BERNARDS PUBLIC SCHOOLS

Township of Bernards
Board of Education
Basking Ridge
County of Somerset
New Jersey

Annual Comprehensive Financial Report
Year Ended
June 30, 2025

Township of Bernards Board of Education

Basking Ridge, New Jersey

Annual Comprehensive Financial Report
Year Ended June 30, 2025

Prepared by

Business Office

Table of Contents

Table of Contents (continued)

Table of Contents (continued)

FINANCIAL SECTION (continued) **Page**

Table of Contents (continued) Page

Table of Contents (continued)

Introductory Section

BERNARDS TOWNSHIP PUBLIC SCHOOLS
101 Peachtree Road
Basking Ridge, New Jersey 07920

James Rollo
E-mail: jrollo@bernardsboe.com
Business Administrator/Board Secretary

Phone: 908-204-2600
Fax: 908-766-7641

December 19, 2025

Members of the Board of Education
Bernards Township School District
101 Peachtree Road
Basking Ridge, N.J. 07920

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report of the Bernards Township School District (District) as of and for the year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities and each major fund at June 30, 2025, and the respective changes in financial position and cash flows, where applicable, for the year then ended. 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 (designed to complement Management's discussion and analysis and should be read in conjunction with it), the District's organizational chart, and a list of principal officials and professionals. The financial section includes Management's discussion and analysis, the basic financial statements and schedules, as well as the auditors' report thereon. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* Information related to this single audit, including the independent auditors' 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 Audit Standards* and an independent auditors' report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with the Uniform Guidance and New Jersey Circular 15-08 are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES**:

The Bernards Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this year's report. The Bernards Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels kindergarten through twelve. These include regular, as well as, special education for handicapped youngsters. The District completed the 2024/2025 fiscal year with an average daily enrollment of 4,649 students, which is 75 students less than the previous year's average daily enrollment. The following details the changes in average daily enrollment in the District over the last five years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2024-25	4,649	(1.59)%
2023-24	4,724	(0.59)%
2022-23	4,752	0.08
2021-22	4,748	-2.12
2020-21	4,851	-5.73

2. ECONOMIC CONDITIONS AND OUTLOOK:

The School District continues to proactively address the financial impacts of the state's fiscal condition and imposed state and federal regulatory requirements. The immediate future continues to hold continuing financial and budgeting challenges for the District, especially when anticipating increases in health insurance and transportation costs and the need to replace aging technological hardware and as such the Bernards Township School District is working under conservative assumptions with respect to the economic outlook. The Board of Education has resolved to create and fund capital, maintenance and emergency reserves in an effort to support this philosophy and as a way to anticipate fluctuations in future resources. In an effort to optimally manage the increase in the significant operating cost related to provision of health benefits the District became self-funded in fiscal year 2018-2019. It should be noted that this shift permitted the District to avoid an increase in its budgeted major medical insurance expenses from the prior fiscal year. Results for the fiscal years 2019-2020 and 2018-2019 were within anticipated margins. In the summer of 2020, the State legislature enacted new legislation which mandated that districts must offer a new state health benefit plan or its equivalent which based upon preliminary risk management analysis will likely significantly increase the District's share of health benefit costs and overrides freely bargained collective labor agreements. As more employees move into these Chapter 44 plans the District absorbs a greater share of the cost of health insurance per employee. Without Chapter 44 plan reform or legislative reform this burden is expected to increase until the law sunsets in December of 2027.

Current demographic data suggest that total student enrollment is expected to remain flat according to the District demographer's report. One factor contributing to some uncertainty is the potential impact of turnover in home ownership from aging residents to new families as well as potential residential development of previously commercial properties. The Township has entered into affordable housing settlement agreements, which were thought to potentially offset some of this decline in enrollment over a period of 2-3 years beginning in late 2020. However, an updated demographers report issued in the late Fall of 2023 has now considered the potential growth from these developments and at this time still forecasts an overall stability in enrollment. In the event that enrollment does in fact begin to decline at a significant rate, there may be an opportunity to reevaluate the allocation of resources.

The District has and continues to refund its outstanding serial bond debt as bonds become callable and market conditions permit. During the past seven years, the District has refunded or defeased by prepayment $74,300,000, or 91% of serial bond debt outstanding as of July 1, 2012. The refundings have reduced the District's debt levy by 11.5%. Since 2013, the District's bond rating has been upgraded twice. In January of 2015, the District's bond rating was upgraded to AAA. Among the factors cited by the ratings agency as the basis for this upgrade were: the "strong financial performance and growth in reserves following five years of positive audited results with another operating surplus projected for 2015 and low overall net debt as a percent of market value." That rating was upheld by the ratings agency in April of 2016 prior to the District's most recent bond refunding. Among the factors cited by the ratings agency as the basis for retention of the AAA rating were: "consistent budgetary performance with strong reserves and low overall net debt as percent of market value." The District is one of only (4) K-12 districts in the state with a AAA bond rating. The District continues to actively manage its outstanding debt through augmentation of reserves as part of its long-term debt management. In July of 2016 the District approved a policy for the management of its long-term debt. That policy provides that a prudent strategy for the judicious management of all outstanding long-term debt would: identify and level anomalous increases in outstanding long-term debt to facilitate a smoothing or leveling of any future local debt service levies; provide conservative budgeting and implementation of the school district annual budgets; sustain the Board of Education's high quality credit rating, which results in favorable interest rates on subsequent bond issue; and, as appropriate, establish reserves for the defeasance of segments of outstanding long-term debt which are identified as contributing to anomalous increases in the local debt levy

3. **MAJOR INITIATIVES**:

Below outlines a summary of major district activities and agendas of the 2024-2025 school year divided into the following areas: A. Goals, B. Finance, C. Curriculum, D. Facilities, E. Policy, and F. Human Resources.

A. GOALS

The 2024-2025 District Goals included:

Goal 1 - Policy
Develop policy/regulation language that addresses the needs of the District as it relates to specific aspects of technology use.

Objectives:
a. Develop a policy for the use of Artificial Intelligence among staff and students that accounts for academic integrity.
b. Revise existing policy language related to the use of privately owned technology (smartphones/smartwatches/bluetooth devices/earbuds etc.) during the school day.

We have successfully drafted and updated all policies related to the impact of AI and personal technology devices (IE smartphones, etc). The policies are set to be on BOE agendas for formal approval in May and June of 2025. The links not only show the progress made through the BOE policy committee, but also offer the workbooks of data provided to the AI consultant with whom we will be finalizing the AI Plan for 2025-2026 that will be disseminated to all families, students, and staff this summer.

The BTSD AI Plan was finalized in July, 2025 and disseminated to all students, families and staff at the start of the 25-26 school year. The plan is linked HERE.

Goal 2 - Wellness/Personnel
Collect and evaluate new or existing data from staff and students on school climate and use it to guide future programming for students and staff. Look specifically for feedback as it relates to new school start times.

Objectives:
a. Refine professional development plans to ensure all staff have the support and structure needed to provide a data driven, thorough and efficient education for all students.
b. Report on HIB, student and staff attendance, Thrive, student code of conduct violations, trends in mental health and the progress of training provided to staff by Joy Roots.
c. Utilize Panorama to track student's knowledge of the SEL competencies/skills and pillars of character and use it to plan future programming for students.

District professional development is provided in several facets including new staff orientation, virtual/remote required hours, flex day required hours, in-service days, approved professional development requests, and approved graduate courses. Staff professional development committees work to design PD experiences with administrators and instructional coaches based on observed student data and emerging trends in education. Data related to HIB is looking much better this school year at Annin.   Last year there were 65 HIB investigations of which 25 were founded, this year as of April 16, 2025, there have been 11 HIB investigations with 7 founded. SEL/Culture and Climate data is being collected through Panorama, so far we have given the survey in the spring of 2024, the fall of 2024 and we are about to administer the spring of 2025 survey. More visibility will come from the latest survey, but results are definitely being used at William Annin in conjunction with Genesis data to select appropriate lessons targeted to specific student needs. Data for these areas has been provided through the Wellness Committee.

Goal 3 - Academics
Focus on increasing academic achievement and growth through the utilization of targeted supports and expanded program opportunities.

Objectives:
a. Report on student use of tutoring opportunities offered by the District and make recommendations for services going forward.
b. Grow the Pathways program to include more students.
c. Expand dual enrollment course opportunities through the program of studies.
d. Achieve measurable improvement of NJSLA and/or NWEA MAP reading and math assessments.
e. Train staff on the new K-5 math program; monitor program success and adjust accordingly.

Academic reporting runs through the Board of Education Curriculum Committee. Tutoring was accomplished through Tutor.com, the WAMS Beyond the School Day Program and the RHS Beyond the School Day Program.   The Pathways program is illustrated below.

Pathway	2025	2024	2023	2022
Full Year Internship	7	4	4	0
May-June Internship	TBD (Application due 4/21)	14	8	3
School to Work	5	8	2	N/A
Early College Credit	1	0	1	N/A

The District is attempting to implement dual enrollment courses in:

English

- English 230A
- English 2402 and English 242A
- English 240H
- 2529: Speech and Debate

Spanish Language

- Spanish

Mathematics
Courses:

- 3400: CP Precalculus
- 3440: Calculus
- 311A: AP Calculus BC

The State Assessment Report details our progress on the state assessments in the 2024-2025 school year. It also includes our intervention plans for the areas identified as in need of support. The information below about Liberty Corner is included as one example of the work we are doing in the area of mathematics. Finally, the implementation of the new K-5 math program supports our goal to improve mathematics outcomes on the state standardized assessment.

As a district on the NJSLA, ELA passing rates went up 4 percentage points, Math went down 1 percentage point. Looking at our most recent scores, the winter NWEA MAP test shows math going up 1 RIT point on each of the three tested grades (grade 3, 4, 5) compared to last winter and reading scores remaining essentially unchanged.

We have implemented a comprehensive plan encompassing extensive professional development, ongoing support, and proactive adjustments to ensure the successful integration of the enVision Mathematics Program.

Goal 4 - Facilities and Operations

Maintain District facilities in a manner that maintains asset value, minimizes expenditures while maximizing stakeholder access, utilization and enjoyment. Evaluate operations and implement solutions for increased efficiency with a focus on stakeholder wellness, budgetary optimization, operational efficiencies and academic improvements.

Objectives:
a. Achieve a consistent state of the timely completion of work orders monitored in the following categories: Emergency (5 days or less), HVAC (30 days or less), Regular Maintenance (60 days or less), Long-range work orders (recognizing lead time for parts and logistical considerations).
b. Use the 2023-2024 facility condition assessment to populate an asset management system inclusive of all district assets and use it to complete a Long-Range Capital Plan.

The new Director of School Facilities and Business Administrator have made an excellent team and have worked together to revamp the work order system and bring in-house maintenance staff to get work orders handled more effectively. Additionally, this duo had a facility asset inventory completed which they used to create a 5-year capital projects plan.

Goal 5 - Finances

Focus on maximizing resources and operating as efficiently as possible to provide a thorough and efficient education for all students while respecting community and taxpayer resources. The District will continue to develop and revise financial plans while actively seeking more alternative sources of revenue and continuing legislative and advocacy efforts to update and revise the current state aid formula.

Objectives:
a. Through the budgeting process, identify areas of reduction in recurring expenses.
b. Document a list of shared services opportunities with existing and new co-operatives such as Bernards Township Engineering and Department of Public Works.
c. Develop a five-year budget plan to fund identified capital projects, including but not limited to ROD Grant projects, Varsity Complex, and other projects identified by Facility Condition Assessment.
d. Identify and enact opportunities to increase non-tax levy revenue sources such as grants and programs like Direct Install.

The 2024-2025 budget saw multimillion-dollar reductions in spending primarily through a combination of a complete restructuring of school start times/bus tiering and staffing reductions. Another 33+ FTE in recurring expenses were cut from the 2025-26 budget to balance it. The District completed a direct install project in the summer of 2024 at Liberty Corner School and is seeking additional direct install projects for Cedar Hill and Oak Street Schools.

B. FINANCE

All PowerPoint presentations regarding the preparation of the 2024-2025 budget can be accessed on the District website. The District's conservative approach to budgeting is reflected in this audit. Financing continues to be a burden due to the inability of the State to fully fund the state aid formula.

District busing was privately contracted in FY 2020-2021 for the first time in 20 plus years. The effective saving to the District for shifting from its prior educational service commission provider was in the form of cost avoidance of an estimated $1.3 Million dollars. The District assumed direct responsibility for the management and daily operation of all transportation needs except privately contracted routes for out of district transportation, which remained with the Somerset County Educational services commission to insure cost efficiency in sharing routes with other districts in the county. There were approximately 100 routes servicing all regular, special education (including extended summer period), subscription and non-public students. However, the rising costs of transportations statewide continue to make transportation an area of focus for further cost reduction measures.

During the 2023-2024 school year, the District altered school start times to accommodate a triple tiered transportation program where each bus is used three times to get students to and from school. The triple tiers bids awarded in 2023-2024 saved the District more than $1.3 million in the 2024-2025 school year. The District also re-bid the most expensive out of district transportations routes and achieved budgetary savings over over $220,000 for 2024-2025.

During the year, the District successfully renegotiated its prescription (RX) rebate contract, resulting in a substantial increase in rebate revenue. This strategic effort secured more than $400,000 in additional rebates compared to prior years, reflecting the District's continued commitment to maximizing cost savings and optimizing the value of its employee benefit programs.

C. CURRICULUM

Curriculum work is led by the Assistant Superintendent of Curriculum and Instruction, Ms. Kristin Fox. Working closely with the administrative team including the Director of School Counseling, Ms. Stephanie Smith, Ms. Fox presents two reports annually:

- State Assessment Report
- Post Secondary Report

The two reports provide one view of student performance. The District uses many local tools to assess students, including for example the NWEA MAP tests.

Ms. Fox led three notable areas of focus for the District during the 2024-2025 school year which were:

- Development of the BTSD AI Plan, as described and linked above. Beyond development of the plan, the team of administrators and teachers worked to create an implementation plan for the 25-26 school year and includes resources for teachers to use with students and a full plan for professional development of staff with the primary goal of developing AI literacy for all staff.
- Further revision of the elementary schedule to improve upon the changes made in 2024-2025. The WIN "What I Need" period was extended to Grade 5 and Morning Meeting was extended to 25 minutes. WIN provides students with time for individualized or small group support

tailored to their individual needs Morning meeting time is used for class meetings, interactive readalouds, to name a few examples.

- A committee of administrators and counselors reviewed multiple platforms that build upon our work with Panorama Education and would improve our ability to track and analyze student performance data at the individual student level and at the grade, building and district level. The committee selected Schoolytics as a tool to be used for data analysis and as the districts' MTSS platform to be used by our I&RS building teams. The implementation of Schoolytics also represents budgetary savings to the District.

Additionally, Ms. Fox led all of the District's curriculum development and program evaluation efforts which are documented at the District's curriculum website:

- Curriculum Website

D. FACILITIES

The District's Business Administrator, Mr. James Rollo supported the District goals 2 and 3. However, Mr. Rollo also led other efforts to improve district operations including:

- Successfully awarding and overseeing completion of the Custodial Services RFP
- Completing the bid process for the Mount Prospect roof project and executing the work
- Successfully awarding and overseeing completion of the Food Service Management Company RFP

At the end of the 2024-2025 school year, Mr. Rollo also continued the active pursuit of grant opportunities for facilities and direct install energy savings programs. During this period, the District also bid and awarded multiple district-wide summer construction projects, including:

- Mount Prospect roof replacement
- Flooring abatement and installation of new flooring/carpet at Cedar Hill, Liberty Corner, and Ridge High School
- Replacement of eleven exterior fire doors at Mount Prospect
- Replacement of the Mount Prospect playground fence
- Brick pointing at the Oak Street School handicapped entrance
- Brick pointing at Ridge High School
- District-wide asphalt and sidewalk repairs
- Upgrades to the district-wide burglar alarm system

These efforts reflect Mr. Rollo's continued commitment to improving district facilities, operational efficiency, and long-term financial stewardship.

E. POLICY

The District continuously reviews and updates the Board of Education policies and regulations in consultation with both Board Counsel and the Strauss Esmay law firm. Regular policy alerts are received from Strauss Esmay and the District makes corresponding updates and changes to its policy manual in order to stay in compliance with current state statute and administrative code. Many policies and regulations were reviewed and updated during the 2024-2025 school year including:

P 0141 – Board Member Number and Term (Revised)
P 0164.6 – Remote Public Board Meetings During a Declared Emergency (M) (Abolished)
P 2200 – Curriculum Content (M) (Revised)
P 2365 – Acceptable Use of Generative Artificial Intelligence (AI) (New)
P 3160 – Physical Examination (M) (Revised)
P 4160 – Physical Examination (M) (Revised)
P 5111 – Eligibility of Resident/Nonresident Students (M) (Revised)
P 5330 – Administration of Medication (M) (Revised)
P 5337 – Service Animals (Revised)
P 5350 – Student Suicide Prevention (M) (Revised)
P 5460 – High School Graduation (M) (Revised)
P 5512 – Harassment, Intimidation, or Bullying (M) (Revised)
P 5516 – Use of Electronic Communication Devices (Revised)
P 5530.1 - Student Voluntary Random Drug Testing (Revised)
P 5533 – Student Smoking (M) (Revised)
P 5701 – Academic Integrity (Revised)
P 7441 – Electronic Surveillance In School Buildings and On School Grounds (M) (Revised)
P 8210 – School District Calendar (Revised)
P 8420 – Emergency and Crisis Situations (M) (Revised)
P 8467 – Firearms and Weapons (M) (Revised)
P 8500 – Food Services (M) (Revised)
P 8660 – Transportation By Private Vehicle (M) (Revised)
P 9163 – Spectator Code of Conduct for Interscholastic Events (M) (New)

P 9180 – School Volunteer (Revised)
P 9181 – Volunteer Athletic Coaches and Co-Curricular Activity Advisors/Assistants (Revised)
P 9320 – Cooperation with Law Enforcement Agencies (M) (Revised)
R 3160 – Physical Examination (M) (Revised)
R 4160 – Physical Examination (M) (Revised)
R 5200 – Attendance (M) (Revised)
R 5330 – Administration of Medication (M) (Revised)
R 5600 – Student Discipline/Code of Conduct (M) (Revised)
R 8467 – Firearms and Weapons (M) (Revised)
R 9320 – Cooperation with Law Enforcement Agencies (M) (Revised)

In closing the Major Initiatives section of this letter, the District wishes to thank the community of Bernards Township for its support, and renews the commitment to provide services that are in concert with the District's mission to provide a superior education which results in academic excellence, responsible behavior, good citizenship and fosters social-emotional development so that ultimately each student will be able to:

- Maximize his/her potential.
- Become a contributing member of society.
- Maintain a commitment to life-long learning.
- Achieve the New Jersey Student Learning Standards at all grade levels.

4. **INTERNAL CONTROL**:

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

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management. As part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal awards 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 controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. 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 to be re-appropriated are reported as fund balance, assigned to other purposes at June 30, 2025.

6. **ACCOUNTING SYSTEM AND REPORTS**:

The District's financial statements are presented in conformity with generally accepted accounting principles in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and a government-wide presentation is also included. These funds and government-wide statements are explained in "Notes to the Basic 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 Basic Financial Statements," Note 3. 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 Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public 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, hazard and theft insurance on property and contents, and fidelity bonds.

