HARDING TOWNSHIP
SCHOOL DISTRICT

Harding Township School District
New Vernon, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Annual Comprehensive Financial Report

of the

Harding Township School District
Board of Education

New Vernon, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Harding Township School District
Board of Education

HARDING TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

HARDING TOWNSHIP SCHOOL

October 7, 2025

President and
Members of the Board of Education
Harding Township School District
County of Morris, New Jersey

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Harding Township School District (District) for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of 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 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 cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey's 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 auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Harding Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards board ("GASB") in codification section 2100. All funds of the District are included in this report. The Harding Township School District and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 8. These include regular as well as special education. The District completed the 2024-2025 fiscal year with an enrollment of 291 students, which is 6 students less than the previous year's enrollment.

2) **ECONOMIC CONDITION AND OUTLOOK:** Harding Township continues to be an attractive community for families to live and raise their children. Enrollment numbers have remained relatively constant over the past several years and projections indicate that there will be a moderate increase over the next few years.

3) **MAJOR INITIATIVES:** The Harding Township School District continues to provide a wide range of programs, products and services to its students. The highlights of our activities include:

Students in kindergarten through grade 5 utilize the 2020 version of Math in Focus, which is a program derived from Singapore Math. Singapore Math is a proven, highly effective teaching approach that instills deep understanding of mathematical concepts. Math in Focus provides a solid foundation leading into middle school where students continue into Big Ideas, another Singapore-based program. Students in kindergarten through fifth grade are taught reading and writing through the use of Teachers College Reading and Writing Project. This workshop-based model allows a highly personalized approach to literacy instruction. Reading and writing workshop is supplemented with Foundations in kindergarten through third grade to support phonemic awareness and word attack skills. Students in fourth and fifth grade use Words Their Way for word study. At the middle school level, all students have 80 minutes of language arts instruction daily which includes reading, writing, grammar and word study. Using literature from all genres, students explore literary elements to further develop their reading comprehension and writing skills.

Technology is incorporated in appropriate, meaningful ways to enhance instruction and meeting academic objectives. Beginning in second grade, students become familiar with Google Classroom and related Google platforms. By the end of fourth grade, students are proficient in their use of Chromebooks, several Google platforms and other technology tools to support their learning.

Harding Township School offers many special subjects to provide a balanced experience for all students. Special subjects include Spanish, technology, library/media, art, music, band, PE and STEM. As a result of ongoing evaluation and assessment of the school's effectiveness in meeting the needs and interests of all students, Harding Township School just completed construction on a STEM lab that includes three distinct learning spaces to support STEM investigations across all grade levels. The STEM program is rooted in a Board approved K-8 curriculum and is directed by a designated STEM teacher. The 2023-2024 academic school year saw the introduction of coding and robotics to our Middle School curricular offerings.

Harding Township School demonstrates an ongoing commitment to promoting the development of well-rounded students. To this end, the school has an established Character Education program to support social and emotional learning, as well as several extra-curricular activities which include athletics, jazz band, chorus, elementary play, middle school musical, TSA, Future Cities, forensics, and Battle of the Books.

District-wide improvements include HVAC upgrades in the Middle School, a new roof at the district's Elementary building as well new sidewalks.

4) **INTERNAL ACCOUNTING CONTROLS:** 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).

The District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to federal and state awards. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5) **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. 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 restrictions, commitments, and assignments of fund balance at June 30, 2025.

6) **ACCOUNTING SYSTEM AND REPORTS**: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds 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 governmental 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, bot not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The District oversees its own risk management. A schedule of insurance coverage is found on J-20.

9) **OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, was selected by the Board. The auditors' report on the basic financial statements and specific required supplementary information are 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.

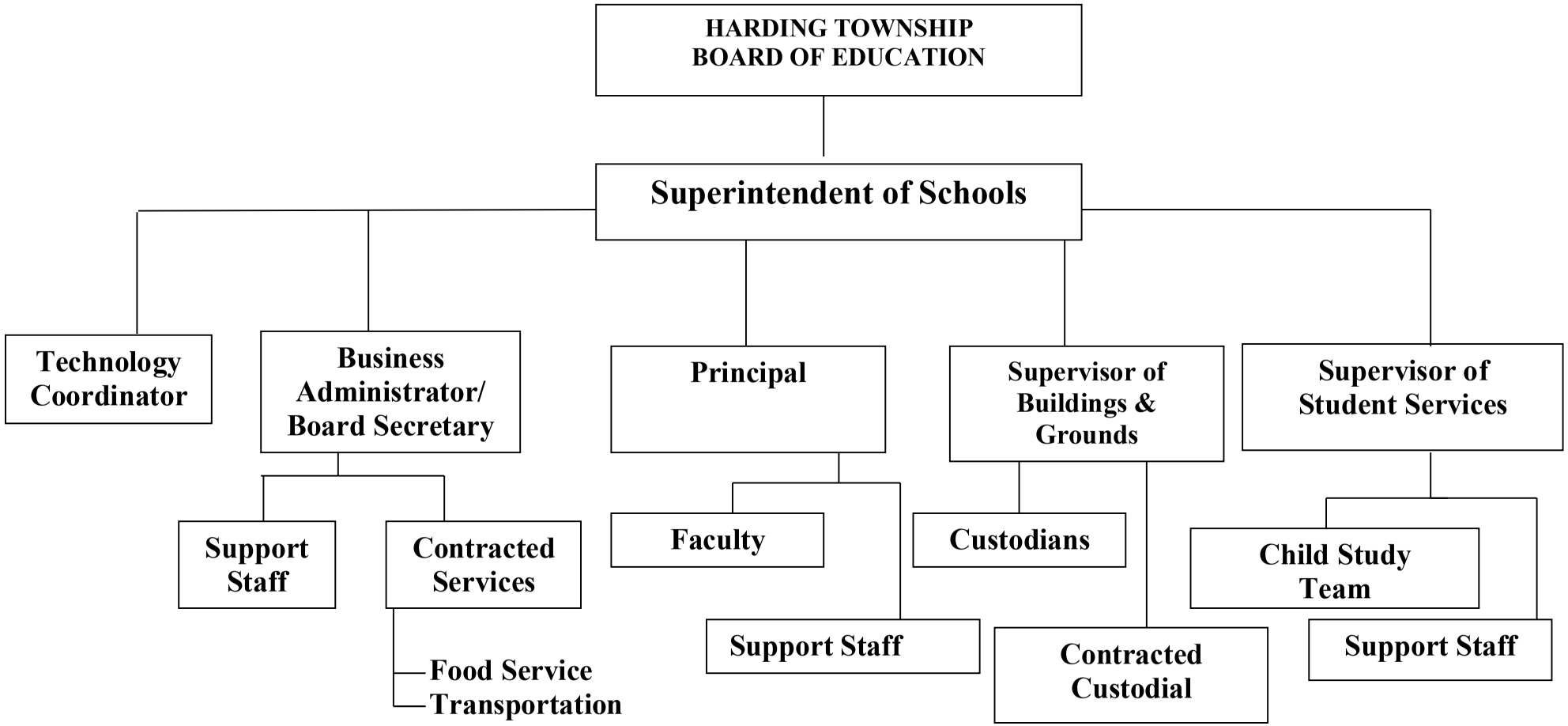
10) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Harding Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report was accomplished with the efficient and dedicated services of our Board Office staff.

Respectfully submitted,

Dr. Matthew A. Spelker
Superintendent of Schools

John Jennings
School Business Administrator/Board Secretary

HARDING TOWNSHIP SCHOOL
ORGANIZATIONAL CHART



HARDING TOWNSHIP SCHOOL DISTRICT
NEW VERNON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2025

Members of the Board of Education		Term Expires - December
Davor Gjivoje	President	2025
Alex Anastasiou	Vice President	2026
Abi Singh	Member	2026
Melissa Krikos	Member	2027
Richard Bruno	Member	2025

Other Officials

Dr. Christopher Magno, Acting Superintendent of Schools (as of June 2, 2025)
Dr. Matthew A. Spelker, Superintendent of Schools (July 1, 2024 – June 2, 2025)

John Jennings, School Business Administrator/Board Secretary

Marc Zitomer, Board Attorney

HARDING TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856-1320

Board Attorneys

Schenck, Price, Smith & King, LLP
220 Park Avenue, P.O. Box 991
Florham Park, NJ 07932

Official Depository

T.D. Bank, N.A.
70 Morristown Road
Bernardsville, NJ 07924

FINANCIAL SECTION

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Harding Township School District
County of Morris, 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 Harding Township School District (the "District"), in the County of Morris, as of and for the fiscal 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 fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office 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, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

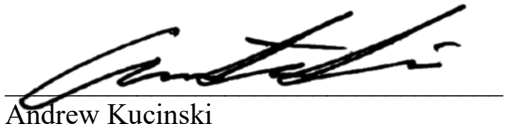
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 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 District's internal control over financial reporting and compliance.

October 7, 2025
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Harding Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

This section of Harding Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report

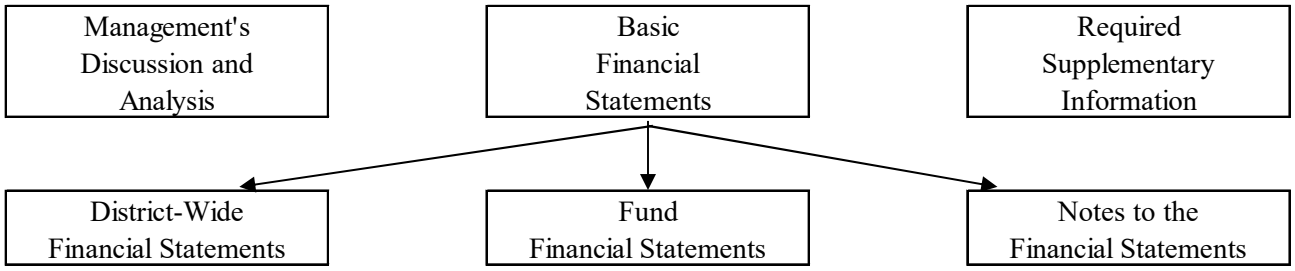


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that is it properly using certain revenue (such as federal grants).

The District has two kinds of funds:

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

Notes to the Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was $4,727,054 on June 30, 2025, which was an increase of $1,607,342 or 51.52% more than the prior year (See Figure A-3).

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Current and Other Assets	$ 3,923,130	$ 3,882,765	$ 21,194	$ 26,328	$ 3,944,324	$ 3,909,093	
Capital Assets, Net	2,471,100	1,088,158	8,531	9,165	2,479,631	1,097,323	
Total Assets	6,394,230	4,970,923	29,725	35,493	6,423,955	5,006,416	28.31%
Deferred Outflows of Resources	339,977	358,217			339,977	358,217	-5.09%
Other Liabilities	234,316	229,966	9,757	9,116	244,073	239,082	
Long-Term Liabilities	1,692,313	1,864,959			1,692,313	1,864,959	
Total Liabilities	1,926,629	2,094,925	9,757	9,116	1,936,386	2,104,041	-8.66%
Deferred Inflows of Resources	100,492	140,880			100,492	140,880	-28.67%
Net Position:							
Net Investment in Capital Assets	2,347,639	843,021	8,531	9,165	2,356,170	852,186	
Restricted	3,708,746	2,510,329			3,708,746	2,510,329	
Unrestricted/(Deficit)	(1,349,299)	(260,015)	11,437	17,212	(1,337,862)	(242,803)	
Total Net Position	$ 4,707,086	$ 3,093,335	$ 19,968	$ 26,377	$ 4,727,054	$ 3,119,712	51.52%

Changes in Net Position. Net position from governmental activities increased by $1,613,751 and net position from business-type activities decreased by $6,409.

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total School District	Total School District	Percentage Change
	2024/25	2024/25	2023/24	2023/24	2024/25	2023/24	2024/25
Revenue:							
Program Revenue:							
Charges for Services	$ 134,459	$133,446	$ 130,641	$142,146	$ 267,905	$ 272,787	
Operating Grants and Contributions	2,652,545		2,636,145		2,652,545	2,636,145	
General Revenue:							
Property Taxes	11,999,754		11,602,469		11,999,754	11,602,469	
Other	178,618		207,231		178,618	207,231	
Total Revenue	14,965,376	133,446	14,576,486	142,146	15,098,822	14,718,632	2.58%
Expenses:							
Instruction	6,149,713		6,538,799		6,149,713	6,538,799	
Pupil and Instruction Services	3,350,728		3,378,249		3,350,728	3,378,249	
Administrative and Business	995,028		970,411		995,028	970,411	
Maintenance and Operations	1,501,995		1,363,929		1,501,995	1,363,929	
Transportation	1,331,521		1,130,994		1,331,521	1,130,994	
Other	12,973	149,522	1,677	152,316	162,495	153,993	
Total Expenses	13,341,958	149,522	13,384,059	152,316	13,491,480	13,536,375	-0.33%
Transfers	(9,667)	9,667	(11,385)	11,385			
Change in Net Position	$ 1,613,751	$ (6,409)	$ 1,181,042	$ 1,215	$ 1,607,342	$ 1,182,257	35.96%

Net position from governmental activities increased by $1,613,751 primarily due to changes in the net pension liability and related deferred inflows and outflows.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instruction services, administrative and business, maintenance and operations, transportation and other expenses and shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs – the financial obligation or burden placed on the District's taxpayers by each of these functions.

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2024/25	2024/25	2023/24	2023/24
Instruction	$ 6,149,713	$ 4,328,181	$ 6,538,799	$ 4,292,244
Pupil and Instruction Services	3,350,728	3,280,269	3,378,249	3,319,481
Administrative and Business	995,028	878,325	970,411	828,636
Maintenance and Operations	1,501,995	1,063,812	1,363,929	1,363,929
Transportation	1,331,521	991,394	1,130,994	811,306
Other	12,973	12,973	1,677	1,677
	$ 13,341,958	$ 10,554,954	$ 13,384,059	$ 10,617,273

Business-Type Activities

Net position from the District's business-type activities decreased by $6,409. The primary factor contributing to this result was expenses exceeding revenues in the Food Service Fund (Refer to Figure A-4).

