeeds Act (ESSA)								(129,041.61)
Individuals with Disabilities - States Grant (I.D.E.A.) Cluster:								
Special Education Grants to States (I.D.E.A. Basic)	84.027		H027A230030	FT034020	167,313.00	7/1/23	9/30/24	(1,495.88)
Special Education Grants to States (I.D.E.A. Basic)	84.027		H027A240030	FT034020	164,152.00	7/1/24	9/30/25	
Total Special Education Grants to States (I.D.E.A. Basic)								(1,495.88)
Special Education Preschool Grants (I.D.E.A. Preschool)	84.173		H173A230030	PS034020	7,215.00	7/1/23	9/30/24	(1,270.00)
Special Education Preschool Grants (I.D.E.A. Preschool)	84.173		H173A240030	PS034020	6,968.00	7/1/24	9/30/25	
Total Special Education Grants to States (I.D.E.A. Preschool)								(1,270.00)
Total Individuals with Disabilities - States Grant (I.D.E.A.) Cluster								(2,765.88)
Education Stablization Fund (ESF):								
Elementary and Secondary School Emergency Relief Fund (ESSR III)	84.425	COVID-19, 84.425D	S425U210027	Not Available	1,506,932.00	3/13/20	9/30/24	(573,297.47)
Total Education Stabliziation Fund								(573,297.47)
Total U.S. Department of Education								(705,104.96)
Total Special Revenue Fund								(705,104.96)
Total Federal Financial Assistance								$ (715,667.39)

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

(a) See note 5 to Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures: Pass-Through Funds	Budgetary Expenditures: Direct Funds	Budgetary Expenditures: Total Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments [a]	Repayment of Prior Years' Balances	Balance at June 30, 2025: Accounts Receivable	Balance at June 30, 2025: Unearned Revenue	Balance at June 30, 2025: Due to Grantor
	$ 24,524.19	$ (24,524.19)		$ (24,524.19)						
-	24,524.19	(24,524.19)	-	(24,524.19)	-	-	-	-	-	-
	2,929.03 47,259.13	(51,351.38)		(51,351.38)				$ (4,092.25)		
-	50,188.16	(51,351.38)	-	(51,351.38)	-	-	-	(4,092.25)	-	-
	7,633.40 131,886.48	(142,262.13)		(142,262.13)				(10,375.65)		
-	139,519.88	(142,262.13)	-	(142,262.13)	-	-	-	(10,375.65)	-	-
-	189,708.04	(193,613.51)	-	(193,613.51)	-	-	-	(14,467.90)	-	-
-	214,232.23	(218,137.70)	-	(218,137.70)	-	-	-	(14,467.90)	-	-
-	25,420.77	(25,420.77)	-	(25,420.77)	-	-	-	-	-	-
	109,848.00 164,637.00	(266,695.67)		(266,695.67)		$ (0.78)		(102,058.67)		
-	274,485.00	(266,695.67)	-	(266,695.67)	-	(0.78)	-	(102,058.67)	-	-
	13,694.00 22,879.00	(27,938.00)		(27,938.00)		0.39		(5,059.00)		
-	36,573.00	(27,938.00)	-	(27,938.00)	-	0.39	-	(5,059.00)	-	-
	5,500.00 851.00	(4,451.00)		(4,451.00)				(3,600.00)		
-	6,351.00	(4,451.00)	-	(4,451.00)	-	-	-	(3,600.00)	-	-
-	317,409.00	(299,084.67)	-	(299,084.67)	-	(0.39)	-	(110,717.67)	-	-
	1,496.00 155,397.00	(164,144.00)		(164,144.00)		(0.12)		(8,747.00)		
-	156,893.00	(164,144.00)	-	(164,144.00)	-	(0.12)	-	(8,747.00)	-	-
	1,270.00 5,906.00	(6,847.95)		(6,847.95)				(941.95)		
-	7,176.00	(6,847.95)	-	(6,847.95)	-	-	-	(941.95)	-	-
-	164,069.00	(170,991.95)	-	(170,991.95)	-	(0.12)	-	(9,688.95)	-	-
	573,909.00					(611.53)				
-	573,909.00	-	-	-	-	(611.53)	-	-	-	-
-	1,055,387.00	(470,076.62)	-	(470,076.62)	-	(612.04)	-	(120,406.62)	-	-
-	1,055,387.00	(470,076.62)	-	(470,076.62)	-	(612.04)	-	(120,406.62)	-	-
-	$ 1,295,040.00	$ (713,635.09)	-	$ (713,635.09)	-	$ (612.04)	-	$ (134,874.52)	-	-