9. **OTHER INFORMATION**:

Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of PKF O'Connor Davies, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and New Jersey State Treasury Circular Letter 15-08 OMB. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10. **ACKNOWLEDGMENTS**:

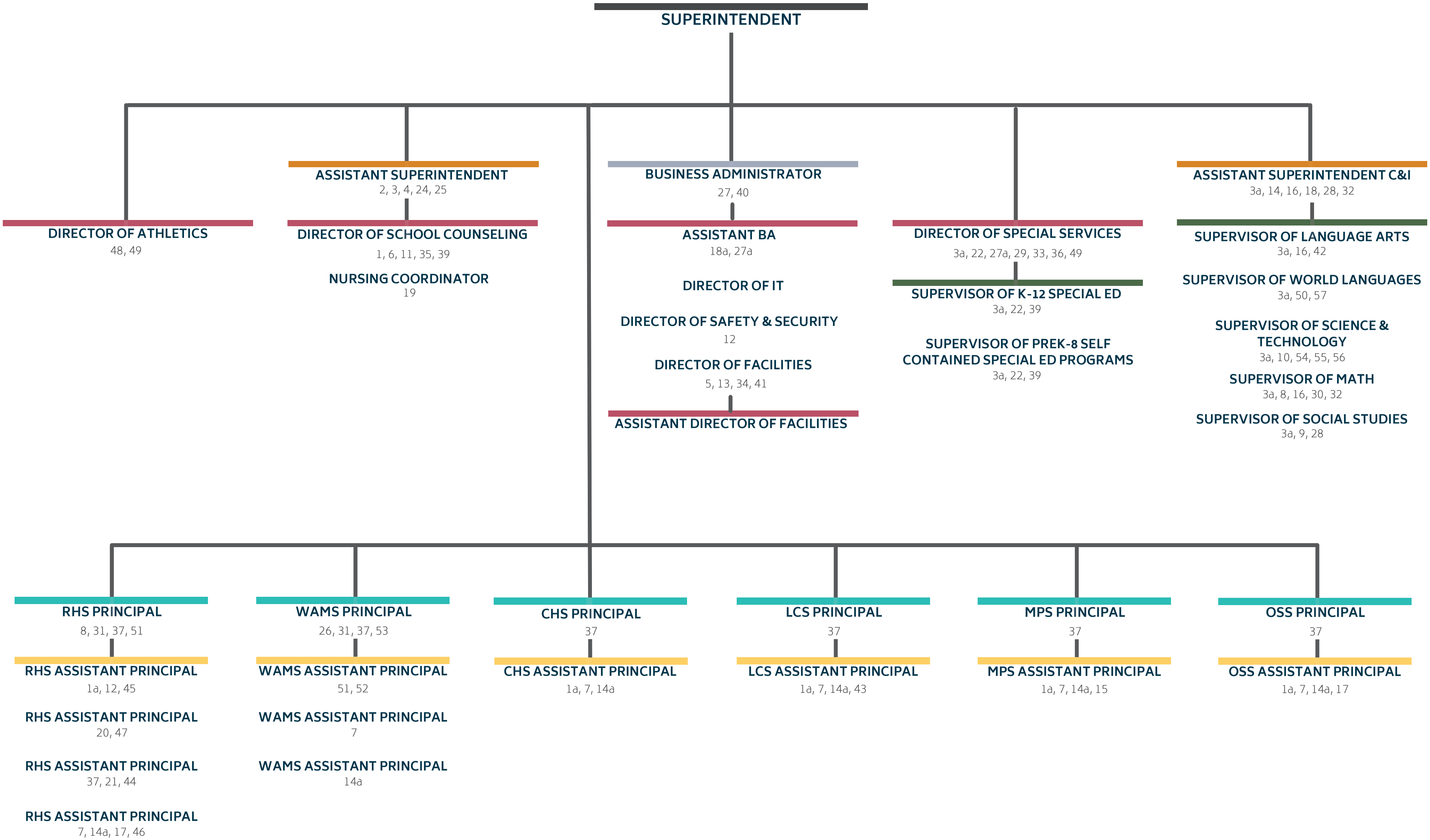
We would like to express our appreciation to the members of the Bernards Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

Nick Markarian
Superintendent

James C. Rollo
Business Administrator/Board Secretary

BERNARDS TOWNSHIP ADMINISTRATIVE STRUCTURE & RESPONSIBILITIES



ADDITIONAL RESPONSIBILITIES

1. District Anti-Bullying Coordinator
1a. School Safety Team Representative
2. Affirmative Action/Title IX
3. NTO Coordinator
3a. Assist with NTO
4. New Teacher Mentoring Program
5. Energy Coordinator
6. Home/Bedside Instruction
7. I&RS/504 Building Team Leader
8. MAP
9. Media Specialists
10. Computer Teachers
11. Student Assistance Counselors
12. Crisis Management
13. Asbestos Management
14. District Testing Coordinator
14a . Assistant Testing Coordinator
15. Summer K-5 Mini Units Coordinator
16. Instructional Support Data Collection
17. K-5.Mini Units Coordinator
18. Title Grants
18a. Assist with Title Grants
19. Nurses
20. Option II
21. PAC Coordinator/Scheduling
22. Extended School Year
23. Camp Jump Start
24. Staff College
25. Professional Development
26. Thrive Program
27. IDEA
27a. Assist w/ IDEA
28. QUEST
29. Vocational Program
30. MAP Assessment Coordinator
31. Voluntary RDT Coordinator
32. Student Achievement Analysis
33. Homeless Liaison
34. Integrated Pest Management
35. Traumatic Loss Coordinator
36. 504 Compliance Officer
37. SCIP Team/PDP
38. Before/After Care
39. Scheduling/SIS
40. Facility Scheduling
41. Building Work Orders
42. LEAR Coordinator
43. LEAR Assistant
44. K-12 Music
45. 9-12 Art
46. 9-12 Business
47. 9-12 HPE
48. K-5 PE
49. Unified Sports
50. K-8 Art
51. 6-8 Athletics
52. 6-8 HPE
53. Viking Academy
54. Right to Know
55. K-5 Health
56. Career Development
57. MLL

Bernards Township Board of Education

Basking Ridge, New Jersey

Roster of Officials

June 30, 2025

Board Member	**Term**
Jennifer White - President	2024-2026
Robin McKeon - Vice President	2025-2027
Nimish Amin	2023-2025
Smrithi Mohan	June 2025-Dec 2025
Csilla Csipak	2023- May 2025
Keith Molinari	2023-2025
Janice Corrado	2024-2026
David Shaw	2024-2026
Brett Omelianuk	2025-2027
Michael Talbot	2025-2027

Other Officials

Nick Markarian, Superintendent

Sean Siet, Assistant Superintendent

Kristin Fox, Assistant Superintendent - Curriculum & Instruction

James C. Rollo, School Business Administrator/Board Secretary

Michael Petrizzo, Treasurer

Bernards Township Board of Education

Basking Ridge, New Jersey

Independent Auditors and Advisors

Independent Auditors

PKF O'Connor Davies, LLP
20 Commerce Drive, Suite 301
Cranford, NJ 07016

Attorney

Cleary Giacobbe Alfieri Jacobs, LLC
169 Ramapo Valley Road
Upper Level Suite 105
Oakland, NJ 07436

Official Depository

Peapack-Gladstone Bank
500 Hills Drive
Suite 300
Bedminster, NJ 07921

Financial Section

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Bernards Township School District
County of Somerset
Basking Ridge, New Jersey

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Policy

We draw attention to Note 20 in the notes to the financial statements which discloses the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences"*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

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

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 management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *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 New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the 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 Comprehensive Financial Report for the year ended June 30, 2025. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

December 19, 2025
Cranford, New Jersey

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Required Supplementary Information – Part I

Management's Discussion and Analysis

Township of Bernards Board of Education

Management's Discussion and Analysis
Year Ended June 30, 2025

As management of the Bernards Township School District (the "District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2025. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis ("MD&A") is Required Supplementary Information as required by the Governmental Accounting Standards Board. Certain comparative information between the current fiscal year and the prior fiscal year is presented in this MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required supplementary information, supplementary information and other information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick and vacation leave and pension liability).

The government-wide financial statements can be found on schedules A-1 and A-2 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on schedules B-1, B-2 and B-3 of this report.

Proprietary funds. The District maintains one proprietary fund type. Proprietary funds are used to report on the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service, after school enrichment, Project Jump Start and before and after school care programs, each of which are considered major funds of the District. The basic proprietary fund financial statements can be found on schedules B-4, B-5 and B-6 of this report.

Internal service fund. The District maintains one internal service fund. The internal service fund is utilized to account for the activity of the District's health insurance expenses. The basic internal service fund financial statements can be found on schedules B-4, B-5 and B-6 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

Other information

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $47,796,965 (net position) at the close of 2025.

Key financial highlights for the 2024-2025 fiscal year include the following:

- The State withheld both of the June fiscal year state aid payments until July 2025.
- The final approved extraordinary aid awarded to the District for 2024/2025 exceeded the amount budgeted for by the District by $856,778.
- The District records the net pension liability as required by GASB Statement Nos. 68 and 71. The liability recorded at June 30, 2025 and 2024 was $15,581,470 and $16,553,400, respectively. This resulted in the unrestricted net position being reduced during the current year resulting in an unrestricted deficit at the government-wide governmental activities financial statements of $19,409,540 and $15,725,072 at June 30, 2025 and 2024, respectively.
- The District followed the requirements of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In the current year, this resulted in the District recording revenue and expense in the amount of $9,951,786 relating to post-employment health benefits paid for by the State on behalf of the District.

The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2025 and 2024:

Township of Bernards Board of Education
Net Position at June 30,

	2025			2024		
	Governmental Activities	Business Type-Activities	Total	Governmental Activities	Business Type-Activities	Total
Current and other assets	$ 42,268,053	$ 1,851,757	$ 44,119,810	$ 44,429,265	$ 2,455,712	$ 46,884,977
Capital assets, net	73,661,010	1,347,259	75,008,269	72,848,234	381,874	73,230,108
Total assets	115,929,063	3,199,016	119,128,079	117,277,499	2,837,586	120,115,085
Deferred outflows of resources	3,379,271	-	3,379,271	3,608,968	-	3,608,968
Liabilities						
Current liabilities	21,340,255	519,662	21,859,917	18,883,102	195,228	19,078,330
Net pension liability	15,581,470		15,581,470	16,553,400		16,553,400
Long term liabilities	34,439,380		34,439,380	35,950,696		35,950,696
Total liabilities	71,361,105	519,662	71,880,767	71,387,198	195,228	71,582,426
Deferred inflows of resources	2,829,617	-	2,829,617	1,672,528	-	1,672,528
Net position:						
Net investment in capital assets	39,528,486	1,347,259	40,875,745	34,032,293	381,874	34,414,167
Restricted	24,998,666		24,998,666	29,519,520		29,519,520
Unrestricted (deficit)	(19,409,540)	1,332,095	(18,077,445)	(15,725,072)	2,260,484	(13,464,588)
Total net position	$ 45,117,612	$ 2,679,354	$ 47,796,966	$ 47,826,741	$ 2,642,358	$ 50,469,099

A large portion of the District's net position is the amount invested in capital assets (e.g. land, construction in progress, building and building improvements and machinery, vehicles and equipment), net of related debt. The balance of net investment in capital assets is the carrying value of capital assets less the amount of the outstanding debt used to finance those assets.

The balance of restricted net position consists of the excess surplus-current year of $2,550,794, excess surplus-designated for subsequent year's expenditures of $5,761,527, $4,454,017 for a maintenance reserve, $9,079,798 for a capital reserve, $1,000,000 for emergency reserve, $192,294 is restricted for capital projects, $493,251 is restricted for unemployment claims, $660 restricted for scholarships and $912,025 for student activities.

The decrease in current and other assets is mainly attributable to the timing of receivables and due to the results of current year operations. The increase in capital assets, net is the result of current year additions exceeding depreciation expense in the current year. The decrease in the net pension liability is the result of the actuarial valuation of the PERS pension liability performed for the fiscal year, as well as changes in proportion of the allocation of the net pension liability. The decrease in long-term liabilities is mainly the result of the pay down of the principal on outstanding bonds and financed purchases. The increase in deferred inflows of resources is the result of the actuarial valuation of the PERS pension deferrals, deferred lease revenue and local taxes received from the municipality in advance.

The total net position of the District decreased $1,378,457 which was mainly due to the results of current year operations.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2025 and 2024 are as follows:

Township of Bernards Board of Education
Changes in Net Position, Year ended June 30,

	2025			2024		
	Governmental Activities	Business Type-Activities	Total	Governmental Activities	Business Type-Activities	Total
Revenues						
Program revenues:						
Charges for services	$ 2,714,048	$ 3,808,930	$ 6,522,978	$ 2,694,651	$ 3,667,803	$ 6,362,454
Operating grants and contributions	1,993,002		1,993,002	4,462,013		4,462,013
Capital grants and contributions	623,316		623,316	32,276		32,276
General revenues:						
Property taxes	100,009,720		100,009,720	96,429,865		96,429,865
Federal and state aid not restricted to a specific purpose	26,914,978		26,914,978	30,326,802		30,326,802
Investment income	1,761,161		1,761,161	2,240,408		2,240,408
Miscellaneous	229,399		229,399	984,527	135,373	1,119,900
Total revenues	134,245,624	3,808,930	138,054,554	137,170,542	3,803,176	140,973,718
Expenses:						
Instructional services	75,308,297		75,308,297	77,715,476		77,715,476
Support services	56,436,466		56,436,466	56,746,603		56,746,603
Interest and other charges	1,159,399		1,159,399	1,265,571		1,265,571
Business-type activities		3,771,934	3,771,934		3,642,496	3,642,496
Total expenses	132,904,162	3,771,934	136,676,096	135,727,650	3,642,496	139,370,146
Change in net position	1,341,462	36,996	1,378,458	1,442,892	160,680	1,603,572
Net position–beginning, as reported	47,826,741	2,642,358	50,469,099	46,383,849	2,481,678	48,865,527
Cumulative effect of change in accounting principle	(4,050,591)		(4,050,591)			
Net position—beginning, as restated	43,776,150	2,642,358	46,418,508	46,383,849	2,481,678	48,865,527
Net position–ending	$ 45,117,612	$ 2,679,354	$ 47,796,966	$ 47,826,741	$ 2,642,358	$ 50,469,099

The increase in governmental activities revenues of approximately $2.92 million is mainly the result of the increase in property taxes.

The decrease in instructional expenses is the result of the related decrease in expenses associated with the impact of GASB Statement No. 68.

The decrease in the interest and other charges is due to the decreased interest payments as the principal of bonds are paid down.

Business-type revenues and expenses did not significantly change from the prior year. The incremental increase in revenues is in line with the slight increase in the related expenses.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The fund balance is divided into three separate components, restricted, assigned and unassigned as required by GASB.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the year ended June 30, 2025, and the increases and decreases in relation to the prior year:

Revenue	Amount	Percent of Total	Increase(Decrease) from 2024	Increase (Decrease
Local sources	$ 104,821,218	75.0%	$ 2,390,464	2.3%
State sources	40,453,526	23.2%	1,138,124	2.9%
Federal sources	1,693,480	1.8%	(2,340,246)	-58.0%
Total	$ 146,968,224	100.0%	$ 1,188,342	0.8%

The increase in local sources from the prior year is primarily related to the increase in property tax revenues.

The increase in state sources is mainly the result of approximately $206,000 of additional TPAF contributions made by the State of New Jersey on-behalf of the District, increase approximately $576,000 additional Transportation aid, and an increase in Special education aid of approximately $285,000.

The decrease in federal sources is primarily attributable to the end of the COVID-19 ESSER and ACSERS grant programs which totaled $2,415,832 in the prior year.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the year ended June 30, 2025 and the increases and decreases in relation to the prior year:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2024	Percent of Increase (Decrease)
Current expenditures:				
Instruction	$ 51,542,358	34.3%	$ 410,428	0.8%
Undistributed	91,562,534	60.9%	1,443,752	1.6%
Capital outlay	1,334,564	0.9%	49,665	3.9%
Debt service:				
Principal	4,651,209	3.1%	(375,418)	-7.5%
Interest and other	1,282,325	0.9%	(191,041)	-13.0%
Total	$ 150,372,990	100.0%	$ 1,337,386	0.9%

Capital outlay increased primarily due to machinery, equipment and vehicle increases. Debt service obligations decreased in line with the respective amortization schedules.

Business-Type Activities. The focus of the District's business-type activities is to provide information on near-term inflows, outflows, and balances of spendable resources related to the operations of its food service and other enterprise fund programs.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the enterprise fund revenues for the year ended June 30, 2025, and the increase in relation to the prior year:

Revenue	Amount	Percent of Total	Increase from 2024	Percent of Increase
Local sources	$ 3,808,930	100.0%	$ 5,754	0.2%

Local revenues increased due to the increase in revenues related to the food service management company's guarantee and increase in use of the District's After School Enrichment, Project Jump Start, and Before and After School Care programs.

The following schedule presents a summary of the enterprise fund operating expenses for the year ended June 30, 2025, and the increases and (decreases) in relation to the prior year:

Expenses	Amount	Percent of Total	Increase (Decrease) from 2024	Percent of Increase (Decrease)
Salaries	$ 2,414,623	64.0%	$ 46,883	81.51%
General insurance	137,184	3.6%	(864)	19.42%
Other purchased services	14,975	0.4%	(12,000)	(4.46)%
Supplies and materials	73,064	1.9%	(24,747)	(2.3)%
Depreciation	48,547	1.3%	21,253	1.85%
Cost of sales	856,923	22.7%	70,463	4.83%
Management fee	153,203	4.1%	5,261	(1.52)%
Miscellaneous expenses	73,415	1.9%	23,189	0.67%
Total	$ 3,771,934	100.0%	$ 129,438	3.55%

The increase in expenses is mainly attributable to the increase of salary and benefits related expenses as well as the increase in expenses related to the After School enrichment and Project Jump Start programs.

Capital Assets

Capital Assets. At June 30, 2025, the District's governmental activities had capital assets of $73,661,010 (net of accumulated depreciation), including land, construction in progress, school buildings and improvements, machinery, equipment and vehicles. The District's governmental funds capital assets, net of depreciation consisted of the following at June 30, 2025 and 2024:

	June 30,	
	2025	2024
Land	$ 5,277,400	$ 5,277,400
Construction in progress	1,620,509	556,646
Buildings and building improvements	64,612,021	65,420,143
Machinery, equipment, and vehicles	2,151,080	1,594,045
Total capital assets, net	$ 73,661,010	$ 72,848,234

The increase in capital assets current year additions (primarily District-wide flooring and lighting upgrades), offset by current year depreciation expense and retirements. Construction in progress at June 30, 2025 were related to the MPS Roof Projects and the Ridge High School Classroom HVAC Upgrades, and prior year construction in process of $494,426 related to RHS Upgrades were transferred to building improvements. Business-type activity capital assets, net of accumulated depreciation were $1,347,259 and $381,874 at June 30, 2025 and 2024, respectively. For more detailed information, please refer to Note 4 to the basic financial statements.

Debt Administration and Long Term Liabilities

At June 30, 2025 and 2024, the District's governmental activity long-term liabilities consisted of:

	June 30,	
	2025	2024 (as restated)
Bonds payable (net)	$ 35,125,888	$ 40,084,967
Financed purchases payable	19,718	30,927
Net pension liability	15,581,470	16,553,400
Compensated absences	5,485,748	4,870,040
Total long-term liabilities	$ 56,212,824	$ 61,539,334

The District made the scheduled principal payments during the 2024/2025 fiscal year and did not have any refinancings during the current year. Financed purchases payable have decreased due to the current year's scheduled payments. The net pension liability has decreased from the prior year based on the actuarial valuation performed for the state. Additional information on the District's long-term liabilities can be found in Note 5 to the basic financial statements.

General Fund Budgetary Highlights

Budgetary transfers were made between budgetary line items and approved by the Board for various reasons including the following more significant transfers:

- Undistributed Expenditures – Unallocated benefits - employee benefits – Health benefits – an increase of approximately $3,086,000, which is a result of anticipated increased claims.

Economic Factors and Next Year's Budget

- The District budgeted $5,761,527 of its 2025 restricted fund balance to partially fund 2025/2026 operations, an increase of $1,964,335 from the prior year.

- The 2025/2026 tax levy was increased in accordance with state regulations.

The above noted factors were considered in preparing the District's budget for the 2025/2026 fiscal year.

Requests for Information

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact Mr. Nick Markarian, Superintendent of Schools or Mr. James Rollo, Business Administrator, at Township of Bernards Board of Education, 101 Peachtree Road, Basking Ridge, NJ 07920 or email at jrollo@bernardsboe.com.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2025.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 35,688,041	$ 1,754,080	$ 37,442,121
Receivables, Net	6,047,057	97,677	6,144,734
Restricted assets:			
Cash Held with Fiscal Agents	532,955		532,955
Capital Assets, Non-Depreciable	6,897,909		6,897,909
Capital Assets, Depreciable, Net	66,763,101	1,347,259	68,110,360
Total Assets	115,929,063	3,199,016	119,128,079
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Defeasance of Debt	1,013,082		1,013,082
Pension Deferrals	2,366,189		2,366,189
Total Deferred Outflows of Resources	3,379,271		3,379,271
LIABILITIES			
Accounts Payable	4,276,821	445,998	4,722,819
Accrued Liability for Insurance Claims	1,469,000		1,469,000
Accrued Interest Payable	496,315		496,315
Payable to State Government	87,128		87,128
Payable to Federal Government	73,891		73,891
Unemployment Claims Payable	329,553		329,553
Unearned Revenue	8,415,573	73,664	8,489,237
Noncurrent Liabilities:			
Net Pension Liability	15,581,470		15,581,470
Due Within One Year	6,191,975		6,191,975
Due Beyond One Year	34,439,379		34,439,379
Total Liabilities	71,361,105	519,662	71,880,767
DEFERRED INFLOWS OF RESOURCES			
Pension Deferrals	1,271,168		1,271,168
Lease Revenue	1,132,199		1,132,199
Property Taxes	426,250		426,250
Total Deferred Inflows of Resources	2,829,617		2,829,617
NET POSITION			
Net Investment in Capital Assets	39,528,486	1,347,259	40,875,745
Restricted For:			
Capital Projects	192,294		192,294
Capital Reserve	9,079,798		9,079,798
Maintenance Reserve	4,454,017		4,454,017
Emergency Reserve	1,000,000		1,000,000
Unemployment Reserve	493,251		493,251
Scholarships	660		660
Student Activities	912,025		912,025
Reserved for Excess Surplus - Current Year	2,550,794		2,550,794
Reserved for Excess Surplus - Designated for Subsequent Years	5,761,527		5,761,527
Assigned:			
Designated for Subsequent Year	554,300		554,300
Unrestricted (Deficit)	(19,409,540)	1,332,095	(18,077,445)
Total Net Position	$ 45,117,612	$ 2,679,354	$ 47,796,966

See accompanying notes to the basic financial statements.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Statement of Activities
Year Ended June 30, 2025

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	$ 45,109,407		$ 346,217		$ (44,763,190)		$ (44,763,190)
Special Education	23,585,692		1,378,141		(22,207,551)		(22,207,551)
Other Special	3,356,379				(3,356,379)		(3,356,379)
Other Instructional Programs	3,256,819				(3,256,819)		(3,256,819)
Support Services:							
Tuition	3,185,535	$ 400,266			(2,785,269)		(2,785,269)
Student and Instruction Related Services	24,360,932	2,122,800	217,521		(22,020,611)		(22,020,611)
General Administrative Services	1,453,334				(1,453,334)		(1,453,334)
School Administrative Services	6,550,252				(6,550,252)		(6,550,252)
Central Administrative Services	1,378,160				(1,378,160)		(1,378,160)
Administrative Information Technology	1,569,002				(1,569,002)		(1,569,002)
Plant Operations and Maintenance	10,903,646		51,123	$ 623,316	(10,229,207)		(10,229,207)
Pupil Transportation	7,035,605	190,982			(6,844,623)		(6,844,623)
Interest and Other Charges on Long-Term Debt	1,159,399				(1,159,399)		(1,159,399)
Total Governmental Activities	132,904,162	2,714,048	1,993,002	623,316	(127,573,796)		(127,573,796)
Business-type Activities:							
Food Service	2,224,440	2,309,503				$ 85,063	85,063
After School Enrichment	143,520	166,261				22,741	22,741
Project Jump Start	861	520				(341)	(341)
Before and After School Care	1,403,113	1,332,646				(70,467)	(70,467)
Total Business-type Activities	3,771,934	3,808,930				36,996	36,996
Total Primary Government	$ 136,676,096	$ 6,522,978	$ 1,993,002	$ 623,316	(127,573,796)	36,996	(127,536,800)

	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes	94,894,719		94,894,719
Property Taxes, Levied for Debt Service	5,115,001		5,115,001
Federal and State Aid Not Restricted	26,914,978		26,914,978
Interest on Investments	1,761,161		1,761,161
Miscellaneous	229,399		229,399
Total General Revenues	128,915,258	-	128,915,258
Change in Net Position	1,341,462	36,996	1,378,458
Net Position - Beginning, as Reported	47,826,741	2,642,358	50,469,099
Cumulative Effect of Change in Accounting Principle	(4,050,591)		(4,050,591)
Net Position—Beginning, as Restated	43,776,150	2,642,358	46,418,508
Net Position - Ending	$ 45,117,612	$ 2,679,354	$ 47,796,966

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 32,502,193	$ 1,622,778	$ 1,136,820	$ 426,250	$ 35,688,041
Intergovernmental Receivable - State	5,117,380	3,992	648,204		5,769,576
Intergovernmental Receivable - Federal		199,813			199,813
Intergovernmental Receivable - Local		6,767			6,767
Interfund Receivable	1,689,991	105,417			1,795,408
Other Accounts Receivable	70,901				70,901
Total Assets	$ 39,380,465	$ 1,938,767	$ 1,785,024	$ 426,250	$ 43,530,506
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts Payable	$ 1,137,737	$ 95,747	$ 617,400		$ 1,850,884
Payroll Deductions and Withholdings Payable	724,970				724,970
Interfund Payable	1,041,462	714,661	975,330		2,731,453
Unemployment Claims Payable	329,553				329,553
Payable to State Government		87,128			87,128
Payable to Federal Government		73,891			73,891
Unearned Revenue	8,360,918	54,655			8,415,573
Total Liabilities	11,594,640	1,026,082	1,592,730		14,213,452
Deferred Inflows of Resources:					
Lease Revenue	1,132,199				1,132,199
Property Taxes				$ 426,250	426,250
Total Deferred Inflows of Resources	1,132,199			426,250	1,558,449
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	2,550,794				2,550,794
Excess Surplus - Designated for Subsequent Year's Expenditures	5,761,527				5,761,527
Capital Reserve	9,079,798				9,079,798
Emergency Reserve	1,000,000				1,000,000
Maintenance Reserve	4,454,017				4,454,017
Unemployment Compensation Reserve	493,251				493,251
Capital Projects			192,294		192,294
Scholarships		660			660
Student Activities		912,025			912,025
Assigned to:					
Designated for Subsequent Year's Expenditures	554,300				554,300
Other Purposes	244,860				244,860
Unassigned	2,515,079				2,515,079
Total Fund Balances	26,653,626	912,685	192,294	-	27,758,605
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 39,380,465	$ 1,938,767	$ 1,785,024	$ 426,250	

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 capital assets is $135,271,881 and the accumulated depreciation is $61,610,871 (See Note 4).	73,661,010
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(496,315)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	1,013,082
Long-term liabilities, including bonds payable and related unamortized premiums, financed purchases payable, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 5).	(40,631,354)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	1,095,021
Accrued pension contributions for the June 30, 2025 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,700,967)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds (See Note 5).	(15,581,470)
Net Position of Governmental Activities	$ 45,117,612

See accompanying notes to the basic financial statements .