Financial Analysis of the District's Funds

To maintain a stable financial position, the District must continue to practice sound fiscal management, including but not limited to cost containment practices, seeking out all available efficiencies and a continual evaluation of all offered services and programs.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are due to changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Long-Term Liabilities Administration

Capital Assets

The District's capital assets increased by $1,382,308 or 125.97%. More information regarding the District's capital assets is contained in Note 7 to the basic financial statements.

Figure A-6
Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Construction in Progress	$ 1,508,043	$ 145,300			$ 1,508,043	$ 145,300	
Site Improvements	98,007	99,061			98,007	99,061	
Buildings and Building Improvements	540,175	542,341			540,175	542,341	
Machinery and Equipment	324,875	301,456	$ 8,531	$ 9,165	333,406	310,621	
Total Capital Assets (Net of Depreciation)	$ 2,471,100	$ 1,088,158	$ 8,531	$ 9,165	$ 2,479,631	$ 1,097,323	125.97%

Capital Asset and Long-Term Liabilities Administration

The District's long-term liabilities decreased by $172,646, or 9.26%, during the fiscal year due to an increase in compensated absences of $12,474, offset by a decrease in financed purchases payable of $121,676 and a decrease of $63,444 in the District's net PERS pension liability. Detailed information regarding the District's long-term liabilities is contained in Note 8 to the basic financial statements.

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2024/25	2023/24	2024/25
Compensated Absences Payable	$ 176,735	$ 164,261	
Financed Purchases Payable	123,461	245,137	
Net Pension Liability - PERS	1,392,117	1,455,561	
	$ 1,692,313	$ 1,864,959	-9.26%

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstance that could significantly affect its financial health in the future.

- Budget development will continue to be challenging to maintain existing programs given inflation, continued building maintenance costs, and rising employee salary and benefit costs.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office at 34 Lee's Hill Road, New Vernon, NJ 07976.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HARDING TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 724,030	$ 12,232	$ 736,262
Other Accounts Receivable		691	691
Receivables from State Government	213,288		213,288
Receivables from Federal Government	6,876		6,876
Receivables from Other Governments	1,029		1,029
Other Receivables	11,898		11,898
Inventories		8,271	8,271
Restricted Cash and Cash Equivalents	2,966,009		2,966,009
Capital Assets, Net:			
Construction in Progress	1,508,043		1,508,043
Site Improvements, Buildings and Building Improvements, and Machinery and Equipment	963,057	8,531	971,588
Total Assets	6,394,230	29,725	6,423,955
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	339,977		339,977
Total Deferred Outflows of Resources	339,977		339,977
LIABILITIES			
Accounts Payable	232,819	3,470	236,289
Payable to Federal Government	1,473		1,473
Payable to State Government	24		24
Unearned Revenue		6,287	6,287
Noncurrent Liabilities:			
Due Within One Year	123,461		123,461
Due Beyond One Year	1,568,852		1,568,852
Total Liabilities	1,926,629	9,757	1,936,386
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	100,492		100,492
Total Deferred Inflows of Resources	100,492		100,492
NET POSITION			
Net Investment in Capital Assets	2,347,639	8,531	2,356,170
Restricted for:			
Capital Projects	2,410,461		2,410,461
Unemployment Compensation	63,979		63,979
Student Activities	33,362		33,362
Scholarships	22,097		22,097
Maintenance	436,110		436,110
Excess Surplus	742,737		742,737
Unrestricted/(Deficit)	(1,349,299)	11,437	(1,337,862)
Total Net Position/(Deficit)	$ 4,707,086	$ 19,968	$ 4,727,054

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HARDING TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 3,839,254	$ 43,647	$ 918,378	$ (2,877,229)		$ (2,877,229)
Special Education	1,884,257		766,246	(1,118,011)		(1,118,011)
Other Special Instruction	157,759		22,531	(135,228)		(135,228)
Other Instruction	268,443		70,730	(197,713)		(197,713)
Support Services:						
Tuition	1,681,163			(1,681,163)		(1,681,163)
Student & Instruction Related Services	1,669,565	70,459		(1,599,106)		(1,599,106)
General Administrative Services	540,103		60,327	(479,776)		(479,776)
School Administrative Services	71,297		8,641	(62,656)		(62,656)
Central Services	350,319		47,735	(302,584)		(302,584)
Administrative Information Technology	33,309			(33,309)		(33,309)
Plant Operations and Maintenance	1,501,995		438,183	(1,063,812)		(1,063,812)
Pupil Transportation	1,331,521	20,353	319,774	(991,394)		(991,394)
Capital Outlay	12,973			(12,973)		(12,973)
Total Governmental Activities	13,341,958	134,459	2,652,545	(10,554,954)		(10,554,954)
Business-Type Activities:						
Food Service	149,522	133,446			$ (16,076)	(16,076)
Total Business-Type Activities	149,522	133,446			(16,076)	(16,076)
Total Primary Government	$ 13,491,480	$ 267,905	$ 2,652,545	(10,554,954)	(16,076)	(10,571,030)

HARDING TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	$ 11,999,754		$ 11,999,754
Miscellaneous Income	178,618		178,618
Transfers	(9,667)	$ 9,667	
Total General Revenue and Transfers	12,168,705	9,667	12,178,372
Change in Net Position	1,613,751	(6,409)	1,607,342
Net Position - Beginning	3,093,335	26,377	3,119,712
Net Position - Ending	$ 4,707,086	$ 19,968	$ 4,727,054

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

HARDING TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 724,030			$ 724,030
Interfund Receivable	148,415			148,415
Receivables From State Government	213,288			213,288
Receivables From Federal Government		$ 6,876		6,876
Receivables From Other Governments		1,029		1,029
Other Receivables	11,898			11,898
Restricted Cash and Cash Equivalents	2,910,550	55,459		2,966,009
Total Assets	$ 4,008,181	$ 63,364	$ -0-	$ 4,071,545
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable - Vendors	$ 87,819			$ 87,819
Payable to Federal Government		$ 1,473		1,473
Payable to State Government		24		24
Interfund Payable		6,408	$ 142,007	148,415
Total Liabilities	87,819	7,905	142,007	237,731
Fund Balances:				
Restricted:				
Capital Reserve	2,410,461			2,410,461
Maintenance Reserve	436,110			436,110
Excess Surplus - Current Year (for 2026-2027)	392,034			392,034
Excess Surplus - Prior Year (for 2025-2026)	350,703			350,703
Unemployment Compensation	63,979			63,979
Student Activities		33,362		33,362
Scholarships		22,097		22,097
Assigned for:				
Other Purposes	726			726
Unassigned	266,349		(142,007)	124,342
Total Fund Balances	3,920,362	55,459	(142,007)	3,833,814
Total Liabilities and Fund Balances	$ 4,008,181	$ 63,364	$ -0-	$ 4,071,545

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:	
Total Fund Balances (Above)	$ 3,833,814
Capital Assets Used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	2,471,100
Long-Term Liabilities, including compensated absences payable, net pension liability, and financed purchases payable are not due and payable in the current period and therefore are not reported as liabilities in the Governmental Funds.	(1,692,313)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	194,977
Deferred Inflows	(100,492)
Net Position of Governmental Activities (Exhibit A-1)	$ 4,707,086

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

HARDING TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	$ 11,999,754			$ 11,999,754
Tuition from Individuals	43,647			43,647
Transportation Fees From Individuals	20,353			20,353
Rents and Royalties	3,600			3,600
Restricted Miscellaneous Revenue		$ 50,709		50,709
Unrestricted Miscellaneous Revenue	173,845			173,845
Total - Local Sources	12,241,199	50,709		12,291,908
State Sources	3,069,538	3,481	$ 438,183	3,511,202
Federal Sources		240,722		240,722
Total Revenues	15,310,737	294,912	438,183	16,043,832
EXPENDITURES:				
Current:				
Regular Instruction	2,430,501	134,352		2,564,853
Special Education Instruction	1,114,875	88,928		1,203,803
Other Special Instruction	94,768			94,768
School-Sponsored/Other Instruction	149,529			149,529
Support Services and Undistributed Costs:				
Tuition	1,681,163			1,681,163
Student and Other Instruction Related Services	1,272,338	64,530		1,336,868
General Administration Services	384,903			384,903
School Administration Services	41,497			41,497
Central Services	232,742			232,742
Administrative Information Technology	33,309			33,309
Plant Operations and Maintenance	1,397,805			1,397,805
Student Transportation	1,300,382			1,300,382
Unallocated Benefits	4,130,379			4,130,379
Capital Outlay	77,233	1,173	1,362,743	1,441,149
Total Expenditures	14,341,424	288,983	1,362,743	15,993,150
Excess/(Deficit) of Revenue Over/(Under) Expenditures	969,313	5,929	(924,560)	50,682
OTHER FINANCING SOURCES/(USES):				
Transfers	206,452		(216,119)	(9,667)
Total Other Financing Sources/(Uses)	206,452		(216,119)	(9,667)
Net Change in Fund Balances	1,175,765	5,929	(1,140,679)	41,015
Fund Balance - July 1	2,744,597	49,530	998,672	3,792,799
Fund Balance/(Deficit) - June 30	$ 3,920,362	$ 55,459	$ (142,007)	$ 3,833,814

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		$ 41,015
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 depreciation differs from capital outlays in the period.		
Depreciation Expense	$ (61,329)	
Capital Outlays	1,444,271	
		1,382,942
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(12,474)
Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		121,676
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		63,444
Change in Deferred Outflows		(23,240)
Change in Deferred Inflows		40,388
Change in Net Position of Governmental Activities (Exhibit A-2)		$ 1,613,751

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Business-type Activities - Enterprise Funds
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 12,232
Accounts Receivable	691
Inventories	8,271
Total Current Assets	21,194
Non-Current Assets:	
Capital Assets	40,644
Less: Accumulated Depreciation	(32,113)
Total Non-Current Assets	8,531
Total Assets	29,725
LIABILITIES:	
Current Liabilities:	
Accounts Payable	3,470
Unearned Revenue - Prepaid Sales	6,287
Total Liabilities	9,757
NET POSITION	
Investment in Capital Assets	8,531
Unrestricted	11,437
Total Net Position	$ 19,968

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

HARDING TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	$ 133,446
Total Operating Revenue	133,446
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	63,754
Salaries, Benefits & Payroll Taxes	56,204
Supplies, Insurance & Other Costs	16,750
Management Fee	12,180
Depreciation Expense	634
Total Operating Expenses	149,522
Operating Loss	(16,076)
Change in Net Position Before Transfers	(16,076)
Transfers In - General Fund	9,667
Change in Net Position	(6,409)
Net Position - Beginning of Year	26,377
Net Position - End of Year	$ 19,968

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

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

	Business-type Activities - Enterprise Funds Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	$ 134,380
Payments to Food Service Contractor	(153,134)
Payments to Suppliers	(1,778)
Net Cash (Used for) Operating Activities	(20,532)
Cash Flows Provided by Noncapital Financing Activities:	
Transfers In - General Fund	9,667
Net Cash Provided by Noncapital Financing Activities	9,667
Net Decrease in Cash and Cash Equivalents	(10,865)
Cash and Cash Equivalents, July 1	23,097
Cash and Cash Equivalents, June 30	$ 12,232
Reconciliation of Operating Income to Net Cash (Used for) Operating Activities:	
Operating Loss	$ (16,076)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	634
Changes in Assets and Liabilities:	
(Increase) in Inventory	(5,599)
(Decrease) in Accounts Receivable	(132)
Increase in Unearned Revenue	1,066
(Decrease) in Accounts Payable	(425)
Net Cash (Used for) Operating Activities	$ (20,532)

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Harding Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District’s governmental and business type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer’s share of payroll taxes, compensated absences and tuition reimbursements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub-fund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (other than those financed by proprietary funds).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

Capital Projects Fund: (Cont'd) The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 15,315,853	$ 294,912
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	70,283	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(75,399)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 15,310,737	$ 294,912
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 14,341,424	$ 288,983
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 14,341,424	$ 288,983

	Capital Projects Fund	
	Fund Balance	Revenue and Other Financing Sources
Revenue and Other Financing Sources/ Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	$ 35,000	
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue Not Recognized on GAAP Basis	(177,007)	
Revenue and Other Financing Sources/ Fund Balance/(Deficit) per Governmental Funds (GAAP)	$ (142,007)	$ -0-

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments Cont'd)

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 school districts are limited as to the type 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 17:9-41et 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 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 market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

I. Short-term Interfund Receivables/Payables:

Short-term 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.

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the general or enterprise funds represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is $2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, 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.

O. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2025.

P. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

T. Fund Balance Appropriated

General Fund: Of the $3,920,362 General Fund fund balance at June 30, 2025, $2,410,461 is restricted in the capital reserve account; $436,110 is restricted in the maintenance reserve account; $63,979 is restricted for unemployment compensation; $350,703 is prior year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2026; $392,034 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2027; $726 is assigned for encumbrances; and $266,349 is unassigned which is $75,399 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: Of the $55,459 Special Revenue Fund fund balance at June 30, 2025, $33,362 is restricted for student activities and $22,097 is restricted for Scholarships.

