

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT

Allentown, New Jersey
County of Monmouth

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
ALLENTOWN, NEW JERSEY**



YEAR ENDED JUNE 30, 2025

**PREPARED BY
DISTRICT'S BUSINESS OFFICE**

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TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION (First Section)	
Letter of Transmittal	1
Organizational Chart	11
Roster of Officials	12
Consultants and Advisors	13
FINANCIAL SECTION (Second Section)	
Independent Auditor's Report	17
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis	23
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	35
A-2 Statement of Activities	36
B. Fund Financial Statements:	
B-1 Balance Sheet	41
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	42
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	43
Proprietary Funds:	
B-4 Statement of Net Position	47
B-5 Statement of Revenues, Expenditures and Changes in Fund Net Position	48
B-6 Statement of Cash Flows	49
Notes to Financial Statements	55
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	97
C-2 Budgetary Comparison Schedule – Special Revenue Fund	107
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	111

TABLE OF CONTENTS

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION – PART III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	117
L-2 Schedule of the School District Contributions - PERS	118
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	119
M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)	
M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios - OPEB	123
Notes to the Required Supplementary Information - Part III	127
OTHER SUPPLEMENTARY INFORMATION	
D. School Based Budget Schedules Fund (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues & Expenditures - Special Revenue Fund – Budgetary Basis	135
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	140
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	143
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	144
F-2a Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis Roofing Replacement, Auditorium Renovation and New Generator	145
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	149
I-2 Schedule of Obligations under Leases	150
I-3 Debt Service Fund - Budgetary Comparison Schedule	151
I-4 Schedule of Early Retirement Incentive Plan Loans Payable	N/A

TABLE OF CONTENTS

	PAGE
STATISTICAL SECTION (Unaudited)	
(Third Section)	
Financial Trends:	
J-1 Net Position by Component	157
J-2 Changes in Net Position	158
J-3 Fund Balances – Governmental Funds	160
J-4 Changes in Fund Balances – Governmental Funds	161
J-5 General Fund - Other Local Revenue by Source	162
Revenue Capacity:	
J-6 Assessed Value & Actual Value of Taxable Property	165
J-7 Direct and Overlapping Property Tax Rates	166
J-8 Principal Property Taxpayers	167
J-9 Property Tax Levies and Collections	168
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	171
J-11 Ratios of Net General Bonded Debt Outstanding	172
J-12 Ratios of Overlapping Governmental Activities Debt	173
J-13 Legal Debt Margin Information	174
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	177
J-15 Principal Employers	178
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	181
J-17 Operating Statistics	182
J-18 School Building Information	183
J-19 Schedule of Required Maintenance	184
J-20 Insurance Schedule	185

SINGLE AUDIT SECTION

(Fourth Section)

K-1 Independent Auditor's 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	189
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance and New Jersey OMB Circular Letter 15-08	191
K-3 Schedule of Expenditures of Federal Awards, Schedule A	195
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	197
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	199
K-6 Schedule of Findings and Questioned Cost	
Section I - Summary of Auditor's Results	201
Section II - Financial Statement Findings	203
Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs	204
K-7 Summary Schedule of Prior Year Audit Findings	205

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INTRODUCTORY SECTION

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT

Office of the Assistant Superintendent for Business

27 High Street

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Honorable President and Members
Of the Board of Education
Students of the Upper Freehold Regional School District
Upper Freehold Regional School District
County of Monmouth
Allentown, New Jersey 08501

Dear Honorable President and Members of the Board of Education:

The Annual Comprehensive Financial Report (ACFR) of the Upper Freehold Regional School District (School District) for the fiscal year ended June 30, 2025 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the School District. 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 School 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 (GAAP). All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

The ACFR is presented in four sections as follows:

-The Introductory Section contains a Letter of Transmittal, Roster of Officials, List of Consultants and Advisors, and an Organizational Chart of the School District;

-The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;

-The Statistical Section includes selected financial trends, revenue capacity, debt capacity, certain demographic and economic information and operating information of the School District, generally presented on a multi-year basis;

-The Single Audit Section – The School 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 (Uniform Guidance)* and the New Jersey State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this Single Audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

SCHOOL DISTRICT ORGANIZATION

The School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14 as amended by GASB Statement No. 39. The Upper Freehold Regional Board of Education (the Board) and its three schools constitute the School District's reporting entity.

The School District continues to maintain a high quality of education which consists of a PreK-12 School District in New Jersey. The School District provides a full range of programs and services appropriate to grades Pre-K through 12. These include regular education programs for the very able students (gifted and talented), as well as those for students with disabilities both in and out of School District. One elementary school, Pre-K - 4, one middle school, Grades 5-8, and one high school, Grades 9-12, comprise the School District's instructional facilities.

Supervising School District-wide goals is a School District acting superintendent/assistant superintendent, a school business administrator/board secretary and a director of special services. Newell Elementary School and Stone Bridge Middle School each have its own principal and vice principal. Allentown High School has its own principal and two vice-principals.

The Board is comprised of ten members, nine are elected to three-year terms and one is appointed by the Millstone Board of Education annually. The Board meets usually meets twice a month for regular meetings. Committee meetings take place as needed. During the meetings and committee meetings the board members determine School District goals, priorities, set policy, and conduct other business. Board meetings are open to the public and usually begin at 7:00 p.m.

PTA's are highly active in the elementary and middle schools. They provide community support for a variety of programs and activities for the children. The PTAs help to provide the financial resources needed to support various educational programs for the schools and students.

To maintain effective communications, the School District uses several options to ensure a consistent flow of information to our stakeholders. Communication tools utilized by the School District include a School District website that is updated regularly with important information for parents, such as school closures, delayed openings, medical/health alerts, new curriculum initiatives, and more. The School District also uses School Messenger to communicate with parents through voice, text and email. The School District utilizes a Parent Portal as well for communications between home and school for non-emergency notifications such as grades, attendance records, and events within the schools.

EDUCATIONAL PROGRAM

Each School District school follows School District-wide goals and educational approaches to the teaching of children, while maintaining a unique personality based upon the age of the students. All curricula in our School District have been aligned to the New Jersey Student Learning Standards. In July 2018, the New Jersey Department of Education released its Taxpayers' Guide to Education Spending (formerly the Comparative Spending Guide) for all school Districts in the state. The guide compares School Districts with those similar in enrollment/configurations. The information on expenditures was taken from certified budgets on file with the State Department of Education. This report shows that the School District had budgetary expenditures of \$17,966 per pupil in 2024-2025, \$16,861 per pupil in 2023-24, and \$16,545, per pupil in 2022-2023. The average spending for School Districts in New Jersey was \$21,199 in 2024-25, \$19,286 per pupil in 2023-2024, and \$18,404 per pupil in 2022-2023.

Elementary School: Grades Pre-K though 4

Currently, there is one elementary school housing students in grades Pre-K through 4 and providing a comprehensive educational program.

Newell Elementary School had an average daily enrollment of 574.18 students in 2024-2025. There are two administrators and a staff of 78 teachers, instructional assistants, school aides, security and support staff. The school is located on High Street in Allentown.

Middle School: Grades 5 through 8

Currently, there is one middle school housing students in grades 5 through 8 and providing a comprehensive educational program.

Stone Bridge Middle School had an average daily enrollment of 433.34 students in 2024-2025. There are two administrators and a staff of 73 teachers, instructional assistants, school aides, security and support staff. The school is located on Yardville Allentown Road in Allentown and accepts students from Allentown, Upper Freehold and approximately 5 CHOICE students from surrounding communities.

High School: Grades 9 through 12

Currently, there is one high school housing students in grades 9 through 12 and providing a comprehensive educational program.

Allentown High School receives students from Allentown, Upper Freehold Township, Millstone and approximately 104 CHOICE students from surrounding communities. Allentown High School had an average daily enrollment of 1013.43 students in 2024-2025. There are three administrators and a staff of 131 teachers, instructional assistants, school aides, security and support staff.

SCHOOL DISTRICT CURRICULUM

The mission of the School District is to develop students by nourishing, nurturing and challenging them so that they are able to contribute to the waiting world. The School District provides curricular offerings aligned with the New Jersey Student Learning Standards that enable students to develop intellectually, socially, physically and emotionally. The core subjects of English Language Arts Literacy, Mathematics, Science, and Social Studies establish the foundation for a curriculum of exploration and breadth.

English Language Arts

The English Language Arts Curriculum is aligned to the New Jersey Student Learning Standards and promotes the language experiences students need in order to grow intellectually, socially, and emotionally. At the high school, a balanced literacy approach is utilized, which integrates reading, writing, speaking, listening, and viewing to foster instruction that encourages students to think critically and creatively. Our approach to teaching ELA from Pre-K to 12 provides natural differentiation for all students and the necessary relevance and rigor to develop a love of reading, writing, listening and speaking and allows for greater opportunity to be successful throughout their lifetime and moreover, promotes a love of learning that comes with reading great literature and communicating well in speech and writing.

The School District continues to provide more non-fiction and fictional texts for students and teachers to use within the classroom. The addition of these text materials will enhance students' interest in reading as well as provide more texts in meeting the students' various reading levels.

Mathematics

The overriding goal of mathematics education in the UFRSD is to provide students with the higher order thinking skills, mathematical understandings and problem-solving attitudes to be successful in their careers and daily lives. The curriculum, aligned to the New Jersey Student Learning Standards (NJSLS), takes a developmental and sequential approach; a concept is introduced, subsequently developed, and mastered. The eight mathematical practices are embedded into the curriculum and instruction. With a strong focus on technology, the mathematics curriculum strives to integrate its objectives into all other subjects. The School District math curriculum has been revised and Board approved in alignment with the NJSLS. In addition, the School District is ordering supplementary materials to align math educational materials to the NJSLS. At the middle school level, students can take Algebra I, Geometry or 8th grade math during their final year of middle school. Additionally, Advanced Level Math is offered in grades 5-7. At the K-5 level, Inovamat math series is used. This series is aligned with the NJSLS K-5. A mathematics acceleration plan has been created by the School District Math Committee to ascertain a students' readiness for acceleration in math. In grades 9-12, the courses range from Algebra I to AP Calculus.

Science

Science education in the UFRSD provides the experiences to make students aware of the impact of science in society. This comprehensive curriculum, aligned to the New Jersey Student Learning Standards (NJSLS)/Next Generation Science Standards, assures that students develop an understanding of the concepts and processes of science through inquiry, activity, and experimentation. In grades kindergarten through five, the use of FOSS kits supports learning by "doing science" approach to instruction. The emphasis is placed on broad concept development while incorporating disciplinary core ideas, science and engineering practices, and crosscutting concepts. In grades 6-8, earth, life and physical sciences are the primary focuses at each grade level.

World Languages

The focus of the world language program is for students to gain a rich background in the culture of various countries and acquire the ability to communicate in the target language. Students in first through eighth grade are introduced to Spanish.

The School District is fully staffed in these areas. In fact, students are taught Spanish K-8 by a certified, World Language teacher. Our youngest students are exposed to the World Languages curriculum on a routine and consistent basis. At the High School level, students can pick from Spanish, Latin, Italian, French and Sign Language.

Arts

The arts curriculum is intended to promote creative and original thought. When walking around our School District, one can see the celebration of student artwork throughout every school. The foundation of the arts curriculum is the belief that students are unique and have diverse talents. The goal of the arts programs is to provide rich, educational opportunities for all students to explore vocal music, general music, instrumental music, visual art, drama, and dance.

Library Media Center

The library media program embodies the School District's philosophy of developing and enhancing critical thinking skills through the use of print, multimedia, and technological resources. Students are encouraged to become life-long learners by fostering recreational reading and providing instruction in research skills that will be useful to them throughout their lifetime. The library media program is an integral part of the total educational program. Students learn the basic processing skills necessary to connect concepts and information in all disciplines and interest areas. As a result of the library media program, students will be able to locate, select and retrieve print and non-print materials, evaluate information effectively, and access technological resources independently.

Health and Physical Education

The comprehensive health and physical education programs encourage students to take responsibility for their own lives and encouraging the importance of health and wellness. Students who are health-literate have the knowledge and skills to better achieve and maintain physical, social and emotional health. The School District has full staffing in these areas. Students participate in physical education multiple times a week depending on their grade level. Health is covered in the classroom at all levels.

Educational Technology

It is the vision of the School District to provide a technologically enriched environment in which our students can perform at optimum levels. The School District provides for the acquisition and dissemination of knowledge via technological resources in concert with the New Jersey Student Learning Standards. The School District modifies its program as students' needs and current technologies change. As a result, ongoing technology training is a major component of the School District's staff development plan via turnkey training sessions as well as out-of-School District professional development opportunities. Students in grades K-12 are equipped with a device daily to enhance learning and acquisition of important technology skills. At the elementary school level Chromebooks, Chromebook carts, labs and desktops meet the needs of our students and teachers.

The School District technology standards are incorporated and infused in the various School District curriculums. The Technology Coordinator, Technology Specialists, and Computer Technician all support the integration of technology into the curriculum. The use of Genesis, Microsoft Office, Google Apps for Education, Discovery Learning, BrainPop and Rosetta Stone all help technology to be part of the School District's daily use of technology. Resources are available to maintain a high level of technology in the School District and maintain a 1:1 student to

device ratio in Grades 2-12.

Basic Skills

The Basic Skills Improvement program (BSI) is designed to meet the needs of those students who need additional assistance in English language arts and/or mathematics. The goal of the program is to help students succeed in the classroom. Utilizing small group instruction, students receive instruction either through in-class support or a pull-out model. In order to help a diverse student population to learn and to develop, the School District supports remedial instruction in all schools. Title I resources are used to supplement this program. The School District is currently using the Response to Intervention (RtI) approach to helping all students in these areas.

Gifted and Talented

The UFRSD believes that "gifted and talented" students mean those students who possess or demonstrate high levels of ability, in one or more content area, when compared to their chronological peers. The programs provide additional and appropriate educational challenges and opportunities to meet the needs of our students. The School District Gifted and Talented enrichment in class students engage in a specialized curriculum, or as a self-selective program.

English as a Second Language (ELL)

The ELL program addresses the needs of students who have acquired another language prior to their exposure to English. The program is designed to help students develop both communicative skills and academic language proficiency in English so that they can succeed in school. The ELL program focuses on the development of skills in listening, comprehension, speaking, reading, writing, and culture. Support is provided in the content areas of science, social studies, reading, and mathematics. This program and its range of services have expanded over the years. Title III resources are used to enhance this program.

Special Education

The special education program continues to be an integral part of the School District and of each school. There are inclusive classrooms at each of the School District's schools as well as pull-out resource rooms. Over the last five years, our special education population has increased well above the state average. The School District continues to work diligently to address this concern through providing appropriate services and programs for students.

The inclusive programs support the School District's goal of educating the maximum number of students in general education settings as appropriate. The School District has proved successful at doing this and is working on continuing this work in the future.

New Jersey Student Learning Standards

The UFRSD is following the Department of Education's guidelines for the adoption of the 2016 New Jersey Student Learning Standards. All approved curricula are aligned to the New Jersey Student Learning Standards.

Staff Development

The UFRSD provides its teaching staff with many opportunities for professional development.

In the beginning of the school year, all newly hired teachers receive three days of intensive in-service that includes instructional strategies, classroom management, curriculum, mentoring, School District policy, technology, and security. Mentors are assigned to new staff members to provide support throughout the school year. In addition, all new teachers meet once a month in Seminars for Success.

Four half-day professional days are built into the school calendar, enabling teachers to attend sessions related to instructional strategies, curricular updates, textbook orientation, and School District-wide grade level and department meetings. These sessions are usually teacher created and teacher driven so that they meet the needs of our staff. Teachers also are afforded the opportunity to take professional days related to their PDPs and/or areas of interest.

Many teachers are involved in writing curriculum. They receive in-service training in using the New Jersey Student Learning Standards and Rubicon Atlas when writing curricula.

Technology

The UFRSD is a 1:1 School District. Students in grades 1-12 have their own laptop. Grades 5-12 are allowed to bring them home. At the elementary school level Chromebooks, and Chromebook carts, labs and desktops meet the needs of our students and teachers. Every classroom, computer lab, media center, and office in all four schools, transportation, buildings & grounds, and the administration building are linked together in local and wide area networks. All administrators, teachers, and support staff have access to computers, printers, email accounts, and the Internet within their work areas. All schools use e-mail communications with parents, which has reduced the amount of paper sent home with the students. In addition, the School District utilizes Genesis for its student information. All teachers use Genesis for inputting term grades, and all report cards are printed electronically. Parents can access their child's schedules, class attendance, and teachers' grade books live through the Parent Portal.

ECONOMIC CONDITION AND OUTLOOK

A demographic study has not been completed in the School District in a number of years. The Board has discussed having a new study done. An updated study would assist the School District in future planning.

The three (3) schools in the School District vary in age, with original construction dates ranging from 1924 through 2010. Allentown High School is a 170,000 square foot one story building. The High School also has two (2) outer buildings; the Annex which is 14,000 square feet and was built in 1967 and the Vocational Agriculture building which is 11,000 square feet built in 1942. Construction was completed on Stone Bridge Middle School in 2010. It is a 94,111 square foot two story building. Newell Elementary School is a 126,000 square foot building dating back to 1924. It has had additions and renovations in 1936, 1954, 1986, 1996, and 2011.

We recognize that the state is in a financial crisis and want to assure our residents that the School District is doing its part to maintain a responsible budget. The School District's administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality education services that the School District has been accustomed to providing. The School District has applied for and received grants from the Case Grants, Perkins, IDEA and Title I, II, III & IV.

DEBT ADMINISTRATION

As of June 30, 2025, the School District's outstanding debt issues included bonds of \$35,525,000.

COMMUNITY INVOLVEMENT

The School District has an Education Foundation. The members of this Foundation have been working on playing an even more active role in the School District. The School District interfaces with the community through the local festivals and holidays, including decorating the Village of Allentown and participation in local parades. Numerous local organizations use our facilities for activities that are community related.

MAJOR INITIATIVES

The School District continues to develop and implement annual Board Goals, which are drawn from their 2024-2029 Strategic Plan.

- The School District will enhance and support appropriating funds for certified teachers of students with disabilities to support in class inclusion and resource room learning environments.
- A STEAM (Science, Technology, Engineering, Arts and Math) lab for students in Grades 2, 3 and 4 so they can have real-world hands-on learning experiences.
- Offer critical number of electives and exploratory subjects at the middle school level to expand options for learning and to offer depth to the curriculum.
- Monitor the continued increase in the percentage of students successfully completing higher-level math courses at the middle and high school levels.
- Higher performance in reading and writing for all students, Pre-K-12.
- Continue to refine our use of technology using Google Applications for Education.
- Positively impact student achievement in all subjects through the use of curriculum-driven technology,

including smart boards, wikis, blogging software simulations and our Chromebook one to one computer initiative.

- Identify students and families served by the School District in need of support.
- Continue to expand the number of AP Courses offered at Allentown High School.
- Expand the use of volunteers from the community.
- Continue to provide communication about learning goals and curriculum connections with the Millstone School District.
- Support the PTA and Education Foundation in their efforts to offer numerous school activities, including educational assemblies, book fairs, family nights, as well as content-based activities in the sciences, social studies, and humanities.
- Promote community members and school staff to work together to advance excellence in the instruction of talented youth.

Throughout the 2024-2025 school year, teachers, parents, students, and all support personnel worked together to support a school environment centered on academic achievement and personal growth and tolerance. Teachers planned lessons and experiences for students that broadened their educational and personal growth.

Professional development initiatives for the staff continued to be supported and available. Teachers, in all departments are encouraged to pursue professional development opportunities.

The school budget continued to support many fine athletic teams and extra-curricular clubs. Our athletic teams and extra-curricular activities continued to be widely supported by students, parents and the community.

INTERNAL CONTROLS

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

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

As part of the School District's Single Audit, described earlier, tests are made to determine adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the School District has complied with applicable laws, regulations, contracts and grants. All Board policies are updated in this area. Additionally, the School District has a point person responsible for these areas.

BUDGETARY CONTROLS

In addition to internal controls, the School District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue funds, 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.

Beginning with the 2012-2013 budget, the State of New Jersey allowed school Districts to elect to eliminate the budget vote and adopt a budget approved by the Board and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers. The Board elected to eliminate the budget vote at that time. In addition to the 2% limit on tax levy increases, there are restrictions on budget transfers during the year that can be made without NJDOE approval.

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 at fiscal yearend. The Business Administrator and the Superintendent meet with the Finance Committee regularly to review the school budget and areas of concern.

CASH MANAGEMENT

The investment policy of the School District is guided in large part by state statute. The School District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds deposited 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.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, and workers compensation. A schedule of insurance coverage is found in Exhibit J-20.

ACCOUNTING SYSTEMS AND REPORTS

The School District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by GASB. The accounting system of the School District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

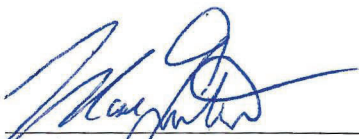
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet 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 the New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information, individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the Single Audit are included in the single audit section of this report.

ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Board for their concern in ensuring fiscal responsibility to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted:



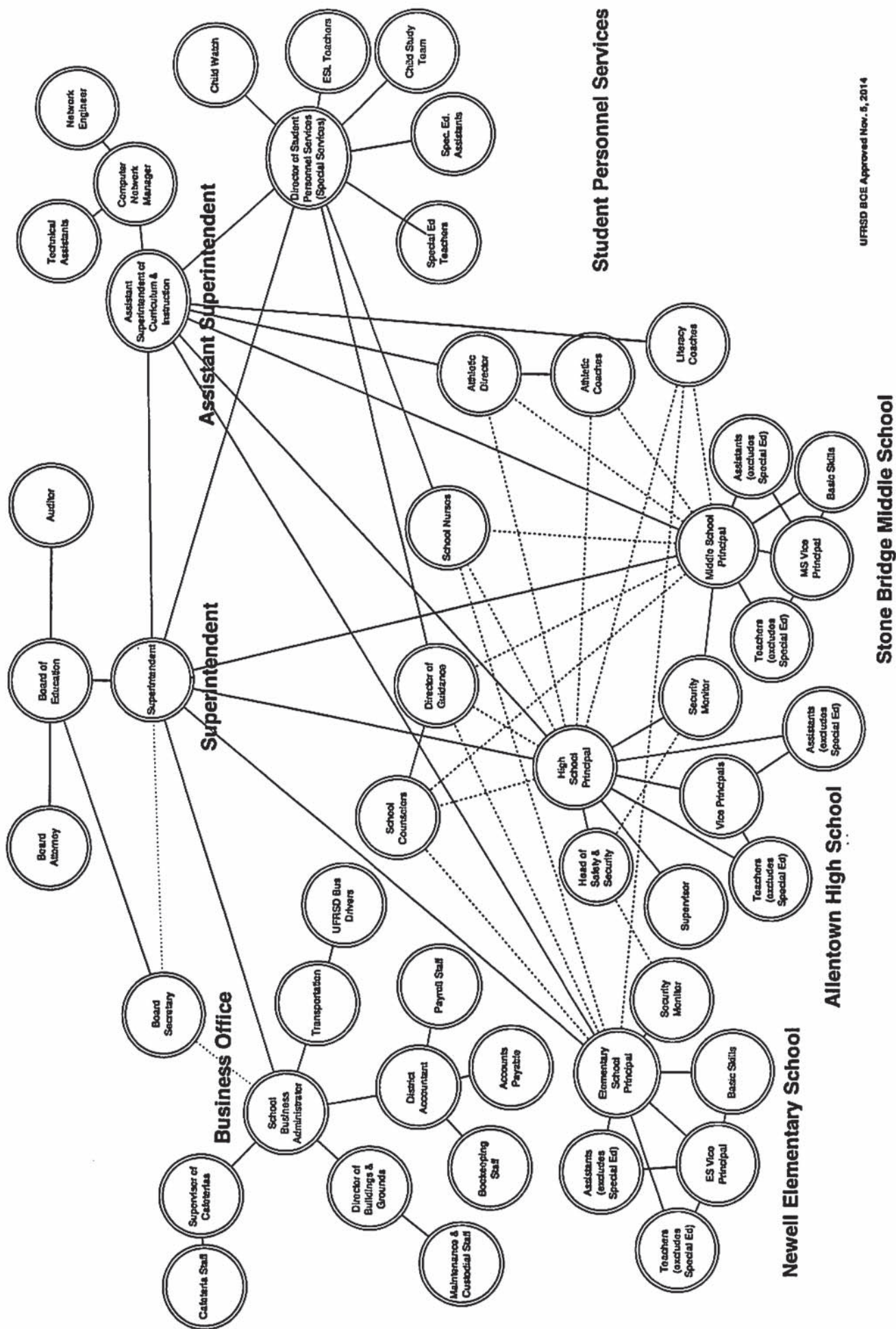
Mark Guterl, Superintendent



Nicole Petrone
Assistant Superintendent for Business/Board Secretary

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UFRSD Organizational Chart



**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
ALLENTOWN, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2025**

Members of the Board of Education

TERM EXPIRES

Patrick Nolan, President	2026
Brett Williams, Vice President	2027
Stacey Blecher	2027
William Borkowski	2025
Matthew Aurand	2026
Vanessa DePompo	2025
Howard Krieger	2027
Chris Midura	2025
Vanita Patel	2025
Dr. John Sico - Millstone Representative	

Other Officials

Mark Guterl, Superintendent of Schools

Nicole Petrone, School Business Administrator/Board Secretary

Robert Lorfink, Esq., Board Attorney

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
ALLENTOWN, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2025**

AUDITOR/AUDIT FIRM

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FINANCIAL SECTION

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Honorable President and Members
of the Board of Education
Upper Freehold Regional School District
County of Monmouth
Allentown, New Jersey 08501

Report on 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 Upper Freehold School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended, June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the 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 School District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and audit requirements prescribed by the Office of School Finance Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from 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 judgment made by a reasonable user based on the financial statements.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule related to accounting and reporting for pensions and other post employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB's 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 combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 15, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink that reads "Brian J. Waldron". The signature is written in a cursive, flowing style.

Brian J. Waldron
Certified Public Accountant
Public School Accountant, No. 2600

Lakewood, New Jersey
January 15, 2026

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT

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

This section of the Upper Freehold Regional School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2024-2025) and the prior fiscal year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 are as follows:

- In total, net position of governmental activities increased \$929,276.33, which represents a 9.91% increase from 2024. Total net position of business-type activities decreased \$116,388.76, which represents a 14.95% decrease from 2024.
- General revenues accounted for \$44,698,335.00 in revenue or 73.67% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$15,972,536.37 or 26.33% of total revenue of \$60,670,871.37.
- Total assets of governmental activities decreased by \$2,573,098.97 as cash and cash equivalents decreased by \$1,015,566.88, receivables increased by \$353,481.05, restricted cash and cash equivalents increased by \$318,383.75, and total capital assets decreased by \$2,229,545.97.
- Total liabilities of governmental activities increased by \$5,683,479.14 as accounts payable decreased by \$157,320.74 and non-current liabilities increased by \$6,108,884.13.
- The District had \$58,801,879.52 in governmental activity expenses; only \$15,032,820.85 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) and transfers of \$44,698,335. were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$929,276.33.
- In the governmental funds, the general fund had \$49,756,694.28 in revenues, \$49,321,185.43 in expenditures and (\$155,210.00) in other financing sources. The general fund's fund balance increased by \$280,298.85 over 2024.

USING THIS ANNUAL COMPREHNSIVE FINANCIAL REPORT (ACFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Upper Freehold Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the district.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

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

Governmental Funds

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

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

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

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The four other enterprise funds the District has are the Child Watch, Brick For Kids, AHS Summer Programs, and the Rising Stars. The proprietary funds have been included within business-type activities in the district-wide financial statements.

These enterprise fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District has no Fiduciary Funds.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2025 and 2024, respectively:

Net Position
June 30, 2025

	Governmental Activities		Business-Type Activities	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets				
Current and Other				
Assets	\$ 10,659,005.77	\$ 11,002,558.77	\$ 624,134.75	\$ 758,938.55
Capital Assets, Net	56,020,160.68	58,249,706.65	172,886.00	179,230.00
Total Assets	66,679,166.45	69,252,265.42	797,020.75	938,168.55
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	841,821.00	874,174.00	-	-
Deferred Charges on				
Refunding of Debt	126,747.56	1,261,122.97	-	-
Total Deferred Outflows of Resources	968,568.56	2,135,296.97	-	-
Liabilities				
Long-Term Liabilities	54,435,124.46	48,332,755.50	-	-
Other Liabilities	2,155,855.99	2,574,745.81	134,666.43	159,425.47
Total Liabilities	56,590,980.45	50,907,501.31	134,666.43	159,425.47
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	752,886.00	810,982.00	-	-
Total Deferred Inflows of Resources	752,886.00	810,982.00	-	-
Net Position				
Net Investment in				
Capital Assets	19,895,267.85	19,521,570.93	172,886.00	179,230.00
Restricted	8,183,052.47	7,876,947.46	-	-
Unrestricted*	(17,774,451.76)	(7,729,439.31)	489,468.32	599,513.08
Total Net Position	\$ 10,303,868.56	\$ 19,669,079.08	\$ 662,354.32	\$ 778,743.08

*For the year ended June 30, 2024, Net Position and Long-Term Liabilities are restated for GASB 101 (see Note 21 for further detail)

The District's largest net position component is the Net Investment in Capital Assets portion as shown above. Restricted balances represent resources that are subject to external restrictions on how they may be used.

Restricted net position increased \$306,105.01 from the prior year to \$8,183,052.47 at June 30, 2025.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$17,774,451.76) is shown as unrestricted net position for Governmental Activities.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position for June 30, 2025 and 2024. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

	<u>June 30, 2025</u>		
	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 850,905.50	\$ 850,905.50
Operating Grants and Contributions	15,032,820.85	88,810.02	15,121,630.87
General Revenues:			
Property Taxes	30,982,732.00	-	30,982,732.00
Federal and State Aid	4,610,155.39	-	4,610,155.39
Miscellaneous	9,260,657.61	-	9,260,657.61
Transfers	(155,210.00)	-	(155,210.00)
Total Revenues	59,731,155.85	939,715.52	60,670,871.37
Expenses:			
Instructional Services	33,821,170.71	-	33,821,170.71
Support Services	23,267,084.46	1,056,104.28	24,323,188.74
Interest and Other Charges	1,713,624.35	-	1,713,624.35
Total Expenses	58,801,879.52	1,056,104.28	59,857,983.80
Change in Net Position	929,276.33	(116,388.76)	812,887.57
Net Position, Beginning (as Restated, Note 21)	9,374,592.23	778,743.08	10,153,335.31
Net Position, Ending	\$ 10,303,868.56	\$ 662,354.32	\$ 10,966,222.88
	<u>June 30, 2024</u>		
	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 1,007,719.82	\$ 1,007,719.82
Operating Grants and Contributions	12,791,893.18	124,711.26	12,916,604.44
General Revenues:			
Property Taxes	29,931,868.00	-	29,931,868.00
Federal and State Aid	4,475,722.23	-	4,475,722.23
Miscellaneous	8,309,276.91	-	8,309,276.91
Transfers	384,224.47	(384,224.47)	-
Total Revenues	55,892,984.79	748,206.61	56,641,191.40
Expenses:			
Instructional Services	31,415,392.20	-	31,415,392.20
Support Services	21,684,334.54	1,072,943.86	22,757,278.40
Interest and Other Charges	1,694,699.18	-	1,694,699.18
Total Expenses	54,794,425.92	1,072,943.86	55,867,369.78
Change in Net Position	1,098,558.87	(324,737.25)	773,821.62
Net Position, Beginning	18,570,520.21	1,103,480.33	19,674,000.54
Net Position, Ending	\$ 19,669,079.08	\$ 778,743.08	\$ 20,447,822.16

Financial Analysis of the District's Funds

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

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2025 and 2024 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

<u>June 30, 2025</u>				
	Amount	Percent Of Total	Increase (Decrease) From 2024	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 17,996,497.12	31.70%	\$ 1,126,642.78	6.68%
Undistributed	33,457,251.97	58.92%	880,375.28	2.70%
Capital Outlay	630,176.02	1.11%	(1,476,830.24)	-70.09%
Debt Service:				
Principal	2,895,979.07	5.10%	116,860.77	4.20%
Interest	1,800,550.06	3.17%	74,220.54	4.30%
Total	<u>\$ 56,780,454.24</u>	<u>100.00%</u>	<u>\$ 721,269.13</u>	<u>1.29%</u>

<u>June 30, 2024</u>				
	Amount	Percent Of Total	Increase (Decrease) From 2023	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 16,869,854.34	30.09%	\$ (604,557.48)	-3.46%
Undistributed	32,576,876.69	58.11%	2,546,632.60	8.48%
Capital Outlay	2,107,006.26	3.76%	285,262.87	15.66%
Debt Service:				
Principal	2,779,118.30	4.96%	106,820.51	4.00%
Interest	1,726,329.52	3.08%	(91,100.00)	-5.01%
Total	<u>\$ 56,059,185.11</u>	<u>100.00%</u>	<u>\$ 2,243,058.50</u>	<u>4.17%</u>

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2024-2025 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2024-2025 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2024-2025 unassigned fund balance decreased by \$84,723.92 to \$595,308.74 at June 30, 2025 (2% required per S-1701, net of allowable adjustments).

Proprietary Funds. The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed a change in net position of \$(123,248.22) in 2024-2025 as compared to a change in net position of \$(15,277.72) in 2023-2024. The food service fund required no contributions from the Board in 2023-2024 or in the 2024-2025 year. The Board has made significant changes to the varieties of offerings to appeal to the grade levels at each school. Adding the Nest at the High School created opportunities for additional revenues and a more contemporary dining experience for students and staff.

The Child Watch Enterprise Fund showed a change in net position of \$6,383.57 in 2024-2025 as compared to a change in net position of \$76,931.88 in 2023-2024.

The AHS Summer Programs Enterprise Fund showed a change in net position of \$(2,298.30) in 2024-2025 as compared to a change in net position of \$(1,034.50) in 2023-2024.

The Rising Stars Enterprise Fund showed a change in net position of \$2,774.19 in 2024-2025 as compared to a change in net position of \$(1,132.94) in 2023-2024.

The Bricks for Kids Enterprise Fund was new in the current year. Cash deposited for unearned revenue in the amount of \$3,200.00 in 2024-2025.

Capital Assets

At June 30, 2025 the District has governmental capital assets of \$56,020,160.68, net of depreciation, and business-type capital assets of \$172,886.00, net of depreciation. These assets includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2025</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 5,419,448.00	\$ -
Construction In Progress	799,688.02	-
Buildings/Construction	47,087,911.01	-
Machinery and Equipment	2,652,963.65	172,886.00
Right to Use Leased Assets, Net	60,150.00	-
Total	<u>\$ 56,020,160.68</u>	<u>\$ 172,886.00</u>
	<u>June 30, 2024</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 5,419,448.00	\$ -
Buildings/Construction	50,208,751.00	-
Machinery and Equipment	2,994,165.39	179,553.75
Right to Use Leased Assets, Net	346,048.00	-
Total	<u>\$ 58,968,412.39</u>	<u>\$ 179,553.75</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2025 and 2024, the District's outstanding debt issues included \$35,525,000.00 and \$38,960,000.00 respectively of general obligation bonds and \$11,476,834.74 and \$10,910,512.33 respectively in compensated absences payable.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- The District anticipates that the approved 2025-2026 budget will be adequate to satisfy all 2025-2026 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected the State of New Jersey will again delay the final state aid payments to school districts for 2025-2026.

Requests for Information

This financial report is designed to provide a general overview of the Upper Freehold Regional School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Upper Freehold Regional School District, 27 High Street, Allentown, NJ 08501.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 1,700,087.85	\$ 595,197.21	\$ 2,295,285.06
Receivables, Net (Note 4)	1,020,778.33	4,227.48	1,025,005.81
Inventory	-	24,710.06	24,710.06
Restricted Cash & Cash Equivalents	7,938,139.59	-	7,938,139.59
Capital Assets, Net (Note 5)			
Non-Depreciable	6,219,136.02	-	6,219,136.02
Depreciable	49,740,874.66	172,886.00	49,913,760.66
Right to Use Leased Assets, Net (Note 20)	60,150.00	-	60,150.00
Total Assets	66,679,166.45	797,020.75	67,476,187.20
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	841,821.00	-	841,821.00
Related to Loss on Debt Refunding	126,747.56	-	126,747.56
Total Deferred Outflow of Resources	968,568.56	-	968,568.56
LIABILITIES:			
Accounts Payable	315,365.64	92,121.43	407,487.07
Due to Other Governments	675,096.00	-	675,096.00
Unearned Revenue	441,481.32	42,545.00	484,026.32
Accrued Interest	498,774.51	-	498,774.51
Other Liabilities	-	-	-
Payroll Deductions and Withholdings	225,138.52	-	225,138.52
Noncurrent Liabilities (Note 7):			
Due Within One Year	3,113,108.46	-	3,113,108.46
Due in More Than One Year	51,322,016.00	-	51,322,016.00
Total Liabilities	56,590,980.45	134,666.43	56,725,646.88
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	752,886.00	-	752,886.00
Total Deferred Inflow of Resources	752,886.00	-	752,886.00
NET POSITION:			
Net Investment in Capital Assets	19,895,267.85	172,886.00	20,068,153.85
Restricted for:			
Capital Projects	3,917,020.79	-	3,917,020.79
Debt Service	16,086.77	-	16,086.77
Maintenance Reserve (Note 3)	1,974,851.64	-	1,974,851.64
Tuition Reserve (Note 3)	1,546,034.41	-	1,546,034.41
Unemployment Compensation	500,232.75	-	500,232.75
Scholarships	19,648.75	-	19,648.75
Student Activities	209,177.36	-	209,177.36
Unrestricted (Deficit) (Note 18)	(17,774,451.76)	489,468.32	(17,284,983.44)
Total Net Position	\$ 10,303,868.56	\$ 662,354.32	\$ 10,966,222.88

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

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 24,912,034.87	\$ -	\$ 9,859,417.17	\$ (15,052,617.70)	\$ -	\$ (15,052,617.70)
Special Education Instruction	6,308,159.85	-	2,040,191.61	(4,267,968.24)	-	(4,267,968.24)
Other Instruction	2,600,975.99	-	841,177.29	(1,759,798.70)	-	(1,759,798.70)
Support Services:						
Tuition	1,297,315.50	-	85,508.55	(1,211,806.95)	-	(1,211,806.95)
Student & Instruction Related Services	8,024,310.41	-	1,070,461.97	(6,953,848.44)	-	(6,953,848.44)
General Administrative	1,100,075.91	-	72,571.83	(1,027,504.08)	-	(1,027,504.08)
School Administrative Services	2,156,826.00	-	142,303.89	(2,014,522.11)	-	(2,014,522.11)
Central Services	774,795.86	-	51,115.81	(723,680.05)	-	(723,680.05)
Administrative Info. Technology	27,887.76	-	1,893.18	(25,994.58)	-	(25,994.58)
Plant Operations & Maintenance	5,834,928.62	-	600,925.89	(5,234,002.73)	-	(5,234,002.73)
Pupil Transportation	4,050,944.40	-	267,253.66	(3,783,690.74)	-	(3,783,690.74)
Interest & Other Charges	1,713,624.35	-	-	(1,713,624.35)	-	(1,713,624.35)
Total Governmental Activities	58,801,879.52	-	15,032,820.85	(43,769,058.67)	-	(43,769,058.67)
Business-Type Activities:						
Food Service	965,829.20	753,770.96	88,810.02	-	(123,248.22)	(123,248.22)
Child Watch Program	61,561.73	67,945.30	-	-	6,383.57	6,383.57
Rising Stars	22,847.55	25,621.74	-	-	2,774.19	2,774.19
AHS Summer Programs	5,865.80	3,567.50	-	-	(2,298.30)	(2,298.30)
Total Business-Type Activities	1,056,104.28	850,905.50	88,810.02	-	(116,388.76)	(116,388.76)
Total Primary Government	\$ 59,857,983.80	\$ 850,905.50	\$ 15,121,630.87	(43,769,058.67)	(116,388.76)	(43,885,447.43)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				26,993,656.00	-	26,993,656.00
Property Taxes, Levied for Debt Service				3,989,076.00	-	3,989,076.00
Federal & State Aid Not Restricted				4,610,155.39	-	4,610,155.39
Tuition Charges				7,457,737.50	-	7,457,737.50
Transportation Charges				250,661.57	-	250,661.57
Miscellaneous				1,552,258.54	-	1,552,258.54
Transfer from/(to) Other Funds				(155,210.00)	-	(155,210.00)
Total General Revenues				44,698,335.00	-	44,698,335.00
Change In Net Position				929,276.33	(116,388.76)	812,887.57
Net Position - Beginning (as Restated, Note 21)				9,374,592.23	778,743.08	10,153,335.31
Net Position - Ending				\$ 10,303,868.56	\$ 662,354.32	\$ 10,966,222.88

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

B. Fund Financial Statements

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Governmental Funds

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**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
ASSETS					
Cash & Cash Equivalents	\$ 1,229,998.53	\$ 246,842.51	\$ 507,160.04	\$ -	\$ 1,984,001.08
Receivables, Net:					
Interfund Receivable	183,753.35	-	-	300,000.00	483,753.35
Due from Other Governments:					
Federal	-	161,356.09	-	-	161,356.09
State	513,552.56	-	-	-	513,552.56
Other	214,170.73	28,973.00	-	-	243,143.73
Other Accounts Receivable	1,273.00	101,452.95	-	-	102,725.95
Restricted Cash & Cash Equivalents	7,938,139.59	-	-	-	7,938,139.59
Total Assets	<u>\$ 10,080,887.76</u>	<u>\$ 538,624.55</u>	<u>\$ 507,160.04</u>	<u>\$ 300,000.00</u>	<u>\$ 11,426,672.35</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ -	\$ -	\$ 283,913.23	\$ 283,913.23
Accounts Payable	304,738.51	10,627.13	-	-	315,365.64
Payroll Deductions and Withholdings	225,138.52	-	-	-	225,138.52
Intergovernmental Payable:					
State	-	28,973.00	-	-	28,973.00
Other	-	375.00	-	-	375.00
Interfund Payable	-	136,752.64	347,000.71	-	483,753.35
Unearned Revenue	308,410.65	133,070.67	-	-	441,481.32
Total Liabilities	<u>838,287.68</u>	<u>309,798.44</u>	<u>347,000.71</u>	<u>283,913.23</u>	<u>1,779,000.06</u>
Fund Balances:					
Restricted for:					
Capital Reserve	3,917,020.79	-	-	-	3,917,020.79
Maintenance Reserve	1,974,851.64	-	-	-	1,974,851.64
Tuition Reserve	1,546,034.41	-	-	-	1,546,034.41
Unemployment Compensation	500,232.75	-	-	-	500,232.75
Debt Service	-	-	-	16,086.77	16,086.77
Committed to:					
Scholarships	-	19,648.75	-	-	19,648.75
Student Activities	-	209,177.36	-	-	209,177.36
Assigned to:					
Designated for					
Subsequent Year	600,000.00	-	-	-	600,000.00
Other Purposes	109,151.75	-	-	-	109,151.75
Unassigned	595,308.74	-	160,159.33	-	755,468.07
Total Fund Balances	<u>9,242,600.08</u>	<u>228,826.11</u>	<u>160,159.33</u>	<u>16,086.77</u>	<u>9,647,672.29</u>
Total Liabilities & Fund Balances	<u>\$ 10,080,887.76</u>	<u>\$ 538,624.55</u>	<u>\$ 507,160.04</u>	<u>\$ 300,000.00</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$104,976,682.67 and the accumulated depreciation is \$49,016,671.99.					55,960,010.68
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$631,946.00 and the accumulated amortization is \$571,796.					60,150.00
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.					
Deferred Outflows Related to Pensions					841,821.00
Deferred Inflows Related to Pensions					(752,886.00)
Deferred Outflow Related to the Loss on Bond Refunding of Debt					126,747.56
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.					(498,774.51)
Accrued pension contributions for the June 30, 2025 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.					(645,748.00)
Long-term liabilities, including net pension liability, bonds payable, bond premium and lease obligations, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(54,435,124.46)
Net Position of Governmental Activities					<u>\$ 10,303,868.56</u>

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

	MAJOR FUNDS				TOTAL
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 26,993,656.00	\$ -	\$ -	\$ 3,821,402.00	\$ 30,815,058.00
Tuition Charges	7,457,737.50	-	-	-	7,457,737.50
Transportation Charges	250,661.57	-	-	-	250,661.57
Miscellaneous	1,122,525.55	1,238,642.16	-	-	2,361,167.71
Total Local Sources	35,824,580.62	1,238,642.16	-	3,821,402.00	40,884,624.78
State Sources	13,923,862.27	912,091.64	-	167,674.00	15,003,627.91
Federal Sources	8,251.39	679,354.77	-	-	687,606.16
Total Revenues	49,756,694.28	2,830,088.57	-	3,989,076.00	56,575,858.85
Expenditures:					
Instruction:					
Regular Instruction	11,453,937.38	1,801,738.09	-	-	13,255,675.47
Special Education Instruction	3,356,620.32	-	-	-	3,356,620.32
Other Instruction	1,384,201.33	-	-	-	1,384,201.33
Support Services:					
Tuition	953,464.60	-	-	-	953,464.60
Attendance & Social Work Services	342,358.12	-	-	-	342,358.12
Health Services	392,581.37	-	-	-	392,581.37
Student & Instruction Related Services	4,161,188.46	999,098.30	-	-	5,160,286.76
General Administrative	808,246.73	-	-	-	808,246.73
School Administrative Services	1,584,587.06	-	-	-	1,584,587.06
Central Services	569,246.62	-	-	-	569,246.62
Administrative Information Technology	20,274.83	-	-	-	20,274.83
Plant Operations & Maintenance	4,321,787.21	-	-	-	4,321,787.21
Pupil Transportation	2,976,251.74	-	-	-	2,976,251.74
Unallocated Benefits	7,006,208.66	-	-	-	7,006,208.66
On Behalf TPAF Pension and Social Security Contributions	9,321,958.27	-	-	-	9,321,958.27
Capital Outlay	417,351.66	212,824.36	-	-	630,176.02
Debt Service:					
Principal	85,979.07	-	-	2,810,000.00	2,895,979.07
Interest & Other Charges	164,942.00	-	-	1,635,608.06	1,800,550.06
Total Expenditures	49,321,185.43	3,013,660.75	-	4,445,608.06	56,780,454.24
Excess/(Deficiency) of Revenues Over Expenditures	435,508.85	(183,572.18)	-	(456,532.06)	(204,595.39)
Other Financing Sources (Uses):					
Transfers In	-	155,210.00	-	300,000.00	455,210.00
Transfers Out	(155,210.00)	-	(300,000.00)	-	(455,210.00)
Refunding Bond Proceeds	-	-	-	21,613,709.50	21,613,709.50
Deposit with Escrow Agent	-	-	-	(21,441,094.00)	(21,441,094.00)
Total Other Financing Sources (Uses)	(155,210.00)	155,210.00	(300,000.00)	472,615.50	172,615.50
Net Changes in Fund Balances	280,298.85	(28,362.18)	(300,000.00)	16,083.44	(31,979.89)
Fund Balance, July 1	8,962,301.23	257,188.29	460,159.33	3.33	9,679,652.18
Fund Balance, June 30	\$ 9,242,600.08	\$ 228,826.11	\$ 160,159.33	\$ 16,086.77	\$ 9,647,672.29

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

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Total Net Changes in Fund Balances - Governmental Funds (B-2) \$ (31,979.89)

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 exceeded capital outlays in the period.