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TOWNSHIP OF BERLIN SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2025

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024 Unearned Revenue / Accounts Receivable	Due to Grantor	Carryover/ Walkover Amount	Cash Received
General Fund:								
New Jersey Department of Education:								
State Aid - Public								
Equalization Aid	495-034-5120-078	$ 4,653,572.00	7/1/2023	6/30/2024	$ (442,013.21)			$ 442,013.21
Equalization Aid	495-034-5120-078	5,414,418.00	7/1/2024	6/30/2025				4,894,924.59
Special Education Categorical Aid	495-034-5120-089	597,283.00	7/1/2023	6/30/2024	(19,815.02)			19,815.02
Special Education Categorical Aid	495-034-5120-089	925,534.00	7/1/2024	6/30/2025				836,732.43
Security Aid	495-034-5120-084	208,615.00	7/1/2023	6/30/2024	(47,922.38)			47,922.38
Security Aid	495-034-5120-084	258,930.00	7/1/2024	6/30/2025				234,086.62
School Choice Aid	495-034-5120-068	504,533.00	7/1/2023	6/30/2024	(56,732.12)			56,732.12
School Choice Aid	495-034-5120-068	505,347.00	7/1/2024	6/30/2025				456,860.83
Total State Aid - Public					(566,482.73)	-	-	6,989,087.20
Extraordinary Special Education Aid	495-034-5120-044	100,036.00	7/1/2023	6/30/2024	(100,036.00)			100,036.00
Extraordinary Special Education Aid	495-034-5120-044	183,124.00	7/1/2024	6/30/2025				
Total Other State Aid - Extraordinary Aid					(100,036.00)	-	-	100,036.00
Transportation Aid:								
Categorical Transportation Aid	495-034-5120-014	270,602.00	7/1/2023	6/30/2024	(25,702.77)			25,702.77
Categorical Transportation Aid	495-034-5120-014	270,602.00	7/1/2024	6/30/2025				244,638.73
Nonpublic Transportation Aid	495-034-5120-014	7,280.00	7/1/2023	6/30/2024	(7,280.00)			7,280.00
Nonpublic Transportation Aid	495-034-5120-014	5,781.00	7/1/2024	6/30/2025				
Total Transportation Aid					(32,982.77)	-	-	277,621.50
Reimbursed T.P.A.F. Social Security Contributions	495-034-5095-003	444,883.55	7/1/2023	6/30/2024	(21,843.29)			21,843.29
Reimbursed T.P.A.F. Social Security Contributions	495-034-5095-003	468,831.69	7/1/2024	6/30/2025				
Total Reimbursed T.P.A.F. Social Security Contributions					(21,843.29)	-	-	21,843.29
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	591,847.00	7/1/2024	6/30/2025				591,847.00
On-Behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-002	2,000,696.00	7/1/2024	6/30/2025				2,000,696.00
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	24,783.00	7/1/2024	6/30/2025				24,783.00
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	495-034-5094-004	712.00	7/1/2024	6/30/2025				712.00
Total On-Behalf TPAF Pension Contributions					-	-	-	2,618,038.00
Total General Fund					(721,344.79)	-	-	10,006,625.99
Special Revenue Fund:								
New Jersey Department of Education:								
School to Watch	Unknown	3,000.00	7/1/2009	6/30/2012	5,032.13			
Preschool Education Aid	495-034-5120-086	695,505.00	7/1/2023	6/30/2024	359,251.58		$ (428,802.08)	69,550.50
Preschool Education Aid	495-034-5120-086	792,012.00	7/1/2024	6/30/2025			428,802.08	712,810.80
Rod Grant	Unknown	29,726.00	7/1/2023	6/30/2024	29,726.00	-	-	-
N.J. Nonpublic Aid:								
Textbook Aid	100-034-5120-064	3,895.00	7/1/2024	6/30/2025	-	-	-	3,895.00
Nursing Services Aid	100-034-5120-070	2,470.00	7/1/2024	6/30/2025	-	-	-	2,470.00
Technology Initiative Aid	100-034-5120-373	931.00	7/1/2024	6/30/2025	-	-	-	931.00
Nonpublic School Security Aid	100-034-5120-509	972.00	7/1/2024	6/30/2025	-	-	-	972.00
Total Special Revenue Fund					394,009.71	-	-	790,629.30
Enterprise Fund:								
New Jersey Department of Agriculture:								
State School Lunch Program	100-010-3350-023	4,325.97	7/1/2023	6/30/2024	(277.08)			277.08
State School Lunch Program	100-010-3350-023	4,083.93	7/1/2024	6/30/2025				3,502.83
Working Class Families State Supplement - Lunch	100-010-3350-006	2,566.40	7/1/2024	6/30/2025				2,566.40
Total State School Lunch Program					(277.08)	-	-	6,346.31
State School Breakfast Program	100-010-3350-002	729.00	7/1/2023	6/30/2024	(48.30)			48.30
State School Breakfast Program	100-010-3350-002	515.05	7/1/2024	6/30/2025				381.30
Working Class Families State Supplement - Breakfast	100-010-3350-006	896.70	7/1/2024	6/30/2025				896.70
Total State School Breakfast Program					(48.30)	-	-	1,326.30
Total Enterprise Fund					(325.38)	-	-	7,672.61
Total State Financial Assistance					$ (327,660.46)	-	-	$ 10,804,927.90