Capital Projects Fund: The $142,007 deficit in Capital Projects Fund fund balance as of June 30, 2025 is unassigned.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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 year's budget. The District had excess surplus at June 30, 2025 as noted above.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

U. Deficit in Net Position/Fund Balance:

The District has a deficit in unrestricted net position of $1,349,299 in governmental activities, which is primarily due to the net pension liability and the ROD grant receivable in the Capital Projects Fund. There is a deficit in unassigned Capital Projects Fund fund balance of $142,007 due to a NJ SDA grant which has not been recognized on a GAAP basis until it is expended and submitted for reimbursement. The deficits do not indicate the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2025 related to pensions.

The District had deferred inflows of resources at June 30, 2025 for related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, excess surplus, unemployment compensation, student activities, and scholarships.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The district has committed resources in the Capital Projects Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the general fund.

X. Revenue - Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

AA. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

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.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on Investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which 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.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

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, and

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%.

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

Investments:

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1970, c.236 (C.17-9-41); or

(8) Agreements for the repurchase of fully collateralized securities if:

   (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);

   (b) the custody of collateral is transferred to a third party;

   (c) the maturity of the agreement is not more than 30 days;

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposit of funds in accordance with the following conditions:

(a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

(b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

(c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

(d) The designated public depository acts as custodian for the school district with respect to these deposits; and

(e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents	Cash and Cash Equivalents	Total
Checking Accounts	$ 2,966,009	$ 736,262	$ 3,702,271

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was $3,702,271 and the bank balance was $4,188,103.

NOTE 4. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025 the District transferred $17,415 to capital outlay accounts for equipment, which did not require County Superintendent approval.

NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution 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.

NOTE 5. CAPITAL RESERVE ACCOUNT (Cont'd)

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 State Department of Education, 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. 6:23A-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. Withdrawals from the Capital Reserve Account were for use in DOE approved facilities projects, consistent with the District's LRFP.

The activity for the Capital Reserve Account for the fiscal year ended June 30, 2025 is as follows:

Beginning Balance, July 1, 2024	$1,419,242
Board Resolution - June 23, 2025	775,100
Transfer from Capital Projects Fund - Unexpended Projects funds	216,119
Ending Balance, June 30, 2025	$2,410,461

The balance in the capital reserve account at June 30, 2025 does not exceed the LRFP balance of local support costs of uncompleted capital projects.

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution on June 26, 2023. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the Maintenance Reserve Account for the fiscal year ended June 30, 2025 is as follows:

Beginning Balance, July 1, 2024	$ 273,000
Board Resolution - June 23, 2025	250,000
	523,000
Budgeted Withdrawal from Maintenance Reserve	(86,890)
Ending Balance, June 30, 2025	$ 436,110

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress	$ 145,300	$ 1,362,743		$ 1,508,043
Total Capital Assets Not Being Depreciated	145,300	1,362,743		1,508,043
Capital Assets Being Depreciated:				
Site Improvements	101,169			101,169
Buildings and Building Improvements	12,126,669			12,126,669
Machinery and Equipment	829,419	81,528		910,947
Total Capital Assets Being Depreciated	13,057,257	81,528		13,138,785
Governmental Activities Capital Assets	13,202,557	1,444,271		14,646,828
Less Accumulated Depreciation:				
Site Improvements	(2,108)	(1,054)		(3,162)
Buildings and Building Improvements	(11,584,328)	(2,166)		(11,586,494)
Machinery and Equipment	(527,963)	(58,109)		(586,072)
	(12,114,399)	(61,329)		(12,175,728)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 1,088,158	$ 1,382,942	$ - 0 -	$ 2,471,100
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	$ 40,644			$ 40,644
Less: Accumulated Depreciation	(31,479)	$ (634)		(32,113)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	$ 9,165	$ (634)	$ - 0 -	$ 8,531

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$ 9,819
Special Education Instruction	1,441
Other Instruction	7,813
Student and Instruction Related Services	11,168
School Administration	8,979
General Administration	6,795
Operations and Maintenance of Plant	15,314
	$ 61,329

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025
Compensated Absences Payable	$ 164,261	$ 12,474		$ 176,735
Net Pension Liability - PERS	1,455,561		$ 63,444	1,392,117
Financed Purchases Payable	245,137		121,676	123,461
	$ 1,864,959	$ 12,474	$ 185,120	$ 1,692,313

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and are liquidated by the Debt Service Fund.

As of June 30, 2025, the District has no bonds outstanding.

B. Bonds Authorized But Not Issued

As of June 30, 2025, the District had no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term portions, and the General Fund will be used to liquidate the governmental activities compensated absences payable. The current portion of the compensated absences balance of the governmental funds is $0 and is separated from the long-term portion of $176,735.

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

C. Compensated Absences Payable: (Cont'd)

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. At June 30, 2025, no liability existed for compensated absences in the Proprietary Fund.

D. Net Pension Liability:

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is $0 and the long-term portion is $1,392,117. See Note 9 for further information on the PERS.

E. Financed Purchase Payable:

The District has a financed purchase agreement for the purchase of equipment and improvements for the STEM Lab Project. The financed purchase agreement totals $600,000, of which $476,539 has been liquidated as of June 30, 2025. The finance purchase agreement is for a term of five years. The current portion of the financed purchases payable as of June 30, 2025 in the governmental activities is $123,461 and the long-term portion is $0. The following is a schedule of the future minimum financed purchases payments under the District's financed purchase agreement, and the present value of the net minimum financed purchases payments at June 30, 2025.

Fiscal Year Ending:	Total
June 30, 2026	$ 125,273
Total Minimum Financed Purchases Payable	125,273
Less: Amount Representing Interest	(1,812)
Present Value of Net Minimum Financed Purchases Payments	$ 123,461

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and is adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to $139,410 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $4,488 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Special Funding Situation

Under N.J.SA. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of $1,392,117 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. 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 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 members, actuarially determined. At June 30, 2024, the District's proportion was 0.0102% for PERS, which was an increase of 0.0002% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of $58,819 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of $4,488 and the District recognized pension expense and revenue for $4,488 in the fiscal year ended June 30, 2025 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

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

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		$ (10,116)
	2021	5.13	$ 1,729	
	2022	5.04		(5,723)
			1,729	(15,839)
Changes in Proportion	2020	5.16		(2,943)
	2021	5.13		(13,455)
	2022	5.04	19,575	
	2023	5.08	121,893	
	2024	5.08	23,893	
			165,361	(16,398)
Difference Between Expected and Actual	2020	5.16	564	
Experience	2021	5.13		(1,375)
	2022	5.04		(2,331)
	2023	5.08	7,161	
	2024	5.08	20,162	
			27,887	(3,706)
Net Difference Between Projected				
and Actual Investment Earnings	2021	5.00		(95,561)
on Pension Plan Investments	2022	5.00		151,591
	2023	5.00		(39,310)
	2024	5.00		(81,269)
				(64,549)
Contribution Subsequent to Measurement Date	2024	1.00	145,000	
			$ 339,977	$ (100,492)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

Fiscal Year Ending June 30,	Total
2025	$ (18,926)
2026	99,214
2027	19,498
2028	(6,138)
2029	837
	$ 94,485

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

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.

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' 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 Market 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 Assets	8.00%	8.20%
Real Estate	3.00%	10.95%
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%

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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 projected benefit payments in determining the total pension liability.

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

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

	June 30, 2024		
	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	$ 1,849,781	$ 1,392,117	$ 1,002,647

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided

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

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

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

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Special Funding Situation (Cont'd)

In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed $1,398,034 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of ($54,600).

The employee contribution rate was 7.50% effective July 1, 2024.

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

At June 30, 2025, the District reported a liability of $14,967,835 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. 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 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 members, actuarially determined. At June 30, 2024, the District's proportion was 0.0303% which was an increase of 0.0023% as of June 30, 2023.

District's Proportionate Share of the Net Pension Liability	$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		14,967,835
Total	$	14,967,835

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of $54,600 and the District recognized pension benefit and revenue for $54,600 in the fiscal year ended June 30, 2025 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions				
	2017	8.30		$ 480,199,664
	2018	8.30		1,060,765,245
	2019	8.29		1,016,333,107
	2020	8.04	$ 603,633,698	
	2021	7.99		7,317,559,989
	2022	7.93	67,989,902	
			671,623,600	9,874,858,005
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			436,488,877	266,879,466
Net Difference Between Projected and Actual Investment Earnings Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				403,364,319
			$ 1,108,112,477	$ 10,545,101,790

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

Fiscal Year Ending June 30,	Total
2025	$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	$ (9,436,989,313)

Actuarial Assumptions

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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

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

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' 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 Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate - TPAF

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

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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 or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Total Net Pension Liability Associated with the District	$ 17,791,390	$ 14,967,835	$ 12,589,867

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of $5,347 for the year ended June 30, 2025. Employee contributions to DCRP amounted to $7,099 for the year ended June 30, 2025.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through Horizon Blue Cross/Blue Shield of NJ and dental insurance coverage through Delta Dental Plan of NJ.

Property and Liability Insurance

The District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The audit of the Fund as of June 30, 2025 is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2024 is as follows:

	School Alliance Insurance Fund
Total Assets	$ 58,120,778
Net Position	$ 19,408,763
Total Revenue	$ 60,984,350
Total Expenses	$ 61,472,363
Change in Net Position	$ (488,013)
Members' Dividends	$ - 0 -

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550
(609) 275-1155

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.

NOTE 10. RISK MANAGEMENT (Cont'd)

The following is a summary of the employee contributions and reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Fund restricted balance in the general fund for the current and previous two years:

Fiscal Year	Employee Contributions	Amount Reimbursed	Ending Balance
2024-2025	$ 9,520	$ 13,072	$ 63,979
2023-2024	9,321	5,332	67,531
2022-2023	9,613	338	63,542

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 148,415	
Special Revenue Fund		$ 6,408
Capital Projects Fund		142,007
	$ 148,415	$ 148,415

The interfund payable from the Special Revenue Fund and Capital Projects Fund and the interfund receivable in the General Fund as of June 30, 2025 represents the negative cash balance in the Special Revenue Fund and Capital Projects Fund as a result of reimbursements not being received from grantors prior to June 30, 2025.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

AXA Equitable Lincoln Financial

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year.

NOTE 14. TAX CALENDAR (Cont'd)

The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

The School District participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The School District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Encumbrances

At June 30, 2025, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

General Fund	Capital Projects Fund	Total Governmental Funds
$ 726	$ 35,000	$ 35,726

The Capital Projects Fund has encumbrances of $35,000 which are included in the deficit in unassigned fund balance on the Governmental Funds Balance Sheet.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

NOTE 16. ACCOUNTS PAYABLE

At June 30, 2025 the District had the following accounts payable:

	General Fund	Special Revenue Fund	District Contribution Subsequent to the Measurement Date	Total Governmental Activities	Total Business Type Activities/ Proprietary Funds
Vendors	$ 71,863			$ 71,863	$ 3,470
Payroll Deductions & Withholdings	15,956			15,956	
Due to Federal Government		$ 1,473		1,473	
Due to State of New Jersey		24	$ 145,000	145,024	
	$ 87,819	$ 1,497	$ 145,000	$ 234,316	$ 3,470

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit 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 the 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. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more 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.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at https://www.nj.gov/treasury/pensions/gasb-notices-opeb.shtml.

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	219,185
Total	372,741

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer 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.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Mortality Rates

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

Health Care Trend Assumptions

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

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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 State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2023	$ 12,002,346
Changes for Year:	
Service Cost	675,488
Interest on the Total OPEB Liability	455,897
Changes in Assumptions	1,036,137
Differences between Expected and Actual Experience	16,022
Gross Benefit Payments by the State	(348,176)
Contributions from Members	11,922
Net Changes	1,847,290
Balance at June 30, 2024	$ 13,849,636

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	$ 16,220,890	$ 13,849,636	$ 11,921,760

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	$ 11,536,848	$ 13,849,636	$ 16,862,195

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

For the fiscal year ended June 30, 2025 the District recognized OPEB expense of $787,745 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is $-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2024 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		$ 265,604
	2018	9.51		324,258
	2019	9.29	$ 51,159	
	2020	9.24	1,319,677	
	2021	9.24	7,795	
	2022	9.13		2,117,953
	2023	9.30	19,234	
	2024	9.33	925,083	
			2,322,948	2,707,815

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	2018	9.51		$ 306,525
	2019	9.29		602,145
	2020	9.24	$ 1,229,990	
	2021	9.24		1,499,057
	2022	9.13	218,119	
	2023	9.30		178,681
	2024	9.33	32,946	
			1,481,055	2,586,408
Changes in Proportion	N/A	N/A	1,280,723	(509,440)
			$ 5,084,726	$ 4,784,783

N/A - Not Available

Amounts reported as deferred outflows of resources and deferred inflows of resources excluding changes in proportion related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2025	$ (491,263)
2026	(411,927)
2027	(195,652)
2028	51,421
2029	(357,028)
Thereafter	(85,771)
	$ (1,490,220)

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

HARDING TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the Net Pension Liability	0.0080614675%	0.0092770514%	0.0091154598%	0.0088781600%	0.0092906852%	0.0088687818%	0.0085887291%	0.0088783709%	0.0100491778%	0.0102451608%
District's proportionate share of the Net Pension Liability	$ 1,809,638	$ 2,747,597	$ 2,121,933	$ 1,748,065	$ 1,674,041	$ 1,446,266	$ 1,017,464	$ 1,334,537	$ 1,455,560	$ 1,392,117
District's covered employee payroll	$ 597,092	$ 612,139	$ 597,139	$ 626,146	$ 618,941	$ 625,785	$ 619,228	$ 684,533	$ 790,235	$ 816,792
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	303.08%	448.85%	355.35%	279.18%	270.47%	231.11%	164.31%	194.96%	184.19%	170.44%
Net Change in Total OPEB Liability Total Pension Liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	46.41%	65.23%	68.22%