Depreciation Expense	\$ (2,716,772.99)	
Capital Outlays	<u>630,176.02</u>	(2,086,596.97)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.

756,376.05

Repayment of long-term debt principal and obligation of lease purchase agreements are 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.

2,955,661.00

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

Proceeds of Long-Term Debt	(20,795,000.00)	
Premiums	<u>(818,709.50)</u>	(21,613,709.50)

Advance refunding of debt issues are financing uses in the governmental funds. They are not expenses in the statement of activities; refunding of debt decreases long term liabilities in the statement of net position.

Bonds Refunded	21,420,000.00	
Loss on Refunding	<u>21,094.00</u>	21,441,094.00

Governmental funds recognize the right to use leased assets as a revenue when lease is first entered, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

Amortization of Right to Use Leased Assets	<u>(142,949.00)</u>	(142,949.00)
--	---------------------	--------------

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

Amortization of Premium on Bonds	204,513.27	
Net Adjustment of Old Premium & Loss on Refunding	75,361.03	
Amortization of Loss on Bond Refunding	<u>(159,656.96)</u>	120,217.34

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

97,485.71

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(566,322.41)

Change in Net Position of Governmental Activities

\$ 929,276.33

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Proprietary Funds

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**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025**

	MAJOR FUNDS					
	BUSINESS-TYPE					
	ACTIVITIES -					
	ENTERPRISE					
	FUNDS					
	FOOD SERVICE	CHILD WATCH	BRICKS FOR KIDS	AHS SUMMER PROGRAMS	RISING STARS	TOTALS
ASSETS						
Current Assets:						
Cash & Cash Equivalents	\$ 216,217.52	\$ 274,701.95	\$ 3,200.00	\$ 80,753.68	20,324.06	\$ 595,197.21
Accounts Receivable:						
Federal	3,970.27	-	-	-	-	3,970.27
State	257.21	-	-	-	-	257.21
Inventories	24,710.06	-	-	-	-	24,710.06
Total Current Assets	245,155.06	274,701.95	3,200.00	80,753.68	20,324.06	624,134.75
Noncurrent Assets:						
Capital Assets	629,271.00	-	-	-	-	629,271.00
Less: Accumulated Depreciation	(456,385.00)	-	-	-	-	(456,385.00)
Total Capital Assets, Net	172,886.00	-	-	-	-	172,886.00
Total Noncurrent Assets	172,886.00	-	-	-	-	172,886.00
Total Assets	418,041.06	274,701.95	3,200.00	80,753.68	20,324.06	797,020.75
LIABILITIES						
Current Liabilities:						
Accounts Payable	92,121.43	-	-	-	-	92,121.43
Unearned Revenue	-	-	3,200.00	22,020.00	17,325.00	42,545.00
Total Current Liabilities	92,121.43	-	3,200.00	22,020.00	17,325.00	134,666.43
NET POSITION						
Investment in Capital Assets	172,886.00	-	-	-	-	172,886.00
Unrestricted	153,033.63	274,701.95	-	58,733.68	2,999.06	489,468.32
Total Net Position	\$ 325,919.63	\$ 274,701.95	\$ -	\$ 58,733.68	\$ 2,999.06	\$ 662,354.32

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

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS					
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	FOOD SERVICE	CHILD WATCH	BRICKS FOR KIDS	AHS SUMMER PROGRAMS	RISING STARS	TOTALS
Operating Revenues:						
Charges for Services:						
Daily Sales - Reimbursable Programs	\$ 151,226.29	\$ -	\$ -	\$ -	\$ -	\$ 151,226.29
Daily Sales - Non-Reimbursable Programs	593,588.73	-	-	-	-	593,588.73
Special Functions	-	67,945.30	-	3,567.50	25,621.74	97,134.54
Miscellaneous	8,955.94	-	-	-	-	8,955.94
Total Operating Revenues	753,770.96	67,945.30	-	3,567.50	25,621.74	850,905.50
Operating Expenses:						
Cost of Sales - Reimbursable Programs	109,764.99	-	-	-	-	109,764.99
Cost of Sales - Non-Reimbursable Programs	385,952.29	-	-	-	-	385,952.29
Salaries & Wages	300,130.39	55,851.69	-	5,865.80	8,907.21	370,755.09
Employee Benefits	98,869.61	-	-	-	9,150.00	108,019.61
Supplies and Materials	11,220.92	1,314.80	-	-	4,790.34	17,326.06
Depreciation	20,774.00	-	-	-	-	20,774.00
Management and Administrative Fees	39,117.00	-	-	-	-	39,117.00
Other	-	4,395.24	-	-	-	4,395.24
Total Operating Expenses	965,829.20	61,561.73	-	5,865.80	22,847.55	1,056,104.28
Operating Income/(Loss)	(212,058.24)	6,383.57	-	(2,298.30)	2,774.19	(205,198.78)
Nonoperating Revenues (Expenses):						
State Sources:						
State School Lunch Program	3,641.65	-	-	-	-	3,641.65
EBT Administrative Cost- State	321.00	-	-	-	-	321.00
Federal Sources:						
National School Lunch Program	53,810.40	-	-	-	-	53,810.40
Healthy Hunger-Free Kids Act	3,849.30	-	-	-	-	3,849.30
EBT Administrative Cost- Federal	322.00	-	-	-	-	322.00
Food Distribution Program	25,284.87	-	-	-	-	25,284.87
Local Food for Schools Cooperative Agreement Program	1,580.80	-	-	-	-	1,580.80
Total Nonoperating Revenues/(Expenses)	88,810.02	-	-	-	-	88,810.02
Change in Net Position	(123,248.22)	6,383.57	-	(2,298.30)	2,774.19	(116,388.76)
Total Net Position - Beginning	449,167.85	268,318.38	-	61,031.98	224.87	778,743.08
Total Net Position - Ending	\$ 325,919.63	\$ 274,701.95	\$ -	\$ 58,733.68	\$ 2,999.06	\$ 662,354.32

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

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS					
	BUSINESS-TYPE					
	ACTIVITIES -					
	ENTERPRISE					
	FUNDS					
	FOOD	CHILD	BRICKS FOR	AHS SUMMER	RISING	
	SERVICE	WATCH	KIDS	PROGRAMS	STARS	TOTALS
Cash Flows From Operating Activities:						
Receipts from Customers	\$ 758,925.80	\$ 49,245.30	\$ -	\$ 14,147.50	\$ 26,116.74	\$ 848,435.34
Payments to Employees	(399,000.00)	(55,851.69)	-	(5,865.80)	(18,057.21)	(478,774.70)
Payments to Suppliers	(543,728.66)	(5,922.13)	-	-	(4,790.34)	(554,441.13)
Net Cash Provided by/(Used for) Operating Activities	(183,802.86)	(12,528.52)	-	8,281.70	3,269.19	(184,780.49)
Cash Flows From Noncapital Financing Activities:						
State Sources	3,962.65	-	-	-	-	3,962.65
Federal Sources	59,562.50	-	-	-	-	59,562.50
Net Cash Provided by/(Used for) Noncapital Financing Activities	63,525.15	-	-	-	-	63,525.15
Cash Flows From Capital & Related Financing Activities:						
Purchases of Capital Assets	(14,430.00)	-	-	-	-	(14,430.00)
Net Cash Provided by/(Used for) Capital & Related Financing Activities	(14,430.00)	-	-	-	-	(14,430.00)
Net Increase/(Decrease) in Cash & Cash Equivalents	(134,707.71)	(12,528.52)	-	8,281.70	3,269.19	(135,685.34)
Balances - Beginning of Year	350,925.23	287,230.47	3,200.00	72,471.98	17,054.87	730,882.55
Balances - End of Year	\$ 216,217.52	\$ 274,701.95	\$ 3,200.00	\$ 80,753.68	\$ 20,324.06	\$ 595,197.21
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (212,058.24)	\$ 6,383.57	\$ -	\$ (2,298.30)	\$ 2,774.19	\$ (205,198.78)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Depreciation	20,774.00	-	-	-	-	20,774.00
Food Distribution Program	25,284.87	-	-	-	-	25,284.87
(Increase)/Decrease in Accounts Receivable, Net	5,154.84	-	-	-	-	5,154.84
(Increase)/Decrease in Inventories	(2,836.38)	-	-	-	-	(2,836.38)
Increase/(Decrease) in Unearned Revenue	-	(18,700.00)	-	10,580.00	495.00	(7,625.00)
Increase/(Decrease) in Accounts Payable	(20,121.95)	(212.09)	-	-	-	(20,334.04)
Total Adjustments	28,255.38	(18,912.09)	-	10,580.00	495.00	20,418.29
Net Cash Provided/(Used) by Operating Activities	\$ (183,802.86)	\$ (12,528.52)	\$ -	\$ 8,281.70	\$ 3,269.19	\$ (184,780.49)

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

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Fiduciary Fund
Not Applicable

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Upper Freehold Regional School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The operations of the District include three schools which comprise the Upper Freehold Regional School District. The School District has an approximate enrollment at June 30, 2025 of 2,021 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity* , provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* , and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* , GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84* . The School District had no component units as of for the year ended June 30, 2025.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

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

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

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

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are 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 expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

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

Child Watch Fund – The child watch fund accounts for the financial transactions related to the child watch operations of the School District.

Bricks for Kids – The bricks for kids fund accounts for the financial transactions related to the Bricks for Kids operations of the School District.

AHS Summer Programs Fund – The AHS summer programs fund accounts for the financial transactions related to the AHS summer programs operations of the School District.

Rising Stars Program Fund - The rising stars fund accounts for the financial transactions related to the rising stars program operations of the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports no fiduciary funds.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 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 School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or 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.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

Tuition Receivable/Payable

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

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Building and Improvements	10-50 Years	N/A
Equipment	5-20 Years	N/A

Right to Use Leased Assets

The School District has recorded right to use leased assets as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. In accordance with GASB Statement No. 101, *Compensated Absences*, liabilities for compensated absences are recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

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 pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

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

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and January 15, 2026, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2025:

- Statement No. 101, *Compensated Absences* . The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Implementation of this Statement resulted in a prior period adjustment and additional footnotes. See Note 14 and Note 21 for further detail.
- Statement No. 102, *Certain Risk Disclosures* . This requirement of this Statement are effective for fiscal years beginning after June 15, 2024. Management has determined the implementation of this Statement did not have a significant impact on the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets* . The requirement of this Statement are effective for fiscal years beginning after June 15, 2025

Management has not yet dermined the potential impact on the District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 and seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2025, the School District’s bank balance of \$11,305,353.29 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 8,193,855.44
Uninsured and Uncollateralized	<u>3,111,497.85</u>
Total	<u><u>\$ 11,305,353.29</u></u>

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 2. Deposits and Investments (Continued)

Investments

As of June 30, 2025, the District's investment balance of \$1,273.00 was in Solar Renewable Energy Certificates (SRECs). The district categorizes its fair value measurement within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant and unobservable.

The District has the following recurring fair value measurements as of June 30, 2025:

SRECs in the amount of \$1,273.00.

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant 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.

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

Beginning Balance, July 1, 2024	\$ 3,753,695.68
Increased by:	
Deposits Approved by Board	415,770.11
	4,169,465.79
Decreased by:	
Budget Withdrawals	(252,445.00)
	(252,445.00)
Ending Balance, June 30, 2025	<u>\$ 3,917,020.79</u>

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 3. Reserve Accounts (Continued)

Tuition Reserve

A tuition reserve is restricted to be used to accumulate funds in accordance with N.J.A.C. 6A:23A-14.4(a)(3) for anticipated tuition adjustments. According to N.J.A.C. 6A:23A-14.4(a)(3) permits the district to establish a tuition reserve in the general fund at June 30 by board resolution for up to 10 percent of the estimated tuition cost in the contract year for an anticipated tuition adjustment in the second year following the contract year. The code also requires that the district transfer to the general fund, by board resolution, any interest earned on the investments in a tuition reserve account on no less than an annual basis.

The District established the reserve in June of 2016. The District added \$641,479 in 2022 for the use in 2022/2023 School budget. The District added \$738,069.91 in 2023 for use in 2023/2024 School budget. The tuition reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance, July 1, 2024	\$ 1,379,548.91
Increased by:	
Deposits Approved by Board	<u>807,964.50</u>
	2,187,513.41
Decreased by:	
Budget Withdrawals	<u>(641,479.00)</u>
Ending Balance, June 30, 2025	<u><u>\$ 1,546,034.41</u></u>

Maintenance Reserve

The School District established a maintenance reserve account in June of 2011 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 3. Reserve Accounts (Continued)

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

Beginning Balance, July 1, 2024	\$ 1,983,351.64
Increased by:	
Deposits Approved by Board	600,000.00
	<u>2,583,351.64</u>
Decreased by:	
Budget Withdrawals	(608,500.00)
	<u>(608,500.00)</u>
Ending Balance, June 30, 2025	<u>\$ 1,974,851.64</u>

Unemployment Reserve

Unemployment Claim Reserve funds are restricted pursuant to N.J.S.A. 43:21-7.3(g), which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentality for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

Beginning Balance, July 1, 2024	\$ 503,159.61
Decreased by:	
Payments	(2,926.86)
	<u>(2,926.86)</u>
Balance, June 30, 2025	<u>\$ 500,232.75</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2025, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total</u> <u>Governmental</u> <u>Activities</u>
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	
Federal Awards	\$ -	\$ 161,356.09	\$ 161,356.09
State Awards	513,552.56	-	513,552.56
Tuition	214,170.73	28,973.00	243,143.73
Other	1,273.00	101,452.95	102,725.95
Total	<u>\$ 728,996.29</u>	<u>\$ 291,782.04</u>	<u>\$ 1,020,778.33</u>
<u>Description</u>	<u>Proprietary Funds</u>		<u>Total</u> <u>Business-Type</u> <u>Activities</u>
	<u>Food Service</u> <u>Fund</u>	<u>Other Proprietary</u> <u>Fund</u>	
Federal Awards	\$ 3,970.27	\$ -	\$ 3,970.27
State Awards	257.21	-	257.21
Total	<u>\$ 4,227.48</u>	<u>\$ -</u>	<u>\$ 4,227.48</u>

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 5. Capital Assets

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

	Governmental Activities			
	Balance July 1, 2024	Additions	Retirements and Adjustments	Balance June 30, 2025
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,419,448.00	\$ -	\$ -	\$ 5,419,448.00
Construction in Progress	1,312,960.10	549,427.92	(1,062,700.00)	799,688.02
Total Capital Assets not being depreciated	6,732,408.10	549,427.92	(1,062,700.00)	6,219,136.02
Capital Assets being depreciated:				
Buildings and Improvements	87,447,730.00	-	1,062,700.00	88,510,430.00
Equipment	10,166,368.55	80,748.10	-	10,247,116.65
Total Capital Assets being depreciated	97,614,098.55	80,748.10	1,062,700.00	98,757,546.65
Less: Accumulated Depreciation:				
Buildings and Improvements	(39,073,456.00)	(2,349,062.99)	-	(41,422,518.99)
Equipment	(7,226,443.00)	(367,710.00)	-	(7,594,153.00)
Total Accumulated Depreciation	(46,299,899.00)	(2,716,772.99)	-	(49,016,671.99)
Total Capital Assets being depreciated, net	51,314,199.55	(2,636,024.89)	1,062,700.00	49,740,874.66
Total Governmental Activities Capital Assets, net	\$ 58,046,607.65	\$ (2,086,596.97)	\$ -	\$ 55,960,010.68
	Business-Type Activities			
	Balance July 1, 2024	Additions	Retirements and Adjustments	Balance June 30, 2025
Business-Type Activities:				
Equipment	\$ 614,841.00	\$ 14,430.00	\$ -	\$ 629,271.00
Total Capital Assets being depreciated	614,841.00	14,430.00	-	629,271.00
Less: Accumulated Depreciation:				
Equipment	(435,611.00)	(20,774.00)	-	(456,385.00)
Total Capital Assets being depreciated, net	(435,611.00)	(20,774.00)	-	(456,385.00)
Total Business-Type Activities Capital Assets, net	\$ 179,230.00	\$ (6,344.00)	\$ -	\$ 172,886.00

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 5. Capital Assets (Continued)

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

Governmental Activities

Instruction:

Regular Instruction	\$ 1,025,581.80
Special Education Instruction	259,723.50
Other Instruction	107,040.86

Support Services:

Tuition	73,624.55
Student & Instruction Related Services	455,874.51
General Administrative	62,485.78
School Administrative Services	122,526.46
Central Services	44,011.72
Administrative Info. Technology	1,630.06
Plant Operations & Maintenance	334,163.08
Pupil Transportation	230,110.67

Total Depreciation Expense - Governmental Activities	\$ 2,716,772.99
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Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2025 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 183,753.35	\$ -
Special Revenue Fund	-	136,752.64
Capital Projects Fund	-	347,000.71
Debt Service Fund	300,000.00	-
	\$ 483,753.35	\$ 483,753.35

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfunds transfers follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 155,210.00
Special Revenue Fund	155,210.00	-
Capital Projects	-	300,000.00
Debt Service	300,000.00	-
	\$ 455,210.00	\$ 455,210.00

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 7. Long-Term Obligations

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

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Balance Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 38,960,000.00	\$20,795,000.00	\$ 24,230,000.00	\$ 35,525,000.00	\$ 2,950,000.00
Lease Obligations	206,584.00	-	145,661.00	60,923.00	60,923.00
Unamortized Bond Premiums	1,282,834.02	818,709.50	1,275,666.80	825,876.72	102,185.46
Compensated Absences (as Restated, Note 21)	10,910,512.33	566,322.41	-	11,476,834.74	-
Net Pension Liability	7,267,312.00	1,007,055.00	1,727,877.00	6,546,490.00	-
	<u>\$ 58,627,242.35</u>	<u>\$23,187,086.91</u>	<u>\$ 27,379,204.80</u>	<u>\$ 54,435,124.46</u>	<u>\$ 3,113,108.46</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, lease obligations, unamortized bond premiums and the net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On July 23, 2014, the District issued \$9,595,000 refunding bonds with interest rates ranging from 2.00% to 5.00% to advance refund \$9,458,000 school bonds with interest rates ranging from 4.375% to 4.50%. The refunding bonds mature on July 15, 2015 through 2032. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds were called on July 15, 2016. These bonds were removed from the District's financial statements as part of the Refunding Bonds issued on February 6, 2025.

On April 22, 2015, the District issued \$23,025,000 refunding bonds with interest rates ranging from 4.00% to 4.50% to advance refund \$23,090,000 school bonds with interest rates ranging from 4.00% to 4.50%. The refunding bonds mature on July 15, 2010 through 2023. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds were called on February 15, 2017. These bonds were removed from the District's financial statements as part of the Refunding Bonds issued on February 6, 2025.

On December 15, 2016, the District issued \$9,660,000 refunding bonds with interest rates ranging from 3.00% to 4.00% to advance refund \$9,560,000 school bonds with interest rates ranging from 4.00% to 4.375%. The refunding bonds mature on February 15, 2015 through 2035. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the school bonds were called on February 15, 2018. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's financial statements. The net present value of savings on these refunding bonds was \$562,386 or 5.88% over the life of the bonds.

On January 15, 2019, the District issued \$7,184,000 of general obligation bonds with interest rates ranging from 3.00% to 3.375%. The bonds mature on January 15, 2021 through 2039.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 7. Long-Term Obligations (Continued)

On February 6, 2025, the District issued \$20,795,000 refunding bonds with interest rates ranging from 3.00% to 4.00% to advance refunding of Series 2014 Bonds of \$5,285,000, and to advance refunding bonds of Series 2015 Bonds of \$15,510,000. The refunding bonds mature on July 15, 2025 through 2032.

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,950,000.00	\$ 1,172,028.49	\$ 4,122,028.49
2027	3,005,000.00	1,131,431.26	4,136,431.26
2028	3,125,000.00	1,025,900.02	4,150,900.02
2029	3,245,000.00	915,681.26	4,160,681.26
2030	3,385,000.00	786,643.76	4,171,643.76
2031-2035	17,860,000.00	2,192,925.08	20,052,925.08
2036-2039	1,955,000.00	164,425.04	2,119,425.04
	<u>\$ 35,525,000.00</u>	<u>\$ 7,389,034.91</u>	<u>\$ 42,914,034.91</u>

Lease Obligations

The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The School District executed an agreement on May 21, 2021 to lease equipment that requires annual payments of \$61,715.48. There are no variable payment components of the leases. The lease liabilities are measured at an explicit discount rate of 1.30% and have a balance of \$121,065.00 at June 30, 2024. As a result of the leases, the School District has recorded right to use leased assets with a net book value of \$120,302.00 at June 30, 2024. The right to use leased assets are discussed in more detail in Note 20.