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 94,894,719			$ 5,115,001	$ 100,009,720
Tuition from Other LEA's	361,614				361,614
Tuition from Individuals	38,652				38,652
Transportation Fees from Individuals	190,982				190,982
Interest Revenue	1,761,161				1,761,161
Miscellaneous	336,289	$ 2,122,800			2,459,089
Total - Local Sources	97,583,417	2,122,800		5,115,001	104,821,218
State Sources	38,780,980	308,231	$ 623,316	740,999	40,453,526
Federal Sources	8,709	1,684,771			1,693,480
Total Revenues	136,373,106	4,115,802	623,316	5,856,000	146,968,224
EXPENDITURES					
Current:					
Regular Instruction	30,630,167	346,217			30,976,384
Special Education Instruction	14,693,992	1,378,141			16,072,133
Other Special Instruction	2,224,966				2,224,966
Other Instructional Programs	2,268,875				2,268,875
Support Services:					
Tuition	3,185,535				3,185,535
Student and Instruction Related Services	15,063,610	2,285,601			17,349,211
General Administrative Services	1,205,616				1,205,616
School Administrative Services	4,350,866				4,350,866
Central Administrative Services	979,572				979,572
Administrative Information Technology	1,132,997				1,132,997
Plant Operations and Maintenance	10,101,093				10,101,093
Pupil Transportation	6,781,468				6,781,468
Unallocated Benefits	20,808,819				20,808,819
On-behalf TPAF FICA and Pension, Medical and Long-Term Disability Insurance	25,667,357				25,667,357
Debt Service:					
Principal	11,209			4,640,000	4,651,209
Interest	1,525			1,280,800	1,282,325
Capital Outlay	1,283,441	51,123	1,558,290		2,892,854
Total Expenditures	140,391,108	4,061,082	1,558,290	5,920,800	151,931,280
(Deficiency) Excess of Revenues (Under) Over Expenditures	(4,018,002)	54,720	(934,974)	(64,800)	(4,963,056)
OTHER FINANCING SOURCES (USES)					
Transfers In			120,700	64,799	185,499
Transfers Out	(185,499)				(185,499)
Total Other Financing Sources (Uses)	(185,499)	-	120,700	64,799	-
Net Change in Fund Balances	(4,203,501)	54,720	(814,274)	(1)	(4,963,056)
Fund Balance, July 1	30,857,127	857,965	1,006,568	1	32,721,661
Fund Balance - June 30	$ 26,653,626	$ 912,685	$ 192,294	$ -	$ 27,758,605

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in the accompanying schedule (B-3).

See accompanying notes to the basic financial statements .

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Total Net Change in Fund Balances - Governmental Funds (From B-2)		$ (4,963,056)
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 asset additions exceeded depreciation expense and loss on disposal of capital assets in the current year.		
Depreciation Expense	$ (2,756,013)	
Capital Asset Additions	3,603,452	
Loss on Disposal of Capital Assets	(34,663)	812,776
Repayments of bond principal and financed purchases payable are expenditures 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.		
Serial Bonds Payable	4,640,000	
Financed Purchases Payable	11,209	
		4,651,209
Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.		
Amortization of Premium on Bonds	319,079	
Amortization of Deferred Interest Costs	(286,871)	
		32,208
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.		90,718
In the statement of activities, certain operating expenses, e.g., compensated absences (sick and vacation) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(615,708)
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Pension Expense		1,333,315
Change in Net Position of Governmental Activities (A-2)		$ 1,341,462

See accompanying notes to the basic financial statements .

Proprietary Funds

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2025

	Major Funds					Governmental Activity
	Business-type Activities - Enterprise Funds					Internal Service Fund
	Food Service	After School Enrichment	Project Jump Start	Before and After School Care	Total	Self-Insured Health Benefits
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 1,044,523	$ 112,268	$ 287,876	$ 309,413	$ 1,754,080	
Cash Held with Fiscal Agent						$ 532,955
Other Accounts Receivable	75,401			22,276	97,677	
Interfund Receivable						936,045
Total Current Assets	1,119,924	112,268	287,876	331,689	1,851,757	1,469,000
Noncurrent Assets:						
Capital Assets:						
Machinery and Equipment	1,827,052				1,827,052	
Less: Accumulated Depreciation	(479,793)				(479,793)	
Total Capital Assets, net	1,347,259	-	-	-	1,347,259	-
Total Assets	2,467,183	112,268	287,876	331,689	3,199,016	1,469,000
LIABILITIES						
Current Liabilities:						
Accounts Payable	445,998				445,998	
Accrued Liability for Insurance Claims						1,469,000
Unearned Revenue		11,491	62,173		73,664	
Total Current Liabilities	445,998	11,491	62,173	-	519,662	1,469,000
Total Liabilities	445,998	11,491	62,173	-	519,662	1,469,000
NET POSITION						
Investment in Capital Assets	1,347,259				1,347,259	
Unrestricted	673,926	100,777	225,703	331,689	1,332,095	-
Total Net Position	$ 2,021,185	$ 100,777	$ 225,703	$ 331,689	$ 2,679,354	$ -

See accompanying notes to the basic financial statements .

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2025

	Major Funds					Governmental Activity
	Business-type Activities - Enterprise Funds					Internal Service Fund
	Food Service	After School Enrichment	Project Jump Start	Before and After School Care	Total	Self-Insured Health Benefits
Operating Revenues:						
Charges for Services:						
Services Provided by Other Funds						$ 20,509,506
Daily Sales	$ 2,212,477				$ 2,212,477	
Tuition and Fees		$ 166,261	$ 520	$ 1,332,646	1,499,427	
Miscellaneous	97,026				97,026	
Total Operating Revenues	2,309,503	166,261	520	1,332,646	3,808,930	20,509,506
Operating Expenses:						
Salaries	979,933	139,925	800	1,293,965	2,414,623	
Employee Benefits	57,388		61	79,735	137,184	20,424,506
Other Purchased Services	14,975				14,975	85,000
Supplies and Materials	40,056	3,595		29,413	73,064	
Depreciation	48,547				48,547	
Cost of Sales	856,923				856,923	
Management Fee	153,203				153,203	
Miscellaneous	73,415				73,415	
Total Operating Expenses	2,224,440	143,520	861	1,403,113	3,771,934	20,509,506
Operating Income (Loss) and Change in Net Position	85,063	22,741	(341)	(70,467)	36,996	-
Total Net Position - Beginning	1,936,122	78,036	226,044	402,156	2,642,358	-
Total Net Position - Ending	$ 2,021,185	$ 100,777	$ 225,703	$ 331,689	$ 2,679,354	$ -

See accompanying notes to the basic financial statements .

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Major Funds					Governmental Activity
	Business-type Activities - Enterprise Funds					Internal Service Fund
	Food Service	After School Enrichment	Project Jump Start	Before and After School Care	Total	Self-Insured Health Benefits
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	$ 2,363,993	$ 135,127	$ 62,694	$ 1,351,550	$ 3,913,364	
Receipts from Services Provided						$ 20,509,506
Payments to Employees	(979,933)	(139,925)	(800)	(1,293,965)	(2,414,623)	
Payments for insurance Claims						(20,424,506)
Payments to Suppliers	(877,311)	(3,595)	(62)	(110,465)	(991,433)	(85,000)
Net Cash Provided by (Used for) Operating Activities	506,749	(8,393)	61,832	(52,880)	507,308	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITY						
Transfers (to) Other Funds	(54,741)		(287)	(691)	(55,719)	
Net Cash (Used for) by Non-Capital Financing Activity	(54,741)		(287)	(691)	(55,719)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITY						
Purchases of Capital Assets	(1,013,932)				(1,013,932)	
Net Cash (Used for) Capital and Related Financing Activity	(1,013,932)				(1,013,932)	
Net (Decrease) Increase in Cash and Cash Equivalents	(561,924)	(8,393)	61,545	(53,571)	(562,343)	
Cash and Cash Equivalents, Beginning of Year	1,606,447	120,661	226,331	362,984	2,316,423	
Cash and Cash Equivalents, End of Year	$ 1,044,523	$ 112,268	$ 287,876	$ 309,413	$ 1,754,080	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating Income (Loss)	$ 85,063	$ 22,741	$ (341)	$ (70,467)	$ 36,996	$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	48,547				48,547	
Change in Assets and Liabilities:						
Decrease in Other Accounts Receivable	54,490			18,904	73,394	
Decrease in Inventories	23,937				23,937	
(Decrease)/Increase in Unearned Revenue		(31,134)	62,173		31,039	
Increase/(Decrease) in Accounts Payable	294,712			(1,317)	293,395	
Net Cash Provided by (Used for) Operating Activities	$ 506,749	$ (8,393)	$ 61,832	$ (52,880)	$ 507,308	$ -

See accompanying notes to the basic financial statements .

1. Summary of Significant Accounting Policies

The financial statements of the Bernards Township School District (the "District") have been prepared in conformity 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 more significant of the District's accounting policies are described below.

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Bernards Township School District in Basking Ridge, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

B. Government-wide and Fund Financial Statements

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

1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds, the major individual enterprise funds, and the nonmajor internal service fund are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires that all funds, except internal service funds, be reported as major to promote consistency among school districts in the State of New Jersey.

C. 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 enterprise funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues to be available if they are collected within sixty days of the end of the current fiscal period. 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, unfunded pension liabilities, financed purchases payable and postemployment healthcare benefits, are recorded only when payment is due.

1. Summary of Significant Accounting Policies (continued)

Property taxes, interest and state aid funds associated with the current fiscal period 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 the District receives cash.

The District has reported the following major governmental funds:

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

Special Revenue Fund: The District maintains one special revenue fund, which includes 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 an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund:

Enterprise Funds: The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund, After School Enrichment Program, Project Jump Start and Before and After School Care.

1. Summary of Significant Accounting Policies (continued)

The District reports the following internal service fund:

Self-Insurance Internal Service Fund: The self-insurance fund is used to record the activity of the District's health insurance expenses.

Amounts reported as program revenues include 1) fees charged 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 taxes.

Enterprise 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges for sales of food, tuition and program fees. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation of capital assets, if applicable. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports unearned revenue on its balance sheets and statements of net position. Unearned revenue arises when resources are received by the District before they have legal claim to them. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statements of net position and revenue is recognized.

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive moneys under the established payment schedule, and the unpaid amount is an "accounts receivable."

The County Board of Taxation is responsible for the assessment of properties, and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution and certain others require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America apart from the legally mandated revenue recognition in the general fund of the last two state aid payments for budgetary purposes and the treatment of encumbrances in the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances at year-end are re-appropriated in the subsequent year's budget. Unencumbered appropriations lapse at fiscal year-end.

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

E. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

1. Summary of Significant Accounting Policies (continued)

F. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expense during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2025, the District did not have any inventory in the Food Service Enterprise Fund.

G. Tuition

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. Tuition charges for the 2024-2025 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined. The District does not anticipate a significant change based on these estimates.

H. Capital Assets

Capital assets, which include land, property, plant and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their acquisition value on the date of acquisition.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized. Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

1. Summary of Significant Accounting Policies (continued)

Asset Class	Estimated Useful Life
Athletic Equipment	10
Audio Visual Equipment	10
School Buildings	50
Business Machines (Other than Copiers)	10
Communications Equipment	10
Computer Hardware	5
Computer Software (Administrative)	15
Computer Software (Instructional)	7.5
Copiers	5
Custodial Equipment	15
Fire Suppression/Sprinklers	25
Classroom and Office Furniture	20
Grounds Equipment	15
Construction Equipment	10
HVAC Systems	20
Interior Construction	25
Kitchen Equipment	15
Machinery and Shop Tools	15
Musical Instruments	10
Outdoor Equipment	20
Plumbing and Electrical	30
Roofing	20
Science and Laboratory Equipment	10
Site Improvements	20

Depreciation of all exhaustive capital assets used by enterprise funds is charged as an expense against their operations. Accumulated depreciation is reported in the enterprise fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives for the various types of equipment in the food service enterprise fund range between 3 to 12 years.

There are no capital assets maintained in any of the other District Enterprise funds.

1. Summary of Significant Accounting Policies (continued)

I. Compensated Absences

The liability for compensated absences represents the vacation and sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future.

The liability is calculated based on each employee's rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund-level financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts is presented in accordance with the provisions of GASB Statement No. 101, *"Compensated Absences."*

J. Unearned Revenue

Unearned revenue in the general fund represents subscription busing fees received in advance. Unearned revenue in the special revenue fund represents cash, which has been received but not yet earned. Unearned revenue in proprietary funds represent cash received in advance for summer programs and after school programs, which have not yet been earned.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category, including deferred amounts from the refunding of debt, deferred amounts related to pensions, and deferred amounts related to lease proceeds.

1. Summary of Significant Accounting Policies (continued)

K. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, which relates to deferred amounts related to pensions.

L. Deferred Loss on Defeasance of Debt

Deferred loss on defeasance of debt arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The amortization expense for the year ended June 30, 2025 amounted to $286,871. As of June 30, 2025, the District has recorded an unamortized balance of $1,013,082 as a deferred outflow of resources.

M. Long-Term Obligations

In the government-wide financial statements and enterprise funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds statement of net position.

Bond premiums are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Fund Balances

GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions"* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined as follows:

1. Summary of Significant Accounting Policies (continued)

1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
5) Unassigned - includes all spendable amounts not contained in the other classifications in 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 the 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 both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the $26,653,626 of fund balances in the General Fund at June 30, 2025, $244,860 of encumbrances are assigned to other purposes, $5,761,527 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, $2,550,794 is restricted as current year excess fund balance, $554,300 is assigned as designated for subsequent years expenditures, $9,079,778 has been restricted for the capital reserve, $4,454,017 has been restricted for the maintenance reserve, $1,000,000 has been restricted for the emergency reserve, $493,251 has been restricted in the unemployment compensation reserve, and $2,515,079 is classified as unassigned.

1. Summary of Significant Accounting Policies (continued)

The District has $660 restricted for scholarships and $912,025 restricted for student activities in the Special Revenue Fund. The District also has $192,294 of fund balance in the Capital Projects Fund, which is restricted for capital projects.

O. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

P. Management Estimates

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

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been decreased by $17,708,863 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

R. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 was $8,312,321. Of this amount, $5,761,527 has been appropriated in the 2025/26 budget and the remaining $2,550,794 will be appropriated in the 2026/27 budget.

1. Summary of Significant Accounting Policies (continued)

S. GASB Pronouncements

Recently Adopted Accounting Principles

The GASB issued Statement No. 100, "*Accounting Changes and Error Corrections"*, in June 2022. The objective of this Statement is to enhance the clarity and consistency of accounting and financial reporting for changes in accounting principles, changes in accounting estimates, changes to or within the financial reporting entity, and the correction of errors. The provisions of this Statement are effective for accounting changes and error corrections made in periods beginning after June 15, 2023, and all reporting periods thereafter. Management has implemented the provisions of this Statement during the fiscal year ended June 30, 2025 (See Note 20).

The GASB issued Statement No. 101, "*Compensated Absences"* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Management has implemented this Statement during the fiscal year ended June 30, 2025 (See Note 20).

The GASB issued Statement No. 102, "*Certain Risk Disclosures"* in January 2024. The objective of the Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effect for periods beginning after June 15, 2024, and all reporting periods thereafter. Management has implemented the provisions of this Statement during the fiscal year ended June 30, 2025. The implementation did not have a significant impact on the financial statements.

The GASB issued Statement No. 103, "*Financial Reporting Model Improvements"* in April 2024.The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact on the financial statements.

1. Summary of Significant Accounting Policies (continued)

S. GASB Pronouncements (continued)

The GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets"* in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has implemented the provisions of Statement No. 104 and the Statement was adopted effective for the fiscal year ending June 30, 2025. Management has not yet determined the impact on the financial statements.

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025, and December 19, 2025, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and unamortized premiums, financed purchases payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

The details of this $40,631,354 difference are as follows:

Bonds payable	$ 34,005,000
Unamortized premium on bonds	1,120,888
Financed purchases payable	19,718
Compensated absences payable	5,485,748
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	$ 40,631,354

3. Deposits and Investments

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less. Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *"Fair Value Measurement and Application".* The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF).

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

> The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.
>
> In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

3. Deposits and Investments (continued)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

At June 30, 2025, the carrying amount of the District's deposits for all funds was $37,442,121 and the bank balance was $39,038,323. Of the bank balances, $500,000 of the District's ,cash deposits on June 30, 2025 were secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of $26,692,552.

$845,530 held in the District agency accounts and $10,800,240 held in a NJ Cash Management account are not covered by GUDPA. In addition, the District has cash held with fiscal agents in the amount of $532,955.

Pursuant to GASB Statement No. 40, "*Deposit and Investment Risk Disclosures"* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA.

At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the District to purchase the following types of securities:

a. Bonds and other obligations of the United States or obligations guaranteed by the United States.

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.

c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

3. Deposits and Investments (continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey Cash Management Fund

To maximize liquidity, the District utilizes the New Jersey Cash Management Fund (“NJCMF”) as one of its investments. The NJCMF is administered by the State of New Jersey and issues a separate report that can be obtained directly from the Department of the Treasury.

It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF daily without penalty. At June 30, 2025, the District’s balance in NJCMF was $10,800,240 and is classified as cash equivalents at June 30, 2025 due to its short-term nature and is considered a Level 1 investment under GASB Statement No. 72. The debt instruments in the NJCMF are rated by three national rating agencies.

Custodial Credit Risk: The District does not have any investments that are exposed to custodial credit risk and does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB Statement No. 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any funds invested in debt securities.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2025, the District had no investments, other than funds held in NJCMF which are classified as cash equivalents due to its short-term nature.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The District did not have any funds held as investments during the year ended June 30, 2025, other than funds held in NJCMF which are classified as cash equivalents due to its short-term nature.

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 5,277,400				$ 5,277,400
Construction in progress	556,646	$ 1,558,289		$ (494,426)	1,620,509
Total capital assets, not being depreciated	5,834,046	1,558,289		(494,426)	6,897,909
Capital assets, being depreciated:					
Buildings and building improvements	118,657,573	1,195,955		494,426	120,347,954
Machinery, equipment and vehicles	7,211,473	849,208	$ (34,663)		8,026,018
Total capital assets, being depreciated	125,869,046	2,045,163	(34,663)	494,426	128,373,972
Less accumulated depreciation for:					
Buildings and building improvements	(53,237,430)	(2,498,503)			(55,735,933)
Machinery, equipment and vehicles	(5,617,428)	(257,510)			(5,874,938)
Total accumulated depreciation	(58,854,858)	(2,756,013)			(61,610,871)
Total capital assets, being depreciated, net	67,014,188	(710,850)	(34,663)	494,426	66,763,101
Governmental activities capital assets, net	$ 72,848,234	$ 847,439	$ (34,663)	$ -	$ 73,661,010

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2025 as follows:

Instruction:	
Regular	$ 913,771
Special education	474,110
Other special instruction	65,634
School sponsored/ other instructional	66,929
Support Services:	
Student and instruction related services	511,324
General administrative services	35,564
School administrative services	128,346
Central administrative services	28,896
Administrative information technology	33,422
Plant operations and maintenance	297,971
Pupil transportation	200,046
Total	$ 2,756,013

4. Capital Assets (continued)

The following schedule is a summarization of the business-type changes in capital assets for the year ended June 30, 2025:

	Beginning Balance	Additions	Transfers	Ending Balance
Business-type activities:				
Non-depreciable Capital assets:				
Construction in Progress	$ 32,806		$ (32,806)	
Capital assets, being depreciated:				
Machinery and equipment	780,314	$ 1,013,932	32,806	$ 1,827,052
Less accumulated depreciation for:				
Machinery and equipment	(431,246)	(48,547)		(479,793)
Total business-type activities capital assets, net	$ 381,874	$ 965,385	$ -	$ 1,347,259

5. Long-Term Liabilities

During the year ended June 30, 2025 the following changes occurred in long-term liabilities:

	Beginning Balance (as Reported)	Changes in Accounting Principle*	Beginning Balance (as Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:							
School bonds	$ 38,645,000				$ 4,640,000	$ 34,005,000	$ 5,315,000
Unamortized premium on bonds	1,439,967				319,079	1,120,888	319,079
Financed purchases payable	30,927				11,209	19,718	9,321
Compensated absences payable**	819,449	$ 4,050,591	$ 4,870,040	$ 615,708		5,485,748	548,575
Subtotal	40,935,343	4,050,591	4,870,040	615,708	4,970,288	40,631,354	6,191,975
Net pension liability	16,553,400				971,930	15,581,470	
Total governmental activity long-term liabilities	$ 57,488,743	$ 4,050,591	$ 4,870,040	$ 615,708	$ 5,942,218	$ 56,212,824	$ 6,191,975

*See Note 20
**The change in compensated absences payable is presented as a net change.