HARDING TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 69,307	$ 83,756	$ 87,086	$ 89,148	$ 91,096	$ 97,020	$ 100,584	$ 111,515	$ 134,310	$ 139,410
Contributions in relation to the contractually required contribution	(69,307)	(83,756)	(87,086)	(89,148)	(91,096)	(97,020)	(100,584)	(111,515)	(134,310)	(139,410)
Contribution deficiency/(excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's covered employee payroll	$ 612,139	$ 597,139	$ 626,146	$ 618,941	$ 625,785	$ 619,228	$ 684,533	$ 790,235	$ 816,792	$ 859,801
Net Change in Total OPEB Liability covered employee payroll	11.32%	14.03%	13.91%	14.40%	14.56%	15.67%	14.69%	14.11%	16.44%	16.21%

HARDING TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the Net Pension Liability attributable to the District	0.0262009638%	0.0261796731%	0.0276104539%	0.0291020732%	0.0281799633%	0.0286233477%	0.0292515146%	0.0279969049%	0.0312653220%	0.0302838693%
State's proportionate share of the Net Pension Liability attributable to the District	$ 16,560,128	$ 20,594,598	$ 18,615,964	$ 18,514,114	$ 17,294,299	$ 18,848,130	$ 14,062,721	$ 14,444,840	$ 15,955,528	$ 14,967,835
District's covered employee payroll	$ 2,809,679	$ 2,961,884	$ 3,004,583	$ 3,122,108	$ 3,204,842	$ 3,270,247	$ 3,541,087	$ 3,638,981	$ 3,771,528	$ 4,183,309
Net Change in Total OPEB Liability Liability attributable to the District as a percentage of its covered employee payroll	589.40%	695.32%	619.59%	593.00%	539.63%	576.35%	397.13%	396.95%	423.05%	357.80%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

HARDING TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS - ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 1,011,145	$ 1,547,397	$ 1,289,620	$ 1,079,308	$ 1,020,064	$ 1,172,057	$ 330,902	$ 1,171,741	$ 1,302,710	$ 1,308,968
Contributions in relation to the contractually required contribution	(209,605)	(310,563)	(438,971)	(554,231)	(627,820)	(850,306)	(1,152,536)	(1,278,054)	(1,290,497)	(1,398,034)
Contribution deficiency/(excess)	$ 801,540	$ 1,236,834	$ 850,649	$ 525,077	$ 392,244	$ 321,751	$ (821,634)	$ (106,313)	$ 12,213	$ (89,066)
District's covered employee payroll	$ 2,961,884	$ 3,004,583	$ 3,122,108	$ 3,204,842	$ 3,270,247	$ 3,541,087	$ 3,638,981	$ 3,771,528	$ 4,183,309	$ 4,255,441
Contributions as a percentage of covered employee payroll	7.08%	10.34%	14.06%	17.29%	19.20%	24.01%	31.67%	33.89%	30.85%	32.85%

HARDING TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability:								
Service Cost	$ 704,672	$ 580,221	$ 491,622	$ 549,239	$ 1,045,478	$ 863,571	$ 675,260	$ 675,488
Interest Cost	363,741	421,664	352,031	329,770	362,242	310,939	422,708	455,897
Change of Benefit Terms					(14,863)			
Difference Between Expected and Actual Experience		(2,345,977)	(447,260)	2,811,020	(2,378,498)	40,096	(534,181)	16,022
Changes in Assumptions	(1,689,640)	(1,002,678)	134,192	2,778,708	13,777	(3,147,494)	24,192	1,036,137
Member Contributions	9,646	8,075	8,190	8,027	9,261	9,881	10,833	11,922
Gross Benefit Payments	(261,961)	(233,639)	(276,275)	(264,828)	(285,345)	(307,994)	(329,508)	(348,176)
Net Change in Total OPEB Liability	(873,542)	(2,572,334)	262,500	6,211,936	(1,247,948)	(2,231,001)	269,304	1,847,290
Total OPEB Liability - Beginning	12,183,431	11,309,889	8,737,555	9,000,055	15,211,991	13,964,043	11,733,042	12,002,346
Total OPEB Liability - Ending	$ 11,309,889	$ 8,737,555	$ 9,000,055	$ 15,211,991	$ 13,964,043	$ 11,733,042	$ 12,002,346	$ 13,849,636
District's Covered Employee Payroll *	$ 3,406,771	$ 3,574,023	$ 3,601,722	$ 3,748,254	$ 3,823,783	$ 3,896,032	$ 4,160,315	$ 4,323,514
Total OPEB Liability as a Percentage of Covered Employee Payroll	30.12%	40.90%	40.02%	24.64%	27.38%	33.21%	34.66%	31.22%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 are based on the payroll on the June 30, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2017.

HARDING TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	$ 11,999,754		$ 11,999,754	$ 11,999,754	
Tuition From Individuals	70,000		70,000	43,647	$ (26,353)
Transportation Fees From Individuals	9,000		9,000	20,353	11,353
Rents and Royalties	13,000		13,000	3,600	(9,400)
Unrestricted Miscellaneous Revenues	100,000		100,000	173,845	73,845
Total Revenues from Local Sources	12,191,754		12,191,754	12,241,199	49,445
Revenues from State Sources:					
Categorical Transportation Aid	319,770		319,770	319,770	
Extraordinary Aid	150,000		150,000	107,808	(42,192)
Categorical Special Education Aid	416,843		416,843	416,843	
Categorical Security Aid	32,259		32,259	32,259	
Non Public Transportation Aid				91,748	91,748
TPAF Post Retirement Contributions (Non-Budgeted)				413,567	413,567
TPAF Pension Contributions (Non-Budgeted)				1,398,034	1,398,034
TPAF Non-Contributory Insurance (Non-Budgeted)				17,318	17,318
TPAF Long-Term Disability Insurance (Non-Budgeted)				842	842
Reimbursed TPAF Social Security Contributions				276,465	276,465
Total Revenues from State Sources	918,872		918,872	3,074,654	2,155,782
TOTAL REVENUE	13,110,626		13,110,626	15,315,853	2,205,227

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	$ 67,502	$ 1,700	$ 69,202	$ 69,202	
Kindergarten - Salaries of Teachers	159,278		159,278	159,278	
Grades 1-5 - Salaries of Teachers	1,175,000	(1,700)	1,173,300	1,138,009	$ 35,291
Grades 6-8 - Salaries of Teachers	955,000		955,000	907,203	47,797
Regular Programs - Home Instruction:					
Purchased Professional-Educational Services	2,000		2,000		2,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	60,000		60,000	35,070	24,930
Purchased Professional-Educational Services	20,000	314	20,314	15,159	5,155
Other Purchased Services (400-500 series)	40,000	(645)	39,355	22,098	17,257
General Supplies	81,800	(559)	81,241	66,863	14,378
Textbooks	20,000	(314)	19,686	13,415	6,271
Other Objects	3,000	1,204	4,204	4,204	
Total Regular Programs - Instruction	2,583,580		2,583,580	2,430,501	153,079
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	885,000	18,026	903,026	903,026	
Other Salaries for Instruction	249,000	(38,906)	210,094	207,415	2,679
Other Purchased Services (400-500 series)	1,500		1,500		1,500
General Supplies	3,000	1,452	4,452	4,434	18
Textbooks	500		500		500
Total Resource Room/Resource Center	1,139,000	(19,428)	1,119,572	1,114,875	4,697
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,139,000	(19,428)	1,119,572	1,114,875	4,697

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	$ 94,206		$ 94,206	$ 94,206	
General Supplies	2,000		2,000	562	$ 1,438
Total Basic Skills/Remedial - Instruction	96,206		96,206	94,768	1,438
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	108,000		108,000	90,451	17,549
Supplies and Materials	1,500		1,500		1,500
Transfers to Cover Deficit (Agency Funds)	1,500		1,500	325	1,175
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	111,000		111,000	90,776	20,224
School-Sponsored Athletics - Instruction:					
Salaries	60,000		60,000	48,589	11,411
Purchased Services (300-500 series)	1,000	$ (500)	500	75	425
Supplies and Materials	4,500	(1,030)	3,470	635	2,835
Other Objects	5,000	530	5,530	5,530	
Transfers to Cover Deficit (Agency Funds)	3,000	1,000	4,000	3,924	76
Total School-Sponsored Athletics - Instruction	73,500		73,500	58,753	14,747
Summer School - Instruction:					
Salaries of Teachers	9,750		9,750		9,750
Other Salaries of Instruction	2,000		2,000		2,000
Total Summer School - Instruction	11,750		11,750		11,750
TOTAL INSTRUCTION	4,015,036	(19,428)	3,995,608	3,789,673	205,935

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	$ 1,274,868		$ 1,274,868	$ 1,145,864	$ 129,004
Tuition to Other LEAs Within the State-Special	175,000		175,000	71,381	103,619
Tuition to County Voc. School Dist.-Regular	42,000	$ 14,541	56,541	54,279	2,262
Tuition to Priv. Sch. for the Handicap. W/I State	671,000	(24,296)	646,704	409,639	237,065
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St	100,000	(10,000)	90,000		90,000
Tuition - Other	5,000		5,000		5,000
Total Undistributed Expenditures - Instruction	2,267,868	(19,755)	2,248,113	1,681,163	566,950
Undistributed Expend. - Attend. & Social Work:					
Salaries	65,683	800	66,483	66,483	
Purchased Professional and Technical Services	5,000	79	5,079	5,079	
Total Undist. Expend. - Attendance and Social Work	70,683	879	71,562	71,562	
Undistributed Expenditures - Health Services:					
Salaries	66,452		66,452	66,452	
Purchased Professional and Technical Services	5,000	(800)	4,200	4,200	
Supplies and Materials	2,000	(179)	1,821	1,183	638
Other Objects		100	100	98	2
Total Undist. Expenditures - Health Services	73,452	(879)	72,573	71,933	640
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	89,882		89,882	89,882	
Purchased Professional - Educational Services	45,000	(13,140)	31,860	31,860	
Supplies and Materials	500	(134)	366	366	
Total Undist. Expend. - Speech, OT, PT, Related Svcs	135,382	(13,274)	122,108	122,108	
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Purchased Professional - Educational Services	45,000	32,972	77,972	68,991	8,981
Supplies and Materials	500	(270)	230	230	
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	45,500	32,702	78,202	69,221	8,981

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	$ 83,902	$ 1,678	$ 85,580	$ 85,580	
Supplies and Materials	250		250	156	$ 94
Total Undist Expend. - Guidance	84,152	1,678	85,830	85,736	94
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	367,306	(1,678)	365,628	359,663	5,965
Salaries of Secretarial and Clerical Assistants	56,182		56,182	55,089	1,093
Other Salaries	1,000	48	1,048	1,048	
Purchased Professional - Educational Services	65,000		65,000	34,998	30,002
Supplies and Materials	10,000	(48)	9,952	1,806	8,146
Other Objects	4,000		4,000	699	3,301
Total Undist Expend. - Child Study Team	503,488	(1,678)	501,810	453,303	48,507
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff	117,520		117,520	117,520	
Salaries of Secretarial and Clerical Assistants	57,104		57,104	55,677	1,427
Other Salaries	25,000		25,000	7,338	17,662
Purchased Professional - Educational Services	3,500	(1,437)	2,063		2,063
Total Undist. Expend.-Improv. of Inst. Serv.	203,124	(1,437)	201,687	180,535	21,152
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	65,502		65,502	65,502	
Salaries of Technology Coordinators	70,000		70,000	70,000	
Purchased Professional and Technical Services	75,000		75,000	59,914	15,086
Supplies and Materials	9,000		9,000	2,587	6,413
Total Undist Expend-Edu. Media Serv./Sch. Library	219,502		219,502	198,003	21,499

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	$ 9,000	$ (681)	$ 8,319	$ 8,319	
Other Purchased Services (400-500 series)	7,000	4,618	11,618	11,618	
Supplies and Materials	2,500	(2,500)			
Total Undist.Expend.-Instructional Staff Training Services	18,500	1,437	19,937	19,937	
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	236,110	16,119	252,229	252,229	
Legal Services	30,000	7,758	37,758	37,758	
Audit Fees	34,500		34,500	34,500	
Architectural/Engineering Services	6,000	(6,000)			
Other Purchased Professional Services	4,000	(4,000)			
Communications / Telephone	16,000	(1,946)	14,054	14,054	
BOE Other Purchased Services	6,500	(5,852)	648	648	
Other Purch. Serv. (400-500 series other than 530 & 585)	26,000	(1,599)	24,401	24,401	
General Supplies	5,000	(2,873)	2,127	2,127	
Judgments Against The School District	51,000	(5,043)	45,957		$ 45,957
Miscellaneous Expenditures	9,000	3,917	12,917	12,917	
BOE Membership Dues and Fees	6,750	(481)	6,269	6,269	
Total Undist. Expend.-Support Serv.-Gen. Admin.	430,860		430,860	384,903	45,957
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	29,380		29,380	29,380	
Salaries of Secretarial and Clerical Assistants	6,421	326	6,747	6,747	
Supplies and Materials	2,500	214	2,714	2,714	
Other Objects	3,500	(540)	2,960	2,656	304
Total Undist. Expend.-Support Serv.-School Adm.	41,801		41,801	41,497	304