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 60,923.00	\$ 792.00	\$ 61,715.00
	<u>\$ 60,923.00</u>	<u>\$ 792.00</u>	<u>\$ 61,715.00</u>

Bonds Authorized but not Issued

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

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans

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 PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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:

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

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS, its participating employers or the State of New Jersey (the State) as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS, its participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. 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 the 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 will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be 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 will be adjusted by the rate of return on the actuarial value of assets.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Pension Liability, Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At June 30, 2025, the School District reported a liability of \$6,546,490.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The School District's proportion measured as of June 30, 2024, was 0.04818%, which was a decrease of (0.0019957%) from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized full accrual pension credit of (\$98,146.00) in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2024 measurement date. At June 30, 2025 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 131,138.00	\$ 17,429.00
Changes of Assumptions	8,133.00	74,484.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	303,543.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	56,802.00	357,430.00
School District contributions subsequent to measurement date	645,748.00	-
	<u>\$ 841,821.00</u>	<u>\$ 752,886.00</u>

\$645,748.00 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2024-2025 total salaries for PERS employees multiplied by an employer pension contribution rate of 16.36%. The payable is due on April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Year Ending <u>June 30,</u>		
2025	\$	(338,074)
2026		154,942
2027		(183,859)
2028		(131,556)
2029		(58,266)
	<u>\$</u>	<u>(556,813)</u>

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

Special Funding Situation - Under N.J.S.A. 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, are 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 a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under 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 statements 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 entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

In addition, each local participating employer must recognize pension expense associated with the employers 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.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2025. At June 30, 2025, the State's proportionate share of the PERS expense, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$21,106.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate of 7.00% as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 8,771,897.00	\$ 6,546,490.00	\$ 4,754,680.00

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2025 and 2024:

	<u>6/30/2025</u>	<u>6/30/2024</u>
Actuarial Valuation Date	June 30, 2024	June 30, 2023
Collective Deferred Outflows of Resources	\$ 1,079,580,780	\$ 1,080,204,730.00
Collective Deferred Inflows of Resources	1,611,322,898	1,780,216,457.00
Collective Net Pension Liability	13,702,423,985	14,606,489,066.00
 School District's portion	 0.04818%	 0.05017%

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - 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. TPAF is administered by State of New Jersey, Division of Pension and Benefits (the Division). For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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:

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

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. 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. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Components of Net Pension Liability - At June 30, 2025, the State's proportionate share of the TPAF net pension liability, attributable to the School District was \$71,388,768.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.10597%, which was a decrease of (0.035629%) from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized a pension expense/(credit) in the amount of (\$260,415.00) for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2024 measurement date.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Actuarial Assumptions –The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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%
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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 on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the 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 assumption used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's 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:

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 84,855,657.00	\$ 71,388,768.00	\$ 60,047,102.00

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2025 and 2024:

	<u>6/30/2025</u>	<u>6/30/2024</u>
Actuarial Valuation Date	June 30, 2024	June 30, 2023
Collective Deferred Outflows of Resources	\$ 1,178,433,819	\$ 2,502,380,838
Collective Deferred Inflows of Resources	10,615,423,132	14,830,205,473
Collective Net Pension Liability	49,492,072,325	51,109,961,824
School District's portion	0.10597%	0.14160%

C. Defined Contribution Retirement Plan (DCRP)

Plan Description - DCRP was established under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1 — provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established maximum compensation limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2025, employee contributions totaled \$20,890.87, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$16,842.66.

Note 9. Other Post-Retirement Benefits (OPEB)

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for 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 Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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 are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 9. OPEB (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability of \$59,650,630,530 as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 to 5.65%	2.75% to 6.55%	3.25 to 16.25%
	based on years of service	based on years of service	based on years of service

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

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 to June 30, 2021.

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

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2024 was \$91,951,285.00. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the School District was 0.15414973%, which was an increase of 0.00493073% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of \$3,155,297.00 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 9. OPEB (continued)

Health Care Trend Assumptions

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 rate is increasing to 14.8% in fiscal year 2026, and decreases to 4.50% in fiscal year 2033. For HMO, the trend rate 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 trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

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

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:

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

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 107,694,647.66	\$ 91,951,285.00	\$ 79,290,353.68
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,863,663,542.00	\$ 59,650,630,530.00	\$ 51,437,232,141.00

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

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

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 76,596,089.84	\$ 91,951,285.00	\$ 111,952,440.03
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,689,409,509.00	\$ 59,650,630,530.00	\$ 72,625,778,279.00

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 9. OPEB (continued)

Additional Information

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected & Actual Experience	\$ 6,378,932,312.00	\$ 11,139,706,892.00
Changes in Assumption	10,004,978,073.00	11,662,607,882.00
Contributions Made in Fiscal Year 6/30/2024 After Measurement Date	TBD	N/A
	<u>\$ 16,383,910,385.00</u>	<u>\$ 22,802,314,774.00</u>

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

Fiscal Year Ending June 30,	
2025	\$ (2,115,877,507.00)
2026	(1,774,175,666.00)
2027	(842,677,045.00)
2028	221,470,185.00
2029	(1,537,725,697.00)
Thereafter	(369,418,659.00)
	<u>\$ (6,418,404,389.00)</u>

** Employer Contributions made after June 30, 2024 are reported as deferred outflow of resources, but are not amortized in expense.

Plan Membership

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

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
	<u>372,741</u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,152,062,729.00
Interest Cost	1,963,557,443.00
Difference Between Expected & Actual Experience	158,934,425.00
Changes of Assumptions	4,462,660,491.00
Contributions: Member	51,347,810.00
Gross Benefit Payments	(1,499,600,607.00)
Net Change in Total OPEB Liability	<u>7,288,962,291.00</u>
Total OPEB Liability (Beginning)	<u>52,361,668,239.00</u>
Total OPEB Liability (Ending)	<u>\$ 59,650,630,530.00</u>
Total Covered Employee Payroll	\$ 15,845,935,573.00
Net OPEB Liability as a Percentage of Payroll	376.44%

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2025, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$6,207,821.00, \$1,297,709.27, \$1,813,930.00, and \$2,498.00, respectively.

Note 11. Risk Management

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

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending unemployment claims fund balance and/or unemployment trust liability of the School District for the current year and previous two years.

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	Ending Balance	
			<u>Restricted</u>	
			<u>Unemployment Fund</u>	<u>Unemployment Trust</u>
			<u>Balance</u>	<u>Liability</u>
2025	\$ 61,733.32	\$ 93,688.40	\$ 500,232.75	\$ -
2024	58,465.96	81,188.95	503,159.61	29,028.22
2023	61,219.87	65,074.04	503,159.61	29,028.22

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Joint Insurance Pool – The School District also participates in the School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property - Blanket Building & Grounds	General & Automobile Liability
Employee Benefits Liability	School Board Legal Liability

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 12. Contingencies (Continued)

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

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

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits 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:

Equitable Life	Lincoln Investment Planning, Inc.	Valic Investments
Legend	Oppenheimer	Metropolitan Life

Note 14. Compensated Absences

GASB Statement No. 101, Compensated Absences, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the School District for the unused sick leave in accordance with the School District's agreements with various employee unions. However, a liability is recognized under GASB 101 to the extent such leave is expected to be used as time off.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$11,476,834.74 at June 30, 2025. This estimate includes leave that is expected to be paid upon separation from service, and vacation and sick leave to the extent that such leave is more likely than not to be used by employees as paid time off, based on historical usage patterns.

The School District adopted GASB Statement No. 101 during the year ended June 30, 2025. As a result, the compensated absences liability disclosed above reflects the revised recognition criteria under this standard. Implementation of this Statement resulted in a Prior Period Adjustment. See Note 21 for further detail.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 15. Tax Abatements (Continued)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 was \$0.00.

Note 17. Fund Balances

General Fund

Of the \$9,242,600.08 General Fund fund balance at June 30, 2025, \$3,917,020.79 has been restricted for the Capital Reserve Account; \$1,974,851.64 has been restricted for the Maintenance Reserve Account; \$1,546,034.41 has been restricted for the Tuition Reserve Account; \$500,232.75 has been restricted for the Unemployment Claims Account; \$600,000.00 is assigned - designated for subsequent year's expenditures; \$109,151.75 has been assigned to other purposes; and \$595,308.74 has been unassigned.

Special Revenue Fund

Of the \$228,826.11 Special Revenue Fund fund balance at June 30, 2025, \$19,648.75 is restricted for Scholarship Fund, and \$209,177.36 is restricted for Student Activities Fund.

Capital Projects Fund

Of the \$160,159.33 Capital Projects Fund Balance at June 30, 2025, \$160,159.33 is unassigned.

Debt Service Fund

Of the \$16,086.77 Debt Service Fund fund balance at June 30, 2025, \$16,086.77 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of (\$17,774,451.76) at June 30, 2025. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2025. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 19. Commitments.

The District has contractual commitments at June 30, 2025 to various vendors, which are recorded in the General Fund as Fund Balance Assigned to Other Purposes in the amount of \$109,151.75.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 20. Right to Use Leased Assets

The School District has recorded right to use leased assets. The assets are right to use assets for leased equipment, vehicles and site improvements. The related leases are discussed in the Note 7. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use leased asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Ending Balance
Right to Use Leased Assets:			
Buildings and Improvements	\$ 331,188.00	\$ -	\$ 331,188.00
Equipment	300,758.00	-	300,758.00
Subtotal	<u>631,946.00</u>	<u>-</u>	<u>631,946.00</u>
Accumulated Amortization:			
Buildings and Improvements	(248,391.00)	(82,797.00)	(331,188.00)
Equipment	(180,456.00)	(60,152.00)	(240,608.00)
Subtotal	<u>(428,847.00)</u>	<u>(142,949.00)</u>	<u>(571,796.00)</u>
Right to Use Leased Assets, Net	<u>\$ 203,099.00</u>	<u>\$ (142,949.00)</u>	<u>\$ 60,150.00</u>

Note 21. Prior Period Adjustment/Restatement of Net Position

Net Position as of July 1, 2024, has been restated as follows for the implementation of GASB Statement No. 101,

Net Position as previously reported	
at June 30, 2024	\$ 19,669,079.08
Prior Period Adjustment-	
Implementation of GASB 101:	
Noncurrent Liabilities	<u>(10,294,486.85)</u>
Net Position as restated, July 1, 2024	<u>\$ 9,374,592.23</u>

Long-Term Liabilities of the Governmental Funds as of July 1, 2024, has been restated as follows for the implementation of GASB Statement No. 101, *Compensated Absences*

Noncurrent Liabilities as previously reported	
at June 30, 2024	\$ 48,332,755.50
Prior Period Adjustment-	
Implementation of GASB 101:	
Noncurrent Liabilities	<u>10,294,486.85</u>
Noncurrent Liabilities as restated, July 1, 2024	<u>\$ 58,627,242.35</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025				VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 26,993,656.00	\$ -	\$ 26,993,656.00	\$ 26,993,656.00	\$ -
Tuition From Individuals	10-1310	277,980.00	-	277,980.00	15,768.60	(262,211.40)
Tuition From Other LEAs Within State	10-1320	7,380,699.00	31,505.90	7,412,204.90	7,412,205.01	0.11
Tuition- NJ Office of Ed	10-1321	-	-	-	29,763.89	29,763.89
Transportation Fees From Individuals	10-1410	46,350.00	-	46,350.00	51,682.03	5,332.03
Transportation Fees From Other LEAs	10-1420	100,000.00	-	100,000.00	198,979.54	98,979.54
Rents and Royalties	10-1910	79,500.00	-	79,500.00	89,148.29	9,648.29
Unrestricted Miscellaneous Revenues	10-1990	525,900.00	7,500.00	533,400.00	1,033,377.26	499,977.26
Interest Eamed on Maintenance Reserve	10-1994	2,500.00	(2,500.00)	-	-	-
Interest Eamed on Capital Reserve Funds	10-1995	5,000.00	(5,000.00)	-	-	-
Total Local Sources		35,411,585.00	31,505.90	35,443,090.90	35,824,580.62	381,489.72
State Sources:						
School Choice Aid	10-3116	1,610,175.00	-	1,610,175.00	1,610,175.00	-
Categorical Transportation Aid	10-3121	431,910.00	-	431,910.00	431,910.00	-
Extraordinary Aid	10-3131	250,000.00	-	250,000.00	434,535.00	184,535.00
Categorical Special Education Aid	10-3132	997,218.00	-	997,218.00	997,218.00	-
Equalization Aid	10-3176	1,028,480.00	-	1,028,480.00	1,028,480.00	-
Categorical Security Aid	10-3177	123,383.00	-	123,383.00	123,383.00	-
Other State Aids	10-3190	-	-	-	15,282.00	15,282.00
Nonbudgeted:						
TPAF Pension (on-behalf)		-	-	-	6,207,821.00	6,207,821.00
TPAF Social Security (reimbursed)		-	-	-	1,297,709.27	1,297,709.27
TPAF Post Retirements		-	-	-	1,813,930.00	1,813,930.00
TPAF Long-Term Disability Insurance (on behalf)		-	-	-	2,498.00	2,498.00
Total State Sources		4,441,166.00	-	4,441,166.00	13,962,941.27	9,521,775.27
Federal Sources:						
Medicaid Reimbursement	10-4200	28,600.00	-	28,600.00	8,251.39	(20,348.61)
Total Federal Sources		28,600.00	-	28,600.00	8,251.39	(20,348.61)
Total Revenues		39,881,351.00	31,505.90	39,912,856.90	49,795,773.28	9,882,916.38

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	11-110-100-101	375,047.00	93.00	375,140.00	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	2,444,623.00	(36,558.00)	2,408,065.00	2,464.70
Grades 6-8 - Salaries of Teachers	11-130-100-101	2,318,404.00	(14,973.00)	2,303,431.00	494.18
Grades 9-12 - Salaries of Teachers	11-140-100-101	5,525,347.00	(186,999.00)	5,338,348.00	64.67
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	12,200.00	-	12,200.00	9,497.48
Purchased Professional - Educational Services	11-150-100-320	27,000.00	(13,900.00)	13,100.00	3,342.85
Regular Programs - Undistributed Instruction:					
Other Purchased Services	11-190-100-500	188,980.00	32,840.00	221,820.00	12,576.19
General Supplies	11-190-100-610	676,270.14	(111,891.90)	564,378.24	30,457.93
Textbooks	11-190-100-640	259,298.00	5,270.89	264,568.89	5,449.85
Other Objects	11-190-100-800	24,470.00	(2,684.90)	21,785.10	4,551.00
Total Regular Programs - Instruction		11,851,639.14	(328,802.91)	11,522,836.23	68,898.85
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	3,097,889.00	217,336.00	3,315,225.00	0.63
Purchased Professional - Educational Services	11-213-100-320	4,000.00	20,000.00	24,000.00	-
General Supplies	11-213-100-610	25,838.00	(9,462.92)	16,375.08	266.34
Other Objects	11-213-100-800	2,500.00	-	2,500.00	1,300.00
Total Resource Room/Resource Center		3,130,227.00	227,873.08	3,358,100.08	1,566.97
Special Education - Instruction:					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	11-216-100-101	339,254.00	(155,210.00)	184,044.00	184,044.00
Other Salaries for Instruction	11-216-100-106	131,058.00	34.60	131,092.60	131,092.60
General Supplies	11-216-100-600	4,500.00	(1,234.60)	3,265.40	3,178.19
Total Preschool Disabilities - Full-Time		474,812.00	(156,410.00)	318,402.00	318,314.79

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:					
Home Instruction:					
Salaries of Teachers	11-219-100-101	8,400.00	(8,400.00)	-	-
Total Home Instruction		8,400.00	(8,400.00)	-	-
Total Special Education - Instruction		3,613,439.00	63,063.08	3,676,502.08	319,881.76
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	11-230-100-101	189,848.00	(15,000.00)	174,848.00	2.40
General Supplies	11-230-100-610	5,800.00	(500.00)	5,300.00	378.55
Total Basic Skills/Remedial - Instruction		195,648.00	(15,500.00)	180,148.00	380.95
Bilingual Education - Instruction:					
Salaries of Teachers	11-240-100-101	120,144.00	(17,608.00)	102,536.00	15,740.00
Purchased Professional - Educational Services	11-240-100-320	-	800.00	800.00	3.66
General Supplies	11-240-100-610	410.00	488.00	898.00	0.17
Total Bilingual Education - Instruction		120,554.00	(16,320.00)	104,234.00	15,743.83
School-Sponsored Cocurricular/Extra Curricular Activities - Instruction:					
Salaries	11-401-100-100	299,902.00	10,901.00	310,803.00	1.29
Purchased Services	11-401-100-500	4,500.00	10,216.00	14,716.00	423.16
Supplies and Materials	11-401-100-600	12,520.00	(3,848.00)	8,672.00	1,220.24
Other Objects	11-401-100-800	-	5,500.00	5,500.00	-
Total School-Sponsored Cocurricular/Extra Curricular Activities - Instruction		316,922.00	22,769.00	339,691.00	1,644.69
School-Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	457,190.00	38,730.33	495,920.33	117.94
Purchased Services	11-402-100-500	111,380.00	(10,248.33)	101,131.67	14,424.32
Supplies and Materials	11-402-100-600	154,261.25	(6,357.00)	147,904.25	5,596.34
Other Objects	11-402-100-800	26,325.00	4,409.00	30,734.00	1,894.00
Total School-Sponsored Athletics - Instruction		749,156.25	26,534.00	775,690.25	22,032.60
Before/After School Programs - Instruction:					
Salaries of Teachers	11-421-100-101	4,680.00	(1,151.00)	3,529.00	3,529.00
Total Before/After School Programs - Instruction		4,680.00	(1,151.00)	3,529.00	3,529.00

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2025		VARIANCE FINAL TO ACTUAL
			BUDGET TRANSFERS	FINAL BUDGET	
Summer School - Instruction: Salaries of Teachers	11-422-100-101	74,000.00	(20,000.00)	54,000.00	29,759.85
Total Summer School - Instruction		74,000.00	(20,000.00)	54,000.00	29,759.85
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Special	11-000-100-562	70,064.00	-	70,064.00	25,750.65
Tuition to County Vocational School - Regular	11-000-100-563	136,488.00	-	136,488.00	63,280.00
Tuition to County Vocational School - Special	11-000-100-564	163,236.00	-	163,236.00	79,101.00
Tuition to County Special Services & Regular Day Schools	11-000-100-565	239,642.00	65.00	239,707.00	-
Tuition to Private School Disabled - Within State	11-000-100-566	607,960.00	(65.00)	607,895.00	95,793.75
Total Undistributed Expenditures - Instruction (Tuition)		1,217,390.00	-	1,217,390.00	263,925.40
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	339,452.00	7,946.98	347,398.98	10,867.22
Other Purchased Services	11-000-211-500	8,240.00	-	8,240.00	2,413.64
Supplies and Materials	11-000-211-600	100.00	-	100.00	100.00
Total Undistributed Expenditures Attendance and Social Work		347,792.00	7,946.98	355,738.98	13,380.86
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	352,817.00	-	352,817.00	18,443.23
Purchased Professional & Technical Services	11-000-213-300	74,000.00	(7,946.98)	66,053.02	13,250.02
Supplies and Materials	11-000-213-600	5,575.00	500.00	6,075.00	670.40
Total Undistributed Expenditures - Health Services		432,392.00	(7,446.98)	424,945.02	32,363.65
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	463,462.00	91,000.00	554,462.00	1,479.60
Purchased Professional - Educational Services	11-000-216-320	18,700.00	-	18,700.00	11,840.00
Supplies and Materials	11-000-216-600	5,700.00	(798.25)	4,901.75	263.08
Total Undistributed Expenditures - Speech, OT, PT and Related Services		487,862.00	90,201.75	578,063.75	13,582.68
Undistributed Expenditures - Other Support Services - Extra Services:					
Salaries	11-000-217-100	776,627.00	40,000.00	816,627.00	4,975.83
Purchased Professional - Educational Services	11-000-217-320	354,987.00	(65,000.00)	289,987.00	30,932.37
Supplies and Materials	11-000-217-600	-	1,112.64	1,112.64	4.05
Total Undistributed Expenditures - Other Support Services - Extra Services		1,131,614.00	(23,887.36)	1,107,726.64	35,912.25

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2025		VARIANCE FINAL TO ACTUAL
			BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	641,439.00	(2,482.20)	638,956.80	636,165.74
Salaries of Secretaries & Clerical Assistants	11-000-218-105	41,939.00	-	41,939.00	41,939.00
Purchased Professional - Educational Services	11-000-218-320	12,400.00	(3,238.00)	9,162.00	500.00
Other Purchased Professional and Technical Services	11-000-218-390	6,647.00	2,151.00	8,798.00	8,797.35
Other Purchased Services	11-000-218-500	25,000.00	33,617.00	58,617.00	57,584.73
Supplies and Materials	11-000-218-600	6,350.00	(2,232.80)	4,117.20	3,583.45
Total Undistributed Expenditures - Guidance		733,775.00	27,815.00	761,590.00	748,570.27
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	832,528.00	(1,800.00)	830,728.00	802,349.01
Salaries of Secretaries & Clerical Assistants	11-000-219-105	104,012.00	-	104,012.00	101,478.33
Purchased Professional - Educational Services	11-000-219-320	65,480.00	33,500.00	98,980.00	89,600.39
Miscellaneous Purchased Services	11-000-219-592	18,000.00	(500.00)	17,500.00	17,500.00
Supplies and Materials	11-000-219-600	9,100.00	600.00	9,700.00	8,589.65
Other Objects	11-000-219-800	1,500.00	(1,350.00)	150.00	150.00
Total Undistributed Expenditures - Child Study Teams		1,030,620.00	30,450.00	1,061,070.00	1,019,667.38
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	35,965.00	2,996.36	38,961.36	29,221.02
Salaries of Other Professional Staff	11-000-221-104	52,000.00	16,554.43	68,554.43	61,748.10
Supplies and Materials	11-000-221-600	3,000.00	-	3,000.00	2,982.60
Other Objects	11-000-221-800	9,500.00	(3,550.79)	5,949.21	5,014.00
Total Undistributed Expenditures - Improvement of Instruction Services		100,465.00	16,000.00	116,465.00	98,965.72
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	364,088.00	511.07	364,599.07	364,230.42
Salaries of Technology Coordinators	11-000-222-177	248,110.00	830.93	248,940.93	248,940.24
Other Purchased Services	11-000-222-500	1,300.00	-	1,300.00	-
Supplies and Materials	11-000-222-600	31,033.18	(3,337.00)	27,696.18	23,344.03
Total Undistributed Expenditures - Educational Media Services/Library		644,531.18	(1,995.00)	642,536.18	636,514.69