The District expects to liquidate the compensated absences, the net pension liability and financed purchases with payments made from the District's general fund and the bonds payable from the debt service fund.

Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds that are direct borrowings of the District of which it full faith and credit are pledged and are payable from taxes levied on all taxable real property within the District.

5. Long-Term Liabilities (continued)

Principal and interest due on all bonds is as follows:

Year	Principal	Interest	Total
2026	$ 5,315,000	$ 1,082,869	$ 6,397,869
2027	5,340,000	870,750	6,210,750
2028	5,590,000	659,875	6,249,875
2029	5,930,000	462,900	6,392,900
2030	11,830,000	374,425	12,204,425
	$ 34,005,000	$ 3,450,819	$ 37,455,819

All bonds outstanding are presented on schedule I-1 in this report. Bonds payable at June 30, 2025 are comprised of the following issues:

$9,700,000, 2012 refunding bonds, due in annual installments ranging from $85,000 to $5,230,000 through July 15, 2029 at interest rates ranging from 2.750% to 3.00%.

$23,745,000, 2013 refunding bonds, due in annual installments ranging from $3,435,000 to $4,620,000 through July 15, 2027 at an interest rate of 4.00%.

$5,515,000, 2015 refunding bonds, due in annual installments ranging from $630,000 to $815,000 through July 15, 2030 at an interest rate of 4.00%.

$8,680,000, 2016 refunding bonds, due in annual installments of $3,215,000 and $5,220,000 due on July 15, 2029 and July 15, 2030, respectively, at an interest rate of 3.00%.

As of June 30, 2025, the District did not have any defeased debt outstanding.

Financed Purchases Payable

The District is has entered into several copiers and technology equipment financed purchasing agreements at and interest rate of 1.57%. The following is a schedule of the future payments under these agreements and the net minimum payments at June 30, 2025:

Fiscal Year Ending	**Amount**
2026	$ 10,130
2027	7,112
2028	3,831
Total minimum payments	21,073
Less: amount representing inerest	(2,879)
Present value of net minimum payments	$ 18,194

5. Long-Term Liabilities (continued)

All financed purchases payable outstanding are presented on schedule I-2 in this report. Assets capitalized through financed purchases at June 30, 2025 are as follows:

Machinery, equipment and vehicles	$ 2,087,053
Less accumulated depreciation	(1,093,875)
Total	$ 993,178

6. Pension Plans

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems, which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as, under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all fulltime public-school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above-mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

6. Pension Plans (continued)

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy is set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school Board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pursuant to the provisions of P.L. 2022, C.78, the member contribution rate was 7.5% in State fiscal year 2025.

Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching the age of 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 the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. 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.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2025, the State of New Jersey contributed $21,965,856 to the TPAF for on-behalf medical benefits, long-term disability insurance, and pension contributions on behalf of

6. Pension Plans (continued)

the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District $3,701,501 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the Government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2025, 2024, and 2023 were $1,638,378, $1,603,818, and $1,527,446, respectively, equal to the required contributions for each year.

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

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

Public Employees' Retirement System (PERS)

At June 30, 2025, the District reported a liability of $15,581,470 for its proportionate share of the net pension liability. 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 July 1, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.1146704289 percent, which was an increase of 0.0003858911 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized full accrual pension expense of $227,030 in the government-wide financial statements. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 312,126	$ 41,482
Changes of assumptions	19,357	177,281
Net difference between projected and actual earnings on pension plan investments		722,470
Changes in proportion and differences between District contributions and proportionate share of contributions	333,739	329,935
District contributions subsequent to the measurement date	1,700,967	
	$ 2,366,189	$ 1,271,168

6. Pension Plans (continued)

$1,700,967 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	$	(647,975)
2027		550,606
2028		(355,286)
2029		(158,997)
2030		5,706
	$	(605,946)

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increase through 2026	2.75 – 6.55% based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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.

6. Pension Plans (continued)

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.

Long-Term Rate of Return

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	9.20%
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

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024.

6. Pension Plans (continued)

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

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability	$20,703,943	$15,581,470	$11,222,274

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees' Retirement System.

Additional Information

Collective balances – Local Group at June 30, 2024 are as follows:

Deferred outflows of resources	$	1,176,934,477
Deferred inflows of resources	$	10,530,833,639
Net pension liability	$	49,425,106,602
District's Proportion		0.3967591927%

6. Pension Plans (continued)

Collective pension expense for the Local Group for the measurement period ended June 30, 2024 is $372,160,096.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020, and 2019 is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years, respectively.

Special Funding Situation – Teachers' Pension and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2024 was $196,098,654. The District's proportionate share was $0.

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, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3967591927 percent, which was a decrease of 0.0123547433 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2025, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of $4,660,287 for contributions incurred by the State.

6. Pension Plans (continued)

Actuarial assumptions

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increase through 2026	2.75 - 5.65% based on years of service
Investment rate of return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 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 Teachers Above-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 mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% 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.

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

Long-Term Expected Rate of Return

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

6. Pension Plans (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	9.20%
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

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

6. Pension Plans (continued)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	$ 233,091,011	$ 196,098,654	$ 164,944,096

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

Deferred outflows of resources	$	1,176,934,477
Deferred inflows of resources	$	10,530,833,639
Net pension liability	$	49,425,106,602
District's Proportion		0.3967591927%

Collective pension (benefit) - Local Group for the plan for the measurement period ended June 30, 2024 is ($148,167,647).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020, and 2019 is 7,93, 7.93, 7.83, 7.93, 7.99 and 8.04 years, respectively.

7. Post-Retirement Benefits

General Information about the OPEB Plan

The State Health Benefits Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan 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 Postemployment Benefits Other Than Pensions".* The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. Accordingly, per 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 or more years 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) and the Public Employees' Retirement System (PERS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage 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.

In accordance with the provisions of GASB Statement No. 75, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits was $88.9 billion, a decrease of $12.7 billion, or 12.5 percent from the $101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: https://www.state.nj.us/treasury/pensions/financialreports.shtml.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan a member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF	PERS
Salary increases:		
through 2026	2.75 - 5.65% based on years of service	2.75 - 6.55% based on age

7. Post-Retirement Benefits (continued)

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF) and "General" (PERS) 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 "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the TPAF and PERS experience studied prepared for July 1, 2018 to June 30, 2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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 2028 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 discal 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%.

7. Post-Retirement Benefits (continued)

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	At 1% decrease (2.93%)	At current discount rate (3.93%)	At 1% increase (4.93%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	$ 221,162,537	$ 188,831,849	$ 162,831,265

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	At Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	$ 157,298,305	$ 188,831,849	$ 229,906,371

Changes in the Total Non-employer OPEB Liability

Below represents the changes in the District’s total OPEB liability for the year ended June 30, 2024:

	Total OPEB Liability
Beginning Total OPEB Liability, June 30, 2023	$ 163,661,154
Changes for the year:	
Service cost	8,006,899
Interest cost	6,215,897
Differences between expected and actual inputs	1,405,398
Changes in assumptions or other inputs	14,127,134
Member contributions	162,548
Benefit payments	(4,747,181)
Net changes	25,170,695
Ending Total OPEB Liability, June 30, 2024	$ 188,831,849

7. Post-Retirement Benefits (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education	June 30, 2024
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Total Plan Members	372,741

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of $9,951,786 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2024 are as follows:

Deferred outflows of resources	$	18,640,445,786
Deferred inflows of resources	$	25,058,850,175
Collective OPEB expense	$	1,999,742,665
District's Proportion		0.32%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable balances for the District amounted to the following as of June 30, 2025:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 1,689,991	$ 1,041,462
Special Revenue Fund	105,417	714,661
Capital Projects Fund		975,330
Internal Service Fund - Self Insurance	936,045	
	$ 2,731,453	$ 2,731,453

The interfund between the General Fund and the Special Revenue Fund represents a payable from the Special Revenue Fund to the General Fund to cover expenditures paid on behalf of the special revenue fund, of which the District is awaiting reimbursement. In addition, there is a payable from the General Fund to the Special Revenue Fund to remit monies collected that are due to the student activity accounts. The interfund between the General Fund and the Capital Projects Fund represents a payable from the Capital Projects Fund to the General Fund for interest earned on cash in the Capital Projects Fund as well as a loan from the General Fund to cover the expenditures of the on-going SDA projects, of which the District is awaiting reimbursement. The interfund between the Internal Service Fund and the General Fund represents the funds expensed in the Internal Service Fund that will be reimbursed by the General Fund.

All interfunds are expected to be liquidated within one year.

9. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

10. Contingent Liabilities

The District is a defendant in several legal proceedings that are in various stages of litigation. In the opinion of management and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In

10. Contingent Liabilities (continued)

addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA), in connection with its capital projects. The costs associated with the funding received from the NJSDA are subject to final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible requirements, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired.

As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund, Coronavirus Relief Fund (CRF), American Rescue Plan Elementary and Secondary School Emergency Relief Funds (ARP ESSER), and American Rescue Plan IDEA Funds (ARP IDEA). To the extent that the District has not complied with the rules and regulations governing these funds, money may be required to be returned. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

11. Capital Reserve Account

A capital reserve account was established by the Township of Bernards Board of Education by inclusion of $1 on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP).

Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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.

11. Capital Reserve Account (continued)

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	$ 11,550,039
Deposits:	
Interest earned on investments	467,978
Withdrawals:	
Transfer to Capital Projects Fund	(120,700)
Transfer to Debt Service Fund	(64,799)
Transfer to Capital Outlay	(2,752,720)
Ending balance, June 30, 2025	$ 9,079,798

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in capital reserve. The District budgeted $866,190 of this balance in its 2025-26 budget.

12. Maintenance Reserve Account

On June 20, 2011, the District elected to establish a reserve to be used to accumulate funds for the required maintenance of a facility, and in accordance with N.J.S.A. 18A:7G-9, as amended by P.L. 2004, c. 73 (S1701), passed a board resolution authorizing the establishment of a maintenance reserve account in the District’s General Fund. As allowed by N.J.S.A. 18A:F-41 and N.J.A.C. 6A:23A-14.3 the District can adopt a board resolution to deposit funds into a maintenance reserve account between June 1 and June 30 of each budget year. The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	$ 4,850,170
Deposits:	
Interest earned on Investments	196,517
Withdrawals:	
Board approved withdrawal	(592,670)
Ending balance, June 30, 2025	$ 4,454,017

The District budgeted $792,670 of this balance in its 2025-26 budget.

13. Emergency Reserve Account

On June 15, 2016, the District elected to establish a reserve to be used to accumulate funds for the current expense emergency reserve, and in accordance with N.J.S.A. 18A:7F-41 and NJAC 6A:23A-14.4(a)(1), passed a board resolution authorizing the establishment of an emergency reserve account in the District's General Fund. As allowed by N.J.S.A. 18A:7F-41 and N.J.A.C. 6A:23A-14.4(a)(1), the District can pass a board resolution to deposit funds into an emergency reserve account between June 1 and June 30 of each budget year.

The balance at June 30, 2025 is $1,000,000 which is unchanged from June 30, 2024. The District budgeted $500,000 of this balance in its 2025-26 budget.

14. Risk Management

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

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year, and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

New Jersey Unemployment Compensation Insurance

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

Self-Insurance

The District is self-insured for medical and prescription and has established an internal service fund to account for its self-insurance activities. At June 30, 2025, the accrued liability for unpaid medical and prescription of $1,469,000 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical and prescription IBNR liability has been calculated by an actuary contracted by the District's risk management actuary. The actuary utilized a 15% margin to estimate the liabilities.

14. Risk Management (continued)

The change in the IBNR for the years ended June 30, 2025, 2024 and 2023 is as follows:

Year	Beginning Balance	Claims and Estimates	Payments	Ending Balance
2024-25	$ 1,246,000	$ 20,647,506	$ 20,424,506	$ 1,469,000
2023-24	922,000	17,695,014	17,371,014	1,246,000
2022-23	1,161,000	13,523,110	13,762,110	922,000

15. Deferred Compensation

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by Lincoln Investment Planning, VALIC, Thomas Seely Agency, Security First Group and the Equitable, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. Since the District does not hold the assets in a trustee capacity, the related assets are not included in the District's fiduciary fund financial statements.

16. Commitments

The District has contractual commitments at June 30, 2025 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of $244,860 and in the Capital Projects Fund as restricted for capital projects in the amount of $192,294.

17. GASB 77 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. 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. For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement

17. GASB 77 Tax Abatements (continued)

agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Bernards has entered into tax abatement agreements, which has reduced the Township's tax revenues. The Township entered into these agreements, which is a full abatement of taxes for a nonprofit housing corporation for affordable housing. The agreement shall be terminated when the nonprofit corporation or its successors and the development cease to remain subject to the provisions of the Law or a period of not more than 50 years from the effective date of the tax exemption, whichever event occurs first. For the 2024 calendar year, the Township recognized revenue of $494,655 from the annual service charge in lieu of payment of taxes, while the taxes that would have been paid for this property was $460,129, resulting in a reduction of taxes collected by the Township of $34,526. A portion of this would have been allocated to the District.

18. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2025 fiscal year:

	In	Out
General Fund		$ 185,499
Debt Service Fund	$ 64,799	
Capital Projects Fund	120,700	
	$ 185,499	$ 185,499

19. Net Position – Net Investment in Capital Assets

The transfer from General Fund to the Capital Projects Fund represents a transfer from the Capital Reserve to fund the local portion of the SDA projects. The transfer from General Fund to the Debt Service fund represents a transfer from the Capital Reserve to fund debt payments.

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of $39,528,486 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	$	73,661,010
Bonds payable (used to build or acquire capital assets)		(34,005,000)
Premium on bonds		(1,120,888)
Financed purchases payable		(19,718)
Deferred loss on refunding of debt		1,013,082
Total net investment in capital assets	$	39,528,486

20. Change in Accounting Principle and Restatement of Net Position

Effective for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, "*Compensated Absences"***.** This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid.

In accordance with GASB Statement No. 100, "*Accounting Changes and Error Corrections"*, the provisions of GASB Statement No. 101 were adopted effective July 1, 2024. As a result, the compensated absences liability was restated as of June 30, 2024, and the cumulative effect of the change of ($4,050,591) was recognized in the 2024 change in net position.

Required Supplementary Information – Part II

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System

Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset) - Local Group	0.1146704289%	0.1142845378%	0.1175624801%	0.1133710704%	0.1137895830%	0.1174963106%	0.1167161900%	0.1186278136%	0.1215446151%	0.1131163225%
District's proportionate share of the net pension liability (asset)	$ 15,581,470	$ 16,553,400	$ 17,671,197	$ 13,430,503	$ 18,556,036	$ 21,171,053	$ 22,980,836	$ 27,614,659	$ 35,998,029	$ 25,392,348
District's covered-employee payroll	$ 9,724,806	$ 8,696,154	$ 8,478,111	$ 8,238,646	$ 8,133,512	$ 8,088,658	$ 7,912,953	$ 8,093,970	$ 8,068,738	$ 7,952,090
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	160.22%	190.35%	208.43%	163.02%	228.14%	261.74%	290.42%	341.18%	446.14%	319.32%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

n/a - information not available

See accompanying note to required supplementary information.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Schedule of District Contributions
Public Employees' Retirement System

Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,638,378	$ 1,603,818	$ 1,527,446	$ 1,476,620	$ 1,244,797	$ 1,142,899	$ 1,125,708	$ 1,079,785	$ 1,091,853	$ 972,497
Contributions in relation to the contractually required contribution	(1,638,378)	(1,603,818)	(1,527,446)	(1,476,620)	(1,244,797)	(1,142,899)	(1,125,708)	(1,079,785)	(1,091,853)	(972,497)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 9,951,172	$ 9,724,806	$ 8,696,154	$ 8,478,111	$ 8,238,646	$ 8,133,512	$ 8,088,658	$ 7,912,953	$ 8,093,970	$ 8,068,738
Contributions as a percentage of covered-employee payroll	16.46%	16.49%	17.56%	17.42%	15.11%	14.05%	13.92%	13.65%	13.49%	12.05%

See accompanying note to required supplementary information.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Schedule of the State's Proportionate Share of the Net Pension
Liability Associated with the District
Teachers' Pension and Annuity Fund

Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3967591927%	0.4091139360%	0.4044274556%	0.3984428035%	0.4016031646%	0.3936407400%	0.3939148723%	0.3819528228%	0.3818596058%	0.3785217272%
District's proportionate share of the net pension liability (asset)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability (asset) associated with the District	$ 196,098,654	$ 208,781,763	$ 208,661,983	$ 191,552,129	$ 264,450,852	$ 241,581,038	$ 250,600,181	$ 257,526,366	$ 300,395,079	$ 239,241,896
Total proportionate share of the net pension liability (asset) associated with the District	$ 196,098,654	$ 208,781,763	$ 208,661,983	$ 191,552,129	$ 264,450,852	$ 241,581,038	$ 250,600,181	$ 257,526,366	$ 300,395,079	$ 239,241,896
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation, the District does not make contributions to this plan.

See accompanying note to required supplementary information.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employees' Retirement System and Teachers' Pension and Annuity Fund

Required Supplementary Information

Last Ten Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.32%	0.31%	0.31%	0.31%	0.30%	0.30%	0.29%	0.28%	0.28%
District's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net OPEB liability associated with the District	$ 188,831,849	$ 163,661,154	$ 156,555,344	$ 188,464,457	$ 206,807,580	$ 124,869,505	$ 131,465,904	$ 150,631,595	$ 161,686,767
Total proportionate share of the net OPEB liability (asset) associated with the District	$ 188,831,849	$ 163,661,154	$ 156,555,344	$ 188,464,457	$ 206,807,580	$ 124,869,505	$ 131,465,904	$ 150,631,595	$ 161,686,767
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017 **
Service cost	$ 8,006,899	$ 8,250,595	$ 10,670,147	$ 12,326,855	$ 6,970,219	$ 6,677,315	$ 7,508,589	$ 9,107,318	
Interest cost	6,215,897	5,763,946	4,148,889	4,888,967	4,553,819	5,274,853	5,601,203	4,820,081	
Changes in benefit terms	-	-	-	(200,597)	-	-	-	-	
Difference between expected and actual	1,405,398	(2,893,224)	(753,013)	(31,818,133)	36,128,623	-	-	-	
Changes of assumptions	14,127,134	329,873	(41,997,376)	185,934	37,776,638	(14,829,069)	(28,881,628)	(21,622,096)	
Member contributions	162,548	147,710	131,838	124,987	109,126	113,624	121,496	128,472	
Gross benefit payments	(4,747,181)	(4,493,090)	(4,109,598)	(3,851,136)	(3,600,350)	(3,833,122)	(3,515,351)	(3,488,947)	
Net change in total OPEB liability	25,170,695	7,105,810	(31,909,113)	(18,343,123)	81,938,075	(6,596,399)	(19,165,691)	(11,055,172)	
Total OPEB liability - beginning	$ 163,661,154	156,555,344	188,464,457	206,807,580	124,869,505	131,465,904	150,631,595	161,686,767	
Total OPEB liability - ending	$ 188,831,849	$ 163,661,154	$ 156,555,344	$ 188,464,457	$ 206,807,580	$ 124,869,505	$ 131,465,904	$ 150,631,595	
Covered-employee payroll	$ 61,748,713	$ 59,767,020	$ 57,074,638	$ 54,948,120	$ 54,487,890	$ 53,527,972	$ 50,777,433	$ 49,398,644	
Total OPEB liability as a percentage of covered-employee payroll	305.81%	273.83%	274.30%	342.99%	379.55%	233.28%	258.91%	304.93%	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

** information not available.

See accompanying note to required supplementary information.

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM-PENSION

Benefit Changes

There were none.

Changes of Assumptions

There were none.

2. TEACHERS' PENSION AND ANNUITY FUND-PENSION

Benefit Changes

There were none.

Changes of Assumptions

There were none.