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	$ 197,637	$ 1,941	$ 199,578	$ 199,578	
Purchased Technical Services	30,000	1,341	31,341	27,946	$ 3,395
Miscellaneous Purchased Services (400-500 series other than 594)	1,000	(417)	583	583	
Supplies and Materials	4,000	(2,254)	1,746	1,746	
Interest on Lease Purchase Agreements	1,000	(1,000)			
Other Objects	2,500	389	2,889	2,889	
Total Undist. Expend. - Central Services	236,137		236,137	232,742	3,395
Undist. Expend. - Admin. Info. Technology:					
Purchased Professional Services	16,000	2,537	18,537	18,537	
Supplies and Materials	25,000	(2,537)	22,463	14,772	7,691
Total Undist. Expend. - Admin. Info. Technology	41,000		41,000	33,309	7,691
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	97,608	4,916	102,524	102,524	
Cleaning, Repair, and Maintenance Services	140,000	72,373	212,373	191,798	20,575
Lead Testing of Drinking Water	3,000	(3,000)			
General Supplies	40,000	11,927	51,927	51,506	421
Total Undist. Expend.- Required Maint. for School Facilities	280,608	86,216	366,824	345,828	20,996
Undist. Expend.-Custodial Services:					
Salaries	174,100	32,602	206,702	206,702	
Purchased Professional and Technical Services	90,000	(25,620)	64,380	55,092	9,288
Cleaning, Repair, and Maintenance Services	290,000		290,000	282,977	7,023
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	140,000	(1,225)	138,775	136,673	2,102
Insurance	78,000	2,197	80,197	80,197	
General Supplies	70,000	4,096	74,096	72,141	1,955
Energy (Natural Gas)	65,000	(27,052)	37,948	34,639	3,309
Energy (Electricity)	125,000	10,893	135,893	133,132	2,761
Other Objects	2,000	1,360	3,360	3,360	
Total Undist. Expend.-Custodial Services	1,034,100	(2,749)	1,031,351	1,004,913	26,438

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	$ 21,250	$ (3,939)	$ 17,311	$ 16,744	$ 567
General Supplies	9,000	5,176	14,176	14,139	37
Total Care And Upkeep Of Grounds	30,250	1,237	31,487	30,883	604
Security:					
Purchased Professional and Technical Services	5,000	10,810	15,810	15,049	761
General Supplies		1,132	1,132	1,132	
Total Security	5,000	11,942	16,942	16,181	761
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,349,958	96,646	1,446,604	1,397,805	48,799
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	86,748		86,748	86,748	
Management Fee - ESC&CTSA Transportation Program	40,000	(3,531)	36,469	29,158	7,311
Other Purchased Professional and Technical Services	5,500	1,319	6,819	6,819	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	220,000	32,420	252,420	251,937	483
Contract. Serv.(Bet. Home & Sch.)-Vendors	650,000	(750)	649,250	621,430	27,820
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	42,000		42,000	26,554	15,446
Contract. Serv.(Spl. Ed. Students)-Vendors	500,000	(37,623)	462,377	277,736	184,641
Total Undist. Expend.-Student Trans. Serv.	1,544,248	(8,165)	1,536,083	1,300,382	235,701
UNALLOCATED BENEFITS					
Group Insurance	16,000	567	16,567	16,567	
Social Security Contributions	125,000	7,121	132,121	132,121	
Other Retirement Contributions - PERS	140,000	(590)	139,410	139,410	
Workers Compensation	50,000	3,447	53,447	53,447	
Health Benefits	1,700,000	(20,161)	1,679,839	1,590,993	88,846
Tuition Reimbursement	72,500	1,115	73,615	68,365	5,250
Other Employee Benefits	9,000	2,425	11,425	11,425	
Unused Sick Payment to Terminated/Retired Staff	5,000	6,825	11,825	11,825	
TOTAL UNALLOCATED BENEFITS	2,117,500	749	2,118,249	2,024,153	94,096

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				$ 413,567	$ (413,567)
TPAF Pension Contributions (Non-Budgeted)				1,398,034	(1,398,034)
TPAF Non-Contributory Insurance (Non-Budgeted)				17,318	(17,318)
TPAF Long-Term Disability Insurance (Non-Budgeted)				842	(842)
Reimbursed TPAF Social Security Contributions				276,465	(276,465)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				2,106,226	(2,106,226)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	$ 2,117,500	$ 749	$ 2,118,249	4,130,379	(2,012,130)
TOTAL UNDISTRIBUTED EXPENDITURES	9,383,155	88,903	9,472,058	10,474,518	(1,002,460)
TOTAL GENERAL CURRENT EXPENSE	13,398,191	69,475	13,467,666	14,264,191	(796,525)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	7,733	(2,795)	4,938	4,938	
Grades 6-8	7,733	20,210	27,943	27,943	
Special Education - Instruction:					
Resource Room/Resource Center		3,672	3,672	3,672	
Undistributed:					
Undistributed Expenditures - General Admin.	15,000	(1,666)	13,334	13,334	
Undistributed Expenditures - Admin. Info. Tech.	8,000	(7,310)	690		690
Undist. Expend. - Required Maint for School Fac.	8,258	16,304	24,562	24,562	
Undist. Expend. - Care and Upkeep of Grounds	11,000	(11,000)			
Total Equipment	57,724	17,415	75,139	74,449	690
Facilities Acquisition and Construction Serv.:					
Assessment for Debt Service on SDA Funding	2,784		2,784	2,784	
Total Facilities Acquisition and Const. Serv.	2,784		2,784	2,784	
TOTAL CAPITAL OUTLAY	60,508	17,415	77,923	77,233	690
TOTAL EXPENDITURES	13,458,699	86,890	13,545,589	14,341,424	(795,835)

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures	$ (348,073)	$ (86,890)	$ (434,963)	$ 974,429	$ 1,409,392
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)	(11,000)		(11,000)	(9,667)	1,333
Capital Reserve - Transfer from Capital Projects Fund (Unexpended Funds)				216,119	216,119
Total Other Financing Sources/(Uses)	(11,000)		(11,000)	206,452	217,452
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(359,073)	(86,890)	(445,963)	1,180,881	1,626,844
Fund Balance, July 1	2,814,880		2,814,880	2,814,880	
Fund Balance, June 30	$ 2,455,807	(86,890)	$ 2,368,917	$ 3,995,761	$ 1,626,844

Recapitulation:	
Restricted Fund Balance:	
Excess Surplus - Restricted For 2026-2027	$ 392,034
Excess Surplus - Restricted For 2025-2026	350,703
Capital Reserve	2,410,461
Maintenance Reserve	436,110
Unemployment Compensation	63,979
Assigned Fund Balance:	
Year End Encumbrances	726
Unassigned Fund Balance	341,748
	3,995,761
Reconciliation to Governmental Funds Statement (GAAP):	
Last State Aid Payments not Recognized on GAAP basis	(75,399)
Fund Balance per Governmental Funds (GAAP)	$ 3,920,362

HARDING TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		$ 48,751	$ 48,751	$ 50,709	$ 1,958
State Sources		3,481.00	3,481	3,481	
Federal Sources	$ 134,970	107,225	242,195	240,722	(1,473)
Total Revenues	134,970	159,457	294,427	294,912	485
EXPENDITURES:					
Instruction:					
Salaries of Teachers		9,446	9,446	9,446	
Purchased Professional and Technical Services		22,190	22,190	22,190	
Other Purchased Services	75,270	26,568	101,838	101,838	
General Supplies	59,700	35,141	94,841	89,397	5,444
Textbooks		409	409	409	
Total Instruction	134,970	93,754	228,724	223,280	5,444
Support Services:					
Personal Services - Employee Benefits		722	722	722	
Purchased Professional and Technical Services		20,038	20,038	20,038	
Supplies and Materials		19	19	19	
Student Activities		39,004	39,004	39,004	
Scholarships		4,747	4,747	4,747	
Total Support Services		64,530	64,530	64,530	
Facilities Acquisition and Construction Services:					
Instructional Equipment		1,173	1,173	1,173	
Total Facilities Acquisition and Construction Services		1,173	1,173	1,173	
Total Expenditures	$ 134,970	$ 159,457	$ 294,427	$ 288,983	$ 5,444
Excess of Revenue Over Expenditures	$ -0-	$ -0-	$ -0-	$ 5,929	$ 5,929

HARDING TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 15,315,853	$ 294,912
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	70,283	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(75,399)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 15,310,737	$ 294,912
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 14,341,424	$ 288,983
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 14,341,424	$ 288,983

HARDING TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substanial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act			I.D.E.A	
	Title I	Title IIA	Title IV	Basic	Preschool
REVENUES:					
Local Sources					
State Sources					
Federal Sources	$ 21,995	$ 10,506	$ 10,000	$ 85,944	$ 2,984
Total Revenues	21,995	10,506	10,000	85,944	2,984
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Technical Services					
Other Purchased Services			10,000	85,944	2,984
General Supplies	21,995				
Textbooks					
Total Instruction	21,995		10,000	85,944	2,984
Support Services:					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services		10,506			
Supplies and Materials					
Student Activities					
Scholarship					
Total Support Services		10,506			
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	$ 21,995	$ 10,506	$ 10,000	$ 85,944	$ 2,984

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

	Nonpublic Textbooks	Nonpublic Technical Intiative	Nonpublic Nursing	Nonpublic Security	Rural Education Achievement Program
REVENUES:					
Local Sources					
State Sources	$ 409	$ 392	$ 1,040	$ 1,640	
Federal Sources					$ 31,257
Total Revenues	409	392	1,040	1,640	31,257
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Technical Services					
Other Purchased Services					
General Supplies		392	1,040	1,640	21,725
Textbooks	409				
Total Instruction	409	392	1,040	1,640	21,725
Support Services:					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services					9,532
Supplies and Materials					
Student Activities					
Scholarship					
Total Support Services					9,532
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	$ 409	$ 392	$ 1,040	$ 1,640	$ 31,257

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

	American Rescue Plan							
	Accelerated Learning Coaching and Educator Support	Evidence-Based Summer Learning and Enrichment Activities	Evidence-Based Comprehensive Beyond the School Day Activities	NJTSS Mental Heallth Support Staffing	Student Activities	Scholarships	Local Donations	Totals
REVENUES:								
Local Sources					$ 42,662	$ 7,018	$ 1,029	$ 50,709
State Sources								3,481
Federal Sources	$ 50,000	$ 26,844	$ 1,173	$ 19				240,722
Total Revenues	50,000	26,844	1,173	19	42,662	7,018	1,029	294,912
EXPENDITURES:								
Instruction:								
Salaries of Teachers		9,446						9,446
Purchased Professional and Technical Services	22,190							22,190
Other Purchased Services	2,910							101,838
General Supplies	24,900	16,676					1,029	89,397
Textbooks								409
Total Instruction	50,000	26,122					1,029	223,280
Support Services:								
Personal Services - Employee Benefits		722						722
Purchased Professional and Technical Services								20,038
Supplies and Materials				19				19
Student Activities					39,004			39,004
Scholarship						4,747		4,747
Total Support Services		722		19	39,004	4,747		64,530
Facilities Acquisition and Construction Services:								
Instructional Equipment			1,173					1,173
Total Facilities Acquisition and Construction Services			1,173					1,173
Total Expenditures	$ 50,000	$ 26,844	$ 1,173	$ 19	$ 39,004	$ 4,747	$ 1,029	$ 288,983

CAPITAL PROJECTS FUND

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

Revenue and Other Financing Sources:		
State Sources - SDA Grant	$	(147,458)
Transfer from Capital Reserve		(216,119)
Total Revenue and Other Financing Sources		(363,577)
Expenditures:		
Purchased Professional and Technical Services		17,500
Construction Services		1,345,243
Total Expenditures		1,362,743
Excess/(Deficit) of Revenue over/(under) Expenditures		(1,726,320)
Fund Balance - Beginning of Year		1,761,320
Fund Balance - End of Year	$	35,000
Recapitulation:		
Committed - Year-End Encumbrances	$	35,000
Total Fund Balance - Budgetary Basis	$	35,000
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant not Recognized on the GAAP Basis	$	(177,007)
Fund Balance/(Deficit) per Governmental Funds (GAAP)	$	(142,007)

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

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	$ 497,128	$ (58,945)	$ 438,183	$ 438,183
Transfer from Capital Reserve	745,692	(88,417)	657,275	657,275
Total Revenue and Other Financing Sources	1,242,820	(147,362)	1,095,458	1,095,458
Expenditures:				
Purchased Professional and Technical Services	93,600	12,500	106,100	106,100
Construction Services		989,358	989,358	989,358
Total Expenditures	93,600	1,001,858	1,095,458	1,095,458
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	$ 1,149,220	$ (1,149,220)	$ -0-	$ -0-

Additional Project Information:

Project Number	(05)-27-2010-050-23-R501
Original Authorized Cost	$ 1,242,820
Unexpended Balances Cancelled	(147,362)
Revised Authorized Cost	$ 1,095,458
Percentage Completion	100%
Target Completion Date	9/30/2024

HARDING TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MIDDLE SCHOOL HVAC SYSTEM UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	$ 265,520	$ (88,513)	$ 177,007	$ 177,007
Transfer from Capital Reserve	398,280	(127,702)	270,578	270,578
Total Revenue and Other Financing Sources	663,800	(216,215)	447,585	447,585
Expenditures:				
Purchased Professional and Technical Services	51,700	$ 5,000	56,700	56,700
Construction Services		355,885	355,885	390,885
Total Expenditures	51,700	360,885	412,585	447,585
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	$ 612,100	$ (577,100)	$ 35,000	$ - 0 -

Additional Project Information:		
Project Number	(02)-27-2010-050-23-R501	
Original Authorized Cost	$	663,800
Transfer to Capital Reserve		(216,215)
Revised Authorized Cost	$	447,585
Percentage Completion		92.18%
Target Completion Date		5/30/2025

Committed for Encumbrances	$ 35,000
	$ 35,000

PROPRIETARY FUNDS

HARDING TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$	12,232
Accounts Receivable		691
Inventories		8,271
Total Current Assets		21,194
Non-Current Assets:		
Capital Assets		40,644
Less: Accumulated Depreciation		(32,113)
Total Non-Current Assets		8,531
Total Assets		29,725
LIABILITIES:		
Current Liabilities:		
Accounts Payable		3,470
Unearned Revenue - Prepaid Sales		6,287
Total Liabilities		9,757
NET POSITION:		
Investment in Capital Assets		8,531
Unrestricted		11,437
Total Net Position	$	19,968