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	JUNE 30, 2025		VARIANCE FINAL TO ACTUAL
				BUDGET	FINAL BUDGET	
Undistributed Expenditures -						
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	16,010.00	(14,474.10)		1,535.90	1.15
Other Purchased Services	11-000-223-500	9,400.00	10,073.10		19,473.10	1,243.91
Supplies and Materials	11-000-223-600	500.00	912.00		1,412.00	1.00
Total Undistributed Expenditures -		25,910.00	(3,489.00)		22,421.00	1,246.06
Instructional Staff Training Services					21,174.94	
Undistributed Expenditures -						
Support Services - General Administration:						
Salaries	11-000-230-100	509,935.00	480.36		510,415.36	500.00
Legal Services	11-000-230-331	75,549.15	(3,190.00)		72,359.15	55,625.15
Audit Fees	11-000-230-332	42,900.00	3,190.00		46,090.00	-
Architectural/Engineering Services	11-000-230-334	25,000.00	-		25,000.00	500.00
Other Purchased Professional Services	11-000-230-339	7,300.00	(480.36)		6,819.64	1,854.64
Communications/Telephone	11-000-230-530	67,767.00	(27,625.00)		40,142.00	17,825.71
Travel - All Other	11-000-230-580	-	770.00		770.00	20.99
Travel for Regular Business	11-000-230-581	-	15,334.00		15,334.00	312.54
Other Purchased Services	11-000-230-590	138,183.00	5,285.00		143,468.00	9,966.53
General Supplies	11-000-230-610	6,060.00	-		6,060.00	1,071.10
BOE In-House Training/Meeting Supplies	11-000-230-630	4,450.00	-		4,450.00	4,450.00
Judgements Against School District	11-000-230-820	20,000.00	-		20,000.00	18,500.00
Miscellaneous Expenditures	11-000-230-890	7,500.00	(250.97)		7,249.03	0.76
BOE Membership Dues and Fees	11-000-230-895	20,450.00	266.97		20,716.97	-
Total Undistributed Expenditures -		925,094.15	(6,220.00)		918,874.15	110,627.42
Support Services - General Administration					808,246.73	
Undistributed Expenditures -						
Support Services - School Administration:						
Salaries of Principals/Assistant Principals	11-000-240-103	1,112,268.00	(20,000.00)		1,092,268.00	34,815.20
Salaries of Other Professional Staff	11-000-240-104	72,820.00	(1,864.00)		70,956.00	18,221.53
Salaries of Secretaries & Clerical Assistants	11-000-240-105	410,691.00	4,675.08		415,366.08	188.62
Other Salaries	11-000-240-110	5,000.00	(1,030.08)		3,969.92	3,969.92
Purchased Professional & Technical Services	11-000-240-300	12,000.00	4,864.00		16,864.00	0.24
Other Purchased Services	11-000-240-500	31,692.35	-		31,692.35	4,012.80
Supplies and Materials	11-000-240-600	14,700.00	(376.00)		14,324.00	6,764.98
Other Objects	11-000-240-800	8,400.00	-		8,400.00	1,280.00
Total Undistributed Expenditures -		1,667,571.35	(13,731.00)		1,653,840.35	69,253.29
Support Services - School Administration					1,584,587.06	

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	ORIGINAL BUDGET	JUNE 30, 2025		VARIANCE FINAL TO ACTUAL
			BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	500,728.00	-	500,728.00	487,431.35
Purchased Professional Services	11-000-251-330	9,000.00	(3,270.00)	5,730.00	5,300.00
Purchased Technical Services	11-000-251-340	52,475.00	2,270.00	54,745.00	54,744.55
Miscellaneous Purchased Services	11-000-251-592	14,150.00	(4,700.00)	9,450.00	2,720.00
Supplies and Materials	11-000-251-600	10,966.64	5,700.00	16,666.64	16,606.64
Interest on Lease Purchase Agreements	11-000-251-832	1,422.00	-	1,422.00	1,421.25
Miscellaneous Expenditures	11-000-251-890	1,650.00	-	1,650.00	1,022.83
Total Undistributed Expenditures - Central Services		590,391.64	-	590,391.64	569,246.62
Undistributed Expenditures - Administrative Information Technology:					
Salaries	11-000-252-100	-	16,906.25	16,906.25	16,905.70
Purchased Professional Services	11-000-252-330	12,950.00	(12,950.00)	-	-
Other Purchased Services	11-000-252-500	-	1,000.00	1,000.00	896.01
Supplies and Materials	11-000-252-600	13,307.00	(5,416.25)	7,890.75	2,473.12
Total Undistributed Expenditures - Administrative Information Technology		26,257.00	(460.00)	25,797.00	20,274.83
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	11-000-261-420	702,302.74	(39,094.00)	663,208.74	601,192.21
General Supplies	11-000-261-610	82,439.51	47,531.00	129,970.51	48,596.72
Total Undistributed Expenditures - Required Maintenance for School Facilities		784,742.25	8,437.00	793,179.25	649,788.93
Undistributed Expenditures - Custodial Services:					
Salaries	11-000-262-100	1,370,342.00	9,783.80	1,380,125.80	1,336,986.21
Salaries of Non-Instructional Aides	11-000-262-107	56,801.00	(10,172.80)	46,628.20	32,442.20
Cleaning, Repair & Maintenance Services	11-000-262-420	58,240.02	12,820.99	71,061.01	69,175.71
Other Purchased Property Services	11-000-262-490	226,500.00	(18,950.00)	207,550.00	197,495.25
Insurance	11-000-262-520	369,787.00	-	369,787.00	335,394.00
Travel	11-000-262-580	-	2,670.00	2,670.00	362.91
Miscellaneous Purchased Services	11-000-262-590	8,695.00	(2,725.00)	5,970.00	5,771.00
General Supplies	11-000-262-610	151,920.28	(21,165.99)	130,754.29	120,826.00
Energy (Natural Gas)	11-000-262-621	178,250.00	(5,800.00)	172,450.00	172,407.62
Energy (Electricity)	11-000-262-622	558,000.00	86,800.00	644,800.00	644,800.00
Energy (Gasoline)	11-000-262-626	34,121.35	(5,539.00)	28,582.35	23,471.42
Other Objects	11-000-262-800	2,400.00	360.00	2,760.00	2,705.50
Total Undistributed Expenditures - Custodial Services		3,015,056.65	48,082.00	3,063,138.65	2,943,782.00
Total Undistributed Expenditures - Custodial Services					119,356.65

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	JUNE 30, 2025		VARIANCE FINAL TO ACTUAL
				FINAL BUDGET	ACTUAL	
Undistributed Expenditures - Care and Upkeep of Grounds:						
Salaries	11-000-263-100	217,152.00	11,916.40	229,068.40	229,067.61	0.79
Cleaning, Repair & Maintenance Services	11-000-263-420	5,243.17	33,480.34	38,723.51	37,432.34	1,291.17
General Supplies	11-000-263-610	46,100.00	(22,535.74)	23,564.26	22,511.52	1,052.74
Total Undistributed Expenditures - Care and Upkeep of Grounds		268,495.17	22,861.00	291,356.17	289,011.47	2,344.70
Security:						
Salaries	11-000-266-100	342,963.00	-	342,963.00	334,285.04	8,677.96
Purchased Professional and Technical Services	11-000-266-300	-	-	-	91,107.86	(91,107.86)
Cleaning, Repair, and Maintenance Services	11-000-266-420	106,750.00	3,492.62	110,242.62	-	110,242.62
General Supplies	11-000-266-610	7,695.00	8,361.34	16,056.34	13,811.91	2,244.43
Total Security		457,408.00	11,853.96	469,261.96	439,204.81	30,057.15
Undistributed Expenditures - Student Transportation Services:						
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	343,702.00	(7,000.00)	336,702.00	303,385.56	33,316.44
Sal for Pupil Trans (Other than Bet. Home & Sch)	11-000-270-162	36,700.00	11,000.00	47,700.00	45,869.99	1,830.01
Other Purchased Prof. and Technical Serv.	11-000-270-390	100,500.00	-	100,500.00	82,430.00	18,070.00
Cleaning, Repair and Maintenance Services	11-000-270-420	43,898.18	-	43,898.18	34,358.66	9,539.52
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	30,000.00	-	30,000.00	30,000.00	-
Contract Services (Between Home & School) - Vendors	11-000-270-511	1,217,900.00	48,668.00	1,266,568.00	1,264,894.64	1,673.36
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	271,150.00	(39,475.00)	231,675.00	190,725.81	40,949.19
Contract Services (Between Home & School) - Joint Agreement	11-000-270-513	180,127.00	96,807.00	276,934.00	276,926.00	8.00
Contract Services (Special Education) - Vendors	11-000-270-514	755,975.00	(56,000.00)	699,975.00	684,396.02	15,578.98
Transportation Supplies	11-000-270-615	80,108.19	-	80,108.19	61,268.06	18,840.13
Miscellaneous Expenditures	11-000-270-800	2,500.00	-	2,500.00	1,997.00	503.00
Total Undistributed Expenditures - Student Transportation Services		3,062,560.37	54,000.00	3,116,560.37	2,976,251.74	140,308.63
Unallocated Benefits:						
Social Security Contributions	11-000-291-220	529,075.21	6,500.00	535,575.21	532,726.70	2,848.51
Other Retirement Contributions - PERS	11-000-291-241	717,362.77	(54,775.96)	662,586.81	658,275.11	4,311.70
Pension Contributions	11-000-291-249	36,000.00	-	36,000.00	16,842.66	19,157.34
Unemployment Compensation	11-000-291-250	25,000.00	-	25,000.00	-	25,000.00
Workmen's Compensation	11-000-291-260	301,675.00	-	301,675.00	253,634.61	48,040.39
Health Benefits	11-000-291-270	5,883,245.52	(232,578.28)	5,650,667.24	5,467,971.68	182,695.56
Tuition Reimbursement	11-000-291-280	74,000.00	(8,700.00)	65,300.00	53,109.99	12,190.01
Other Employee Benefits	11-000-291-290	28,550.00	(3,811.04)	24,738.96	23,647.91	1,091.05
Unused Sick Payment to Staff	11-000-291-299	45,000.00	-	45,000.00	-	45,000.00
Total Unallocated Benefits		7,639,908.50	(293,365.28)	7,346,543.22	7,006,208.66	340,334.56

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:					
TPAF Pension (on-behalf)		-	-	-	(6,207,821.00)
TPAF Social Security (reimbursed)		-	-	-	(1,297,709.27)
TPAF Post Retirements		-	-	-	(1,813,930.00)
TPAF Long-Term Disability Insurance (on behalf)		-	-	-	(2,498.00)
Total Undistributed Expenditures		24,589,836.26	(32,946.93)	24,556,889.33	(7,901,264.34)
Total Expenditures - Current Expense		41,515,874.65	(302,354.76)	41,213,519.89	(7,439,392.81)
Capital Outlay:					
Equipment:					
Grades 1-5	12-120-100-730	2,360.00	-	2,360.00	-
Total Equipment		2,360.00	1,095.66	3,455.66	-
Facilities Acquisition & Construction Services:					
Construction Services	12-000-400-450	269,631.00	177,555.00	447,186.00	33,290.00
Assessment for Debt Service on SDA Funding	12-000-400-896	164,942.00	-	164,942.00	-
Total Facilities Acquisition & Construction Services		434,573.00	177,555.00	612,128.00	33,290.00
Lease Purchase Agreements - Principal	12-000-400-721	85,980.00	-	85,980.00	0.93
		85,980.00	-	85,980.00	0.93
Total Capital Outlay		522,913.00	178,650.66	701,563.66	33,290.93
Total Expenditures		42,038,787.65	(123,704.10)	41,915,083.55	(7,406,101.88)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)		(2,157,436.65)	155,210.00	(2,002,226.65)	2,476,814.50

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Financing Sources/(Uses):				
Transfers In(Out):				
Local Contribution-Transfer to Special Revenue - Inclusion	-	(155,210.00)	(155,210.00)	-
Total Other Financing Sources/(Uses)	-	(155,210.00)	(155,210.00)	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(2,157,436.65)	-	(2,157,436.65)	2,476,814.50
Fund Balances, July 1	9,330,819.23	-	9,330,819.23	-
Fund Balances, June 30	<u>\$ 7,173,382.58</u>	<u>\$ -</u>	<u>\$ 7,173,382.58</u>	<u>\$ 2,476,814.50</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Capital Reserve	\$ 3,917,020.79	
Maintenance Reserve	1,974,851.64	
Tuition Reserve - Prior Year	738,069.91	
Tuition Reserve - Current Year	807,964.50	
Unemployment Compensation	500,232.75	
Assigned Fund Balance:		
Designated for Subsequent Year's Expenditures	600,000.00	
Year-End Encumbrances	109,151.75	
Unassigned Fund Balance	<u>1,002,905.74</u>	
Subtotal	9,650,197.08	
Reconciliation to Governmental Funds Statements (GAAP):		
Last State Aid Payments Not Recognized on GAAP Basis	(408,870.00)	
Solar Renewable Energy Credit Revenue Realized on GAAP Basis	<u>1,273.00</u>	
Fund Balance per Governmental Funds (GAAP)	<u>\$ 9,242,600.08</u>	

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	JUNE 30, 2025				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ 10,000.00	\$ 1,540,439.17	\$ 1,550,439.17	\$ 724,280.41	\$ 826,158.76
State Sources	32,056.00	1,271,150.48	1,303,206.48	1,026,820.01	276,386.47
Federal Sources	569,658.57	116,965.22	686,623.79	676,992.18	9,631.61
Total Revenues	611,714.57	2,928,554.87	3,540,269.44	2,428,092.60	1,112,176.84
Expenditures:					
Instruction:					
Salaries of Teachers	80,594.22	635,901.48	716,495.70	668,257.42	48,238.28
Purchased Professional - Educational Services	61,565.60	18,704.04	80,269.64	79,365.64	904.00
Tuition	382,675.00	59,401.00	442,076.00	442,076.00	-
General Supplies	13,713.75	130,650.85	144,364.60	90,723.57	53,641.03
Total Instruction	538,548.57	844,657.37	1,383,205.94	1,280,422.63	102,783.31
Support Services:					
Salaries of Other Professional Staff	-	111,688.00	111,688.00	111,134.27	553.73
Personal Services - Employee Benefits	2,780.00	153,766.00	156,546.00	153,038.00	3,508.00
Purchased Educational Services	44,253.00	188,694.00	232,947.00	211,012.80	21,934.20
Other Purchased Services (400-500 Series)	-	51,111.15	51,111.15	50,577.50	533.65
Supplies and Materials	16,133.00	23,220.00	39,353.00	15,240.56	24,112.44
Scholarship Awards	1,000.00	-	1,000.00	20,150.00	(19,150.00)
Student Activities	9,000.00	-	9,000.00	437,945.17	(428,945.17)
Total Support Services	73,166.00	528,479.15	601,645.15	999,098.30	(397,453.15)
Facilities Acquisition & Construction Services:					
Construction Services	-	1,602,656.50	1,602,656.50	235,603.85	1,367,052.65
Noninstructional Equipment	-	107,971.85	107,971.85	96,540.00	11,431.85
Total Facilities Acquisition & Construction Services	-	1,710,628.35	1,710,628.35	332,143.85	1,378,484.50
Total Expenditures	611,714.57	3,083,764.87	3,695,479.44	2,611,664.78	1,083,814.66
Total Outflows	611,714.57	3,083,764.87	3,695,479.44	2,611,664.78	1,083,814.66
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	(155,210.00)	(155,210.00)	(183,572.18)	28,362.18
Other Financing Sources/(Uses):					
Transfer from Operating Budget - PreK	-	155,210.00	155,210.00	155,210.00	
Total Transfer from Operating Budget - PreK	-	155,210.00	155,210.00	155,210.00	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ (28,362.18)	\$ 28,362.18
Fund Balance, July 1				257,188.29	
Fund Balance, June 30				<u>\$ 228,826.11</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 19,648.75	
Student Activities				<u>209,177.36</u>	
Total Fund Balance				<u>\$ 228,826.11</u>	

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2025**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 49,795,773.28	\$ 2,428,092.60
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(122,171.88)
Prior Year	-	524,167.85
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		
Current Year	(408,870.00)	-
Prior Year	369,791.00	-
Adjustment to record the value of Solar Renewable Energy Credits (SREC) income on the modified accrual basis		
Current Year	1,273.00	-
Prior Year	(1,273.00)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 49,756,694.28</u>	<u>\$ 2,830,088.57</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 49,321,185.43	\$ 2,611,664.78
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	401,995.97
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 49,321,185.43</u>	<u>\$ 3,013,660.75</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.04818%	0.04972%	0.04972%	0.04958%	0.05147%	0.05482%	0.00052%	0.05424%	0.05545%	0.05843%
School District's proportionate share of the net pension liability	\$ 6,546,490.00	\$ 7,267,312.00	\$ 7,503,240.00	\$ 5,873,237.00	\$ 8,392,653.00	\$ 9,878,212.00	\$ 10,306,022.00	\$ 16,625,258.00	\$ 16,421,603.00	\$ 13,115,886.00
School District's covered payroll	\$ 3,856,534.00	\$ 3,691,627.00	\$ 3,684,943.00	\$ 3,547,838.00	\$ 3,658,952.00	\$ 3,702,189.00	\$ 3,769,435.00	\$ 3,710,113.00	\$ 3,694,468.00	\$ 3,874,645.00
School District's proportionate share of the net pension liability as a percentage of its covered payroll	169.75%	196.86%	203.62%	165.54%	229.37%	266.82%	273.41%	448.11%	444.49%	338.51%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	62.91%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's contractually required contribution	\$ 655,572.00	\$ 670,582.00	\$ 626,977.00	\$ 580,614.00	\$ 563,005.00	\$ 533,266.00	\$ 520,641.00	\$ 502,438.00	\$ 492,577.00	\$ 502,323.00
Contributions in relation to the contractually required contribution	(655,572.00)	(670,582.00)	(626,977.00)	(580,614.00)	(563,005.00)	(533,266.00)	(520,641.00)	(502,438.00)	(492,577.00)	(502,323.00)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 4,174,100.00	\$ 3,856,534.00	\$ 3,691,627.00	\$ 3,684,943.00	\$ 3,547,838.00	\$ 3,658,952.00	\$ 3,702,189.00	\$ 3,769,435.00	\$ 3,710,113.00	\$ 3,694,468.00
Contributions as a percentage of covered payroll	15.71%	17.39%	16.98%	15.76%	15.87%	14.57%	14.06%	13.33%	13.28%	13.60%

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

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 71,388,768.00	\$ 72,260,635.00	\$ 75,792,326.00	\$ 73,510,425.00	\$ 103,920,015.00	\$ 96,662,605.00	\$ 101,045,208.00	\$ 108,769,054.00	\$ 123,152,076.00	\$ 97,445,478.00
	\$ 71,388,768.00	\$ 72,260,635.00	\$ 75,792,326.00	\$ 73,510,425.00	\$ 103,920,015.00	\$ 96,662,605.00	\$ 101,045,208.00	\$ 108,769,054.00	\$ 123,152,076.00	\$ 97,445,478.00
School District's covered payroll	\$ 17,879,945.00	\$ 16,781,387.00	\$ 17,618,247.00	\$ 16,706,519.00	\$ 16,290,982.00	\$ 16,397,454.00	\$ 16,877,273.00	\$ 16,788,029.00	\$ 16,663,126.00	\$ 16,548,628.00
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	32.29%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST EIGHT FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 3,172,053.00	\$ 3,094,191.00	\$ 4,122,273.00	\$ 4,902,091.00	\$ 2,813,564.00	\$ 2,657,839.00	\$ 3,189,154.00	\$ 3,845,411.00
Interest Cost	3,026,818.00	2,751,761.00	1,992,592.00	2,330,408.00	2,232,826.00	2,658,230.00	2,991,919.00	2,578,000.00
Change of Benefit Terms	-	-	-	(95,618.00)	-	-	-	-
Difference between Expected and Actual Experiences	2,972,361.00	(984,586.00)	1,319,930.00	(17,275,493.00)	17,928,548.00	(9,506,435.00)	(11,069,007.00)	-
Changes of Assumptions	6,879,179.00	157,485.00	(20,170,131.00)	88,629.00	18,569,949.00	921,923.00	(7,681,978.00)	(10,881,099.00)
Contributions: Member	79,153.00	70,518.00	63,318.00	59,577.00	53,644.00	56,264.00	61,866.00	69,289.00
Gross Benefit Payments	(2,311,630.00)	(2,145,043.00)	(1,973,721.00)	(1,835,709.00)	(1,769,832.00)	(1,898,064.00)	(1,790,017.00)	(1,881,702.00)
Net Change in Total OPEB Liability	13,817,934.00	2,944,326.00	(14,645,739.00)	(1,826,115.00)	39,828,699.00	(14,298,063.00)	(14,298,063.00)	(6,270,101.00)
Total OPEB Liability (Beginning)	78,133,351.00	75,189,025.00	89,834,764.00	101,660,879.00	61,832,180.00	81,240,486.00	81,240,486.00	87,510,587.00
Total OPEB Liability (Ending)	\$ 91,951,285.00	\$ 78,133,351.00	\$ 75,189,025.00	\$ 89,834,764.00	\$ 101,660,879.00	\$ 66,942,423.00	\$ 66,942,423.00	\$ 81,240,486.00
State's Covered Employee Payroll***	\$ 22,199,096.00	\$ 20,935,631.00	\$ 21,765,807.00	\$ 20,412,551.00	\$ 20,519,023.00	\$ 20,562,260.00	\$ 21,109,325.00	\$ 22,273,329.00
Net OPEB Liability as a Percentage of Payroll	414%	373%	301%	301%	317%	317%	317%	365%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

*** Covered payroll for the Measurement Periods ending June 30, 2018 and June 30, 2017 is based on the payroll on the June 30, 2016 census data.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2025

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None.