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

General Fund (Non-Cash Assistance):

New Jersey Department of Education:				
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	591,847.00	7/1/2024	6/30/2025
On-Behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-003	2,000,696.00	7/1/2024	6/30/2025
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	24,783.00	7/1/2024	6/30/2025
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	495-034-5094-002	712.00	7/1/2024	6/30/2025
Total General Fund (Non-Cash Assistance)				

Total State Financial Assistance

(a) - see note 5 to the schedules of expenditures of federal awards and state financial assistance

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

				Balance at June 30, 2025			Memo	
Total Budgetary Expenditures	Passed-Through to Subrecipients	Adjustments [a]	Repayment of Prior Years' Balances	Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2025	Cumulative Total Expenditures
								$ 4,653,572.00
$ (5,414,418.00)				$ (519,493.41)			$ (519,493.41)	5,414,418.00
								597,283.00
(925,534.00)				(88,801.57)			(88,801.57)	925,534.00
								208,615.00
(258,930.00)				(24,843.38)			(24,843.38)	258,930.00
								504,533.00
(505,347.00)				(48,486.17)			(48,486.17)	505,347.00
(7,104,229.00)	-	-	-	(681,624.53)	-	-	(681,624.53)	13,068,232.00
								100,036.00
(183,124.00)				(183,124.00)				183,124.00
(183,124.00)	-	-	-	(183,124.00)	-	-	-	283,160.00
								270,602.00
(270,602.00)				(25,963.27)			(25,963.27)	270,602.00
								7,280.00
(5,781.00)				(5,781.00)				5,781.00
(276,383.00)	-	-	-	(31,744.27)	-	-	(25,963.27)	554,265.00
								444,883.55
(468,831.69)				(468,831.69)				468,831.69
(468,831.69)	-	-	-	(468,831.69)	-	-	-	913,715.24
(591,847.00)								591,847.00
(2,000,696.00)								2,000,696.00
(24,783.00)								24,783.00
(712.00)								712.00
(2,618,038.00)	-	-	-	-	-	-	-	2,618,038.00
(10,650,605.69)	-	-	-	(1,365,324.49)	-	-	(707,587.80)	17,437,410.24
			$ (5,032.13)					
								695,505.00
(1,013,387.37)				(79,201.20)	$ 207,426.71		(79,201.20)	1,013,387.37
-	-	-	-	-	29,726.00	-	-	-
-	-	-	-	-	-	$ 3,895.00	-	-
-	-	-	-	-	-	2,470.00	-	-
-	-	-	-	-	-	931.00	-	-
-	-	-	-	-	-	972.00	-	-
(1,013,387.37)	-	-	(5,032.13)	(79,201.20)	237,152.71	8,268.00	394,009.71	394,009.71
								4,325.97
(4,083.93)				(581.10)				4,083.93
(2,566.40)								2,566.40
(6,650.33)	-	-	-	(581.10)	-	-	-	10,976.30
								729.00
(515.05)				(133.75)				515.05
(896.70)								896.70
(1,411.75)	-	-	-	(133.75)	-	-	-	2,140.75
(8,062.08)	-	-	-	(714.85)	-	-	-	13,117.05
$ (11,672,055.14)	-	-	$ (5,032.13)	$ (1,445,240.54)	$ 237,152.71	$ 8,268.00	$ (313,578.09)	$ 17,844,537.00