HARDING TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Operating Revenue:		
Local Sources:		
Daily Sales - Non-Reimbursable Programs	$	133,446
Total Operating Revenue		133,446
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs		63,754
Salaries, Benefits and Payroll Taxes		56,204
Supplies, Insurance and Other Costs		16,750
Management Fee		12,180
Depreciation Expense		634
Total Operating Expenses		149,522
Operating Loss		(16,076)
Change in Net Position Before Transfers		(16,076)
Transfers In - General Fund		9,667
Change in Net Position		(6,409)
Net Position - Beginning of Year		26,377
Net Position - End of Year	$	19,968

HARDING TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:		
Receipts from Customers	$	134,380
Payments to Food Service Contractor		(153,134)
Payments to Suppliers		(1,778)
Net Cash (Used for) Operating Activities		(20,532)
Cash Flows Provided by Noncapital Financing Activities:		
Transfers In - General Fund		9,667
Net Cash Provided by Noncapital Financing Activities		9,667
Net Decrease in Cash and Cash Equivalents		(10,865)
Cash and Cash Equivalents, July 1		23,097
Cash and Cash Equivalents, June 30	$	12,232
Reconciliation of Operating Income to Net Cash (Used for) Operating Activities:		
Operating Loss	$	(16,076)
Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities:		
Depreciation		634
Changes in Assets and Liabilities:		
(Increase) in Inventory		(5,599)
(Increase) in Accounts Receivable		(132)
Increase in Unearned Revenue - Prepaid Sales		1,066
(Decrease) in Accounts Payable		(425)
Net Cash (Used for) Operating Activities	$	(20,532)

FIDUCIARYACTIVITIES
NOT APPLICABLE

LONG-TERM LIABILITIES

HARDING TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

Purpose	Original Issue	Interest Rate	Balance July 1, 2024	Matured	Balance June 30, 2025
Equipment and Improvements for STEM Lab	$ 600,000	1.467%	$ 245,137	$ 121,676	$ 123,461
			$ 245,137	$ 121,676	$ 123,461

STATISTICAL SECTION
(UNAUDITED)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	Exhibit
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information	
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

HARDING TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	$ 3,768,302	$ 4,080,792	$ 4,602,782	$ 4,984,206	$ 5,593,834	$ 5,000,001	$ 299,614	$ 478,311	$ 843,021	$ 2,347,639
Restricted	970,000	1,308,327	1,201,854	1,368,144	844,411	1,565,145	1,665,798	2,767,261	2,510,329	3,708,746
Unrestricted/(Deficit)	(1,305,983)	(1,524,114)	(1,593,774)	(1,483,739)	(1,691,338)	(1,379,071)	(1,036,944)	(1,333,279)	(260,015)	(1,349,299)
Total Governmental Activities Net Position	$ 3,432,319	$ 3,865,005	$ 4,210,862	$ 4,868,611	$ 4,746,907	$ 5,186,075	$ 928,468	$ 1,912,293	$ 3,093,335	$ 4,707,086
Business-type Activities:										
Investment in Capital Assets	$ 13,486	$ 9,956	$ 6,425	$ 2,894			$ 11,012	$ 9,799	$ 9,165	$ 8,531
Unrestricted/(Deficit)	(813)	991	3,331	(1,658)	$ (14)	$ (2,526)	(4,058)	15,363	17,212	11,437
Total Business-type Activities Net Position/(Deficit)	$ 12,673	$ 10,947	$ 9,756	$ 1,236	$ (14)	$ (2,526)	$ 6,954	$ 25,162	$ 26,377	$ 19,968
District-wide:										
Net Investment in Capital Assets	$ 3,781,788	$ 4,090,748	$ 4,609,207	$ 4,987,100	$ 5,593,834	$ 5,000,001	$ 310,626	$ 488,110	$ 852,186	$ 2,356,170
Restricted	970,000	1,308,327	1,201,854	1,368,144	844,411	1,565,145	1,665,798	2,767,261	2,510,329	3,708,746
Unrestricted/(Deficit)	(1,306,796)	(1,523,123)	(1,590,443)	(1,485,397)	(1,691,352)	(1,381,597)	(1,041,002)	(1,317,916)	(242,803)	(1,337,862)
Total District Net Position	$ 3,444,992	$ 3,875,952	$ 4,220,618	$ 4,869,847	$ 4,746,893	$ 5,183,549	$ 935,422	$ 1,937,455	$ 3,119,712	$ 4,727,054

Source: Harding Township School District Financial Reports

HARDING TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Instruction										
Regular	$ 3,135,338	$ 3,425,409	$ 4,191,224	$ 4,221,574	$ 4,210,459	$ 4,479,720	$ 3,997,271	$ 4,615,144	$ 4,171,956	$ 3,839,254
Special Education	974,193	960,343	1,372,066	1,309,767	1,407,737	1,761,893	1,328,035	1,727,336	1,928,905	1,884,257
School Sponsored/Other Instruction	281,999	345,875	419,348	431,928	373,358	290,774	392,672	391,333	437,938	426,202
Support Services:										
Tuition	2,675,456	2,850,469	2,881,238	2,930,311	2,765,213	2,724,982	2,571,814	2,104,284	1,838,681	1,681,163
Student & Instruction Related Services	1,209,863	1,324,795	1,592,770	1,335,386	1,400,077	1,278,474	1,298,026	1,314,843	1,539,568	1,669,565
School Administrative Services	56,113	71,370	109,886	89,158	132,322	78,270	88,117	556,353	540,313	540,103
General Administrative Services	615,061	584,718	791,994	489,388	567,123	555,600	496,574	51,534	70,298	71,297
Central Services				238,220	218,800	202,725	217,650	340,081	327,413	350,319
Administrative Information Technology				16,833	64,118	75,469	78,269	54,174	32,387	33,309
Plant Operations and Maintenance	1,037,107	913,903	1,083,497	1,047,898	998,972	984,991	1,341,118	1,178,592	1,363,929	1,501,995
Pupil Transportation	959,124	681,041	1,002,589	1,066,041	1,191,013	1,190,198	1,290,472	1,322,246	1,130,994	1,331,521
Transfer of Funds to Charter School	26,172	24,338	10,127							
SDA Debt Service Assessment	2,784	2,784	2,784							
Interest on Long-term Debt	54,733	36,750	18,750	750						
Capital Outlay				6,189	57,845	6,019	2,784	2,784	1,677	12,973
Total Governmental Activities Expenses	11,027,943	11,221,795	13,476,273	13,183,443	13,387,037	13,629,115	13,102,802	13,658,704	13,384,059	13,341,958
Business-type Activities:										
Food Service	91,715	84,973	89,552	97,496	74,721	18,344	107,617	135,230	152,316	149,522
Total Business-type Activities Expense	91,715	84,973	89,552	97,496	74,721	18,344	107,617	135,230	152,316	149,522
Total District Expenses	11,119,658	11,306,768	13,565,825	13,280,939	13,461,758	13,647,459	13,210,419	13,793,934	13,536,375	13,491,480
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)				71,572	57,900	66,220	111,580	86,400	71,873	43,647
Student Related Services						2,787	26,783	36,921	58,768	70,459
Pupil Transportation	10,668	9,739	9,201	8,825	8,982					
Interest on Investments	18,832	1,404								
Operating Grants and Contributions	1,050,836	1,093,839	3,078,840	2,874,462	2,633,524	2,917,178	2,126,394	3,150,813	2,636,145	2,652,545
Total Governmental Activities Program Revenues	1,080,336	1,104,982	3,088,041	2,954,859	2,700,406	2,986,185	2,264,757	3,274,134	2,766,786	2,766,651
Business-type Activities:										
Charges for Services:										
Food Service	82,998	83,247	88,361	88,968	70,464	14,874	105,935	145,343	142,146	133,446
Total Business-type Activities Program Revenues	82,998	83,247	88,361	88,968	70,464	14,874	105,935	145,343	142,146	133,446
Total District-wide Program Revenues	1,163,334	1,188,229	3,176,402	3,043,827	2,770,870	3,001,059	2,370,692	3,419,477	2,908,932	2,900,097

HARDING TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue:										
Governmental Activities	$ (9,947,607)	$ (10,116,813)	$ (10,388,232)	$ (10,228,584)	$ (10,686,631)	$ (10,642,930)	$ (10,838,045)	$ (10,384,570)	$ (10,617,273)	$ (10,575,307)
Business-type Activities	(8,717)	(1,726)	(1,191)	(8,528)	(4,257)	(3,470)	(1,682)	10,113	(10,170)	(16,076)
Total District-wide Net Expense/(Revenue)	(9,956,324)	(10,118,539)	(10,389,423)	(10,237,112)	(10,690,888)	(10,646,400)	(10,839,727)	(10,374,457)	(10,627,443)	(10,591,383)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	9,601,885	9,905,421	10,052,092	10,304,571	10,490,662	10,798,662	11,105,027	11,278,768	11,602,469	11,999,754
Taxes Levied for Debt Service	447,936	458,250	442,940	426,226						
Federal and State aid not restricted	41,518	44,118	59,064							
Tuition	104,141	107,117	98,235							
Investment Earnings		113	3,249							
Miscellaneous Income	27,410	34,480	78,509	154,893	13,501	276,636	39,566	97,672	207,231	178,618
Transfers	(4,000)							(8,045)	(11,385)	(9,667)
Total Governmental Activities	10,218,890	10,549,499	10,734,089	10,885,690	10,504,163	11,075,298	11,144,593	11,368,395	11,798,315	12,168,705
Business-type Activities:										
Transfers	4,000							8,045	11,385	9,667
Miscellaneous Income				8	3,007	958	150	50		
Total Business-type Activities	4,000			8	3,007	958	150	8,095	11,385	9,667
Total District-wide General Revenues and Other Changes in Net Position	10,222,890	10,549,499	10,734,089	10,885,698	10,507,170	11,076,256	11,144,743	11,376,490	11,809,700	12,178,372
Change in Net Position:										
Governmental Activities	271,283	432,686	345,857	657,106	(182,468)	432,368	306,548	983,825	1,181,042	1,593,398
Business-type Activities	(4,717)	(1,726)	(1,191)	(8,520)	(1,250)	(2,512)	(1,532)	18,208	1,215	(6,409)
Total District-wide Net Position	$ 266,566	$ 430,960	$ 344,666	$ 648,586	$ (183,718)	$ 429,856	$ 305,016	$ 1,002,033	$ 1,182,257	$ 1,586,989

Source: Harding Township School District Financial Reports

HARDING TOWNSHIP SCHOOL DISTRICT
FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	$ 961,177	$ 1,324,828	$ 1,205,560	$ 1,363,532	$ 815,080	$ 1,537,916	$ 1,628,383	$ 2,724,195	$ 2,460,799	$ 3,653,287
Assigned	49,847	49,128	54,032	77,145	102,985	118,301	231,994	20,627	8,750	726
Unassigned	276,045	254,552	300,217	478,394	303,183	509,494	557,013	246,305	275,048	266,349
Total General Fund	$ 1,287,069	$ 1,628,508	$ 1,559,809	$ 1,919,071	$ 1,221,248	$ 2,165,711	$ 2,417,390	$ 2,991,127	$ 2,744,597	$ 3,920,362
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund					$ 29,331	$ 20,894	$ 37,415	$ 43,066	$ 49,530	$ 55,459
Capital Projects Fund	$ 18,400		$ 5,188	$ 4,612						
Unassigned/(Deficit)	(1)	$ (1)	(644)							(142,007)
Committed:										
Capital Projects Fund					11,412	83,035			998,672	
Total All Other Governmental Funds/(Deficit)	$ 18,399	$ (1)	$ 4,544	$ 4,612	$ 40,743	$ 103,929	$ 37,415	$ 43,066	$ 1,048,202	$ (86,548)
Total Governmental Funds	$ 1,305,468	$ 1,628,507	$ 1,564,353	$ 1,923,683	$ 1,261,991	$ 2,269,640	$ 2,454,805	$ 3,034,193	$ 3,792,799	$ 3,833,814