Changes in Assumptions

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

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

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

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

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

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

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

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2021	7.00%	2018	7.00%	2015	7.90%
2023	7.00%	2020	7.30%	2017	7.00%		
2022	7.00%	2019	7.00%	2016	7.65%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Differences Between Expected and Actual Experiences

The decrease in differences between expected and actual experiences from June 30, 2023 to June 30, 2024 was a result of changes to the census, claims and premiums

Changes in Assumptions

The increase in changes in assumptions from June 30, 2023 to June 30, 2024 is a result of a change in the discount rate, trend update and the mortality projection scale

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2021	2.16%	2018	3.87%
2023	3.65%	2020	2.21%	2017	3.58%
2022	3.54%	2019	3.50%	2016	2.85%

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

	Title I	Title II	Title III	Title IV	I.D.E.A. Preschool
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	64,927.00	21,960.00	3,500.00	11,407.92	15,763.00
Total Revenues	\$ 64,927.00	\$ 21,960.00	\$ 3,500.00	\$ 11,407.92	\$ 15,763.00
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 54,627.00	\$ -	\$ -	\$ -	\$ 15,763.00
Purchased Professional - Educational Services	-	-	-	-	-
General Supplies	10,300.00	-	-	-	-
Tuition	-	-	3,500.00	-	-
Total Instruction	64,927.00	-	3,500.00	-	15,763.00
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Educational Services	-	21,008.00	-	11,407.92	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
Supplies and Materials	-	952.00	-	-	-
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
Total Support Services	-	21,960.00	-	11,407.92	-
Facilities Acquisition & Construction Services:					
Construction Services	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	64,927.00	21,960.00	3,500.00	11,407.92	15,763.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources/(Uses):					
Transfer from Operating Budget - Preschool	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

	I.D.E.A Part B	Career and Technical Education (Perkins)	ARP-ESSER Accelerated Learning	ARP- ESSER EBSLEA	High Impact Tutoring Grant	ARP - ESSER III
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	438,576.00	12,632.35	10,129.00	30,783.00	28,460.46	17,176.15
Total Revenues	\$ 438,576.00	\$ 12,632.35	\$ 10,129.00	\$ 30,783.00	\$ 28,460.46	\$ 17,176.15
Expenditures:						
Instruction:						
Salaries of Teachers	\$ -	\$ 228.00	\$ 8,924.00	\$ 11,487.00	\$ 28,460.46	\$ 14,253.40
Purchased Professional - Educational Services	-	1,200.00	-	19,296.00	-	-
General Supplies	-	6,214.61	-	-	-	20.75
Tuition	438,576.00	-	-	-	-	-
Total Instruction	438,576.00	7,642.61	8,924.00	30,783.00	28,460.46	14,274.15
Support Services:						
Salaries of Other Professional Staff	-	2,005.00	-	-	-	-
Personal Services - Employee Benefits	-	-	1,205.00	-	-	1,575.00
Purchased Educational Services	-	2,728.00	-	-	-	1,327.00
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
Supplies and Materials	-	256.74	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-
Total Support Services	-	4,989.74	1,205.00	-	-	2,902.00
Facilities Acquisition & Construction Services:						
Construction Services	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-
Total Expenditures	438,576.00	12,632.35	10,129.00	30,783.00	28,460.46	17,176.15
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Other Financing Sources/(Uses):						
Transfer from Operating Budget - Preschool	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	ARP - Beyond the School Day	ARP - ESSER NJTSS	Preschool Education Aid	SDA Emergency and Capital Maintenance
Revenues:				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	978,506.08	33,071.93
Federal Sources	2,748.00	18,929.30	-	-
Total Revenues	\$ 2,748.00	\$ 18,929.30	\$ 978,506.08	\$ 33,071.93
Expenditures:				
Instruction:				
Salaries of Teachers	\$ 2,296.00	\$ 4,929.30	\$ 527,289.26	\$ -
Purchased Professional - Educational Services	-	-	149.00	-
General Supplies	170.00	50.00	40,673.35	-
Tuition	-	-	-	-
Total Instruction	2,466.00	4,979.30	568,111.61	-
Support Services:				
Salaries of Other Professional Staff	-	-	109,129.27	-
Personal Services - Employee Benefits	282.00	13,950.00	136,026.00	-
Purchased Educational Services	-	-	162,915.88	-
Other Purchased Services (400-500 Series)	-	-	50,577.50	-
Supplies and Materials	-	-	10,415.82	-
Scholarships Awarded	-	-	-	-
Student Activities	-	-	-	-
Total Support Services	282.00	13,950.00	469,064.47	-
Facilities Acquisition & Construction Services:				
Construction Services	-	-	-	33,071.93
Noninstructional Equipment	-	-	96,540.00	-
Total Facilities Acquisition & Construction Services	-	-	96,540.00	33,071.93
Total Expenditures	2,748.00	18,929.30	1,133,716.08	33,071.93
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(155,210.00)	-
Other Financing Sources/(Uses):				
Transfer from Operating Budget - Preschool	-	-	155,210.00	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

	Ch 193 Corrective		
	Speech	Non Public Nursing	Non Public Technology
Revenues:			
Local Sources	\$ -	\$ -	\$ -
State Sources	837.00	10,789.00	3,616.00
Federal Sources	-	-	-
Total Revenues	<u>\$ 837.00</u>	<u>\$ 10,789.00</u>	<u>\$ 3,616.00</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ -	\$ -	\$ -
Purchased Professional - Educational Services	-	-	-
General Supplies	-	-	-
Tuition	-	-	-
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:			
Salaries of Other Professional Staff	-	-	-
Personal Services - Employee Benefits	-	-	-
Purchased Educational Services	837.00	10,789.00	-
Other Purchased Services (400-500 Series)	-	-	-
Supplies and Materials	-	-	3,616.00
Scholarships Awarded	-	-	-
Student Activities	-	-	-
Total Support Services	<u>837.00</u>	<u>10,789.00</u>	<u>3,616.00</u>
Facilities Acquisition & Construction Services:			
Construction Services	-	-	-
Noninstructional Equipment	-	-	-
Total Facilities Acquisition & Construction Services	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>837.00</u>	<u>10,789.00</u>	<u>3,616.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses):			
Transfer from Operating Budget - Preschool	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

	Various Local Grants	Student Activities	Scholarship	Totals
Revenues:				
Local Sources	\$ 294,547.42	\$ 423,707.99	\$ 6,025.00	\$ 724,280.41
State Sources	-	-	-	1,026,820.01
Federal Sources	-	-	-	676,992.18
Total Revenues	<u>\$ 294,547.42</u>	<u>\$ 423,707.99</u>	<u>\$ 6,025.00</u>	<u>\$ 2,428,092.60</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 668,257.42
Purchased Professional - Educational Services	58,720.64	-	-	79,365.64
General Supplies	33,294.86	-	-	90,723.57
Tuition	-	-	-	442,076.00
Total Instruction	<u>92,015.50</u>	<u>-</u>	<u>-</u>	<u>1,280,422.63</u>
Support Services:				
Salaries of Other Professional Staff	-	-	-	111,134.27
Personal Services - Employee Benefits	-	-	-	153,038.00
Purchased Educational Services	-	-	-	211,012.80
Other Purchased Services (400-500 Series)	-	-	-	50,577.50
Supplies and Materials	-	-	-	15,240.56
Scholarships Awarded	-	-	20,150.00	20,150.00
Student Activities	-	437,945.17	-	437,945.17
Total Support Services	<u>-</u>	<u>437,945.17</u>	<u>20,150.00</u>	<u>999,098.30</u>
Facilities Acquisition & Construction Services:				
Construction Services	202,531.92	-	-	235,603.85
Noninstructional Equipment	-	-	-	96,540.00
Total Facilities Acquisition & Construction Services	<u>202,531.92</u>	<u>-</u>	<u>-</u>	<u>332,143.85</u>
Total Expenditures	<u>294,547.42</u>	<u>437,945.17</u>	<u>20,150.00</u>	<u>2,611,664.78</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(14,237.18)</u>	<u>(14,125.00)</u>	<u>(183,572.18)</u>
Other Financing Sources/(Uses):				
Transfer from Operating Budget - Preschool	-	-	-	155,210.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	<u>-</u>	<u>(14,237.18)</u>	<u>(14,125.00)</u>	<u>(28,362.18)</u>
Fund Balance, July 1	<u>-</u>	<u>223,414.54</u>	<u>33,773.75</u>	<u>257,188.29</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 209,177.36</u>	<u>\$ 19,648.75</u>	<u>\$ 228,826.11</u>

EXHIBIT E-2

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 574,381.00	\$ 527,289.26	\$ 47,091.74
Purchased Professional Educational Services	753.00	149.00	604.00
General Supplies	41,141.00	40,673.35	467.65
Total Instruction	616,275.00	568,111.61	48,163.39
Support Services:			
Salaries of Other Professional Staff	109,683.00	109,129.27	553.73
Personal Services - Employee Benefits	136,026.00	136,026.00	-
Purchased Educational Services	173,417.00	162,915.88	10,501.12
Other Purchased Services (400-500 Series)	50,578.00	50,577.50	0.50
Supplies and Materials	10,416.00	10,415.82	0.18
Total Support Services	480,120.00	469,064.47	11,055.53
Capital Outlay:			
Instructional Equipment	96,540.00	96,540.00	-
Total Capital Outlay	96,540.00	96,540.00	-
Total Expenditures	\$ 1,192,935.00	\$ 1,133,716.08	\$ 59,218.92

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2024-2025 Preschool Education Aid Allocation	\$ 1,037,725.00
Add: Budgeted Transfer from General Fund 2024-2025	155,210.00
Total Preschool Education Aid Funds Available for 2024-2025 Budget	1,192,935.00
Less: 2024-25 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(1,192,935.00)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2025	-
Add: June 30, 2025 Unexpended Preschool Education Aid Funds	59,218.92
2024-2025 Carryover - Preschool Education Aid Funds	\$ 59,218.92
2024-2025 Preschool Education Aid Funds Carryover Budgeted in 2025-2026	\$ -

F. Capital Projects Fund

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2025

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2025</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Roofing Replacement, Auditorium Renovation and New Generator	8/2019	\$ 7,184,000.00	\$ 6,723,840.67	\$ 300,000.00	\$ 160,159.33
Total		\$ 7,184,000.00	\$ 6,723,840.67	\$ 300,000.00	\$ 160,159.33

Reconciliation of Fund Balance

Unexpended Project Balances	\$ 160,159.33
Total Fund Balance (Budgetary Basis)	160,159.33
Total Fund Balance (GAAP Basis)	\$ 160,159.33

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

Expenditures and Other Financing Uses:	
Transfer to Debt Service Fund	<u>\$ 300,000.00</u>
Total Expenditures and Other Financing Uses	<u>300,000.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources	
Over (Under) Expenditures and Other Financing Uses	(300,000.00)
Fund Balance, July 1	<u>460,159.33</u>
Fund Balance, June 30	<u><u>\$ 160,159.33</u></u>

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT, AUDITORIUM RENOVATION AND NEW GENERATOR
YEAR ENDED JUNE 30, 2025**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds	\$ 7,184,000.00	\$ -	\$ 7,184,000.00	\$ 7,184,000.00
Total Revenues and Other Financing Sources	7,184,000.00	-	7,184,000.00	7,184,000.00
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	521,230.10	-	521,230.10	607,947.56
Other Purchased Professional and Technical Services	68,853.00	-	68,853.00	165,803.88
Construction Services	4,944,332.76	-	4,944,332.76	6,354,980.60
Miscellaneous	5,424.81	-	5,424.81	55,267.96
Transfer to Debt Service Fund	1,184,000.00	300,000.00	1,484,000.00	-
Total Expenditures and Other Financing Uses	6,723,840.67	300,000.00	7,023,840.67	7,184,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 460,159.33	\$ (300,000.00)	\$ 160,159.33	\$ -

Additional Project Information:

<u>Name of Project:</u>			
Roofing Replacement, Auditorium Renovation and New Generator			
<u>Project Numbers</u>			
5310-050-18-2000	Rehabilitation to Systems in Auditorium Allentown High School	\$	1,115,275.00
5310-060-18-2000	New Generator Newell Elementary School	\$	203,125.00
5310-050-18-1000	Roof Renovations Allentown High School	\$	3,783,000.00
5310-060-18-3000	Roof Renovations Newell Elementary School	\$	2,082,600.00
	Bonds Authorized	\$	7,184,000.00
	Bonds Issued	\$	7,184,000.00
	Original Authorized Cost	\$	7,184,000.00
	Revised Authorized Cost	\$	7,023,840.67
	Percentage Completion		100.00%
	Original Target Completion Date		8/2019
	Revised Target Completion Date		12/2022

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I. Long-Term Debt

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	ISSUED	REFUNDED	RETIRED	BALANCE
			DATE	AMOUNT		JUNE 30, 2024				JUNE 30, 2025
School Refunding Bonds	7/23/2014	\$ 9,595,000.00				\$ 6,040,000.00	\$ -	\$ 5,460,000.00	\$ 580,000.00	\$ -
School Refunding Bonds	4/1/2015	23,025,000.00				17,855,000.00	-	15,960,000.00	1,895,000.00	-
School Refunding Bonds	11/22/2016	9,660,000.00	8/15/25	\$ 35,000.00	3.000%	9,065,000.00	-	-	35,000.00	9,030,000.00
			8/15/26	35,000.00	3.500%					
			8/15/27	40,000.00	3.500%					
			8/15/28	40,000.00	3.500%					
			8/15/29	40,000.00	3.500%					
			8/15/30	40,000.00	3.500%					
			8/15/31	45,000.00	3.500%					
			8/15/32	2,825,000.00	3.750%					
			8/15/33	2,910,000.00	4.000%					
			8/15/34	3,020,000.00	4.000%					
School Bonds Series 2019	1/15/2019	7,184,000.00	1/15/26	315,000.00	3.125%	6,000,000.00	-	-	300,000.00	5,700,000.00
			1/15/27	325,000.00	3.125%					
			1/15/28	335,000.00	3.125%					
			1/15/29	350,000.00	3.125%					
			1/15/30	365,000.00	3.125%					
			1/15/31	380,000.00	3.250%					
			1/15/32	395,000.00	3.250%					
			1/15/33	410,000.00	3.250%					
			1/15/34	425,000.00	3.250%					
			1/15/35	445,000.00	3.250%					
			1/15/36	460,000.00	3.250%					
			1/15/37	480,000.00	3.250%					
			1/15/38	500,000.00	3.250%					
			1/15/39	515,000.00	3.375%					
			School Refunding Bonds	2/6/2025	20,795,000.00					
7/15/2026	2,645,000.00	4.000%								
7/15/2027	2,750,000.00	3.000%								
7/15/2028	2,855,000.00	4.000%								
7/15/2029	2,980,000.00	4.000%								
7/15/2030	3,085,000.00	3.000%								
7/15/2031	3,200,000.00	4.000%								
7/15/2032	680,000.00	4.000%								
Total						\$ 38,960,000.00	\$ 20,795,000.00	\$ 21,420,000.00	\$ 2,810,000.00	\$ 35,525,000.00

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASES
YEAR ENDED JUNE 30, 2025

PURPOSE	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST RATE	AMOUNT OUTSTANDING		AMOUNT OUTSTANDING JUNE 30, 2025
					2024	RETIRE	
Turf Field Lease	6/23/2020	5 Years	\$ 400,000.00	\$ 24,601.28	2.200%	\$ 85,519.00	\$ -
Technology Equipment	5/21/2021	5 Years	300,000.00	8,577.40	1.300%	121,065.00	60,923.00
				Total	\$ 206,584.00	\$ 145,661.00	\$ 60,923.00

EXHIBIT I-3

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025		VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	FINAL TO ACTUAL
Revenues:			
Local Sources:			
Local Tax Levy	\$ 3,821,402.00	\$ 3,821,402.00	\$ -
State Sources:			
Debt Service Aid Type II	167,674.00	167,674.00	-
Total Revenues	3,989,076.00	3,989,076.00	-
Expenditures:			
Regular Debt Service:			
Interest	1,479,076.00	1,479,076.00	1.11
Redemption of Principal	2,810,000.00	2,810,000.00	-
Cost of Issuance of Debt	-	-	(156,533.17)
Total Regular Debt Service	4,289,076.00	4,289,076.00	(156,532.06)
Total Expenditures	4,289,076.00	4,289,076.00	(156,532.06)
Other Financing Sources/(Uses):			
Transfer from Other Funds	300,000.00	300,000.00	-
Refunding Bond Proceeds	-	-	(21,613,709.50)
Deposit with Escrow Agent	-	-	(21,441,094.00)
Total Other Financing Sources	300,000.00	300,000.00	(172,615.50)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	(16,083.44)
Fund Balance, July 1,	2.37	2.37	3.33
Fund Balance, June 30,	\$ 2.37	\$ 2.37	\$ 16,086.77
			(16,082.48)

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

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

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

Unaudited

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 19,895,267.85	\$ 19,521,570.93	\$ 16,945,741.87	\$ 15,360,264.10	\$ 15,345,545.94	\$ 13,270,704.23	\$ 8,098,697.57	\$ 5,875,978.00	\$ 11,066,234.00	\$ 10,664,198.00
Restricted	8,183,052.47	7,876,947.46	8,207,962.78	7,651,532.07	7,457,935.55	6,426,840.23	10,109,619.93	2,471,158.00	1,780,474.00	1,591,401.00
Unrestricted (Deficit)	(17,774,451.76)	(7,729,439.31)	(6,583,184.44)	(7,072,111.83)	(11,202,804.63)	(13,101,714.50)	(13,389,066.04)	(4,925,989.00)	(8,970,445.00)	(8,202,474.00)
Total Governmental Activities										
Net Position	\$ 10,303,868.56	\$ 19,669,079.08	\$ 18,570,520.21	\$ 15,939,684.34	\$ 11,600,676.86	\$ 6,595,829.96	\$ 4,819,251.46	\$ 3,421,147.00	\$ 3,876,263.00	\$ 4,053,125.00
Business-Type Activities:										
Investment in Capital Assets	\$ 172,886.00	\$ 179,230.00	\$ 179,553.75	\$ 162,269.00	\$ 184,721.00	\$ 287,816.00	\$ 294,152.00	\$ 279,907.00	\$ 295,832.00	\$ 315,071.00
Unrestricted (Deficit)	489,468.32	599,513.08	923,926.58	717,485.75	311,482.06	409,976.03	349,284.84	287,740.00	285,594.00	264,111.00
Total Business-Type Activities										
Net Position	\$ 662,354.32	\$ 778,743.08	\$ 1,103,480.33	\$ 879,754.75	\$ 496,203.06	\$ 697,792.03	\$ 643,436.84	\$ 567,647.00	\$ 581,426.00	\$ 579,182.00
District-Wide:										
Net Investment in Capital Assets	\$ 20,068,153.85	\$ 19,700,800.93	\$ 17,125,295.62	\$ 15,522,533.10	\$ 15,530,266.94	\$ 13,558,520.23	\$ 8,392,849.57	\$ 6,155,885.00	\$ 11,362,066.00	\$ 10,979,269.00
Restricted	8,183,052.47	7,876,947.46	-	7,651,532.07	7,457,935.55	6,426,840.23	10,109,619.93	2,471,158.00	1,780,474.00	1,591,401.00
Unrestricted (Deficit)	(17,284,983.44)	(7,129,926.23)	(5,659,257.86)	(6,354,626.08)	(10,891,322.57)	(12,691,738.47)	(13,039,781.20)	(4,638,249.00)	(8,684,851.00)	(7,938,363.00)
Total District Net Position	\$ 10,966,222.88	\$ 20,447,822.16	\$ 11,466,037.76	\$ 16,819,439.09	\$ 12,096,879.92	\$ 7,293,621.99	\$ 5,462,688.30	\$ 3,988,794.00	\$ 4,457,689.00	\$ 4,632,307.00

Source: ACFR Schedule A-1

**For the year ended June 30, 2024, net position was restated due to GASB 101.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

Unaudited

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 24,912,034.87	\$ 22,394,762.36	\$ 22,441,546.78	\$ 21,841,203.74	\$ 20,585,111.75	\$ 19,490,939.62	\$ 20,403,769.89	\$ 10,588,673.00	\$ 11,072,993.00	\$ 10,922,950.00
Special Education	6,308,159.85	6,362,520.09	6,875,129.12	7,385,911.22	6,812,670.25	6,567,496.00	6,997,676.21	4,373,932.00	4,063,510.00	4,139,284.00
Other Special Education	-	-	-	-	-	-	-	480,675.00	300,184.00	162,253.00
Other Instruction	2,600,975.99	2,658,109.75	2,409,241.49	2,510,958.20	2,266,718.54	2,226,052.44	2,411,052.27	867,591.00	657,355.00	693,370.00
Support Services:										
Tuition	1,297,315.50	1,185,095.32	810,829.26	934,676.13	1,657,739.90	1,557,952.79	1,485,055.48	850,494.00	967,648.00	628,523.00
Student & Instruction Related Services	8,024,310.41	6,963,487.09	6,914,146.54	6,952,627.56	6,766,451.13	5,868,410.11	6,373,816.16	4,452,520.00	4,563,334.00	4,577,878.00
Other Administrative Services	1,100,075.91	1,044,734.15	982,097.37	1,089,969.09	1,049,479.55	1,026,598.13	921,426.75	633,000.00	633,000.00	568,745.00
Central Services	774,795.86	746,626.94	674,514.96	703,890.88	698,198.53	612,232.64	670,071.60	440,249.00	425,397.00	448,404.00
Administration Information Technology Services	27,887.76	40,461.37	38,043.32	266,885.91	156,775.18	198,466.25	197,391.33	111,581.00	104,202.00	113,251.00
School Administrative Services	2,156,826.00	2,065,776.64	2,091,400.70	2,105,961.15	1,863,533.20	1,851,016.14	1,366,974.00	1,350,947.00	1,350,947.00	1,317,802.00
Plant Operations & Maintenance	5,834,928.62	5,869,100.50	4,869,733.91	5,551,909.84	4,746,921.18	4,602,642.27	4,987,589.60	2,998,292.00	2,593,238.00	2,782,807.00
Pupil Transportation	4,050,944.40	3,769,052.53	3,161,006.62	2,742,440.55	2,718,318.54	3,031,078.85	3,256,568.00	2,012,824.00	1,925,126.00	1,677,027.00
Unallocated Benefits	-	-	-	-	-	-	-	19,812,922.00	15,842,812.00	13,507,472.00
Interest & Other Charges	1,713,624.35	1,694,699.18	1,784,525.64	1,892,863.77	1,961,964.43	2,154,836.82	1,912,663.84	2,117,183.00	2,346,514.00	2,618,681.00
Unallocated Depreciation	-	-	-	-	-	-	-	2,162,437.00	2,170,480.00	2,200,643.00
Total Governmental Activities	58,801,879.52	54,794,425.92	50,960,815.01	53,964,737.59	51,526,310.13	49,200,239.12	51,468,097.27	53,269,347.00	48,383,740.00	46,339,090.00
Expenses										
Business-Type Activities:										
Food Service	965,829.20	848,301.88	797,321.35	764,764.07	412,266.55	510,052.37	637,434.05	676,715.00	703,574.00	697,965.00
Child Watch Program	61,561.73	192,807.54	174,457.05	130,540.75	116,488.69	210,657.83	258,146.05	224,952.00	190,116.00	199,799.00
Kindergarten Complement	-	-	172,243.33	114,173.10	135,335.60	134,604.66	168,258.40	157,548.00	161,603.00	158,398.00
AHS Summer Programs	5,865.80	14,059.50	17,107.00	12,573.52	4,290.00	11,657.53	14,533.96	11,545.00	10,210.00	-
Rising Stars	22,847.55	17,774.94	14,031.90	1,411.29	-	-	-	-	-	-
Total Business-Type Activities	1,056,104.28	1,072,943.86	1,175,160.63	1,023,462.73	668,380.84	866,972.39	1,078,372.46	1,070,760.00	1,065,503.00	1,056,162.00
Expense										
Total District Expenses	\$ 59,857,983.80	\$ 55,867,369.78	\$ 52,135,975.64	\$ 54,988,200.32	\$ 52,194,690.97	\$ 50,067,211.51	\$ 52,546,469.73	\$ 54,340,107.00	\$ 49,449,243.00	\$ 47,415,252.00
Program Revenues:										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants & Contributions	\$ 15,032,820.85	\$ 12,791,893.18	\$ 12,248,915.58	\$ 14,844,238.16	\$ 12,881,313.24	\$ 8,953,886.97	\$ 10,700,011.16	\$ 8,772,931.00	\$ 8,449,419.00	\$ 8,275,922.00
Total Governmental Activities	15,032,820.85	12,791,893.18	12,248,915.58	14,844,238.16	12,881,313.24	8,953,886.97	10,700,011.16	21,428,197.00	17,838,773.00	15,958,615.00
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	753,770.96	708,313.40	610,272.81	137,359.14	12,306.50	452,046.92	586,853.72	556,205.00	543,924.00	449,568.00
Child Watch Program	67,945.30	269,739.42	242,074.60	172,145.50	38,337.50	204,998.00	241,508.00	239,533.00	224,223.00	215,076.00
Kindergarten Complement	-	-	304,161.00	309,518.00	59,323.10	143,729.56	207,347.40	158,630.00	171,580.00	171,600.00
AHS Summer Programs	3,567.50	13,025.00	19,973.00	14,110.00	25,075.00	16,888.90	20,518.53	20,580.00	24,734.00	-
Rising Stars	25,621.74	16,642.00	16,801.00	-	-	-	-	-	-	-
Operating Grants & Contributions	88,810.02	124,711.26	205,603.80	773,881.78	347,392.77	53,664.20	81,311.06	78,535.00	79,768.00	143,545.00
Total Business Type Activities	939,715.52	1,132,431.08	1,398,886.21	1,407,014.42	482,434.87	871,327.58	1,137,538.71	1,053,483.00	1,044,229.00	979,789.00
Program Revenues										
Total District Program Revenues	\$ 15,972,536.37	\$ 13,924,324.26	\$ 13,647,801.79	\$ 16,251,252.58	\$ 13,363,748.11	\$ 9,825,214.55	\$ 11,837,549.87	\$ 22,481,680.00	\$ 18,883,002.00	\$ 16,938,404.00