3. OTHER POST-RETIREMENT BENEFIT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Budgetary Comparison Schedule
Budgetary Basis
General Fund
Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Revenues					
Local sources:					
Local tax levy	$ 94,894,719		$ 94,894,719	$ 94,894,719	
Tuition from other LEA's	143,490		143,490	361,614	$ 218,124
Tuition from individuals				38,652	38,652
Transportation fees from individuals	209,000		209,000	190,982	(18,018)
Interest earned on capital reserve funds	500		500	467,979	467,479
Interest earned on maintenance reserve funds	500		500	196,517	196,017
Interest earned on emergency reserve funds					
Interest earned	1,250,000		1,250,000	1,096,665	(153,335)
Miscellaneous	100,000		100,000	336,289	236,289
Total - local sources	96,598,209		96,598,209	97,583,417	985,208
State sources:					
Special education aid	5,449,732		5,449,732	5,449,732	
Security aid	453,891		453,891	453,891	
Transportation aid	2,359,395		2,359,395	2,359,395	
Extraordinary aid	3,900,000		3,900,000	4,756,778	856,778
Additional nonpublic transportation aid				181,663	181,663
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				16,993,525	16,993,525
TPAF Pension Contributions - Post-Retirement Medical (On-Behalf - Non-Budgeted)				4,965,522	4,965,522
TPAF Pension Contributions - Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				6,809	6,809
TPAF Social Security (Reimbursed - Non-Budgeted)				3,701,501	3,701,501
Total - state sources	12,163,018		12,163,018	38,868,816	26,705,798
Federal sources:					
Medicaid reimbursement	20,423		20,423	8,709	(11,714)
Total - federal sources	20,423		20,423	8,709	(11,714)
Total revenues	108,781,650		108,781,650	136,460,942	27,679,292
Expenditures					
Current expense:					
Instruction:					
Regular programs:					
Salaries of teachers:					
Kindergarten	1,107,690	$ 71,366	1,179,056	1,179,056	
Grades 1-5	10,072,518	252,046	10,324,564	10,324,564	
Grades 6-8	7,142,925	493,104	7,636,029	7,636,029	
Grades 9-12	9,972,554	(149,593)	9,822,961	9,816,211	6,750
Instruction- home instruction:					
Salaries of teachers	50,000	(6,575)	43,425	43,425	
Purchased professional-educational services	6,388	5,230	11,618	11,595	23
Regular programs - undistributed instruction:					
Purchased professional-educational services	27,038	(19,255)	7,783	5,414	2,369
Other purchased services	183,192	(39,442)	143,750	141,244	2,506
General supplies	1,214,108	(114,435)	1,099,673	1,089,153	10,520
Textbooks	394,217	(7,215)	387,002	383,476	3,526
Total regular programs	30,170,630	485,231	30,655,861	30,630,167	25,694
Special education:					
Intellectual disability:					
Salaries of teachers	388,250	19,508	407,758	407,478	280
Other salaries for instruction	559,447	(23,836)	535,611	535,269	342
General Supplies	12,900	747	13,647	13,615	32
Textbooks	10,000	(10,000)			
Total intellectual disability	970,597	(13,581)	957,016	956,362	654
Learning and/or language disabilities:					
Salaries of teachers	316,024	40,190	356,214	356,214	
Other salaries for instruction	442,004	(13,987)	428,017	428,017	
General supplies	15,000	(10,452)	4,548	4,547	1
Textbooks	1,000	(951)	49		49
Total learning and/or language disabilities	774,028	14,800	788,828	788,778	50
Auditory impairments:					
Salaries of teachers	142,830	(26,612)	116,218	116,217	1
General supplies	5,000	(2,107)	2,893	2,893	
Total auditory impairments	147,830	(28,719)	119,111	119,110	1

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Budgetary Comparison Schedule
Budgetary Basis
General Fund
Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Current expense (continued):					
Instruction (continued):					
Emotional regulation impairment:					
Salaries of teachers	$ 450,561	$ (22,979)	$ 427,582	$ 427,579	$ 3
Other salaries for instruction	460,748	(18,589)	442,159	440,322	1,837
General supplies	15,285	(5,237)	10,048	9,932	116
Total emotional regulation impairment	926,594	(46,805)	879,789	877,833	1,956
Resource room/center:					
Salaries of teachers	5,852,282	(314,005)	5,538,277	5,538,119	158
Other salaries for instruction	534,739	(28,868)	505,871	504,154	1,717
General supplies	46,419	(13,386)	33,033	33,031	2
Total resource room/center	6,433,440	(356,259)	6,077,181	6,075,304	1,877
Autism:					
Salaries of teachers	1,756,545	176,222	1,932,767	1,932,658	109
Other salaries for instruction	3,487,810	(126,821)	3,360,989	3,359,703	1,286
General supplies	58,000	(6,000)	52,000	51,130	870
Total autism	5,302,355	43,401	5,345,756	5,343,491	2,265
Preschool disabilities-part-time:					
Salaries of teachers	362,640	24	362,664	362,664	
Other salaries for instruction	161,190		161,190	160,849	341
General supplies	5,000	(1,624)	3,376	3,258	118
Total preschool disabilities - part-time	528,830	(1,600)	527,230	526,771	459
Preschool disabilities-full time:					
General supplies	12,000	(5,050)	6,950	6,343	607
Total preschool disabilities - full time	12,000	(5,050)	6,950	6,343	607
Total special education	15,095,674	(393,813)	14,701,861	14,693,992	7,869
Basic skills/remedial - Instruction:					
Salaries of teachers	924,510		924,510	924,510	
General supplies	1,200	1,647	2,847	1,064	1,783
Total basic skills/redmedial - instruction	925,710	1,647	927,357	925,574	1,783
Bilingual education:					
Salaries of teachers	486,371	301	486,672	478,497	8,175
Other salaries for instruction	15,000	31,075	46,075	43,758	2,317
Other purchased services	705		705	272	433
General supplies		354	354	332	22
Total bilingual education	502,076	31,730	533,806	522,859	10,947
School sponsored co-curricular activities - instruction:					
Salaries	603,521	2,751	606,272	599,841	6,431
Purchased services		8,978	8,978	8,978	
Supplies and materials	50,689	(22,782)	27,907	26,673	1,234
Other objects	1,000	(1,000)			
Total school sponsored co-curricular activities - instruction	655,210	(12,053)	643,157	635,492	7,665
School sponsored athletic activities:					
Salaries	1,246,136	48,664	1,294,800	1,293,229	1,571
Purchased services	80,100	(20,464)	59,636	50,134	9,502
Supplies and materials	143,650	(6,766)	136,884	136,015	869
Other objects	78,000	2,000	80,000	79,005	995
Transfers to cover deficit (agency funds)	86,000		86,000	75,000	11,000
Total school sponsored athletic activities	1,633,886	23,434	1,657,320	1,633,383	23,937
Other supplemental / at-risk programs - instruction:					
Salaries of reading specialists	771,153	5,380	776,533	776,533	
Total other supplemental / at-risk programs - instruction	771,153	5,380	776,533	776,533	
Total instruction	49,754,339	141,556	49,895,895	49,818,000	77,895

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Budgetary Comparison Schedule
Budgetary Basis
General Fund
Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Current expense (continued):					
Undistributed expenditures:					
Instruction:					
Tuition to other school districts in the state-special	$ 655,703	$ (201,624)	$ 454,079	$ 424,297	$ 29,782
Tuition to county vocational - regular	43,830	3,750	47,580	46,830	750
Tuition to private school - disability in state	2,175,672	(75,261)	2,100,411	2,095,872	4,539
Tuition to private school - disability out of state	75,240	543,296	618,536	618,536	
Total undistributed expenditures - instruction	2,950,445	270,161	3,220,606	3,185,535	35,071
Attendance and social work services:					
Purchased professional and technical services	721	539	1,260	1,260	
Total attendance and social work services	721	539	1,260	1,260	
Health services:					
Salaries	850,912	70,355	921,267	911,859	9,408
Other salaries	127,254	2,710	129,964	129,907	57
Purchased prof. and tech. services	23,200	4,000	27,200	26,458	742
Other purchased services	2,150		2,150	1,365	785
Supplies and materials	44,848	(24,602)	20,246	19,896	350
Total health services	1,048,364	52,463	1,100,827	1,089,485	11,342
Other support services - student-speech, OT, PT, and related services:					
Salaries	1,692,147	(32,109)	1,660,038	1,659,967	71
Purchased professional educational services	97,125	(44,879)	52,246	52,246	
Supplies and materials	12,350	(2,459)	9,891	9,716	175
Total other support services - student-speech, OT, PT, and related services	1,801,622	(79,447)	1,722,175	1,721,929	246
Other support services - students - extra services:					
Salaries	1,086,954	8,730	1,095,684	1,094,213	1,471
Other salaries for instruction		5,000	5,000	4,803	197
Purchased professional educational services	582,277	(211,973)	370,304	370,304	
Supplies and mateirals	6,750	(3,015)	3,735	2,744	991
Total other support services - students - extra services	1,675,981	(201,258)	1,474,723	1,472,064	2,659
Other support services - guidance - regular:					
Salaries of other prof. staff	2,164,069	138,763	2,302,832	2,301,813	1,019
Salaries secretary/clerical assts.	518,137	6,310	524,447	524,437	10
Purchased professional - educational services	40,000	(6,050)	33,950	33,950	
Other purchased prof. and tech. services	170,000	(708)	169,292	168,731	561
Other purchased services	450,600	(444,862)	5,738	4,767	971
Supplies and materials	4,600	1,259	5,859	3,007	2,852
Other objects	1,000		1,000	730	270
Total other support services - guidance - regular	3,348,406	(305,288)	3,043,118	3,037,435	5,683
Child study teams:					
Salaries of other prof. staff	2,494,572	235,644	2,730,216	2,721,050	9,166
Salaries secretary/clerical asstistants	348,790	(22,420)	326,370	326,370	
Other purchased prof. and tech. services	94,500	(31,945)	62,555	55,712	6,843
Other purchased services	21,991	(13,200)	8,791	8,223	568
Supplies and materials	65,000	(2,006)	62,994	62,594	400
Other objects	4,500	(3,000)	1,500	675	825
Total child study teams	3,029,353	163,073	3,192,426	3,174,624	17,802
Improvement of instruction services/instructional staff:					
Salaries of supervisors of instruction	946,218	16,675	962,893	962,889	4
Salaries of secretarial and clerical assistants	213,890	72,313	286,203	285,472	731
Other salaries	383,072	4,640	387,712	387,708	4
Supplies and materials	550,000	30,557	580,557	580,557	
Other objects	13,500	(400)	13,100	12,836	264
Total improvement of instruction services/instructional staff	2,106,680	123,785	2,230,465	2,229,462	1,003

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Budgetary Comparison Schedule
Budgetary Basis
General Fund
Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Current expense (continued):					
Undistributed expenditures (continued):					
Educational media services/school library:					
Salaries	$ 576,974	$ (49,150)	$ 527,824	$ 524,250	$ 3,574
Salaries of technology coordinators	104,665	10,360	115,025	113,096	1,929
Purchased prof. and tech. services	133,715	(40,959)	92,756	88,096	4,660
Supplies and materials	62,185	104	62,289	61,861	428
Total educational media services/school library	877,539	(79,645)	797,894	787,303	10,591
Instructional staff training services:					
Salaries of supervisors of instruction	1,051,596	16,110	1,067,706	1,067,701	5
Salaries of secretarial and clerical assistants	365,641	(64,258)	301,383	299,932	1,451
Other salaries	49,500	8,195	57,695	57,695	
Purchased professional - educational services	10,000	1,500	11,500	11,274	226
Other purchased prof. and tech. services	99,835	(29,052)	70,783	70,618	165
Other purchased services	8,285	(1,197)	7,088	6,971	117
Supplies and materials	20,853	8,881	29,734	29,489	245
Other objects	6,330	581	6,911	6,368	543
Total instructional staff training services	1,612,040	(59,240)	1,552,800	1,550,048	2,752
Support services - general administration:					
Salaries	441,423	15,660	457,083	440,559	16,524
Legal services	215,000	15,000	230,000	196,311	33,689
Audit fees	63,500		63,500	63,500	
Architect / engineering services	77,433	13,766	91,199	21,112	70,087
Other purchased prof. services	79,145	15,000	94,145	66,568	27,577
Communications/telephone	91,430	6,783	98,213	88,493	9,720
BOE other purchased services	5,000	745	5,745	5,745	
Miscellaneous purchased services	315,836	(10,000)	305,836	279,434	26,402
General supplies	9,100	(745)	8,355	7,740	615
Miscellaneous expenditures	40,040		40,040	36,154	3,886
Total support services - general administration	1,337,907	56,209	1,394,116	1,205,616	188,500
Support services -school administration:					
Salaries of principals/asst. principals	2,709,326	10,688	2,720,014	2,717,824	2,190
Salaries of other professional staff	194,322		194,322	193,797	525
Salaries secretary/clerical assts.	1,249,263	126,650	1,375,913	1,375,349	564
Purchased professional and technical services	81,166	(15,000)	66,166	45,119	21,047
Other purchased services	600	(100)	500		500
Supplies and materials	12,300	1,164	13,464	13,391	73
Other objects	20,100	(1,107)	18,993	18,120	873
Total support services - school administration	4,267,077	122,295	4,389,372	4,363,600	25,772
Central Services:					
Salaries	759,331	115	759,446	759,445	1
Purchased professional services	156,156	50,000	206,156	196,412	9,744
Misc purchased services	20,432	(3,500)	16,932	7,763	9,169
Supplies and materials	13,900		13,900	11,184	2,716
Miscellaneous expenditures	6,500	(500)	6,000	4,768	1,232
Total central services	956,319	46,115	1,002,434	979,572	22,862
Admin Info Technology:					
Salaries	892,973	(66,000)	826,973	821,708	5,265
Purchased technical services	290,375	(13,064)	277,311	252,625	24,686
Supplies and materials	51,900	19,187	71,087	58,664	12,423
Total Admin Info Technology	1,235,248	(59,877)	1,175,371	1,132,997	42,374
Required maintenance for school facilities:					
Salaries	402,257	142,000	544,257	536,738	7,519
Cleaning, repair and maintenance services	2,622,911	(586,370)	2,036,541	1,977,557	58,984
Travel	1,500	277	1,777	1,589	188
General supplies	367,771	33,106	400,877	383,813	17,064
Other objects		150	150	150	
Total required maintenance for school facilities	3,394,439	(410,837)	2,983,602	2,899,847	83,755

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Budgetary Comparison Schedule
Budgetary Basis
General Fund
Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Current expense (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	$ 611,598	$ (132,384)	$ 479,214	$ 378,714	$ 100,500
Purchased professional and technical services	95,000	1,384	96,384	96,384	
Cleaning, repair and maintenance services	3,061,813	270	3,062,083	3,056,385	5,698
Other purchased property services	320,000	(10,790)	309,210	304,843	4,367
Insurance	655,706	(85,681)	570,025	569,827	198
General supplies	234,100	29,447	263,547	260,795	2,752
Energy (electricity)	879,000	(25,599)	853,401	802,216	51,185
Energy (natural gas)	471,600	(13,452)	458,148	452,598	5,550
Total custodial services	6,328,817	(236,805)	6,092,012	5,921,762	170,250
Care and upkeep of grounds:					
Cleaning, repair and maintenance services	678,209	(134,762)	543,447	542,487	960
General supplies	40,500	1,710	42,210	41,635	575
Total care and upkeep of grounds	718,709	(133,052)	585,657	584,122	1,535
Security:					
Salaries	90,441	24,010	114,451	114,447	4
Purchased professional and technical services	569,400	8,905	578,305	578,305	
General supplies	500		500		500
Other objects	4,140		4,140	2,610	1,530
Total security	664,481	32,915	697,396	695,362	2,034
Student transportation services:					
Salaries for pupil trans. - (other than between home/school)	91,996	18,910	110,906	110,405	501
Management fee- ESC & CTSA trans. program	87,437	6,100	93,537	93,524	13
Cleaning, repair and maintenance services	20,000	(7,100)	12,900	12,715	185
Rental payments-school buses		29,400	29,400	29,400	
Contracted services (between home and sch.) - vendor	2,847,316	(133,505)	2,713,811	2,713,811	
Contracted services (other than home to sch.) - vendor	551,116	(115,430)	435,686	435,474	212
Contracted services (special ed.) - esc	3,851,369	(867,347)	2,984,022	2,928,006	56,016
Contracted servcices - aid in lieu of payments - nonpublic	444,447	(1,038)	443,409	426,092	17,317
Contracted services - parental contracts	27,747	3,500	31,247	31,114	133
Other objects	400	600	1,000	927	73
Total student transportation services	7,921,828	(1,065,910)	6,855,918	6,781,468	74,450
Unallocated benefits - employee benefits:					
Social security contributions	1,250,409	35,885	1,286,294	1,275,554	10,740
Other retirement contributions - PERS	1,764,884	(146,512)	1,618,372	1,601,262	17,110
Unemployment compensation	40,000	(40,000)			
Worker's compensation	314,259	3,654	317,913	317,913	
Health benefits	14,510,102	3,086,497	17,596,599	17,315,136	281,463
Tuition reimbursement	325,000	(82,517)	242,483	197,653	44,830
Other employee benefits	205,800	(88,518)	117,282	101,301	15,981
Total unallocated benefits	18,410,454	2,768,489	21,178,943	20,808,819	370,124
On-behalf payments:					
On-behalf TPAF pension and annuity fund (non-budgeted)				16,993,525	(16,993,525)
On-behalf TPAF post retirement medical (non-budgeted)				4,965,522	(4,965,522)
On-behalf TPAF long-term disability insurance (non-budgeted)				6,809	(6,809)
Reimbursed TPAF social security contributions (non-budgeted)				3,701,501	(3,701,501)
Total on-behalf payments				25,667,357	(25,667,357)
Total undistributed expenditures	63,686,430	1,004,685	64,691,115	89,289,667	(24,598,552)
Total expenditures - current expense	113,440,769	1,146,241	114,587,010	139,107,667	(24,520,657)
Capital outlay					
Equipment:					
Regular programs - instruction:					
Grades 1-5		10,814	10,814	5,588	5,226
Grades 6-8	13,500	4,355	17,855	17,855	
Grades 9-12	2,000	19,088	21,088	21,088	
Required maintenance for school facilities	85,000	(82,085)	2,915	2,915	
Student transportation services	182,000	(78,210)	103,790	103,790	
Total equipment	282,500	(126,038)	156,462	151,236	5,226

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Budgetary Comparison Schedule
Budgetary Basis
General Fund
Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Capital outlay (continued)					
Facilities acquisition and construction services:					
Other purchased professional and technical services	$ 127,920	$ 92,800	$ 220,720		$ 220,720
Construction services	2,433,483	258,000	2,691,483	$ 1,132,205	1,559,278
Total facilities acquisition and construction svcs.	2,561,403	350,800	2,912,203	1,132,205	1,779,998
Total capital outlay	2,843,903	224,762	3,068,665	1,283,441	1,785,224
Total expenditures	116,284,672	1,371,003	117,655,675	140,391,108	(22,735,433)
(Deficiency) excess of revenues (under) over expenditures	(7,503,022)	(1,371,003)	(8,874,025)	(3,930,166)	4,943,859
Other financing (uses):					
Transfers out - capital reserve transfer to capital projects fund		(120,700)	(120,700)	(120,700)	
Transfers out - capital reserve transfer to debt service fund	(64,799)		(64,799)	(64,799)	
Total other financing (uses)	(64,799)	(120,700)	(185,499)	(185,499)	
Net change in fund balance	(7,567,821)	(1,491,703)	(9,059,524)	(4,115,665)	4,943,859
Fund balances, July 1	31,589,542		31,589,542	31,589,542	
Fund balances, June 30	$ 24,021,721	$ (1,491,703)	$ 22,530,018	$ 27,473,877	$ 4,943,859
Recapitulation of (deficiency) excess of revenues and other financing sources (under) over expenditures and other financing (uses)					
Budgeted fund balance	$ (4,000,000)	$ (4,364,593)	$ (8,364,593)	$ (6,205,702)	$ 2,158,891
Withdrawal from maintenance reserve	(592,670)	592,670			
Withdrawal from capital reserve	(2,401,920)	2,401,920			
Capital reserve - transfer to capital projects fund		(120,700)	(120,700)	(120,700)	
Capital reserve - transfer to repayment of debt	(64,799)		(64,799)	(64,799)	
Deposit to capital reserve	500	(500)		2,343,157	2,343,157
Deposit to maintenance reserve	500	(500)		441,811	441,811
Adjustment for prior year encumbrances	(509,432)		(509,432)	(509,432)	
Total	$ (7,567,821)	$ (1,491,703)	$ (9,059,524)	$ (4,115,665)	$ 4,943,859

Recapitulation of fund balance:	
Restricted fund balance:	
Excess surplus designated for subsequent year's expenditures	$ 5,761,527
Excess surplus - current year	2,550,794
Capital reserve	9,079,798
Maintenance reserve	4,454,017
Emergency reserve	1,000,000
Unemployment compensation	493,251
Assigned fund balance:	
Year end encumbrances	244,860
Designated for subsequent year's expenditures	554,300
Unassigned fund balance	3,335,330
	27,473,877
Reconciliation to governmental funds statements (GAAP):	
Last state aid payments not recognized on GAAP basis	(820,251)
Fund balance per governmental funds (GAAP)	$ 26,653,626

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Budgetary Comparison Schedule
Budgetary Basis
Special Revenue Fund
Required Supplementary Information
Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Local Sources		$ 131,538	$ 131,538	$ 2,122,800	$ 1,991,262
State Sources	$ 299,632	95,729	395,361	307,343	(88,018)
Federal Sources	1,255,610	626,004	1,881,614	1,673,685	(207,929)
Total Revenues	1,555,242	853,271	2,408,513	4,103,828	1,695,315
EXPENDITURES:					
Instruction:					
Salaries of Teachers	355,123	(57,077)	298,046	286,987	11,059
Purchased Professional - Educational Services	210,798	118,226	329,024	265,017	64,007
Other Purchased Services	886,339	195,149	1,081,488	1,081,488	
General Supplies		122,110	122,110	68,134	53,976
Textbooks	22,653	871	23,524	22,639	885
Other Objects		165	165		165
Total Instruction	1,474,913	379,444	1,854,357	1,724,265	130,092
Support Services:					
Salaries		32,924	32,924	27,373	5,551
Personal Services - Employee Benefits		20,582	20,582	19,824	758
Purchased Professional and Technical Services		172,379	172,379	55,951	116,428
Other Purchased Services		49,021	49,021	41,314	7,707
Supplies and Materials	80,329	133,801	214,130	127,506	86,624
Other Objects		1,000	1,000	522	478
Scholarships				830	(830)
Student Activities				2,000,400	(2,000,400)
Total Support Services	80,329	409,707	490,036	2,273,720	(1,783,684)
Facilities Acquisition and Construction Services:					
Noninstructional Equipment					
Construction Services		64,120	64,120	51,123	12,997
Total Facilities Acquisition and Construction Services		64,120	64,120	51,123	12,997
Total Expenditures	1,555,242	853,271	2,408,513	4,049,108	(1,640,595)
Excess of Revenues Over Expenditures	$ -	$ -	-	54,720	$ 54,720
Fund Balance, July 1				857,965	
Fund Balance, June 30				$ 912,685	
Recapitulation:					
Restricted:					
Scholarships				$ 660	
Student Activities				912,025	
Total Fund Balance				$ 912,685	