Source: Harding Townsip School District Financial Reports

HARDING TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Tax Levy	$ 10,068,653	$ 10,365,075	$ 10,495,032	$ 10,730,797	$ 10,490,662	$ 10,798,662	$ 11,105,027	$ 11,278,768	$ 11,602,469	$ 11,999,754
Tuition Charges	104,141	107,117	98,235	71,572	57,900	66,220	111,580	86,400	71,873	43,647
Transportation Fees	10,668	9,739	9,201	8,825	8,982			8,005	10,290	20,353
Interest Earnings		113	3,249	5,116						
Miscellaneous	60,224	70,752	101,219	149,777	13,501	279,423	66,349	126,588	238,157	228,154
State Sources	948,880	948,833	1,504,031	1,921,443	1,853,030	2,208,842	2,592,610	2,808,960	2,892,362	3,511,202
Federal Sources	110,660	152,852	136,709	210,662	162,647	200,367	170,817	853,864	403,534	240,722
Total Revenues	11,303,226	11,654,481	12,347,676	13,098,192	12,586,722	13,553,514	14,046,383	15,162,585	15,218,685	16,043,832
Expenditures:										
Instruction										
Regular Instruction	2,241,826	2,311,700	2,235,819	2,319,699	2,366,518	2,474,035	2,570,189	3,167,540	2,676,848	2,564,853
Special Education Instruction	718,446	684,566	768,862	786,129	820,992	997,268	866,678	1,059,475	1,221,853	1,203,803
Other Special Instruction	70,589	91,656	86,985	103,050	93,884	81,372	87,987	88,224	91,765	94,768
School Sponsored/Other Instruction	134,151	146,848	145,102	150,066	132,835	88,239	151,294	138,792	160,097	149,529
Support Services:										
Tuition	2,675,456	2,650,469	2,881,237	2,930,311	2,765,213	2,724,982	2,571,814	2,104,284	1,838,681	1,681,163
Student & Other Instruction Related Services	931,958	983,539	941,139	999,870	1,130,457	1,052,275	1,201,694	1,181,410	1,261,917	1,336,868
School Administration Services	42,405	49,552	60,384	50,301	75,448	40,536	54,571	37,833	40,749	41,497
General Administrative Services	494,617	451,467	535,597	322,102	377,611	356,190	347,570	386,196	370,643	384,903
Central Services				143,797	143,774	146,108	169,558	215,816	220,488	232,742
Administrative Information Technology				16,833	64,118	75,469	78,269	54,174	32,387	33,309
Plant Operations and Maintenance	964,815	818,700	908,740	968,984	925,329	929,115	1,182,955	1,168,882	1,261,990	1,397,805
Student Transportation	943,891	854,224	956,238	1,052,456	1,175,463	1,172,984	1,269,174	1,300,428	1,087,825	1,300,382
Unallocated Benefits	1,505,882	1,690,143	2,109,449	2,278,920	2,356,483	2,774,729	3,199,290	3,572,946	3,860,714	4,130,379
Charter School	26,172	24,338	10,127							
Capital Outlay	485,844	79,240	295,151	157,987	887,853	232,563	110,175	99,152	322,737	1,441,149
Debt Service:										
Principal	440,000	450,000	450,000	450,000						
Interest and Other Charges	62,800	45,000	27,000	9,000						
Total Expenditures	11,738,852	11,331,442	12,411,830	12,739,505	13,315,978	13,145,865	13,861,218	14,575,152	14,448,694	15,993,150
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(435,626)	323,039	(64,154)	358,687	(729,256)	407,649	185,165	587,433	769,991	50,682
Other Financing Sources/(Uses)										
Proceeds from Financed Purchase Agreements						600,000				
Transfers out								(8,045)	(11,385)	(9,667)
Total Other Financing Sources/(Uses)						600,000		(8,045)	(11,385)	(9,667)
Net Change in Fund Balances	$ (435,626)	$ 323,039	$ (64,154)	$ 358,687	$ (729,256)	$ 1,007,649	$ 185,165	$ 579,388	$ 758,606	$ 41,015
Debt Service as a Percentage of Noncapital Expenditures	4.47%	4.40%	3.94%	3.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Harding Township School District Financial Reports

HARDING TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Refund of Prior Year Expenditures	Tuition	Miscellaneous	Total
2016			$ 104,141	$ 38,078	$ 142,219
2017	$ 115		107,116	44,217	151,448
2018	3,249		98,235	78,717	180,201
2019	5,116		71,572	133,411	210,099
2020	6,999		57,900	15,484	80,383
2021		$ 194,000	66,220	82,636	342,856
2022			111,580	39,566	151,146
2023			86,400	97,672	184,072
2024	99,964	49,234	71,873	35,481	256,552
2025	98,699	41,132	43,647	57,967	241,445

Source: Harding Township School District Financial Reports

HARDING TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,		Vacant Land	Residential	Farm	Commercial	Industrial	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015		$ 42,045,500	$ 1,696,272,400	$ 197,536,230	$ 74,364,900	$ 9,641,900	$ 2,019,860,930	$ 5,711,509	$ 2,025,572,439	$ 0.499	$ 2,204,026,844
2016		39,543,500	1,677,707,600	204,654,960	74,364,900	9,641,900	2,005,912,860	5,783,750	2,011,696,610	0.509	2,250,635,013
2017		40,884,100	1,673,685,600	206,700,060	74,364,900	9,641,900	2,005,276,560	5,644,089	2,010,920,649	0.521	2,200,008,090
2018		41,318,600	1,661,376,700	211,551,160	74,374,900	9,641,900	1,998,263,260	1,258,030	1,999,521,290	0.520	2,217,959,161
2019		41,272,100	1,672,978,600	205,506,960	74,374,900	9,641,900	2,003,774,460	1,270,296	2,005,044,756	0.529	2,263,680,567
2020	*	34,401,100	1,773,434,300	206,398,100	91,858,300	10,740,700	2,116,832,500	1,370,474	2,118,202,974	0.510	2,247,749,145
2021		29,390,700	1,760,362,500	213,257,400	91,858,300	10,740,700	2,105,609,600	1,336,339	2,106,945,939	0.527	2,177,466,973
2022		28,542,500	1,755,894,600	213,160,700	91,858,300	10,740,700	2,100,196,800	1,318,028	2,101,514,828	0.537	2,214,955,442
2023		28,832,300	1,762,161,700	216,142,900	89,149,600	10,740,700	2,107,027,200	1,364,507	2,108,391,707	0.554	2,346,331,716
2024		29,435,200	1,758,738,600	208,824,700	84,428,600	10,740,700	2,092,167,800	1,264,888	2,094,267,488	0.563	2,442,745,319

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 ordered by the County Board of Taxation.

* Revaluation became effective

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

b Tax rates are per $100 of assessed value.

Source: Municipal Tax Assessor

HARDING TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per $100 of Assessed Value)

Year Ended December 31,		Harding Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
		Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Harding Township	County of Morris	
2015		$ 0.473	$ 0.026	$ 0.499	$ 0.320	$ 0.356	$ 1.175
2016		0.484	0.025	0.509	0.319	0.354	1.182
2017		0.496	0.025	0.521	0.320	0.356	1.197
2018		0.496	0.024	0.520	0.323	0.287	1.130
2019		0.529	- 0 -	0.529	0.328	0.294	1.151
2020	*	0.510	- 0 -	0.510	0.315	0.275	1.100
2021		0.527	- 0 -	0.527	0.322	0.287	1.136
2022		0.537	- 0 -	0.537	0.327	0.270	1.134
2023		0.554	- 0 -	0.554	0.331	0.283	1.167
2024		0.563	- 0 -	0.563	0.343	0.287	1.194

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation.

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.

* Revaluation became effective

Source: Municipal Tax Collector and School Business Administrator

HARDING TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	2025		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
1300 Mt. Kemble Associates, LLC	$ 19,785,900	1	0.94%
1200 Mt. Kemble L.P. Salfieri Co., Inc.	16,000,000	2	0.76%
Algonquin Gas Transmission Company	9,161,000	3	0.44%
Individual Taxpayer #1	5,294,200	4	0.25%
Individual Taxpayer #2	5,099,800	5	0.24%
Individual Taxpayer #3	4,786,800	6	0.23%
Individual Taxpayer #4	4,733,100	7	0.23%
Individual Taxpayer #5	4,654,900	8	0.22%
Individual Taxpayer #6	4,550,700	9	0.22%
Green Village HPF LLC	4,387,700	10	0.21%
Total	$ 78,454,100		3.75%

	2016		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

NOT AVAILABLE

NOTE: Individual taxpayers may be different in 2025 and 2016. A revaluation was effective in 2020.

Source: Municipal Tax Assessor

HARDING TOWNSHIP SCHOOL DISTRICT
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]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 10,068,453	$ 10,068,453	100.00%	- 0 -
2017	10,365,075	10,365,075	100.00%	- 0 -
2018	10,495,032	10,495,032	100.00%	- 0 -
2019	10,730,797	10,730,797	100.00%	- 0 -
2020	10,490,662	10,490,662	100.00%	- 0 -
2021	10,798,662	10,798,662	100.00%	- 0 -
2022	11,105,027	11,105,027	100.00%	- 0 -
2023	11,278,768	11,278,768	100.00%	- 0 -
2024	11,602,469	11,602,469	100.00%	- 0 -
2025	11,999,754	11,999,754	100.00%	- 0 -

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 voted upon or certified prior to the end of the school year.

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

HARDING TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Obligations Under Financed Purchases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2016	$ 1,350,000		$ 1,350,000	0.39%	$ 354
2017	900,000	$ 240,483	1,140,483	0.32%	299
2018	450,000	162,204	612,204	0.17%	161
2019	- 0 -	81,316	81,316	0.02%	22
2020	- 0 -	-0-	- 0 -	0.00%	- 0 -
2021	- 0 -	600,000	600,000	0.14%	155
2022	- 0 -	483,237	483,237	0.11%	124
2023	- 0 -	365,054	365,054	0.08%	94
2024	- 0 -	245,137	245,137	0.05%	62
2025	- 0 -	123,461	123,461	0.03%	31

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

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

Source: Harding Township School District Financial Reports

HARDING TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation [a] Taxable	Per Capita [b]
2016	$ 1,350,000	$ - 0 -	$ 1,350,000	0.07%	$ 354
2017	900,000	- 0 -	900,000	0.04%	236
2018	450,000	- 0 -	450,000	0.02%	119
2019	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2020	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2021	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2022	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2023	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2024	- 0 -	- 0 -	- 0 -	0.00%	- 0 -
2025	- 0 -	- 0 -	- 0 -	0.00%	- 0 -

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: Harding Township School District Financial Reports

HARDING TOWNSHIP SCHOOL DISTRICT
RATIOS OF 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			
Township of Harding	$ 2,445,274	100.00%	$ 2,445,274
County of Morris - Township's Share:			
General Obligation Debt	324,225,727	2.09%	6,766,401
Total Direct and Overlapping Debt			$ 9,211,675

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 Harding. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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 another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

Sources: Assessed value data used to estimate applicable percentages provided by the Morris County Board of Taxation; debt outstanding data provided by each governmental unit.

HARDING TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	$ 67,342,708	$ 66,582,259	$ 66,833,396	$ 66,745,485	$ 67,091,307
Total Net Debt Applicable to Limit	1,790,000	1,350,000	900,000	450,000	- 0 -
Legal Debt Margin	$ 65,552,708	$ 65,232,259	$ 65,933,396	$ 66,295,485	$ 67,091,307
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.66%	2.03%	1.35%	0.67%	0.00%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	$ 66,723,859	$ 44,035,055	$ 66,184,609	$ 70,092,553	$ 74,177,582
Total Net Debt Applicable to Limit	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Legal Debt Margin	$ 66,723,859	$ 44,035,055	$ 66,184,609	$ 70,092,553	$ 74,177,582
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2025		
Equalized valuation basis	2024	$ 2,626,101,129
	2023	2,456,028,908
	2022	2,335,628,114
		$7,417,758,151
Average Equalized Valuation of Taxable Property		$2,472,586,050
Debt Limit (3% of average equalization value)		$ 74,177,582
Net Bonded School Debt		- 0 -
Legal Debt Margin		$ 74,177,582

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

HARDING TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population [a]	Harding Township Personal Income [b]	Morris County Per Capita Personal Income [c]	Unemployment Rate [d]
2015	3,836	$ 338,711,128	$ 88,298	3.70%
2016	3,812	347,852,624	91,252	3.30%
2017	3,808	356,215,552	93,544	3.00%
2018	3,794	368,943,736	97,244	2.70%
2019	3,757	372,468,980	99,140	2.50%
2020	3,752	383,555,704	102,227	6.30%
2021	3,877	417,812,659	107,767	4.30%
2022	3,885	433,554,345	111,597	2.90%
2023	3,891	450,772,350	115,850	3.40%
2024	3,936	455,985,600 ***	115,850 *	3.50%
2025	3,936 **	455,985,600 ***	115,850 *	N/A

* - Latest Morris County per capita personal income available (2023) was used for calculation purposes.

** - Latest population data available (2024) was used for calculation purposes.

*** Latest population data available (2024) and latest Morris County personal income available (2023) was used for calculation purposes.

N/A - Not Available

Sources:

[a] Population information provided by the NJ Dept of Labor and Workforce Development

[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 2000 Census published by the US Bureau of Economic Analysis.

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

HARDING TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2025		
Employer	Employees	Rank	Percentage of Total Employment
Atlantic Health System	10,581	1	3.85%
Picatinny Arsensal	6,200	2	2.37%
Novartis	6,178	3	2.19%
Barclays	4,320	4	1.23%
ADP	2,600	5	0.99%
Accenture	2,134	6	0.88%
PricewaterhouseCoopers	1,911	7	0.86%
Bayer Healthcare, LLC	1,730	8	0.76%
Cigna	1,629	9	0.62%
Deloitte & Touche	1,627	10	0.60%
Total	38,910		14.35%

	2016		
Employer	Employees	Rank	Percentage of Total Employment
U.S. Army Aramament R&D	5,841	1	2.27%
Novartis	5,035	2	1.96%
Atlantic Health System	4,463	3	1.74%
ADP	2,060	4	0.80%
Bayer Healthcare, LLC	1,900	5	0.74%
County of Morris	1,674	6	0.65%
Wyndham Worldwide Corporation	1,653	7	0.64%
St Clare's	1,642	8	0.64%
BASF Corporation	1,500	9	0.58%
Accenture	1,480	10	0.58%
Total	27,248		10.60%

Source: Morris County Business Partnership Website

Exhibit J-16

HARDING TOWNSHIP SCHOOL DISTRICT
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
Instruction										
Regular	30.7	30.0	29.0	29.6	36.0	38.6	35.0	33.0	34.0	34.0
Special Education	15.3	18.0	18.0	16.0	14.0	11.4	13.2	13.5	14.0	14.0
Other Instruction				2.0	2.0					
Support Services:										
Student & Instruction Related Services	10.2	10.0	9.0	9.6	9.6	9.0	9.0	10.0	10.0	10.0
School Administrative Services	0.4	0.4	1.0	0.4	0.4	2.0	2.0	2.0	2.0	2.0
General/Business Administrative Services	1.5	1.5	1.5	1.5	1.5	2.6	2.6	2.0	2.0	1.5
Central Services	0.8	0.8	1.0	0.8	0.8	1.0	1.8	2.0	2.0	2.0
Plant Operations and Maintenance	3.6	3.6	5.0	3.6	3.6	3.0	3.0	3.0	3.0	4.0
Pupil Transportation	0.8	0.8	0.8	0.8	0.8	1.0	0.8	1.0	1.0	1.5
Total	63.3	65.1	65.3	64.3	68.7	68.6	67.4	66.5	68.0	69.0

Source: Harding Township School District Personnel Records

HARDING TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil [d]	Percentage Change	Teaching Staff [b]	Pupil/ Teacher Ratio Elementary	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	307	$ 10,750,208	$ 35,017	7.90%	46	7:1	306	293	0.46%	95.59%
2017	316	10,757,202	34,042	-2.78%	48	7:1	315	297	2.91%	94.38%
2018	308	11,639,679	37,791	11.01%	47	7:1	308	287	-2.22%	93.28%
2019	279	12,122,518	43,450	14.97%	48	6:1	279	267	-9.42%	95.70%
2020	278	12,428,125	44,705	2.89%	52	5:1	279	268	0.00%	96.06%
2021	271	12,913,302	47,651	6.59%	50	5:1	271	262	-2.87%	96.68%
2022	291	13,751,043	47,254	-0.83%	48	6:1	291	273	7.38%	93.81%
2023	285	14,476,000	50,793	7.49%	49	6:1	281	266	-3.44%	94.66%
2024	297	14,125,957	47,562	-6.36%	48	6:1	297	282	5.69%	94.95%
2025	291	14,552,001	50,007	5.14%	48	6:1	288	273	-3.03%	94.79%

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.