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

Unaudited

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FISCAL YEAR ENDING JUNE 30,										
Net (Expense)/Revenue:										
Governmental Activities	\$ (43,769,058.67)	\$ (42,002,532.74)	\$ (38,711,899.43)	\$ (39,120,499.43)	\$ (38,644,996.89)	\$ (40,246,352.15)	\$ (40,768,086.11)	\$ (31,841,150.00)	\$ (30,544,967.00)	\$ (30,400,475.00)
Business-Type Activities	(116,388.76)	59,487.22	223,725.58	383,551.69	(185,945.97)	4,355.19	59,166.25	(17,277.00)	(21,274.00)	(76,373.00)
Total District-Wide Net Expense	\$ (43,885,447.43)	\$ (41,943,045.52)	\$ (38,488,173.85)	\$ (38,736,947.74)	\$ (38,830,942.86)	\$ (40,241,996.96)	\$ (40,708,919.86)	\$ (31,858,427.00)	\$ (30,566,241.00)	\$ (30,476,848.00)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 26,993,656.00	\$ 25,965,480.00	\$ 24,749,438.00	\$ 24,264,155.00	\$ 23,788,387.00	\$ 23,321,948.00	\$ 22,864,655.00	\$ 21,573,349.00	\$ 20,937,139.00	\$ 20,045,562.00
Taxes Levied for Debt Service	3,989,076.00	3,966,388.00	3,967,488.00	3,961,426.00	3,970,632.00	3,958,340.00	3,734,396.00	3,620,709.00	3,766,496.00	3,806,673.00
Grants & Contributions	4,610,155.39	4,475,722.23	6,326,849.64	7,250,050.89	5,822,080.80	5,893,854.10	6,068,163.98	5,822,621.00	5,831,787.00	5,904,035.00
Tuition Received	7,457,737.50	6,949,783.29	7,030,576.84	6,756,730.00	7,671,427.77	8,381,440.92	8,439,052.21	-	-	-
Miscellaneous Income	1,802,920.11	1,359,493.62	1,362,550.21	1,198,043.02	836,956.95	467,347.63	455,872.33	369,455.00	330,959.00	387,827.00
Transfers In/Out	(155,210.00)	384,224.47	-	-	-	-	-	-	-	-
Total Governmental Activities	44,698,335.00	43,101,091.61	43,436,902.69	43,430,404.91	42,089,484.52	42,022,930.65	41,562,139.52	31,386,134.00	30,866,381.00	30,144,097.00
Business-Type Activities:										
Transfers In/Out	-	(384,224.47)	-	-	-	50,000.00	(8,265.00)	-	-	-
Investment Earnings	-	-	-	-	-	-	-	3,498.00	23,518.00	27,100.00
Total Business-Type Activities	-	(384,224.47)	-	-	-	50,000.00	(8,265.00)	3,498.00	23,518.00	27,100.00
Total District-Wide	\$ 44,698,335.00	\$ 42,716,867.14	\$ 43,436,902.69	\$ 43,430,404.91	\$ 42,089,484.52	\$ 42,072,930.65	\$ 41,553,874.52	\$ 31,389,632.00	\$ 30,889,899.00	\$ 30,171,197.00
Change in Net Position:										
Governmental Activities	\$ 929,276.33	\$ 1,098,558.87	\$ 4,725,003.26	\$ 4,309,905.48	\$ 3,444,487.63	\$ 1,776,578.50	\$ 794,053.41	\$ (455,016.00)	\$ 321,414.00	\$ (256,378.00)
Business-Type Activities	(116,388.76)	(324,737.25)	223,725.58	383,551.69	(185,945.97)	54,355.19	50,901.25	(13,779.00)	2,244.00	(49,273.00)
Total District	\$ 812,887.57	\$ 773,821.62	\$ 4,948,728.84	\$ 4,693,457.17	\$ 3,258,541.66	\$ 1,830,933.69	\$ 844,954.66	\$ (468,795.00)	\$ 323,658.00	\$ (305,651.00)

Source: ACFR Schedule A-2

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Restricted	\$ 7,938,139.59	\$ 7,619,755.84	\$ 7,206,710.69	\$ 6,414,954.31	\$ 5,930,946.67	\$ 4,752,247.52	\$ 3,438,476.51	\$ 2,457,581.00	\$ 1,714,285.00	\$ 1,535,816.00
Assigned	709,151.75	662,512.73	2,641,785.60	3,205,509.27	475,206.00	235,443.01	44,106.95	47,862.00	162,580.00	180,000.00
Unassigned	595,308.74	680,032.66	816,477.58	1,038,396.69	1,162,374.28	261,623.34	248,656.87	181,309.00	255,087.00	357,622.00
Total General Fund	\$ 9,242,600.08	\$ 8,962,301.23	\$ 10,664,973.87	\$ 10,658,860.27	\$ 7,568,526.95	\$ 5,249,313.87	\$ 3,731,240.33	\$ 2,686,752.00	\$ 2,131,952.00	\$ 2,073,438.00
All Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 16,086.77	\$ 3.33	\$ 2.85	\$ 2.37	\$ 1.39	\$ 1.91	\$ 1.14	\$ 13,577.00	\$ -	\$ 55,585.00
Capital Projects Fund	-	-	750,159.33	1,025,159.33	1,290,159.33	1,674,590.80	6,671,142.28	-	-	-
Special Revenue Fund	228,826.11	257,188.29	251,089.91	211,416.06	236,828.16	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	1,532,562.90	1,532,562.90	-
Unassigned:	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	160,159.33	460,159.33	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 405,072.21	\$ 717,350.95	\$ 1,001,252.09	\$ 1,236,577.76	\$ 1,526,988.88	\$ 1,674,592.71	\$ 6,671,143.42	\$ 1,546,139.90	\$ 1,532,562.90	\$ 55,585.00

Source: ACFR Schedule B-1

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues										
Tax Levy	\$ 30,815,058.00	\$ 29,764,514.00	\$ 28,551,868.00	\$ 28,061,219.00	\$ 27,486,159.00	\$ 27,280,288.00	\$ 26,599,051.00	\$ 25,194,058.00	\$ 24,703,635.00	\$ 23,852,235.00
Tuition Charges	7,457,737.50	6,949,783.29	7,030,576.84	6,756,730.00	7,671,427.77	8,381,440.92	8,439,052.21	8,690,154.00	8,386,715.00	8,172,799.00
Miscellaneous	2,611,829.28	2,501,980.43	1,382,468.46	1,189,194.47	751,231.82	523,631.51	510,636.70	423,391.00	334,754.00	490,950.00
State Sources	15,003,627.91	13,835,376.29	15,205,268.59	16,160,695.58	13,221,703.05	11,921,092.50	11,882,379.89	10,481,013.00	9,966,426.00	9,383,856.00
Federal Sources	687,606.16	609,954.67	1,218,052.69	892,274.09	641,566.50	526,131.71	510,330.48	558,263.00	558,190.00	513,855.00
Total Revenues	56,575,858.85	53,661,608.68	53,388,234.58	53,060,113.14	49,772,088.14	48,632,584.64	47,941,450.28	45,346,879.00	43,949,720.00	42,413,695.00
Expenditures										
Instruction:										
Regular Instruction	13,255,675.47	12,025,634.44	12,360,422.91	11,179,625.29	10,568,345.72	10,894,472.53	10,960,053.60	10,588,673.00	11,072,993.00	10,922,950.00
Special Education Instruction	3,356,620.32	3,416,733.00	3,786,841.73	3,780,732.53	3,497,561.38	3,670,769.27	3,758,859.60	4,373,932.00	4,063,510.00	4,139,284.00
Other Instruction	1,384,201.33	1,427,486.90	1,327,147.18	1,285,229.30	1,163,789.11	1,244,513.91	1,295,116.65	1,348,366.00	855,623.00	-
Support Services:										
Tuition	953,464.60	897,534.75	615,595.47	661,799.09	1,119,647.24	1,150,659.27	1,046,568.09	850,494.00	967,648.00	628,523.00
Attendance & Social Work Services	342,358.12	231,661.26	133,059.61	180,875.17	91,835.65	91,072.75	-	-	-	-
Health Services	392,581.37	477,647.47	-	403,636.55	491,908.70	341,927.22	322,368.34	-	-	-
Student & Instruction Related Services	5,160,286.76	4,566,091.30	4,542,539.80	4,336,697.82	3,987,564.68	3,902,007.96	4,085,102.59	4,452,520.00	4,563,334.00	4,577,878.00
Other Administrative Services	808,246.73	791,254.84	744,954.75	771,612.53	708,687.53	738,226.43	649,360.14	633,000.00	498,276.00	568,745.00
Central Services	569,246.62	565,570.28	511,990.50	497,969.78	471,923.67	452,262.07	472,221.79	440,249.00	425,397.00	448,404.00
Administration Information										
Technology Services	20,274.83	30,876.01	28,843.83	188,560.09	105,725.37	146,896.79	139,108.25	111,581.00	104,202.00	113,251.00
School Administrative Services	1,584,587.06	1,565,208.24	1,589,217.17	1,479,953.98	1,422,997.39	1,376,254.40	1,304,472.77	1,366,974.00	1,350,957.00	1,317,802.00
Plant Operations & Maintenance	4,321,787.21	4,423,354.57	3,536,771.42	3,898,286.98	3,266,971.67	3,483,591.49	3,206,756.79	3,266,559.00	3,124,092.00	3,033,214.00
Pupil Transportation	2,976,251.74	2,855,248.93	2,398,470.46	1,941,495.88	1,836,674.40	2,239,645.47	2,295,012.01	2,012,824.00	1,925,126.00	1,677,027.00
Unallocated Benefits	16,328,166.93	16,172,429.04	15,358,429.57	14,798,325.70	13,765,497.04	13,005,082.54	13,225,080.73	11,282,282.00	10,633,164.00	9,838,296.00
Capital Outlay	630,176.02	2,107,006.26	1,821,743.39	931,073.32	1,402,999.29	5,303,194.46	1,092,600.24	650,597.00	646,660.00	527,529.00
Debt Service:										
Principal	2,895,979.07	2,779,118.30	2,672,297.79	2,545,516.68	2,521,088.16	2,010,000.00	1,925,000.00	1,755,000.00	1,960,000.00	1,645,000.00
Interest & Other Charges	1,800,550.06	1,726,329.52	1,817,429.52	1,926,367.02	2,035,574.52	2,113,281.23	1,977,310.76	2,173,064.00	1,902,623.00	2,486,923.00
Total Expenditures	56,780,454.24	56,059,185.11	53,245,755.10	50,807,757.71	48,458,791.52	52,183,857.79	47,754,992.35	45,306,115.00	43,237,982.00	42,780,449.00
Other Financing Sources/(Uses):										
Capital Leases (Non-budgeted)	-	-	96,373.79	413,268.84	190,357.37	-	-	279,000.00	256,000.00	248,792.00
Proceeds of Refunding Bonds	21,613,709.50	-	-	-	-	-	7,184,000.00	9,915,072.00	-	35,347,638.00
Deposit with Escrow Agent	(21,441,094.00)	-	-	-	-	-	-	-	-	-
Deposit to Refunding Escrow	-	-	-	-	-	-	-	(9,761,489.00)	-	(35,083,664.00)
Cancellation of Payable	-	26,778.18	102,306.17	134,297.93	144,292.63	122,795.98	24,546.40	-	-	-
Transfers In	455,210.00	674,224.47	275,000.00	265,000.00	354,000.00	-	-	-	-	-
Transfers Out	(455,210.00)	(290,000.00)	(275,000.00)	(265,000.00)	(419,000.00)	(50,000.00)	-	28,841.00	58,909.00	-
Total Other Financing Sources/(Uses)	172,615.50	411,002.65	198,679.96	547,566.77	269,650.00	72,795.98	7,208,546.40	461,424.00	314,909.00	512,766.00
Net Change in Fund Balances	\$ (31,979.89)	\$ (1,986,573.78)	\$ 341,159.44	\$ 2,799,922.20	\$ 1,582,946.62	\$ (3,478,477.17)	\$ 7,395,004.33	\$ 502,188.00	\$ 1,026,647.00	\$ 146,012.00
Debt Service as a Percentage of Noncapital Expenditures	9.02%	8.74%	9.10%	9.65%	10.38%	8.58%	8.90%	9.49%	9.81%	10.69%

Source: ACFR Schedule B-2

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Unaudited

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION FROM OTHER LEA's	TUITION OTHER	TRANSPORTATION FEES	MISCELLANEOUS	TOTAL
2025	\$ -	\$ 7,441,968.90	\$ 15,768.60	\$ 250,661.57	\$ 1,122,525.55	\$ 8,830,924.62
2024	2,000.00	6,414,976.40	534,806.89	168,242.44	773,556.97	7,893,582.70
2023	2,000.00	6,756,573.84	274,003.00	79,268.93	756,703.15	7,868,548.92
2022	2,801.00	6,556,694.00	200,036.00	184,280.58	376,829.28	7,320,640.86
2021	4,321.00	7,616,344.44	55,083.33	85,666.43	347,439.66	8,108,854.86
2020	6,585.00	8,301,490.92	79,950.00	117,826.97	270,139.68	8,775,992.57
2019	16,648.00	8,312,977.21	126,075.00	107,515.68	262,771.85	8,825,987.74
2018	-	8,690,154.00	-	82,777.00	319,620.00	9,092,551.00
2017	-	8,386,715.00	-	62,704.00	251,159.00	8,700,578.00
2016	-	8,172,799.00	-	103,123.00	368,699.00	8,644,621.00
Total	\$ 34,355.00	\$ 76,650,693.71	\$ 1,285,722.82	\$ 1,242,066.60	\$ 4,849,444.14	\$ 84,062,282.27

Source: District Records

Revenue Capacity Information

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

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS
Unaudited

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	(a) PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	(b) TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
Borough of Allentown													
2025	\$ 812,500.00	\$ 172,602,400.00	\$ -	\$ -	\$ 14,505,600.00	\$ -	\$ 5,965,300.00	\$ 193,885,800.00	\$ -	\$ 193,885,800.00	\$ 42,743,900.00	\$ 2.199	\$ 192,613,400.00
2024	934,000.00	173,112,400.00	-	-	14,505,600.00	-	4,692,900.00	193,244,900.00	-	193,244,900.00	41,635,900.00	1.936	207,749,872.00
2023	992,200.00	173,817,600.00	-	-	14,233,600.00	-	4,692,900.00	193,735,300.00	-	193,735,300.00	40,707,300.00	1.814	207,336,580.00
2022	871,100.00	173,627,600.00	-	700.00	14,233,600.00	-	4,692,900.00	193,424,900.00	-	193,424,900.00	40,707,300.00	1.820	202,985,518.00
2021	867,800.00	172,894,600.00	-	700.00	14,233,600.00	-	4,692,900.00	192,688,600.00	-	192,688,600.00	40,707,300.00	1.790	198,852,076.00
2020	867,800.00	172,495,800.00	-	700.00	14,184,800.00	-	4,692,900.00	192,242,000.00	-	192,242,000.00	40,451,100.00	1.869	195,989,971.00
2019	867,800.00	172,350,800.00	-	700.00	14,184,800.00	-	4,892,900.00	192,297,000.00	-	192,297,000.00	40,451,100.00	1.893	198,946,393.00
2018	701,200.00	172,349,200.00	-	700.00	14,298,800.00	-	4,892,900.00	192,242,800.00	-	192,242,800.00	40,451,100.00	1.873	204,709,616.00
2017	860,900.00	171,759,100.00	-	700.00	14,297,800.00	-	4,892,900.00	191,811,400.00	-	191,811,400.00	40,427,500.00	1.873	210,403,841.00
2016	768,900.00	171,417,800.00	-	725.00	14,291,600.00	-	4,892,300.00	191,371,325.00	-	191,371,325.00	40,427,500.00	1.689	184,917,697.00
Upper Freehold Township													
2025	\$ 13,900,700.00	\$ 1,713,761,200.00	\$ 227,481,300.00	\$ 10,370,900.00	\$ 56,288,100.00	\$ 19,548,900.00	\$ 594,800.00	\$ 2,041,945,900.00	\$ -	\$ 2,041,945,900.00	\$ 248,074,400.00	\$ 1.848	\$ 2,041,945,900.00
2024	11,173,200.00	1,396,612,800.00	201,139,400.00	10,115,400.00	49,288,700.00	18,394,300.00	510,700.00	1,687,234,500.00	-	1,687,234,500.00	220,925,300.00	1.605	1,802,215,873.00
2023	8,986,500.00	1,204,644,100.00	175,585,100.00	9,251,700.00	45,543,000.00	16,936,300.00	474,100.00	1,461,420,800.00	-	1,461,420,800.00	210,868,400.00	1.713	1,479,170,850.00
2022	8,573,800.00	1,108,852,600.00	158,159,600.00	9,377,900.00	44,293,000.00	13,485,400.00	450,200.00	1,343,192,500.00	-	1,343,192,500.00	201,804,900.00	1.830	1,413,886,842.00
2021	8,578,800.00	1,086,329,900.00	158,116,700.00	9,328,600.00	44,211,900.00	13,427,400.00	444,500.00	1,320,437,800.00	-	1,320,437,800.00	200,171,000.00	1.820	1,383,292,051.00
2020	12,275,100.00	1,066,365,700.00	158,595,700.00	9,399,600.00	47,806,900.00	13,001,000.00	443,700.00	1,307,887,700.00	-	1,307,887,700.00	195,703,700.00	1.811	1,330,255,274.00
2019	17,119,800.00	1,012,660,700.00	150,139,600.00	9,231,700.00	47,747,600.00	12,953,800.00	434,500.00	1,250,287,700.00	-	1,250,287,700.00	194,930,900.00	1.837	1,276,628,337.00
2018	22,096,900.00	979,791,000.00	148,151,200.00	9,015,900.00	45,588,600.00	12,767,900.00	424,500.00	1,217,836,000.00	-	1,217,836,000.00	192,418,500.00	1.778	1,255,377,062.00
2017	22,589,100.00	978,039,100.00	146,716,200.00	9,322,700.00	45,403,300.00	12,725,100.00	419,900.00	1,215,215,400.00	-	1,215,215,400.00	189,078,200.00	1.780	1,271,424,733.00
2016	20,997,900.00	974,429,000.00	152,585,100.00	9,475,100.00	48,937,600.00	13,101,500.00	419,000.00	1,219,945,200.00	2,246,862.00	1,222,192,062.00	202,990,900.00	1.760	1,240,072,685.00

Source: Monmouth County Board of Taxation

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

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

b. Tax rates are per \$100 of assessed value

* Property revaluation became effective in 2017.

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

Unaudited

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL		BOROUGH OF ALLENTOWN	MONMOUTH COUNTY	
		OBLIGATION	TOTAL DIRECT			
Allentown Borough						
2025	2.199	N/A		1.010	0.274	3.483
2024	1.936	N/A		0.986	0.240	3.162
2023	1.817	N/A		0.914	0.293	3.024
2022	1.819	N/A		0.914	0.293	3.026
2021	1.794	N/A		0.865	0.292	2.951
2020	1.599	0.270		0.867	0.293	3.029
2019	1.619	0.274		0.844	0.309	3.046
2018	1.604	0.269		0.811	0.306	2.990
2017	1.587	0.286		0.811	0.306	2.990
2016	1.419	0.270		0.811	0.306	2.806
FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL		UPPER FREEHOLD TOWNSHIP	MONMOUTH COUNTY	
		OBLIGATION	TOTAL DIRECT			
Upper Freehold Township						
2025	1.367	N/A		0.270	0.210	1.847
2024	1.605	N/A		0.304	0.200	2.109
2023	1.864	N/A		0.305	0.293	2.462
2022	1.827	N/A		0.305	0.293	2.425
2021	1.820	N/A		0.295	0.340	2.455
2020	1.548	0.263		0.298	0.288	2.397
2019	1.571	0.266		0.299	0.297	2.433
2018	1.510	0.253		0.297	0.299	2.359
2017	1.507	0.271		0.285	0.297	2.360
2016	1.479	0.281		0.276	0.311	2.347

Source: Municipal Tax Collector, Monmouth County Board of Taxation.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
Unaudited

ALLENTOWN BOROUGH TAXPAYER	2025		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK	
Towne Mews			
First Comm Real Estate			
Peppler Funeral Home			
NJ Bell Telephone			
Individual Taxpayer 1			
11 Church St., LLC		Not Available	
Owen Seeland LLC			
Individual Taxpayer 1			
Fulton Bank			
Individual Taxpayer 1			
Total	\$ -		0.000%

Taxpayer	2016		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK	
Towne Mews	\$ 4,300,300.00	1	2.250%
New Jersey Bell Telephone Co.	723,100.00	2	0.380%
VAF Associates	1,009,900.00	3	0.530%
24 Hadley Georgia LLC	821,500.00	4	0.430%
Individual Taxpayer #1	918,000.00	5	0.480%
First Washington State Bank	688,800.00	6	0.360%
First Comm Real Estate Holding	833,500.00	7	0.440%
Owen Seeland LLC	813,700.00	8	0.430%
Peppler Funeral Home	797,900.00	9	0.420%
Individual Taxpayer #2	691,900.00	10	0.370%
Total	\$ 11,598,600.00		6.090%

Source: Municipal Tax Assessor

UPPER FREEHOLD REGIONAL 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	
Allentown Borough				
2025	\$ 3,739,841.00	\$ 3,739,841.00	100.00%	-
2024	3,194,915.00	3,194,915.00	100.00%	-
2023	3,515,102.00	3,515,102.00	100.00%	-
2022	3,519,003.00	3,519,003.00	100.00%	-
2021	3,457,235.00	3,457,235.00	100.00%	-
2020	3,592,424.00	3,592,424.00	100.00%	-
2019	3,632,581.00	3,632,581.00	100.00%	-
2018	3,592,962.00	3,592,962.00	100.00%	-
2017	3,232,888.00	3,232,888.00	100.00%	-
2016	3,194,837.00	3,194,837.00	100.00%	-
Upper Freehold Township				
2025	\$ 27,075,217.00	\$ 27,075,217.00	100.00%	-
2024	26,569,599.00	26,569,599.00	100.00%	-
2023	25,036,766.00	25,036,766.00	100.00%	-
2022	24,542,216.00	24,542,216.00	100.00%	-
2021	24,028,924.00	24,028,924.00	100.00%	-
2020	23,687,864.00	23,687,864.00	100.00%	-
2019	22,089,975.00	22,089,975.00	100.00%	-
2018	21,601,096.00	21,601,096.00	100.00%	-
2017	21,470,747.00	21,470,747.00	100.00%	-
2016	20,657,398.00	20,657,398.00	100.00%	-

(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.