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Note to Required Supplementary Information
Budget to GAAP Reconciliation
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 (C-1, C-2)	$ 136,460,942	$ 4,103,828
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(18,677)
Prior Year (net of cancellations)		30,651
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	732,415	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(820,251)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (B-2)	$ 136,373,106	$ 4,115,802
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	$ 140,391,108	$ 4,049,108
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(18,677)
Prior Year (net of Cancellations)		30,651
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	$ 140,391,108	$ 4,061,082

Supplementary Information

Special Revenue Fund

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year Ended June 30, 2025

			NJ Nonpublic Auxiliary Services, Ch. 192		NJ Nonpublic Handicapped Services, Ch. 193				
	Nonpublic Textbooks	Nonpublic Security	Nonpublic Comp. Education	Home Instruction	Nonpublic Exam and Class.	Nonpublic Corrective Speech	Nonpublic Suppl. Instruction	Nonpublic Nursing Services	Nonpublic Technology
REVENUES:									
State Sources	$ 22,639	$ 68,544	$ 45,079	3,992	$ 42,282	$ 16,926	$ 27,836	$ 58,177	$ 21,868
Federal Sources									
Other Sources									
Total Revenues	$ 22,639	$ 68,544	$ 45,079	$ 3,992	$ 42,282	$ 16,926	$ 27,836	$ 58,177	$ 21,868
EXPENDITURES:									
Instruction:									
Salaries of Teachers									
Purchased Professional - Educational Services			$ 45,079	$ 3,992	$ 42,282	$ 16,926	$ 27,836	$ 58,177	$ 21,868
Other Purchased Services									
General Supplies									
Textbooks	$ 22,639								
Total Instruction	22,639		45,079	3,992	42,282	16,926	27,836	58,177	21,868
Support Services:									
Salaries									
Personal Svcs. - Employee Benefits									
Purchased Professional and Technical Services									
Other Purchased Services									
Supplies and Materials		$ 68,544							
Other Objects									
Scholarships									
Student Activities									
Total Support Services		68,544							
Facilities Acquisition and Construction Services:									
Construction Services									
Total Facilities Acquisition and Construction Services									
Total Expenditures	$ 22,639	$ 68,544	$ 45,079	$ 3,992	$ 42,282	$ 16,926	$ 27,836	$ 58,177	$ 21,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year Ended June 30, 2025

	Title I	Title IIA	Title III Immigrant	Title III	Title IV	I.D.E.A. Part B	I.D.E.A. Part B Preschool
REVENUES:							
State Sources							
Federal Sources	$ 130,717	$ 59,579	$ 13,524	$ 22,216	$ 22,407	$ 1,304,954	$ 72,140
Other Sources							
Total Revenues	$ 130,717	$ 59,579	$ 13,524	$ 22,216	$ 22,407	$ 1,304,954	$ 72,140
EXPENDITURES:							
Instruction:							
Salaries of Teachers						$ 243,042	
Purchased Prof. - Educ. Services	$ 48,687			$ 170			
Other Purchased Services						1,009,348	$ 72,140
Instructional Supplies	57,434			2,695	$ 303	338	
Textbooks							
Total Instruction	106,121			2,865	303	1,252,728	72,140
Support Services:							
Salaries			$ 10,976	9,794	6,603		
Personal Svcs. - Employee Benefits						15,621	
Purchased Professional and Technical Services		$ 19,500		3,500	15,501	17,450	
Other Purchased Services		35,779		5,535			
Supplies and Materials	24,596	4,300	2,548			19,155	
Other Objects				522			
Scholarships Awarded							
Student Activities							
Total Support Services	24,596	59,579	13,524	19,351	22,104	52,226	
Facilities Acquisition and Construction Services:							
Construction Services							
Total Facilities Acquisition and Construction Services							
Total Expenditures	$ 130,717	$ 59,579	$ 13,524	$ 22,216	$ 22,407	$ 1,304,954	$ 72,140
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year Ended June 30, 2025

	COVID-19 ARP ESSER Learning Acceleration	COVID-19 ARP ESSER Beyond the School Day	Local Grants	Scholarship Fund	Activity/ Athletic Fund	Totals
REVENUES:						
State Sources						$ 307,343
Federal Sources	$ 15,148	$ 33,000				1,673,685
Other Sources			$ 66,850	$ 61	$ 2,055,889	2,122,800
Total Revenues	$ 15,148	$ 33,000	$ 66,850	$ 61	$ 2,055,889	$ 4,103,828
EXPENDITURES:						
Instruction:						
Salaries of Teachers	$ 13,290	$ 30,655				$ 286,987
Purchased Prof. - Educ. Services						265,017
Other Purchased Services						1,081,488
Instructional Supplies			$ 7,364			68,134
Textbooks						22,639
Total Instruction	13,290	30,655	7,364			1,724,265
Support Services:						
Salaries						27,373
Personal Svcs. - Employee Benefits	1,858	2,345				19,824
Purchased Professional and Technical Services						55,951
Other Purchased Services						41,314
Supplies and Materials			8,363			127,506
Other Objects						522
Scholarships Awarded				$ 830		830
Student Activities					$ 2,000,400	2,000,400
Total Support Services	1,858	2,345	8,363	830	2,000,400	2,273,720
Facilities Acquisition and Construction Services:						
Construction Services			51,123			51,123
Total Facilities Acquisition and Construction Services			51,123			51,123
Total Expenditures	$ 15,148	$ 33,000	$ 66,850	830	2,000,400	4,049,108
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(769)	55,489	54,720
Fund Balance, July 1	-	-	-	1,429	856,536	857,965
Fund Balance, June 30	$ -	$ -	$ -	$ 660	$ 912,025	$ 912,685

Capital Projects Fund

Exhibit F-1

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Project Revenues, Expenditures, Project Balances and Project Status - Budgetary Basis

Year Ended June 30, 2025

REVENUES	
State Sources	
SDA Grants	$ 838,240
Total Revenues	838,240
EXPENDITURES	
Other Purchased Professional and Technical Services	$ 98,500
Construction Services	1,459,790
Total Expenditures	1,558,290
(Deficiency) of Revenues (Under) Expenditures	(720,050)
OTHER FINANCING SOURCES	
Transfers In - Capital Reserve	120,700
Total Other Financing Sources	120,700
Net Change in Fund Balance	(599,350)
Fund Balance - July 1	1,553,680
Fund Balance - June 30	$ 954,330
Reconcilation to Fund Financial Statements:	
Fund Balance, June 30, 2025 - Budgetary Basis	$ 954,330
GAAP Basis Revenues Not Recognized	(762,036)
Fund Balance, June 30, 2025 - GAAP Basis	$ 192,294

Exhibit F-1a

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Ridge High School Cafeteria Upgrades
Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant				
Transfer from Capital Reserve	$ 669,563		$ 669,563	$ 669,563
Total Revenues	669,563	-	669,563	669,563
EXPENDITURES AND OTHER FINANCING USES				
Transfer Out				
Other Purchased Professional and Technical Services	494,425		494,425	669,563
Total Expenditures and Other Financing Uses	494,425	-	494,425	669,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 175,138	$ -	$ 175,138	$ -

ADDITIONAL PROJECT INFORMATION	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 669,563
Revised Authorized Cost	$ 669,563
Percentage Increase (Decrease) over Original Authorized Cost	0.00%
Percentage Completed	73.84%
Original Target Completion Date	9/1/20
Revised Target Completion Date	Complete

Exhibit F-1b

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
William Annin Middle School Science Labs
Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
Transfer from Capital Reserve	$ 592,550		$ 592,550	$ 592,550
Total Revenues	592,550	-	592,550	592,550
EXPENDITURES AND OTHER FINANCING USES				
Other Purchased Professional and Technical Services	57,498		57,498	58,050
Construction Services	524,745		524,745	534,500
Total Expenditures and Other Financing Uses	582,243	-	582,243	592,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 10,307	$ -	$ 10,307	$ -

ADDITIONAL PROJECT INFORMATION	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 54,750
Additional Authorized Cost	537,800
Revised Authorized Cost	$ 592,550
Percentage Increase (Decrease) over Original Authorized Cost	982.28%
Percentage Completed	98.26%
Original Target Completion Date	9/1/22
Revised Target Completion Date	Complete

Exhibit F-1c

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Oak Street School Roof Project
Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
Transfer from Capital Reserve	$ 616,723		$ 616,723	$ 616,723
Total Revenues	616,723	-	616,723	616,723
EXPENDITURES AND OTHER FINANCING USES				
Other Purchased Professional and Technical Services	45,500		45,500	45,500
Construction Services	570,768		570,768	571,223
Total Expenditures and Other Financing Uses	616,268	-	616,268	616,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 455	$ -	$ 455	$ -

ADDITIONAL PROJECT INFORMATION	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 606,723
Revised Authorized Cost	$ 606,723
Percentage Increase (Decrease) over Original Authorized Cost	0.00%
Percentage Completed	101.57%
Original Target Completion Date	9/1/23
Revised Target Completion Date	Complete

Exhibit F-1d

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Ridge High School HVAC Upgrade Project
Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ 572,000		$ 572,000	$ 572,000
Transfer from Capital Reserve	858,000		858,000	858,000
Total Revenues	1,430,000	-	1,430,000	1,430,000
EXPENDITURES AND OTHER FINANCING USES				
Other Purchased Professional and Technical Services				330,000
Construction Services	62,220	$ 842,390	904,610	1,100,000
Total Expenditures and Other Financing Uses	62,220	842,390	904,610	1,430,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 1,367,780	$ (842,390)	$ 525,390	$ -

ADDITIONAL PROJECT INFORMATION

Project Number	0350-050-23-G5AY
Grant Date	4/4/24
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 1,430,000
Revised Authorized Cost	$ 1,430,000
Percentage Increase (Decrease) over Original Authorized Cost	0.00%
Percentage Completed	63.26%
Original Target Completion Date	9/1/25
Revised Target Completion Date	9/1/25

Exhibit F-1e

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Mount Prospect School Roof Replacement
Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ 838,240	$ 838,240	$ 838,240
Transfer from Capital Reserve		120,700	120,700	120,700
Total Revenues	-	958,940	958,940	958,940
EXPENDITURES AND OTHER FINANCING USES				
Other Purchased Professional and Technical Services		98,500	98,500	120,700
Construction Services		617,400	617,400	838,240
Total Expenditures and Other Financing Uses	-	715,900	715,900	958,940
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ 243,040	$ 243,040	$ -

ADDITIONAL PROJECT INFORMATION	
Project Number	0350-100-23-G5BG
Grant Date	1/16/25
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 958,940
Revised Authorized Cost	$ 958,940
Percentage Increase (Decrease) over Original Authorized Cost	0.00%
Percentage Completed	74.66%
Original Target Completion Date	9/1/26
Revised Target Completion Date	9/1/26

Exhibit F-2

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Capital Projects Fund

Summary Schedule of Project Expenditures
Year Ended June 30, 2025

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	Expenditures to Date: Prior Years	Expenditures to Date: Current Year	Unexpended Appropriations June 30, 2025
Ridge High School - Cafeteria Upgrades	11/12/2018	$ 669,563	$ 494,425		$ 175,138
William Annin M.S. - Science Labs	11/12/2018	592,550	582,243		10,307
Oak Street School - Roof Project	6/13/2022	616,723	616,268		455
Ridge High School - HVAC Upgrades	4/4/2025	1,430,000	62,220	$ 842,390	525,390
Mount Prospect School - Roof Improvements	1/16/2025	958,940		715,900	243,040
Totals		$ 4,267,776	$ 1,755,156	$ 1,558,290	$ 954,330

Long-Term Debt

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Long-Term Debt
Schedule of Serial Bonds Payable
Year Ended June 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance June 30, 2024	Paid	Balance June 30, 2025
Refunding School Bonds	5/22/12	$ 9,700,000	07/15/25	$ 85,000	2.750 %	$ 8,785,000	$ 85,000	$ 8,700,000
			07/15/26	90,000	3.000			
			07/15/27	1,455,000	3.000			
			07/15/28	5,230,000	3.000			
			07/15/29	1,840,000	3.000			
Refunding School Bonds	2/6/13	23,745,000	07/15/25	4,435,000	4.000	16,750,000	4,260,000	12,490,000
			07/15/26	4,620,000	4.000			
			07/15/27	3,435,000	4.000			
Refunding School Bonds	2/25/15	5,515,000	07/15/25	795,000	4.000	4,675,000	295,000	4,380,000
			07/15/26	630,000	4.000			
			07/15/27	700,000	4.000			
			07/15/28	700,000	4.000			
			07/15/29	740,000	4.000			
			07/15/30	815,000	4.000			
Refunding School Bonds	5/18/16	8,680,000	07/15/29	3,215,000	3.000	8,435,000		8,435,000
			07/15/30	5,220,000	3.000			
						$ 38,645,000	$ 4,640,000	$ 34,005,000

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Long-Term Debt
Schedule of Financed Purchases Payable
Year Ended June 30, 2025

Series	Date of Lease	Term of Lease	Amount of Original Lease Principal	Amount of Original Lease Interest	Interest Rate	Balance June 30, 2024	Retired	Balance June 30, 2025
2021 - Copiers - Various Schools	3/28/2021	5 Years	$ 26,651	$ 4,189	1.57 %	$ 9,768	$ 5,745	$ 4,023
2023 - Copiers - Various Schools	2/28/2023	5 Years	28,369	4,458	1.57	21,159	5,464	15,695
						$ 30,927	$ 11,209	$ 19,718

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Debt Service Fund
Budgetary Comparison Schedule
Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 5,115,001		$ 5,115,001	$ 5,115,001	
State Sources-Debt Service Aid	740,999		740,999	740,999	
Total Revenues	5,856,000		5,856,000	5,856,000	
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	4,640,000		4,640,000	4,640,000	
Interest on Bonds	1,280,800		1,280,800	1,280,800	
Total Expenditures	5,920,800		5,920,800	5,920,800	
(Deficiency) of Revenues (Under) Expenditures	(64,800)		(64,800)	(64,800)	
OTHER FINANCING SOURCES					
Transfer in	64,799		64,799	64,799	
Total Other Financing Sources	64,799		64,799	64,799	
Net Change in Fund Balances	(1)		(1)	(1)	
Fund Balance, July 1	1	$ -	1	1	$ -
Fund Balance, June 30	$ -	$ -	$ -	$ -	$ -

Statistical Section
(Unaudited)

Statistical Section
Unaudited

<u>Contents</u>

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District' s current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the district provides and the activities it performs.

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

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	June 30, 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	$ 13,736,660	$ 16,936,066	$ 19,080,016	$ 22,390,074	$ 25,079,014	$ 26,402,648	$ 28,517,359	$ 31,023,213	$ 34,032,293	$ 39,528,486
Restricted	16,339,829	19,016,860	19,510,590	19,589,095	21,979,836	24,123,710	27,813,180	31,629,788	29,519,520	24,998,666
Unrestricted (deficit)	(20,748,365)	(23,954,718)	(24,339,529)	(24,423,925)	(24,186,971)	(19,054,522)	(16,102,586)	(16,269,152)	(15,725,072)	(19,409,541)
Total Governmental Activities Net Position	$ 9,328,124	$ 11,998,208	$ 14,251,077	$ 17,555,244	$ 22,871,879	$ 31,471,836	$ 40,227,953	$ 46,383,849	$ 47,826,741	$ 45,117,611
Business-type Activities:										
Investment in Capital Assets	$ 132,771	$ 124,511	$ 103,854	$ 85,591	$ 62,688	$ 46,114	$ 90,216	$ 85,185	$ 381,874	$ 1,347,259
Unrestricted	1,319,034	1,718,909	1,939,293	2,027,446	2,140,951	1,933,422	1,881,244	2,396,493	2,260,484	1,332,095
Total Business-type Activities Net Position	$ 1,451,805	$ 1,843,420	$ 2,043,147	$ 2,113,037	$ 2,203,639	$ 1,979,536	$ 1,971,460	$ 2,481,678	$ 2,642,358	$ 2,679,354
Government-wide:										
Net Investment in Capital Assets	$ 13,869,431	$ 17,060,577	$ 19,183,870	$ 22,475,665	$ 25,141,702	$ 26,448,762	$ 28,607,575	$ 31,108,398	$ 34,414,167	$ 40,875,745
Restricted	16,339,829	19,016,860	19,510,590	19,589,095	21,979,836	24,123,710	27,813,180	31,629,788	29,519,520	24,998,666
Unrestricted (deficit)	(19,429,331)	(22,235,809)	(22,400,236)	(22,396,479)	(22,046,020)	(17,121,100)	(14,221,342)	(13,872,659)	(13,464,588)	(18,077,446)
Total Government-Wide Net Position	$ 10,779,929	$ 13,841,628	$ 16,294,224	$ 19,668,281	$ 25,075,518	$ 33,451,372	$ 42,199,413	$ 48,865,527	$ 50,469,099	$ 47,796,965

Source: District ACFR A-1

Note:

GASB 84 was implemented during the 2021 fiscal year, which required a retroactive adjustment of beginning net position in the amount of $1,399,107. This amount is not reflected in the June 30, 2020 Net Position, above.
GASB 101 was implemented during the 2025 fiscal year, which required the restatement of beginning governmental activities net position in the amount of ($4,050,591).

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Instruction:										
Regular Instruction	$ 47,134,891	$ 53,375,707	$ 53,242,764	$ 50,846,588	$ 49,102,191	$ 54,597,662	$ 46,390,857	$ 44,936,073	$ 48,617,012	$ 45,109,407
Special Education Instruction	20,646,861	22,529,787	23,778,056	22,611,975	22,214,745	24,261,027	22,456,874	22,808,151	22,739,674	23,585,692
Other Special Instruction	2,331,613	2,820,956	3,183,051	2,968,214	3,246,173	3,585,348	2,350,889	3,007,897	3,272,995	3,356,379
Other Instruction	2,110,012	2,307,572	2,602,853	2,572,403	2,700,880	2,721,068	3,690,952	2,933,243	3,085,795	3,256,819
Support Services:										
Tuition	2,176,329	1,848,121	2,285,833	2,280,243	2,549,053	3,928,992	2,167,384	2,407,786	2,266,584	3,185,535
Related Services	15,653,548	17,731,406	20,048,518	19,551,111	19,049,807	20,889,493	22,779,567	23,499,292	24,770,568	24,360,932
General Administration Services	1,224,933	1,316,991	1,437,136	1,446,330	1,382,202	2,966,429	1,445,940	1,505,810	1,630,283	1,453,334
School Administration Services	5,761,590	6,174,950	6,616,137	6,544,237	6,207,232	5,865,508	6,418,692	6,093,351	6,463,703	6,550,252
Central Services	955,062	978,363	1,067,485	978,299	1,015,805	1,110,752	1,166,623	1,130,291	1,257,704	1,378,160
Administrative Information Technology	888,132	982,707	1,159,516	1,051,967	1,136,543	1,283,697	1,362,991	1,392,329	1,579,113	1,569,002
Plant Operations and Maintenance	6,748,671	6,778,337	6,576,526	7,030,609	6,399,299	7,613,032	8,821,404	9,278,866	10,926,319	10,903,646
Pupil Transportation	5,506,213	5,346,333	5,853,470	5,602,180	5,473,941	5,392,718	6,063,358	7,525,394	7,852,329	7,035,605
Interest and other charges on Long-Term Debt	2,903,168	2,248,746	2,152,262	2,026,264	1,888,520	1,724,102	1,575,121	1,445,054	1,265,571	1,159,399
Total Governmental Activities Expenses	114,041,023	124,439,976	130,003,607	125,510,420	122,366,391	135,939,828	126,690,652	127,963,537	135,727,650	132,904,162
Business-type Activities:										
Food Service	2,178,252	1,898,157	2,094,777	2,145,630	1,522,290	206,532	1,673,635	1,856,166	2,130,416	2,224,440
After School Enrichment	115,744	110,284	125,212	145,133	130,767			137,275	141,626	143,520
Project Jump Start	90,703	82,248	119,029	41,827	4,162			43,510	91,511	861
Before and After School Care	1,265,941	1,241,025	1,310,375	1,411,641	899,568	49,297	1,158,558	1,036,008	1,278,943	1,403,113
Total Business-type Activities Expense	3,650,640	3,331,714	3,649,393	3,744,231	2,556,787	255,829	2,832,193	3,072,959	3,642,496	3,771,934
Total District Expenses	$ 117,691,663	$ 127,771,690	$ 133,653,000	$ 129,254,651	$ 124,923,178	$ 136,195,657	$ 129,522,845	$ 131,036,496	$ 139,370,146	$ 136,676,096
Program Revenues										
Governmental Activities:										
Changes for Services:										
Instruction (Tuition)	$ 1,370,663	$ 1,350,891	$ 1,323,962	$ 978,515	$ 905,675	$ 804,736	$ 959,769	$ 1,036,886	$ 777,918	$ 400,266
Student and Instruction Related Services						878,927	1,506,561	1,629,516	1,731,210	2,122,800
Pupil Transportation	237,288	225,237	207,025	241,335	165,168	59,344	158,783	164,001	185,523	190,982
Operating Grants and Contributions	1,784,900	1,789,911	1,837,957	1,847,771	1,883,936	2,670,359	2,771,682	4,139,625	4,462,013	1,993,002
Capital Grants and Contributions	886,147	696,634	338,092	625,538	194,916		201,441		32,276	623,316
Total Governmental Activities Program Revenues	4,278,998	4,062,673	3,707,036	3,693,159	3,149,695	4,413,366	5,598,236	6,970,028	7,188,940	5,330,366
Business-type Activities:										
Charges for Services:										
Food Service	2,199,301	2,372,148	2,261,276	2,246,569	2,288,587	1,557,404	1,533,619	2,120,911	2,298,575	2,309,503
After School Enrichment	126,920	123,030	116,747	122,995	142,352	112,429		156,122	138,108	166,261
Project Jump Start	105,007	86,250	86,450	139,100	45,500			85,377	71,928	520
Before and After School Care	1,219,883	1,265,121	1,258,856	1,340,456	1,337,682	977,556	1,040,498	1,220,767	1,294,565	1,332,646
Operating Grants and Contributions	120,253									
Capital Grants and Contributions		79,707								
Total Business-type Activities Program Revenues	3,771,364	3,926,256	3,723,329	3,849,120	3,814,121	2,647,389	2,574,117	3,583,177	3,803,176	3,808,930
Total District Program Revenues	$ 8,050,362	$ 7,988,929	$ 7,430,365	$ 7,542,279	$ 6,963,816	$ 7,060,755	$ 8,172,353	$ 10,553,205	$ 10,992,116	$ 9,139,296
Net (Expense) Revenue										
Governmental Activities	$ (93,494,934)	$ (104,149,136)	$ (126,296,571)	$ (121,817,261)	$ (119,216,696)	$ (131,526,462)	$ (121,092,416)	$ (120,993,509)	$ (128,538,710)	$ (127,573,796)
Business-type Activities	157,659	72,191	73,936	104,889	1,257,334	2,391,560	(258,076)	510,218	160,680	36,996
Total Government-wide Net Expense	$ (93,337,275)	$ (104,076,945)	$ (126,222,635)	$ (121,712,372)	$ (117,959,362)	$ (129,134,902)	$ (121,350,492)	$ (120,483,291)	$ (128,378,030)	$ (127,536,800)

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	$ 80,499,329	$ 82,109,315	$ 83,751,501	$ 85,426,531	$ 87,135,060	$ 88,877,761	$ 90,655,316	$ 91,314,864	$ 91,314,864	$ 94,894,719
Taxes Levied for Debt Service	5,218,563	5,284,441	5,102,268	5,107,583	5,106,178	5,107,890	5,105,651	5,115,001	5,115,001	5,115,001
Unrestricted Grants and Contributions	27,345,345	35,255,841	39,315,637	33,687,820	31,729,107	44,244,359	33,644,754	29,295,972	30,326,802	26,914,978
Investment Earnings	8,413	8,240	91,958	255,811	201,558	32,440	37,564	491,110	2,240,408	1,761,161
Miscellaneous Income	736,630	389,550	288,076	643,683	361,428	464,870	405,240	932,458	984,527	229,398
Total Governmental Activities	113,808,280	123,047,387	128,549,440	125,121,428	124,533,331	138,727,320	129,848,525	127,149,405	129,981,602	128,915,257
Business-type Activities:										
Miscellaneous Income							250,000	-	-	-
Total Business-type Activities	-	-	-	-	-	-	250,000	-	-	-
Total Government-wide	$ 113,808,280	$ 123,047,387	$ 128,549,440	$ 125,121,428	$ 124,533,331	$ 138,727,320	$ 130,098,525	$ 127,149,405	$ 129,981,602	$ 128,915,257
Change in Net Position										
Governmental Activities	$ 20,313,346	$ 18,898,251	$ 2,252,869	$ 3,304,167	$ 5,316,635	$ 7,200,858	$ 8,756,109	$ 6,155,896	$ 1,442,892	$ 1,341,461
Business-type Activities	157,659	72,191	73,936	104,889	1,257,334	2,391,560	(8,076)	510,218	160,680	36,996
Total District	$ 20,471,005	$ 18,970,442	$ 2,326,805	$ 3,409,056	$ 6,573,969	$ 9,592,418	$ 8,748,033	$ 6,666,114	$ 1,603,572	$ 1,378,457

Source: District ACFR A-2

GASB 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.

GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

	June 30, 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	$ 15,719,627	$ 18,558,587	$ 18,970,726	$ 19,205,575	$ 21,779,150	$ 22,799,630	$ 26,843,499	$ 28,161,630	$ 27,452,179	$ 23,339,387
Assigned	315,469	40,462	620,982	406,843	635,313	768,828	1,208,886	2,679,816	710,282	799,160
Unassigned	2,404,541	2,316,967	2,546,788	3,058,747	3,286,993	7,356,220	6,532,291	4,096,726	2,694,666	2,515,079
Total General Fund	$ 18,439,637	$ 20,916,016	$ 22,138,496	$ 22,671,165	$ 25,701,456	$ 30,924,678	$ 34,584,676	$ 34,938,172	$ 30,857,127	$ 26,653,626
All Other Governmental Funds:										
Restricted for:										
Special Revenue Fund*						$ 697,513	$ 750,549	$ 900,642	$ 857,965	$ 912,685
Capital Projects Fund	$ 1,664,801	$ 620,202	$ 458,273	$ 539,864	$ 383,521	625,501	219,132	292,394	1,006,568	192,294
Debt Service Fund	36,069		1,802	3,182	1,381	1	1	1	1	
Total All Other Governmental Funds	$ 1,700,870	$ 620,202	$ 460,075	$ 543,046	$ 384,902	$ 1,323,015	$ 969,682	$ 1,193,037	$ 1,864,534	$ 1,104,979

Source: District ACFR B-1

* The increase is due to the implementation of GASB 84, which required the reporting of scholarships and student activities in the Special Revenue Fund.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	$ 85,717,892	$ 87,393,756	$ 88,853,769	$ 90,534,114	$ 92,241,238	$ 93,985,651	$ 95,760,967	$ 96,429,865	$ 96,429,865	$ 100,009,720
Tuition Charges	1,370,663	1,296,717	1,323,962	978,515	905,675	804,736	959,769	1,036,886	777,918	400,266
Interest Earnings	8,413	8,240	91,958	255,811	201,558	32,440	36,654	491,110	2,240,408	1,761,161
Miscellaneous	1,123,675	847,989	541,400	978,673	600,891	1,494,134	2,057,568	2,919,835	2,982,563	2,650,071
State Sources	16,887,311	17,895,211	19,962,090	23,205,503	24,353,793	29,846,264	35,275,090	36,578,864	39,347,678	40,453,526
Federal Sources	1,428,770	1,393,854	1,562,588	1,484,300	1,633,811	2,335,349	2,659,707	3,517,287	4,033,726	1,693,480
Total Revenues	106,536,724	108,835,767	112,335,767	117,436,916	119,936,966	128,498,574	136,749,755	140,973,847	145,812,158	146,968,224
Expenditures										
Instruction:										
Regular Instruction	27,558,982	28,089,373	28,354,341	29,069,183	28,682,480	29,700,287	29,703,947	29,188,675	31,464,842	30,976,384
Special Education Instruction	13,167,825	13,236,885	13,571,968	13,767,124	13,966,179	13,874,027	14,718,023	15,885,816	15,407,402	16,072,133
Other Special Instruction	1,306,749	1,425,485	1,633,136	1,641,700	1,852,198	1,883,245	1,911,792	1,949,106	2,074,280	2,224,966
School-sponsored/Other Instructional	1,514,095	1,575,741	1,667,585	1,730,798	1,854,817	1,688,836	1,968,866	2,120,187	2,185,406	2,268,875
Support Services:										
Tuition	2,155,642	1,836,112	2,275,487	2,277,410	2,549,053	1,822,763	2,167,384	2,407,786	2,266,584	3,185,535
Student and Instruction Related Services	10,614,056	11,412,307	12,332,102	12,790,815	12,856,757	14,491,373	15,608,756	17,644,995	18,251,819	17,349,211
General Administrative Services	963,463	1,003,733	1,094,848	1,137,732	1,099,757	1,430,913	1,178,414	1,212,406	1,368,074	1,205,616
School Administrative Services	3,558,390	3,498,321	3,644,988	3,862,168	3,772,625	3,923,164	4,025,786	4,069,828	4,234,021	4,350,866
Central Services	675,431	652,085	696,564	686,105	688,429	749,892	798,957	831,694	890,013	979,572
Admin. Information Technology	661,173	709,508	768,126	726,750	840,605	877,448	935,558	1,066,525	1,168,586	1,132,997
Plant Operations and Maintenance	6,400,037	6,384,898	6,211,074	6,635,205	6,024,687	6,956,859	8,221,218	8,632,212	10,213,409	10,101,093
Pupil Transportation	5,328,761	5,154,251	5,645,226	5,407,828	5,281,001	5,206,287	5,835,623	7,276,522	7,599,803	6,781,468
Employee Benefits	22,763,318	23,638,620	26,067,479	29,119,728	30,081,903	34,863,626	40,196,512	40,628,319	44,312,575	46,476,176
Charter Schools	20,687	12,009	10,346	2,833						
Capital Outlay	3,310,221	3,468,645	1,429,848	2,491,055	1,704,075	443,703	754,526	2,079,994	1,284,899	2,892,854
Cost of issuance	112,906									
Debt Service:										
Principal	3,784,600	3,110,000	3,316,784	3,448,791	3,634,477	3,625,656	3,540,945	3,661,950	5,026,627	4,651,209
Interest and Other Charges	2,764,108	2,454,542	2,447,189	2,323,651	2,201,847	2,039,637	1,877,849	1,740,981	1,473,366	1,282,325
Total Expenditures	106,660,444	107,662,515	111,167,091	117,118,876	117,090,890	123,577,716	133,444,156	140,396,996	149,221,706	151,931,280
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,720)	1,173,252	1,168,676	318,040	2,846,076	4,920,858	3,305,599	576,851	(3,409,548)	(4,963,056)
Other Financing Sourses (Uses)										
Capital Leases (Non-budgeted)	51,375	1,143,000	136,775	56,485		26,651				
Payments to Escrow Agent	(9,037,678)									
Refunding Bonds Issued	8,680,000									
Premium on Bonds Refunded	470,584									
Transfers In	2,468,243	883,897	654,769	946,333	823,972	538,028		606,723	1,420,829	185,499
Transfers Out	(2,468,243)	(883,897)	(654,769)	(946,333)	(823,972)	(538,028)		(606,723)	(1,420,829)	(185,499)
Total Other Financing Sources (Uses)	164,281	1,143,000	136,775	56,485	-	26,651	-	-	-	-
Net Change in Fund Balances	$ 40,561	$ 2,316,252	$ 1,305,451	$ 374,525	$ 2,846,076	$ 4,947,509	$ 3,305,599	$ 576,851	$ (3,409,548)	$ (4,963,056)
Debt service as a percentage of noncapital expenditures	6.34%	5.34%	5.25%	5.04%	5.06%	4.60%	4.08%	3.91%	4.39%	3.98%

Source: District ACFR B-2

Note: Noncapital expenditures are total expenditures less capital outlay and debt service.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Unaudited

Fiscal Year Ended June 30,	Transportation Fees	Facility Use Fees	Prior Year Refunds	Other		Annual Totals
2016	$ 237,288	$ 117,098	$ 59,024	$ 568,488		$ 981,898
2017	225,237	129,242	105,434	162,890		622,803
2018	207,025	140,023	22,890	123,783		493,721
2019	241,335	149,972	29,822	463,889		885,018
2020	165,168	84,634	7,753	269,041		526,596
2021	59,344		30,512	434,358		524,214
2022	158,783	83,484	5,710	363,610		611,587
2023	164,001	118,928	487,404	817,236	*	1,587,569
2024	185,523	23,185	391,047	2,894,736	*	3,494,491
2025	190,982	91,898	153,826	1,851,726	*	2,288,432

Source: District Records

* The increases in the past three years is the result of additional interest earned due to higher interest rates.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [b]
2016	$ 19,396,000	$ 6,031,343,100	$ 26,258,500	$ 306,000	$ 717,290,500	$ 6,476,500	$ 8,013,500	$ 6,809,084,100	$ 7,858,035	$ 6,816,942,135	$ 6,976,129,429	$ 1.270
2017	20,557,600	5,988,078,700	31,572,700	300,300	728,288,600	6,476,500	8,131,800	6,783,406,200	7,895,242	6,791,301,442	6,791,301,442	1.297
2018	16,232,700	5,976,650,700	30,782,900	292,000	765,478,300	2,052,200	8,626,800	6,800,115,600	7,863,361	6,807,978,961	6,807,978,961	1.317
2019	14,373,000	5,978,937,900	28,394,100	268,700	785,793,100	2,128,000	8,586,700	6,818,481,500	7,896,944	6,826,378,444	6,826,378,444	1.339
2020	12,255,400	5,853,177,400	28,439,600	278,300	793,945,900	2,173,400	8,744,000	6,699,014,000	8,151,385	6,707,165,385	6,707,165,385	1.389
2021	14,385,500	5,936,384,357	27,806,900	271,100	764,069,500	2,199,700	9,977,500	6,755,094,557	8,243,422	6,763,337,979	6,763,337,979	1.403
2022	14,207,500	6,349,085,500	31,312,500	284,900	780,503,100	2,279,500	13,928,000	7,191,601,000	8,258,900	7,199,859,900	7,727,882,129	1.335
2023	25,880,600	6,890,127,100	33,658,700	284,200	799,988,300	2,279,500	15,109,800	7,767,328,200	9,147,000	7,776,475,200	7,772,790,503	1.240
2024	43,320,500	7,513,012,300	37,993,900	294,000	818,874,100	2,324,900	16,840,500	8,432,660,200	9,143,900	8,441,804,100	8,570,955,827	1.164
2025	42,678,200	8,341,086,800	44,610,600	271,000	840,015,200	2,324,900	28,088,400	9,299,075,100	9,163,600	9,308,238,700	9,178,765,200	1.095

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

[a] Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

[b] Tax rates are per $100

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)
Unaudited

	Bernards School District Direct Rate			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate	Bernards Township	Somerset County	Total Direct and Overlapping Tax Rate
2016	$ 1.193	$ 0.077	$ 1.270	$ 0.322	$ 0.359	$ 1.951
2017	1.221	0.076	1.297	0.329	0.363	1.989
2018	1.242	0.075	1.317	0.327	0.361	2.005
2019	1.264	0.075	1.339	0.332	0.363	2.005
2020	1.312	0.077	1.389	0.343	0.362	2.094
2021	1.327	0.076	1.403	0.347	0.360	2.110
2022	1.286	0.049	1.335	0.333	0.343	2.011
2023	1.174	0.066	1.240	0.333	0.300	1.873
2024	1.103	0.061	1.164	0.301	0.314	1.779
2025	1.040	0.055	1.095	0.285	0.308	1.688

Source: Municipal Tax Collector

[a] The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

[b] Rates for debt service are based on each year's requirements.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

	2025			2016		
	Taxable Assessed Value	Rank	% of Total Direct Net Assessed Value	Taxable Assessed Value	Rank	% of Total Direct Net Assessed Value
295 North Maple LLC/Verizon Corp Svcs Group	$ 239,018,700	1	2.57%	$ 197,109,192	1	2.91%
Fellowship Senior Living Inc/Fellowship Deconry Inc	71,116,700	2	0.76%	51,506,000	2	0.76%
Bernards Plaza Assoc LLC	58,144,500	3	0.63%			
RW 211 Mount Airy LLC	50,522,000	4	0.54%	22,560,000	6	0.33%
106, 110, 150 Allen LLC C/O Signature Acq	45,615,600	5	0.49%			
Crown Court Associates	27,178,400	6	0.29%			
219 Mount Airy Basking Ridge Propco LLC	26,574,500	7	0.29%			
3066 Valley Rd Basking Ridge Project Partnership LL	19,833,100	8	0.21%			
131 Morristown Re; C/O UBS Rlty Inv	17,874,900	9	0.19%	22,224,500	7	0.33%
73 Mountain View CCM Properties Two LLC	17,690,400	10	0.19%			
AREP Westgate I, LLC				31,120,100	3	0.46%
Ashford Basking Ridge LP (Marriott)				23,500,000	5	0.35%
110 Allen Road LLC				22,195,900	8	0.33%
150 Allen Road LLC				19,131,900	10	0.28%
Verizon Corp Services Group 300 N. Maple				25,481,500	4	0.38%
120 Mountainview LLC				20,732,800	9	0.31%
Total	$ 573,568,800		6.16%	$ 435,561,892		6.44%

Source: Municipal Tax Assessor

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy [a] Amount	Percentage of Levy		Collections in Subsequent Years
2016	$ 85,717,892	$ 77,334,426	90.22%	*	$ 8,383,466
2017	87,393,756	87,393,756	100.00%		
2018	88,853,769	88,853,769	100.00%		
2019	90,534,114	90,534,114	100.00%		
2020	92,241,238	92,241,238	100.00%		
2021	93,985,651	93,985,651	100.00%		
2022	95,760,967	95,760,967	100.00%		
2023	96,429,865	96,429,865	100.00%		
2024	96,429,865	96,856,116	100.44%	^	
2025	100,009,720	100,435,970	100.43%	^	

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

[a] 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 certified prior to the end of the school year.

* The Township remitted the first quarter payment of the 2016 tax levy early, in the prior fiscal year.

^ The Township remitted the first payment of the subsequent year early for 2024-2025 in June 2024 and 2025-2026 in June 2025.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

	Governmental Activities				
Fiscal Year Ended June 30,	General Obligation Bonds	Financed Purchases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2016	$ 66,430,000	$ 777,482	$ 67,207,482	2.75%	$ 90,268
2017	63,320,000	1,495,568	64,815,568	2.48%	96,548
2018	60,380,000	1,194,159	61,574,159	2.16%	104,620
2019	57,315,000	795,564	58,110,564	1.94%	110,466
2020	54,130,000	346,085	54,476,085	1.79%	112,825
2021	50,790,000	87,080	50,877,080	1.61%	113,975
2022	47,295,000	41,135	47,336,135	1.53%	110,753
2023	43,655,000	47,554	43,702,554	Not Available	Not Available
2024	38,645,000	30,927	38,675,927	Not Available	Not Available
2025	34,005,000	19,718	34,024,718	Not Available	Not Available

Note: Details regarding the District's outstanding debt can be found in Note 5 to the basic financial statements.

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

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
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 [a] of Property	Per Capita [b]
2016	$ 66,430,000		$ 66,430,000	0.98%	$ 90,268
2017	63,320,000	$ 1,802	63,318,198	0.93%	96,548
2018	60,380,000	3,182	60,376,818	0.88%	104,620
2019	57,315,000	1,381	57,313,619	0.84%	110,466
2020	54,130,000	1	54,129,999	0.81%	112,825
2021	50,790,000	1	50,789,999	0.75%	113,975
2022	47,295,000	-	47,295,000	0.66%	110,753
2023	43,655,000	-	43,655,000	0.56%	Not Available
2024	38,645,000	1	38,644,999	0.46%	Not Available
2025	34,005,000	-	34,005,000	0.37%	Not Available

Notes: Details regarding the District's outstanding debt can be found in Note 5 to the basic financial statements.

[a] See J-6 for property tax data.

[b] Population data can be found in J-14.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024
Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Bernards Township - not made available			
Somerset County General Obligation Debt	$ 295,206,531	10.594%	$ 31,274,180
Subtotal, Overlapping Debt			31,274,180
Bernards School District Direct Debt			34,005,000
Total Direct and Overlapping Debt			$ 65,279,180

Source: Assessed value data used to estimate applicable percentages provided by the Somerset County Board of Taxation.

Debt outstanding data provided by each governmental unit.

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

[a] For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Bernards Township's equalized property value that is within the Somerset County's boundaries and dividing it by Somerset County's total equalized taxable value.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2025

Year	Equalized Valuation Basis
2025	$ 9,785,314,883
2024	8,996,312,396
2023	8,115,312,936
	$ 26,896,940,215

Average Equalized Valuation of Taxable Property	$ 8,965,646,738
Debt Limit (4% of Average Equalization Value)	$ 358,625,870 [a]
Total Net Debt Applicable to Limit	34,005,000
Legal Debt Margin	$ 324,620,870

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 277,231,659	$ 277,921,998	$ 276,738,798	$ 274,742,118	$ 274,742,118	$ 270,625,091	$ 288,058,710	$ 304,015,661	$ 320,955,046	$ 358,625,870
Total Net Debt Applicable to Limit	66,430,000	63,318,198	60,376,818	57,313,619	54,129,999	50,789,999	47,295,000	43,655,000	38,644,999	34,005,000
Legal Debt Margin	$ 210,801,659	$ 214,603,800	$ 216,361,980	$ 217,428,499	$ 220,612,119	$ 219,835,092	$ 240,763,710	$ 260,360,661	$ 282,310,047	$ 324,620,870
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.96%	22.78%	21.82%	20.86%	19.70%	18.77%	16.42%	14.36%	12.04%	9.48%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

[a] Limit set by NJSA 18A:24-19 for a K through 12 district; other percent limits would be applicable for other district types.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2016	27,034	$ 2,440,305,112	$ 90,268	3.70%
2017	27,061	2,612,685,428	96,548	3.30%
2018	27,205	2,846,187,100	104,620	2.90%
2019	27,142	2,998,268,172	110,466	2.50%
2020	27,025	3,049,095,625	112,825	5.60%
2021	27,747	3,162,464,325	113,975	4.10%
2022	27,896	3,089,565,688	110,753	2.60%
2023	28,100	3,112,159,300	Not Available	3.40%
2024	Not Available	Not Available	Not Available	4.40%
2025	Not Available	Not Available	Not Available	4.90%

Source:

[a] Population information provided by the NJ Dept. of Labor and Workforce Development and is reported as of July 1 of the identified year.

[b] Personal income has been estimated based upon the municipal population and per capita personal income presented.

[c] Per capita personal income by municipality estimated based upon the Census published by the US Bureau of Economic Analysis.