Source: Harding Township School District Records

HARDING TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary (1958)										
Square Feet	61,738	61,738	61,738	61,738	61,738	61,738	61,738	61,738	61,738	61,738
Capacity (Students)	336	336	336	336	336	336	336	336	336	336
Enrollment	212	205	186	183	182	182	187	181	188	176
Middle School (1927)										
Square Feet	18,441	18,441	18,441	18,441	18,441	18,441	18,441	18,441	18,441	18,441
Capacity (Students)	184	184	184	184	184	184	184	184	184	184
Enrollment	95	111	122	96	96	96	104	104	109	115
Other										
Storage Building (1988)										
Square Feet	800	800	800	800	800	800	800	800	800	800

Number of Schools at June 30, 2025
- Elementary = 1
- Middle School = 1
- Other = 1

Source: Harding Township School District Facilities Office

HARDING TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Harding Township Elementary School*	Harding Township Middle School*	Total School Facilities
2016	$ 275,183	$ 82,198	$ 357,381
2017	99,513	29,725	129,237
2018	160,658	47,989	208,647
2019	161,408	48,213	209,621
2020	132,624	39,615	172,239
2021	159,535	47,653	207,188
2022	177,741	52,412	230,153
2023	128,500	38,381	166,881
2024	182,977	54,656	237,633
2025	266,288	79,540	345,828

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

Source: Harding Township School District Records

HARDING TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2025
UNAUDITED

	Coverage		Deductible
School Package Policy:	$ 500,000,000	Occurrence	
School Alliance Insurance Fund Insurance Fund:			
Building & Personal Property			$ 2,500
Inland Marine - Auto Physical Damage			1,000
General Liability Including Auto, Employee Benefits	5,000,000		
General Aggregate	Agreed upon based on membership		
Product/Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses (excluding students taking part in athletics)	10,000		
Automobile Coverage			
Combined Single Limit			
Hired/Non-owned			
Security Guard Liability	Included		
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate	10,000
	100,000	Fungi & Legionella	100,000
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler & Machinery	100,000,000		2,500
Excess Liability (AL/GL/SLPL)	5,000,000		
School Board Legal (SLPL)	5,000,000		10,000
Cyber Liability	2,000,000	per Occurrence/Agg	10,000
Workers Compensation	Statutory		
Employer's Liability	5,000,000		
Supplemental Indemnity	Statutory		
RLI Insurance Company:			
Bond for School Business Administrator	200,000		
Bond for Treasurer of School Monies	200,000		
Bollinger Insurance Company:			
Student Accident	All Students/Athletes		

Source: Harding Township School District Records

SINGLE AUDIT

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Independent Member
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Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Independent Auditor's Report

The Honorable President and Members
of the Board of Education
Harding Township School District
County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Harding Township School District, in the County of Morris (the "District") as of and for the fiscal 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 October 7, 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 the 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.

Report on Compliance and Other Matters

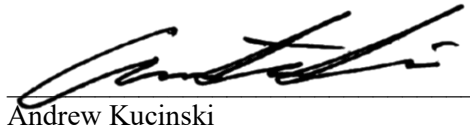
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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 result 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.

October 7, 2025
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

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Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance Required by NJOMB-15-08

Independent Auditor's Report

The Honorable President and Members
of the Board of Education
Harding Township School District
County of Morris, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Harding Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2025. The District's major 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 state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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's 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's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's 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's 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. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's 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's 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.

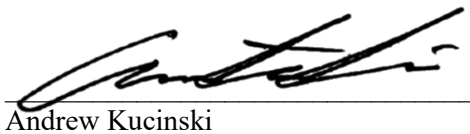
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

October 7, 2025
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Budgetary Unearned Revenue	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 Budgetary Accounts Receivable	Balance at June 30, 2025 Due to Grantor	Amounts Paid to Sub-recipients
U.S. Department of Education:												
Passed-through State Department of Education:												
Special Education Cluster (I.D.E.A.):												
I.D.E.A. Part B, Basic	84.027A	IDEA-2030-25	7/1/24-9/30/25	$ 85,944				$ 85,944	$ (85,944)			
I.D.E.A. Part B, Preschool	84.173A	IDEA-2030-25	7/1/24-9/30/25	2,984				2,984	(2,984)			
Total Special Education Cluster (I.D.E.A.)								88,928	(88,928)			
Elementary and Secondary Education Act:												
Title I	84.010A	ESEA-2030-20	7/1/19-9/30/20	41,426			$ 927				$ 927	
Title I	84.010A	ESEA-2030-24	7/1/23-9/30/24	26,183	$ (4,899)			4,899				
Title I	84.010A	ESEA-2030-25	7/1/24-9/30/25	21,995				21,995	(21,995)			
Total Title I					(4,899)		927	26,894	(21,995)		927	
Title IIA	84.367A	ESEA-2030-24	7/1/23-9/30/24	16,957	(6,900)			6,900				
Title IIA	84.367A	ESEA-2030-25	7/1/24-9/30/25	10,506				10,506	(10,506)			
Total Title IIA					(6,900)			17,406	(10,506)			
Title IV	84.424	ESEA-2030-20	7/1/19-9/30/20	10,000			500				500	
Title IV	84.424	ESEA-2030-25	7/1/24-9/30/25	10,000				10,000	(10,000)			
Total Title IV							500	10,000	(10,000)		500	
Total Elementary and Secondary Education Act					(11,799)		1,427	54,300	(42,501)		1,427	
Small Rural School Area Grant:												
Rural Education Achievement Program	84.358	N/A	7/1/18-6/30/19	70,524		$ 46					46	
Rural Education Achievement Program	84.358	N/A	7/1/24-6/30/25	31,257				31,257	(31,257)			
Total Small Rural School Area Grant						46		31,257	(31,257)		46	
Education Stabilization Fund:												
COVID 19 - CARES Emergency Relief	84.425D	CARES2030	3/13/20-9/30/22	32,683	(6,876)					$ (6,876)		
COVID 19 - ARP - Accelerated Learning Coaching and Educator Support	84.425U	N/A	3/13/20-9/30/24	50,000				50,000	(50,000)			
COVID 19 - ARP - Evidence Based Summer Learning and Enrichment	84.425U	N/A	3/13/20-9/30/24	40,000	(13,155)			40,000	(26,844)			
COVID 19 - ARP - Evidence Based Comprehensive Beyond the School Day	84.425U	N/A	3/13/20-9/30/24	40,000	(29,307)			30,480	(1,173)			
COVID 19 - ARP - NJTSS Mental Health Support Staffing	84.425U	N/A	3/13/20-9/30/24	45,000	(3,143)			3,162	(19)			
Total Educational Stabilization Fund					(52,481)			123,642	(78,036)	(6,876)		
Total U.S. Department of Education					(64,280)	46	1,427	298,127	(240,722)	(6,876)	1,473	
U.S. Department of Treasury												
Passed-through State Department of Education:												
COVID 19 - Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	N/A	7/1/23-6/30/24	121,289	$ (60,644)			$ 60,644				
Total U.S. Department of Treasury					(60,644)			60,644				
Total Federal Awards					$ (124,924)	$ 46	$ 1,427	$ 358,771	$ (240,722)	$ (6,876)	$ 1,473	$ - 0 -

N/A - Not Available

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

HARDING TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 GAAP Accounts Receivable	Balance at June 30, 2025 Due to Grantor	Balance at June 30, 2025 Budgetary Accounts Receivable	MEMO Cumulative Total Expenditures
General Fund State Aid:											
State Department of Education:											
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	$ 319,770	$ (31,362)		$ 31,362					$ 319,770
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	364,590	(35,756)		35,756					364,590
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	32,259	(3,164)		3,164					32,259
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	152,469	(152,469)		152,469					152,469
Non-Public Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	84,544	(84,544)		84,544					84,544
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	277,232	(13,402)		13,402					277,232
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	319,770			288,411	$ (319,770)			$ (31,359)	319,770
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	416,843			375,966	(416,843)			(40,877)	416,843
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	32,259			29,096	(32,259)			(3,163)	32,259
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	107,808				(107,808)	$ (107,808)		(107,808)	107,808
Non-Public Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	91,748				(91,748)	(91,748)		(91,748)	91,748
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	276,465			262,733	(276,465)	(13,732)		(13,732)	276,465
TPAF Pension Contributions (On-Behalf - Non-Budgeted)	25-495-034-5094-002	7/1/24-6/30/25	1,398,034			1,398,034	(1,398,034)				1,398,034
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	25-495-034-5094-001	7/1/24-6/30/25	413,567			413,567	(413,567)				413,567
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	25-495-034-5094-004	7/1/24-6/30/25	17,318			17,318	(17,318)				17,318
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	25-495-034-5094-004	7/1/24-6/30/25	842			842	(842)				842
Total General Fund				(320,697)		3,106,664	(3,074,654)	(213,288)		(288,687)	4,305,518
Special Revenue Fund:											
Nonpublic Technology Initiative	25-100-034-5120-373	7/1/24-6/30/25	392			392	(392)				392
Nonpublic Nursing	25-100-034-5120-070	7/1/24-6/30/25	1,040			1,040	(1,040)				1,040
Nonpublic Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	409			409	(409)				409
Security Aid	25-100-034-5120-070	7/1/24-6/30/25	1,640			1,640	(1,640)				1,640
Total Special Revenue Fund						3,481	(3,481)				3,481
Capital Projects Fund:											
Schools Development Authority:											
Emergent and Capital Maintenance Needs	N/A	7/1/22-6/30/23	6,353		$ 24				$ 24		6,329
Educational Facilities Construction and Financing Act: Elementary School Roof Replacement	05-27-2010-050-R501	7/1/23-9/30/24	497,128			438,183	(438,183)				438,183
Educational Facilities Construction and Financing Act: Mountain View H.V.A.C. Project	02-27-2010-050-R501	7/1/23-5/30/25	265,520				(177,007)			(177,007)	177,007
Total School Development Authority:					24	438,183	(615,190)		24	(177,007)	627,754
Total Capital Projects Fund					24	438,183	(615,190)		24	(177,007)	627,754
Total State Awards				$ (320,697)	$ 24	$ 3,548,328	$ (3,693,325)	$ (213,288)	$ 24	$ (465,694)	$ 4,936,753
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	$ (1,398,034)				$ 1,398,034				
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	(413,567)				413,567				
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	(17,318)				17,318				
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	(842)				842				
Subtotal - On-Behalf TPAF Pension System Contributions							1,829,761				
Total State Awards Subject to Single Audit Determination							$ (1,863,564)				

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

HARDING TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Harding Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in these schedules is 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Because the schedules present only a selected portion 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**.**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payment are not recognized until the subsequent budget 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 also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($5,116) for the general fund and $438,183 for the Capital Projects Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General Fund, the Special Revenue Fund, and the Capital Projects Fund. Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

HARDING TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	Federal	State	Total
General Fund		$ 3,069,538	$ 3,069,538
Special Revenue Fund	$ 240,722	3,481	244,203
Capital Projects Fund		438,183	438,183
Total Awards	$ 240,722	$ 3,511,202	$ 3,751,924

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2025.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District had two grants awarded in the amount of $703,703 from the Schools Development Authority (SDA) as of June 30, 2025. As of June 30, 2025, grant funds totaling $438,183 have been expended and drawn down on a GAAP basis, $147,458 of these grants have been cancelled and $177,007 had not been requested for reimbursement as of June 30, 2025. In the Capital Projects Fund, the District realized the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported un the NJSDA grants on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

HARDING TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.			Unmodified	
Internal control over financial reporting:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2025 as federal grant expenditures were less than the single audit threshold of $750,000 identified in the Uniform Guidance.

State Awards

Type of auditor's report issued on compliance for major programs:			Unmodified	
Internal control over major programs:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?				
		Yes	X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
State Aid Public:					
Special Education Aid	25-495-034-5120-089	7/1/24	6/30/25	$ 416,843	$ 416,843
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	32,259	32,259
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24	6/30/25	276,465	276,465

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

Section II - Financial Statement Finding - N/A

Section III - Federal Awards and State Financial Assisstance Findings and Questioned Costs - N/A

HARDING TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

There were no prior year audit findings.