Debt Capacity Information

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

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	LEASES OBLIGATIONS			
2025	\$ 35,525,000.00	\$ 60,923.00	\$ 35,585,923.00	N/A	N/A
2024	38,960,000.00	206,584.00	39,166,584.00	N/A	N/A
2023	41,655,000.00	349,632.00	42,004,632.00	N/A	N/A
2022	44,245,000.00	490,117.00	44,735,117.00	N/A	N/A
2021	46,710,000.00	632,911.84	47,342,911.84	N/A	N/A
2020	49,164,000.00	488,797.55	49,652,797.55	N/A	N/A
2019	51,174,000.00	202,151.68	51,376,151.68	N/A	N/A
2018	45,915,000.00	364,515.72	46,279,515.72	N/A	21,828
2017	47,755,000.00	660,468.00	48,415,468.00	0.16%	22,022
2016	49,410,000.00	561,386.00	49,971,386.00	0.14%	22,191

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-14 for personal income and population data.

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
*Unaudited***

FISCAL YEAR ENDED JUNE 30,	ESTIMATED SCHOOL DISTRICT POPULATION	NET ASSESSED VALUATION TAXABLE	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2025	N/A	\$ 2,235,831,700.00	\$ 35,585,923.00	N/A	N/A
2024	N/A	1,880,479,400.00	39,166,584.00	N/A	N/A
2023	N/A	1,655,156,100.00	42,004,632.00	N/A	N/A
2022	8,807	1,536,617,400.00	44,735,117.00	2.70%	N/A
2021	8,732	1,513,126,400.00	47,342,911.84	3.08%	173,285
2020	8,663	1,500,129,700.00	49,652,797.55	3.28%	173,165
2019	8,655	1,442,584,700.00	51,376,151.68	3.42%	166,676
2018	8,666	1,410,078,800.00	46,279,515.72	3.21%	162,714
2017	8,693	1,407,026,800.00	48,415,468.00	3.43%	161,857
2016	8,690	1,413,563,387.00	49,971,386.00	3.55%	162,666

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

See Exhibit J-6 for property tax data.

Population data can be found in Exhibit J-14.

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2025
*Unaudited***

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Allentown Borough:			
Debt Repaid With Property Taxes:			
Allentown Borough	\$ 17,393,624.71	100.00%	\$ 17,393,624.71
Other Debt:			
County of Monmouth - Township's Share (%)	1,643,106,400.00	0.1546%	<u>2,540,242.49</u>
Subtotal, Overlapping Debt			19,933,867.20
Allentown Borough School District Direct Debt			<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 19,933,867.20</u></u>
Upper Freehold Township:			
Debt Repaid With Property Taxes:			
Upper Freehold Township:	\$ 52,175,920.49	100.00%	\$ 52,175,920.49
Other Debt:			
County of Monmouth - Township's Share (%)	1,643,106,400.00	1.0849%	<u>17,826,061.33</u>
Subtotal, Overlapping Debt			70,001,981.82
Upper Freehold School District Direct Debt			<u>35,525,000.00</u>
Total Direct & Overlapping Debt			<u><u>\$ 105,526,981.82</u></u>

Sources: Monmouth County Office of the Treasurer and Board of Taxation

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

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

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)
Unaudited

		FISCAL YEAR									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$	70,314,422.67	\$ 65,563,020.00	\$ 60,315,132.95	\$ 60,315,132.95	\$ 58,559,878.41	\$ 58,899,866.43	\$ 57,833,277.00	\$ 57,018,700.00	\$ 57,018,700.00	\$ 66,168,531.00
Total Net Debt Applicable to Limit		35,525,000.00	38,960,000.00	41,655,000.00	46,710,000.00	49,164,000.00	51,174,000.00	45,915,000.00	47,755,000.00	49,410,000.00	51,370,000.00
Legal Debt Margin	\$	34,789,422.67	\$ 18,660,132.95	\$ 9,556,031.80	\$ 8,907,080.86	\$ 12,620,350.71	\$ 10,078,277.00	\$ 7,608,700.00	\$ 5,648,700.00	\$ 13,225,531.00	\$ 15,810,483.00
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		50.52%	59.42%	69.06%	77.44%	83.96%	86.88%	79.39%	83.75%	86.66%	77.64%

Legal Debt Margin Calculation

Year	Equalized Valuation Basis		
	Allentown	Upper Freehold	
2024	\$ 193,885,800.00	\$ 2,041,945,900.00	\$ 2,235,831,700.00
2023	193,244,900.00	1,343,192,500.00	1,536,437,400.00
2022	193,424,900.00	1,307,887,700.00	1,501,312,600.00
			<u>\$ 5,273,581,700.00</u>
			<u>\$ 1,757,860,566.67</u>
Average Equalized Valuation of Taxable Property			
Debt Limit (4% of Average Equalization Value)			\$ 70,314,422.67
Net Bonded School Debt			<u>35,525,000.00</u>
Legal Debt Margin			<u>\$ 34,789,422.67</u>

Source: Equalized valuation bases were obtained from the Monmouth County Board of Taxation

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts.

Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

BOROUGH OF ALLENTOWN			PER CAPITA	
YEAR	POPULATION (a)	PERSONAL INCOME (b)	PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2025	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2021	1,788	N/A	N/A	N/A
2020	1,799	72,248	N/A	3.70%
2019	1,804	70,231	126,696,724	3.80%
2018	1,809	67,069	121,327,821	3.80%
2017	1,810	63,662	115,228,220	4.80%
2016	1,818	62,969	114,477,642	5.10%

UPPER FREEHOLD REGIONAL			PER CAPITA	
YEAR	POPULATION (a)	PERSONAL INCOME (b)	PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2025	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2021	7,019	N/A	N/A	N/A
2020	6,933	72,248	N/A	3.10%
2019	6,859	70,231	481,714,429	3.40%
2018	6,846	67,069	459,154,374	3.40%
2017	6,856	63,662	436,466,672	4.80%
2016	6,875	62,969	432,911,875	7.20%

Source: U.S. Department of Commerce, Bureau of Economic Analysis. These numbers are estimated by the Bureau and may be revised from year to year.

a Population information provided by the NJ Dept of Labor and Workforce Development. These numbers are estimated by the Department and may be revised from year to year.

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

^c Per capita personal income by county 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. Note that that there is recent revised data for the years 2004 through 2001 due to the new unemployment estimation procedure.

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
*Unaudited***

	2025	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
	RANK	
DATA NOT AVAILABLE		
Total	-	0.00%
Total Employment - (Estimated)	-	

Source: Monmouth County Department of Economic Development and Tourism;
Official Statements

Operating Information

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

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**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Unaudited

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	129	127	167	169	174	172	164	142	141	140
Special Education	51	50	35	34	54	56	61	60	58	51
Other Special Instruction	2	2	2	2	2	2	1	1	1	1
Support Services:										
Student & Instruction Related Services	80	79	62	65	60	60	61	65	65	55
General Administration	4	4	4	4	3	3	3	3	3	3
School Administrative Services	17	17	17	20	17	17	17	19	20	18
Central Services	2	2	2	2	-	-	-	-	-	-
Business & Other Support Services	6	6	5	5	7	7	7	7	8	7
Plant Operations & Maintenance	47	47	39	41	40	40	40	40	41	38
Pupil Transportation	5	4	1	1	1	1	1	-	-	3
Total	343	338	334	343	358	358	355	337	337	316

Source: District Personnel Records

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
Unaudited

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)			PUPIL/ TEACHER RATIO (d)		HIGH	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
					ELEM	MIDDLE	N/A	ELEM	MIDDLE					
2025	2,021	\$ 39,330,954.43	\$ 19,461.14	0.93%	182		N/A	8:1	8:1	12:1	2,021	1,913	-0.29%	94.66%
2024	2,027	39,083,418.16	19,281.41	8.01%	204		N/A	8:1	8:1	12:1	2,027	1,920	-1.63%	94.72%
2023	2,082	37,165,202.26	17,850.72	2.48%	188		N/A	8:1	8:1	12:1	2,062	1,950	-4.62%	94.57%
2022	2,175	35,176,227.15	16,172.98	-1.80%	204		N/A	8:1	8:1	12:1	2,146	2,081	0.00%	96.97%
2021	2,195	36,151,890.28	16,470.11	2.48%	204		N/A	8:1	8:1	12:1	2,146	2,081	-4.62%	96.97%
2020	2,268	36,448,858.94	16,070.93	0.47%	228		N/A	8:1	8:1	12:1	2,250	2,135	-0.09%	94.89%
2019	2,252	36,021,164.25	15,995.19	-8.45%	228		N/A	8:1	8:1	12:1	2,252	2,154	-1.61%	95.65%
2018	2,297	40,131,948.00	17,471.46	2.94%	228		N/A	8:1	10:1	13:1	2,289	2,189	-0.30%	95.63%
2017	2,303	39,087,250.00	16,972.32	6.09%	225		N/A	8:1	10:1	13:1	2,296	2,179	-1.50%	94.90%
2016	2,348	37,564,559.00	15,998.53	7.06%	203		N/A	7:1	10:1	18:1	2,331	2,230	-0.21%	95.67%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

a

Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4

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 Pupil/Teacher ratio was obtained from the Comparative Spending Guide

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

Unaudited

DISTRICT BUILDINGS

Elementary School:

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Square Feet	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	509	509	509	509	509	505	510	564	568	575

Middle School:

Square Feet	143,150	143,150	143,150	143,150	143,150	143,150	143,150	143,150	143,150	143,150
Capacity	806	806	806	806	806	806	806	806	806	806
Enrollment	519	519	519	519	519	541	519	515	515	515

High School:

Square Feet	197,600	197,600	197,600	197,600	197,600	197,600	197,600	197,600	197,600	197,600
Capacity	1,264	1,264	1,264	1,264	1,264	1,264	1,264	1,264	1,264	1,264
Enrollment	1,224	1,224	1,224	1,224	1,224	1,243	1,267	1,262	1,240	1,240

Administration Building:

Square Feet										
Maintenance Offices (incl. Garage & Shed):										
Square Feet	6,326	6,326	6,326	6,326	6,326	6,326	6,326	6,326	6,326	6,326

Imalystown School:

Square Feet										
-------------	--	--	--	--	--	--	--	--	--	--

Vocational Agricultural Building:

Square Feet	13,696	13,696	13,696	13,696	13,696	13,696	13,696	13,696	13,696	13,696
Annex Building:										
Square Feet	12,536	12,536	12,536	12,536	12,536	12,536	12,536	12,536	12,536	12,536

Number of Schools at June 30, 2025:

Elementary = 1
Middle School = 1
High School = 1

Source: District Facilities Office, District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

SCHOOL FACILITIES	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Allentown Regional	\$ 298,528.62	\$ 452,456.26	\$ 156,440.14	\$ 310,307.39	\$ 365,263.80	\$ 280,512.46	\$ 319,128.37	\$ 399,709.00	\$ 422,261.00	\$ 260,205.00
Stone Bridge Middle	152,073.00	170,686.83	228,648.00	224,800.12	105,759.00	124,931.00	144,508.00	123,688.00	89,284.00	14,721.00
Newell Elementary	192,385.93	200,931.56	106,219.00	197,868.08	106,406.00	131,283.60	103,387.00	106,893.00	76,694.00	121,258.00
Annex	6,801.38	3,838.00	3,838.00	7,066.72	5,708.00	5,693.56	5,218.00	3,585.00	8,421.00	6,927.00
Other Facilities	-	48,367.87	4,702.00	-	-	-	-	-	-	-
Grand Total	\$ 649,788.93	\$ 876,280.52	\$ 499,847.14	\$ 740,042.31	\$ 583,136.80	\$ 542,420.62	\$ 572,241.37	\$ 633,875.00	\$ 596,660.00	\$ 403,111.00

Source: District Records

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED**

	COVERAGE	DEDUCTIBLE
SCHOOL PACKAGE POLICY:		
Property - Blanket Building & Contents	\$ 135,005,791.00	\$ 2,500.00
Commercial General Liability	5,000,000.00	2,500.00
Comprehensive Automobile Liability	5,000,000.00	1,000.00
Employee Benefits Liability	5,000,000.00	1,000.00
School Board Legal Liability	10,000,000.00	-
EXCESS LIABILITY	10,000,000.00	-
CAP EXCESS	50,000,000.00	-
SURETY BONDS:		
School Business Administrator	380,000.00	-
Public Employees' Faithful Performance Blanket Position Bond		
WORKERS COMPENSATION - EMPLOYER'S LIABILITY LIMIT:		
Part I: Workers Compensation	2,000,000.00	-
Part II: Employer's Liability	2,000,000.00	-
Supplemental Workers' Compensation	250,000.00	-

Source: District Records

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SINGLE AUDIT SECTION

Fourth Section

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EXHIBIT K-1

**INDEPENDENT AUDITOR'S 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***

Honorable President and Members
of the Board of Education
Upper Freehold Regional School District
County of Monmouth
Allentown, New Jersey 08501

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Upper Freehold Regional School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 15, 2026.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink that reads "Brian J. Waldron". The signature is written in a cursive, flowing style.

Brian J. Waldron
Certified Public Accountant
Public School Accountant, No. 2600

Lakewood, New Jersey
January 15, 2026

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Upper Freehold Regional School District
County of Monmouth
Allentown, New Jersey 08501

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Upper Freehold Regional School District's compliance with 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 School District's major state programs for the fiscal year ended June 30, 2025. The Upper Freehold Regional School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 Upper Freehold School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

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 of grant agreements applicable to the Upper Freehold Regional School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Upper Freehold Regional School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 involved collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB's 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
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink that reads "Brian J. Waldron". The signature is written in a cursive, flowing style.

Brian J. Waldron

Certified Public Accountant

Public School Accountant, No. 2600

Lakewood, New Jersey

January 15, 2026

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	BALANCE JUNE 30, 2025	
									UNEARNED REVENUE	DUE TO GRANTOR
93.778	2005N5MAP	100-054-7540-211	\$ 8,251.39	7/1/24-6/30/25	\$ -	8,251.39	(8,251.39)	-	\$ -	\$ -
U.S. Department of Health and Human Services										
Passed Through New Jersey Department of Human Services:										
Total Medicaid Cluster										
Total U.S. Department of Health and Human Services										
U.S. Department of Agriculture										
Passed Through New Jersey Department of Agriculture:										
Child Nutrition Cluster:										
10.555	251N304N1099	100-010-3350-026	53,810.40	10/1/24-9/30/25	-	50,112.21	(53,810.40)	-	-	(3,698.19)
10.555	241N304N1099	100-010-3350-026	40,508.10	10/1/24-9/30/24	(8,139.39)	8,139.39	-	-	-	-
10.555	241N304N1099	100-010-3350-026	10,535.22	10/1/24-9/30/24	(3,849.30)	3,849.30	-	-	-	(772.08)
10.555	241N304N1099	100-010-3350-026	3,335.28	10/1/24-9/30/24	(669.45)	669.45	-	-	-	-
10.555	251N304N1099	Unavailable	25,284.87	10/1/24-9/30/25	-	25,284.87	(25,284.87)	-	-	-
Total Child Nutrition Cluster										
10.649	202225900941	100-010-3350-115	322.00	7/1/24-6/30/25	-	87,783.14	(82,944.57)	-	-	(3,970.27)
Local Food for Schools Cooperative Agreement Program										
10.185	USDA-AMS-10185-CPIFS000-22-0001	Unavailable	1,580.80	7/1/24-6/30/25	-	322.00	(322.00)	-	-	-
Total U.S. Department of Agriculture										
U.S. Department of Education										
Passed Through New Jersey Department of Education:										
Elementary and Secondary Education Act (ESEA):										
84.010	S010A240030	100-034-5064-194	64,927.00	7/1/24-9/30/25	-	32,789.01	(64,927.00)	-	-	(32,137.99)
84.010	S010A230030	100-034-5064-194	49,603.00	7/1/23-9/30/24	(4,470.09)	37,260.00	(64,927.00)	-	-	(32,137.09)
84.367A	S367A240029	100-034-5063-290	21,094.00	7/1/24-9/30/25	-	21,094.00	(20,235.00)	-	859.00	-
84.367A	S367A230029	100-034-5063-290	22,667.00	7/1/23-9/30/24	(8,537.95)	10,262.95	(1,725.00)	-	-	-
84.365A	S365A230030	100-034-5064-187	3,897.00	7/1/23-9/30/24	(2,941.00)	-	(3,500.00)	2,941.00	-	(3,500.00)
84.365A	S365A230030	100-034-5064-187	2,156.00	7/1/23-9/30/24	(308.62)	308.62	-	-	-	-
84.424A	S424A240031	100-034-5063-348	10,850.00	7/1/24-9/30/25	-	8,538.00	(10,157.92)	-	-	(1,619.92)
84.424A	S424A230031	100-034-5063-348	12,590.00	7/1/23-9/30/24	-	1,250.00	(1,250.00)	-	-	-
84.027A	H027A240100	100-034-5065-016	438,576.00	7/1/24-9/30/25	-	346,583.00	(438,576.00)	-	-	(91,993.00)
84.027A	H027A230100	100-034-5065-016	438,850.00	7/1/23-9/30/24	(26,881.00)	26,881.00	-	-	-	(91,993.00)
84.173	H173A240114	100-034-5065-020	15,763.00	7/1/24-9/30/25	-	11,658.04	(15,763.00)	-	-	(4,104.96)
84.173	H173A230114	100-034-5065-020	15,970.00	7/1/23-9/30/24	(4,060.96)	4,060.96	-	-	-	-
Total Special Education Cluster										
84.048A	V048A240030	100-034-5062-084	13,715.00	7/1/24-6/30/25	-	13,236.29	(12,632.35)	-	603.94	-
84.048A	V048A230030	100-034-5062-084	12,584.00	7/1/23-6/30/24	(3,939.71)	3,939.71	-	-	603.94	-
Career and Technical Education (Perkins)										
Education Stabilization Fund										
84.425D	S425D210027	100-034-5120-418	25,000.00	3/13/20-9/30/23	0.28	10,130.00	(10,129.00)	(1.28)	-	-
84.425D	S425D210027	100-034-5120-418	42,500.00	3/13/20-9/30/23	27,838.00	27,838.00	(30,000.00)	(370.00)	-	-
84.425U	S425U210027	100-034-5120-423	43,986.00	3/13/20-9/30/24	(6,131.10)	27,466.00	(17,761.55)	(4,138.75)	-	-
84.425U	S425U210027	100-034-5120-423	40,000.00	3/13/20-9/30/24	-	2,748.00	-	-	-	-
84.425U	S425D210027	100-034-5120-423	45,000.00	3/13/20-9/30/24	(11,277.60)	30,207.00	(18,929.30)	(0.04)	-	-
Total U.S. Department of Education										
Total U.S. Department of Education										
U.S. Department of Treasury										
Passed Through New Jersey Department of Education:										
Special Revenue Fund:										
21.027	24E00662	100-5063-034-369	48,181.00	3/20/24-12/31/24	(15,428.66)	15,888.00	(28,460.46)	-	-	(28,001.12)
Total U.S. Department of Treasury										
Total Expenditures of Federal Awards										
						\$ (92,514.32)	\$ 700,211.90	\$ (770,090.94)	\$ 1,462.94	\$ (165,326.36)

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

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

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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Shrewsbury School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the applicable de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as Teacher's Pension and Annuity Fund (TPAF) Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2025. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2025.

UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025 (Continued)

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(39,079.00) for the general fund and (\$401,995.97) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The net adjustment for the special revenue fund includes \$514,361.75 of local awards which are not included on the Schedule of Expenditures of Federal Awards and State Financial Assistance. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 8,251.39	\$ 13,923,862.27	\$ 13,932,113.66
Special Revenue Fund	679,354.77	912,091.64	1,591,446.41
Debt Service Fund	-	167,674.00	167,674.00
Food Service Fund	84,847.37	3,962.65	88,810.02
Total Awards & Financial Assistance	<u>\$ 772,453.53</u>	<u>\$ 15,007,590.56</u>	<u>\$ 15,780,044.09</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Upper Freehold Regional School District had no loan balances outstanding at June 30, 2025.

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal control over major programs:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported

Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	
	_____ yes <u> X </u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	H027A240100	I.D.E.A Part B
84.173	H173A240114	I.D.E.A Preschool

Dollar threshold used to determine Type A programs	\$ 750,000.00
--	---------------

Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no
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UPPER FREEHOLD REGIONAL SCHOOL DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	750,000.00
--	----	------------

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

Internal control over major programs:

1) Material weakness(es) identified?	yes	X	no
--------------------------------------	-----	---	----

2) Significant deficiency(ies) identified?	yes	X	none reported
--	-----	---	---------------

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with

New Jersey OMB's Circular 15-08?	yes	X	no
----------------------------------	-----	---	----

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5094-003

Reimbursed TPAF Social Security Contributions

495-034-5120-086

Preschool Education Aid

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**UPPER FREEHOLD REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2025**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

N/A

State Financial Assistance

N/A