[d] Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Principal Employers
Current Year and Nine Years Ago
Unaudited

	2025		2016	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
N/A				

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Teachers - General Fund	490.1	489.0	488.2	472.8	490.1	481.0	488.0	455.3	470.3	459.3
Classroom Aides - General Fund	119.5	128.2	129.6	130.8	112.5	137.0	116.0	135.6	121.0	114.4
Athletic	2.0	2.0	2.0	4.0	4.0	3.0	2.8	3.0	2.0	2.0
Health Services	12.5	12.6	13.0	13.0	13.0	13.0	16.3	14.2	15.0	13.6
Related Services	13.0	13.0	16.0	16.0	16.0	17.2	17.8	17.0	20.0	18.5
Extraordinary Services	9.0	10.0	8.0	9.0	10.0	14.8	10.0	9.4	10.4	10.8
Guidance - Professional	20.7	21.0	21.0	22.0	22.0	23.0	22.0	25.0	23.0	26.0
Guidance - Support	8.0	8.0	8.0	10.0	8.0	10.0	7.0	7.0	7.0	7.0
Child Study Team	23.0	21.6	22.0	23.3	21.0	22.0	22.1	21.6	21.6	24.6
Child Study Team - Support	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Supervisors and Other Professionals	5.5	5.5	6.0	12.0	12.5	6.0	12.5	12.5	12.5	12.5
Improvement of Instruction - Support	2.0	3.0	3.0	3.0	3.0	9.5	3.0	3.0	3.0	4.0
Media Services/Technology	10.0	10.0	10.0	10.0	9.0	9.0	8.0	8.0	7.0	8.0
Professional Development - Support	4.0	4.0	4.0	5.0	4.5	5.0	5.0	5.0	5.0	4.0
General District Administrators	9.0	8.5	9.0	3.0	2.5	2.5	2.5	2.5	2.5	2.5
General Administration - Professional	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principals/Assistant Professionals	17.0	17.0	17.0	15.0	16.0	15.0	17.0	16.0	17.0	17.0
School Administration - Support	19.0	19.0	19.5	20.0	19.5	20.0	20.0	20.0	20.9	20.0
Central Services - Administrators	6.0	6.0	6.0	6.5	5.5	5.5	6.5	7.0	8.0	8.0
Administration Information Technology Services	9.0	9.0	10.0	8.0	9.0	8.0	9.0	9.5	10.5	9.0
Operation and Maintenance	2.0	2.0	3.0	3.5	2.5	4.5	4.5	5.5	5.5	9.9
Total	788.2	795.4	801.3	792.9	786.6	812.0	796.0	783.1	788.2	777.1

Source: District Records

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Operating Statistics
Last Ten Fiscal Years
Unaudited

						Pupil/Teacher Ratio			Average	Average	% Change in	
Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Elementary	Middle School	Senior High School	Daily Enrollment (ADE) [c]	Daily Attendance (ADA) [c]	Average Daily Enrollment	Student Attendance Percentage
2016	5,626	$ 96,688,609	$ 17,186	4.31%	490	10.0	10.5	11.4	5,635	5,407	-1.05%	95.95%
2017	5,521	98,629,328	17,864	3.95%	489	9.8	10.5	11.1	5,529	5,300	-1.88%	95.86%
2018	5,410	103,973,270	19,219	7.58%	488	9.6	9.5	10.7	5,423	5,142	-1.92%	94.82%
2019	5,278	108,855,379	20,624	7.31%	473	9.1	9.2	10.6	5,308	5,076	-2.12%	95.63%
2020	5,105	109,950,491	21,538	4.43%	490	8.8	9.0	10.1	5,146	5,005	-3.05%	97.26%
2021	5,095	117,468,720	23,056	7.05%	481	8.9	9.8	10.2	4,851	4,752	-5.73%	97.96%
2022	4,835	127,270,836	26,323	14.17%	488	10.1	9.1	12.1	4,748	4,541	-2.12%	95.64%
2023	4,688	132,914,071	28,352	7.71%	455	10.5	10.0	12.0	4,752	4,498	0.08%	94.65%
2024	4,649	141,436,814	30,423	7.30%	448	10.5	10	11	4,724	4,487	-0.59%	94.98%
2025	4,570	143,104,892	31,314	2.93%	422	10.75	10	13	4,649	4,415	-1.59%	94.97%

Source: District Records

Note: Enrollment based on annual October District count.

[a] Operating expenditures equal total expenditures less debt service, capital outlay and costs of issuance on debt.

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

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

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
School Building Information
Last Ten Fiscal Years
Unaudited

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary:										
Cedar Hill Elementary School										
Square Feet	68,022	68,022	68,022	68,022	68,022	68,022	68,022	68,022	68,022	68,022
Capacity (students)	724	724	724	724	724	724	724	724	724	724
Enrollment	610	601	592	594	546	556	556	484	554	564
Liberty Corner Elementary School										
Square Feet	82,240	82,240	82,240	82,240	82,240	82,240	82,240	82,240	82,240	82,240
Capacity (students)	682	682	682	682	682	682	682	682	682	682
Enrollment	556	531	545	536	525	515	516	461	439	428
Mount Prospect Elementary School										
Square Feet	103,440	103,440	103,440	103,440	103,440	103,440	103,440	103,440	103,440	103,440
Capacity (students)	839	839	839	839	839	839	839	839	839	839
Enrollment	672	651	611	571	570	520	539	504	511	515
Oak Street Elementary School										
Square Feet	75,927	75,927	75,927	75,927	75,927	75,927	75,927	75,927	75,927	75,927
Capacity (students)	686	686	686	686	686	686	686	686	686	686
Enrollment	579	550	513	488	465	420	420	406	403	425
Middle School:										
William Annin Middle School										
Square Feet	162,713	162,713	162,713	162,713	162,713	162,713	162,713	162,713	162,713	162,713
Capacity (students)	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471
Enrollment	1,382	1,396	1,359	1,341	1,317	1,282	1,282	1,200	1,126	1,123
High School:										
Ridge High School										
Square Feet	312,939	312,939	312,939	312,939	312,939	312,939	312,939	312,939	312,939	312,939
Capacity (students)	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976
Enrollment	1,878	1,897	1,901	1,877	1,855	1,812	1,798	1,779	1,643	1,579
Other:										
Administration Building										
Square Feet	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076

Number of Schools at June 30, 2025:
Elementary = 4
Middle School = 1
Senior High School = 1
Other = 1

Source: District Facilities Office

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Schedule of Required Maintenance
Last Ten Fiscal Years
Unaudited

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

*School Facilities	Ridge H.S.	William Annin M.S.	Cedar Hill E.S.	Liberty Corner E.S.	Mount Prospect E.S.	Oak Street E.S.	Total
2016	$ 721,482	$ 394,688	$ 133,261	$ 203,013	$ 236,712	$ 177,041	$ 1,866,197
2017	752,998	403,255	161,308	205,125	230,845	176,683	1,930,214
2018	790,077	378,896	159,328	200,454	233,151	179,617	1,941,523
2019	933,473	450,151	180,017	212,332	284,436	229,824	2,290,233
2020	781,425	413,682	171,939	189,580	213,572	175,973	1,946,171
2021	1,165,592	324,514	175,195	174,360	159,429	244,346	2,243,436
2022	1,096,117	405,282	192,244	222,039	282,474	270,368	2,468,524
2023	956,666	353,721	167,787	193,790	246,537	235,971	2,154,472
2024	1,378,825	509,782	222,017	265,521	340,142	340,146	3,056,433
2025	1,168,898	548,299	248,599	329,671	367,512	236,868	2,899,847
Total School Facilities	$ 9,745,553	$ 4,182,270	$ 1,811,695	$ 2,195,885	$ 2,594,810	$ 2,266,837	$ 22,797,050

*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 BERNARDS BOARD OF EDUCATION
Insurance Schedule
June 30, 2025

School Package Policy - NJSIG:	Coverage	Deductible
Blanket Building and Contents	$ 206,317,798	$ 5,000
Boiler and Machinery	206,317,798	25,000
Electronic Data Processing	1,600,000	1,000
Comprehensive General Liability	31,000,000	-
Crime	1,000,000	1,000
Automobile	31,000,000	1,000
Environmental Liability	1,000,000	25,000
Commercial Excess	Included	-
Workers' Compensation	3,000,000	-
Educators Legal Liability	31,000,000	10,000
N.J. Cap Program - Fireman's Fund Insurance Co.	25,000,000	-
Public Official's Bonds - Selective Insurance Co.		
Board Secretary	369,000	-
Treasurer	470,000	-
Student Accident - McCloskey Insurance	5,000,000	-

Source: Bernards Township Board of Education.

Single Audit Section

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 Auditors' Report

Honorable President and
Members of the Board of Education
Bernards Township School District
County of Somerset
Basking Ridge, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Bernards Township School District, in the County of Somerset, New Jersey (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 19, 2025

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

PKF O'CONNOR DAVIES ACCOUNTANTS AND ADVISORS

Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Bernards Township School District
County of Somerset
Basking Ridge, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Bernards Township School District's, in the County of Somerset, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2025. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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 federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 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. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 19, 2025

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Federal FAIN Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable) June 30, 2025	Unearned Revenue June 30, 2025	Due to Grantor at June 30, 2025	Amounts Provided to Subrecipients
General Fund:													
U.S. Department of Health and Human Services													
Passed-Through State Department of Health and Human Services													
Medicaid Cluster - Medical Assistance Program - SEMI	93.778	2005NJ5MAP	$ 3,984	07/01/24	06/30/25		$ 3,984	$ (3,984)					
Medicaid Cluster - Medical Assistance Program - MAC	93.778	2005NJ5MAP	4,725	07/01/24	06/30/25		4,725	(4,725)					
Subtotal Medicaid Cluster							8,709	(8,709)					
Total General Fund							8,709	(8,709)					
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
Title I, Part A	84.010	S010A240030	233,737	07/01/24	09/30/25		24,958	(130,717)		$ (105,759)			
Title I, Part A	84.010	S010A230030	219,863	07/01/23	09/30/24	$ (120,582)	121,511		$ 20			$ 949	
Title I, Part A	84.010	S010A220030	463,815	07/01/22	09/30/23	(25,428)			25,428				
Subtotal Title I, Part A						(146,010)	146,469	(130,717)	25,448	(105,759)		949	
Title II - Part A	84.367	S367A240029	73,887	07/01/24	09/30/25		50,610	(59,579)		(8,969)			
Title II - Part A	84.367	S367A230029	62,960	07/01/23	09/30/24	(55,760)	55,760						
Subtotal Title II Part A						(55,760)	106,370	(59,579)		(8,969)			
Language Instruction for English Learners and Immigrant Students:													
Title III	84.365	S365A240030	26,645	07/01/24	09/30/25		14,703	(22,216)		(7,513)			
Title III Immigrant	84.365	S365A240030	13,528	07/01/24	09/30/25		9,758	(13,524)		(3,766)			
Title III	84.365	S365A230030	28,739	07/01/23	09/30/24	(5,335)	5,446					111	
Title III	84.365	S365A230030	19,253	07/01/22	09/30/23	4,009						4,009	
Subtotal Language Instruction for English Learners and Immigrant Students						(1,326)	29,907	(35,740)		(11,279)		4,120	
Title IV	84.424	S424A240031	25,445	07/01/24	09/30/25		18,076	(22,407)		(4,331)			
Title IV	84.424	S424A230031	33,395	07/01/23	09/30/24	(4,763)	4,763						
Subtotal Title IV						(4,763)	22,839	(22,407)	-	(4,331)			
Special Education Cluster:													
COVID-19 American Rescue Plan - I.D.E.A., Part B, Preschool	84.173X	H173X210114	21,850	07/01/21	09/30/23	4,720						4,720	
COVID-19 American Rescue Plan - I.D.E.A., Part B, Basic	84.027X	H027X210100	255,816	07/01/21	09/30/23	(640)			640				
I.D.E.A., Part B, Basic	84.027	H027A240100	1,318,320	07/01/24	09/30/25		1,179,794	(1,265,978)		(86,184)			
I.D.E.A., Part B, Basic	84.027	H027A230100	1,377,937	07/01/23	09/30/24	(198,949)	237,925	(38,976)					
I.D.E.A., Part B, Basic	84.027	H027A220100	1,359,930	07/01/22	09/30/23	64,102						64,102	
I.D.E.A., Preschool	84.173	H173A240114	72,140	07/01/24	09/30/25		72,140	(72,140)					
I.D.E.A., Preschool	84.173	H173A230114	99,197	07/01/23	09/30/24	(27,314)	25,346			(1,968)			
I.D.E.A., Preschool	84.173	H173A220114	93,967	07/01/22	09/30/23								
Subtotal of Special Education Cluster						(158,081)	1,515,205	(1,377,094)	640	(88,152)		68,822	
Education Stabilization Fund:													
COVID-19 ESSER II	84.425D	S425D210027	1,000,565	03/15/21	09/30/23	(1)			1				
COVID-19 ESSER II - Accelerated Learning Coach and Educator Support	84.425D	S425D210027	382,512	03/15/21	09/30/23	(38,097)	53,245	(15,148)					
COVID-19 American Rescue Plan ESSER (ESSER III)	84.425U	S425U210027	2,248,706	03/15/21	09/30/24	(33,099)	33,100		(1)				
COVID-19 ARP ESSER - Evidence Based Summer Learning and	84.425U	S425D210027	40,000	03/15/21	09/30/24	(1,246)	1,246						
COVID-19 ARP ESSER - Learning Acceleration	84.425U	S425D210027	40,000	03/15/21	09/30/24		33,000	(33,000)					
COVID-19 ESSER II - NJTSS Mental Health Support Staffing	84.425U	S425D210027	45,000	03/15/20	09/30/24	(5,101)	5,101						
Subtotal Education Stabilization Fund						(77,544)	125,692	(48,148)	-				
Total U.S. Department of Education Passed-Through State Department of Education						(443,484)	1,946,482	(1,673,685)	26,088	(218,490)		73,891	
U.S. Department of the Treasury													
Passed-through State Department of the Treasury:													
Coronavirus State and Local Fiscal Recovery Funds -													
COVID-19 Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOE1SES	476,693	03/03/23	12/31/26	(311,491)	311,491						
Total Special Revenue Fund						(754,975)	2,257,973	(1,673,685)	26,088	(218,490)		73,891	
Total Expenditures of Federal Awards						$ (754,975)	$ 2,266,682	$ (1,682,394)	$ 26,088	$ (218,490)	$ -	$ 73,891	$ -

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

TOWNSHIP OF BERNARDS BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
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 (Accounts Receivable)	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2025 (Accounts Receivable)	Balance at June 30, 2025 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education Aid	25-495-034-5120-089	$ 5,449,732	7/1/2024	6/30/2025			$ 4,908,750	$ (5,449,732)					$ (540,982)	$ (5,449,732)
Special Education Aid	24-495-034-5120-089	5,164,947	7/1/2023	6/30/2024	$ (512,644)		512,644							
Security Aid	25-495-034-5120-084	453,891	7/1/2024	6/30/2025			408,834	(453,891)					(45,057)	(453,891)
Security Aid	24-495-034-5120-084	430,818	7/1/2023	6/30/2024	(42,761)		42,761							
Transportation Aid	25-495-034-5120-014	2,359,395	7/1/2024	6/30/2025			2,125,183	(2,359,395)					(234,212)	(2,359,395)
Transportation Aid	24-495-034-5120-014	1,783,392	7/1/2023	6/30/2024	(177,010)		177,010							
Extraordinary Aid	25-495-034-5120-044	4,756,778	7/1/2024	6/30/2025				(4,756,778)			$ (4,756,778)			(4,756,778)
Extraordinary Aid	24-495-034-5120-044	4,722,159	7/1/2023	6/30/2024	(4,722,159)		4,722,159							
Nonpublic School Transportation Costs	25-495-034-5120-014	181,663	7/1/2024	6/30/2025				(181,663)			(181,663)			(181,663)
Nonpublic School Transportation Costs	24-495-034-5120-014	168,350	7/1/2023	6/30/2024	(168,350)		168,350							
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	3,701,501	7/1/2024	6/30/2025			3,522,562	(3,701,501)			(178,939)			(3,701,501)
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	2,580,712	7/1/2023	6/30/2024	(173,333)		173,333							
On-Behalf Teachers' Pension and Annuity Fund	25-495-034-5094-002	16,993,525	7/1/2024	6/30/2025			16,993,525	(16,993,525)						(16,993,525)
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	25-495-034-5094-001	4,965,522	7/1/2024	6/30/2025			4,965,522	(4,965,522)						(4,965,522)
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	25-495-034-5094-004	6,809	7/1/2024	6/30/2025			6,809	(6,809)						(6,809)
Total General Fund					(5,796,257)		38,727,442	(38,868,816)			(5,117,380)		(820,251)	(38,868,816)
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	25-100-034-5120-064	23,524	7/1/2024	6/30/2025			23,524	(22,639)				$ 885		(22,639)
Textbook Aid	24-100-034-5120-064	26,651	7/1/2023	6/30/2024		$ 908				$ 908				
Nursing Services	25-100-034-5120-373	60,840	7/1/2024	6/30/2025			60,840	(58,177)				2,663		(58,177)
Nursing Services	24-100-034-5120-070	55,320	7/1/2023	6/30/2024		68				68				
Technology	25-100-034-5120-373	22,540	7/1/2024	6/30/2025			22,540	(21,868)				672		(21,868)
Technology	24-100-034-5120-373	22,589	7/1/2023	6/30/2024		603				603				
Security	25-100-034-5120-509	95,940	7/1/2024	6/30/2025			95,940	(68,544)				27,396		(68,544)
Security	24-100-034-5120-509	94,085	7/1/2023	6/30/2024		9,871				9,871				
Auxiliary Services:														
Home Instruction	25-000-034-5120-067	3,992	7/1/2024	6/30/2025				(3,992)			(3,992)			(3,992)
Home Instruction	24-000-034-5120-067	287	7/1/2023	6/30/2024	(287)		287							
English as a Second Language	24-100-034-5120-067	2,649	7/1/2024	6/30/2025			2,649					2,649		
English as a Second Language	25-100-034-5120-067	916	7/1/2023	6/30/2024										
Compensatory Education	24-100-034-5120-067	71,959	7/1/2024	6/30/2025			71,959	(45,079)				26,880		(45,079)
Compensatory Education	25-100-034-5120-067	561,933	7/1/2023	6/30/2024		5,399				5,399				
Handicapped Services:														
Supplemental Instruction	25-100-034-5120-066	32,131	7/1/2024	6/30/2025			32,131	(27,836)				4,295		(27,836)
Supplemental Instruction	24-100-034-5120-066	30,769	7/1/2023	6/30/2024		3,428				3,428				
Examination and Classification	25-100-034-5120-066	48,346	7/1/2024	6/30/2025			48,346	(42,282)				6,064		(42,282)
Examination and Classification	24-100-034-5120-066	53,273	7/1/2023	6/30/2024		5,306				5,306				
Corrective Speech	25-100-034-5120-066	32,550	7/1/2024	6/30/2025			32,550	(16,926)				15,624		(16,926)
Corrective Speech	24-100-034-5120-066	26,970	7/1/2023	6/30/2024		8,184				8,184				
Total N.J. Nonpublic Aid					(287)	33,767	390,766	(307,343)		33,767	(3,992)	87,128		(307,343)
Total Special Revenue Fund					(287)	33,767	390,766	(307,343)		33,767	(3,992)	87,128		(307,343)
Capital Projects Fund:														
NJSDA Grants														
Ridge High School HVAC Upgrades	0350-050-23-G5AY	572,000	7/1/2023	Completion	(24,888)			(336,956)			(361,844)		(572,000)	(361,844)
Mount Prospect ES Roof Replacement	0350-100-23-G5BG	838,240	1/16/2025	Completion				(286,360)			(286,360)		(838,240)	(286,360)
Total Capital Projects Fund					(24,888)			(623,316)			(648,204)		(1,410,240)	(648,204)
Debt Service Aid	495-034-5120-075	740,999	7/1/2024	6/30/2025			740,999	(740,999)						(740,999)
Total Debt Service Fund							740,999	(740,999)						(740,999)
Total Expenditures of State Financial Assistance					$ (5,821,432)	$ 33,767	$ 39,859,207	$ (40,540,474)	$ -	$ 33,767	$ (5,769,576)	$ 87,128	$ (2,230,491)	$ (40,565,362)
State Financial Assistance Not Subject to Single Audit Determination:														
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	16,993,525	7/1/2024	6/30/2025			$ 16,993,525	$ (16,993,525)						$ (16,993,525)
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	495-034-5094-001	4,965,522	7/1/2024	6/30/2025			4,965,522	(4,965,522)						(4,965,522)
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	495-034-5094-004	6,809	7/1/2024	6/30/2025			6,809	(6,809)						(6,809)
Total On-Behalf State Financial Assistance							21,965,856	(21,965,856)						(21,965,856)
Total State Financial Assistance Subject to Single Audit Determination					$ (5,821,432)	$ 33,767	$ 17,893,351	$ (18,574,618)	$ -	$ 33,767	$ (5,769,576)	$ 87,128	$ (2,230,491)	$ (18,599,506)

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

Township of Bernards Board of Education

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance
Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2025. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance 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 of expenditures of federal awards and state financial assistance.

The information in these schedules are presented in accordance with the requirements of Title 2 U.S, *Code of Federal Regulations* Part 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting is described in Note 1 to the District's basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made. The general fund is presented in the accompanying schedules on the modified accrual basis of accounting except for the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.

Township of Bernards Board of Education

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance
Year Ended June 30, 2025

3. Relationship to Basic Financial Statements (continued)

For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

Accounts Receivable	Budgetary Basis	Less: CY Encumbrances	GAAP Basis
Federal	$ 218,490	$ 18,677	$ 199,813

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $87,836 for the general fund and $11,974 for the special revenue fund. See note 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 (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$ 8,709	$ 38,780,980	$ 38,789,689
Special Revenue Fund	1,684,771	308,231	1,993,002
Capital Projects Fund		623,316	623,316
Debt Service Fund		740,999	740,999
Total financial award revenues	$ 1,693,480	$ 40,453,526	$ 42,147,006

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.

Township of Bernards Board of Education

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance
Year Ended June 30, 2025

5. Other

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2025.

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2025 amounted to $21,985,856. Since on-behalf post retirement pension medical and other long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Township of Bernards Board of Education

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Part I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None Reported
Noncompliance material to the basic financial statements noted?		Yes	X	No

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None Reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes	X	No

Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027	H027A240100	IDEA Part B, Basic (Special Education Cluster)
84.173	H173A240114	IDEA, Preschool (Special Education Cluster)

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000			
Auditee qualified as low-risk auditee?	X	Yes		No

Township of Bernards Board of Education

Schedule of Findings and Questioned Costs (continued)

Year Ended June 30, 2025

Part I - Summary of Auditors' Results (continued)

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08 as applicable?		Yes	X	No

Identification of major state programs:

State Grant/Program Number(s)	Name of State Program or Cluster
	General State Aid Cluster:
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-014	Transportation Aid

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee?	X	Yes		No

Township of Bernards Board of Education

Schedule of Findings and Questioned Costs (continued)

Year Ended June 30, 2025

Part II – Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Township of Bernards Board of Education

Schedule of Findings and Questioned Costs (continued)

Year Ended June 30, 2025

Part II – Schedule of Financial Statement Findings (continued)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

Federal Award Programs

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

State Financial Assistance Programs

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.