591,847.00
2,000,696.00
24,783.00
712.00
2,618,038.00
$ (9,054,017.14)

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2025

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance ("the schedules") include federal and state award activity of the Township of Berlin School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 25-12-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, they are not intended to and do not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exception(s): programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise funds are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 25-12-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedules are presented at the federal and state participation level; thus, any matching portion is not included.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($115,402.30) for the general fund and $456,263.19 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

Fund	Federal	State	Total
General	$ 25,420.77	$ 10,535,203.39	$ 10,560,624.16
Special Revenue	926,339.81	1,013,387.37	1,939,727.18
Food Service	218,137.70	8,062.08	226,199.78
GAAP Basis Revenues	1,169,898.28	11,556,652.84	12,726,551.12
GAAP Adjustments:			
State Aid Payments	-	115,402.30	115,402.30
Encumbrances	(456,263.19)	-	(456,263.19)
	(456,263.19)	115,402.30	(340,860.89)
Total Awards and Financial Assistance Expended	$ 713,635.09	$ 11,672,055.14	$ 12,385,690.23

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: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent rounding differences.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2025, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs.*

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued _____ Unmodified _____

Internal control over financial reporting:

Material weakness(es) identified? _____ yes __X__ no

Significant deficiency(ies) identified? _____ yes __X__ none reported

Noncompliance material to financial statements noted? __X__ yes _____ no

Federal Awards Not Applicable.

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? _____ yes _____ no

Identification of major programs:

Assistance Listing Number(s)	FAIN Number(s)	Name of Federal Program or Cluster

Dollar threshold used to distinguish between type A and type B programs: _____

Auditee qualified as low-risk auditee? _____ yes _____ no

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ____ yes __X__ no

Significant deficiency(ies) identified? ____ yes __X__ none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 25-12-OMB? ____ yes __X__ no

Identification of major programs:

State Grant / Project #	Name of State Program
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-068	School Choice Aid
495-034-5120-086	Preschool Education Aid

Dollar threshold used to distinguish between type A and type B programs: $ 750,000.00

Auditee qualified as low-risk auditee? __X__ yes ____ no

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

Finding No. 2025-001

Criteria or Specific Requirement
A Food Service Fund's Net Cash Resources should not exceed its three-months average expenditures.

Condition
The School District's Food Service Fund Net Cash Resources exceeded its three-months average expenditures by $48,729.20.

Context
Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources at June 30, 2025 were $142,562.42 and its three-month average expenditures were $93,833.22, resulting in an overage of $48,729.20.

Effect or Potential Effect
The School District is not in compliance with CFR section 210.14 and requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey Audit Program.

Cause
The School District’s revenues generated from food service operations exceeded the expenditures required to operate the food service program.

Recommendation
That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three-month average expenditures.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not applicable.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 25-12-OMB.

None.

TOWNSHIP OF BERLIN SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 25-12-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2024-001

Condition
The School District's Food Service Fund Net Cash Resources exceeded its three-months average expenditures by $57,772.56.

Current Status
This finding still exists. See Finding 2025-001.

Planned Corrective Action
The responsible officials will address the matter as part of their corrective action plan.

FEDERAL AWARDS

No prior year findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No prior year findings.