HOLLAND TOWNSHIP
SCHOOL DISTRICT

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

JUNE 30, 2025

Responsibility of the Management of
Holland Township School District
Hunterdon County, New Jersey

BKC
Certified Public Accountants, PC

HOLLAND TOWNSHIP
SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

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HOLLAND TOWNSHIP SCHOOL DISTRICT

Mrs. Stephanie Snyder, Superintendent & Supervisor of Special Services 908-995-2401
Mrs. Teresa O'Brien, Business Administrator www.hollandschool.org

November 11, 2025

Honorable President and
Members of the Board of Education
Holland Township School District
70 Milford Warren Glen Rd.
Milford, New Jersey 08848

Dear Board Members:

The Annual Comprehensive Financial Report of the Holland Township 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 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 the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introduction, Financial, Statistical and Single Audit. The Introduction Section includes this transmittal letter, the District's Organizational Chart and a list of principal officials. The Financial Section includes the general purpose financial schedules, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the 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 State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Holland Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Holland Township Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through eight as well as special education. The District completed the 2024-2025 fiscal year with an average daily enrollment of 522.0 students, which is a 0.33% decrease over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2015-2016	553.6	(5.95%)
2016-2017	548.5	(0.92%)
2017-2018	562.8	(2.61%)
2018-2019	534.2	(5.08%)
2019-2020	529.4	(0.90%)
2020-2021	521.0	(1.59%)
2021-2022	511.5	(1.80%)
2022-2023	516.8	1.04%
2023-2024	523.7	1.33%
2024-2025	522.0	(0.33%)

2. ECONOMIC CONDITION AND OUTLOOK:

Holland Township is a rural community of 22.7 square miles. Much of the township remains undeveloped. With few commercial properties in Holland Township to share in the tax base, a township population that includes a significant number of senior citizens on fixed incomes, and dwindling surplus and reduced state aid, homeowners continue to bear the burden of increased local taxes.

3. MAJOR INITIATIVES:

The District is planning a referendum this November to complete many significant building projects which have been stalled over the past ten years due to a plethora of circumstances. The projects are necessary to ensure the continued life of the school building structure.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the total budget amount. The final budgeted amounts, as amended, for the fiscal year are reflected in the Financial Section.

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the Financial Section of this report, the District continues meeting its responsibilities for sound financial management.

8. DEBT ADMINISTRATION:

At June 30, 2025, the District has no outstanding debt.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in the Notes to the Financial Statements, Note 3. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires Governmental Units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the 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 State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditors' report on the general-purpose financial 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.

12. ACKNOWLEDGEMENTS:

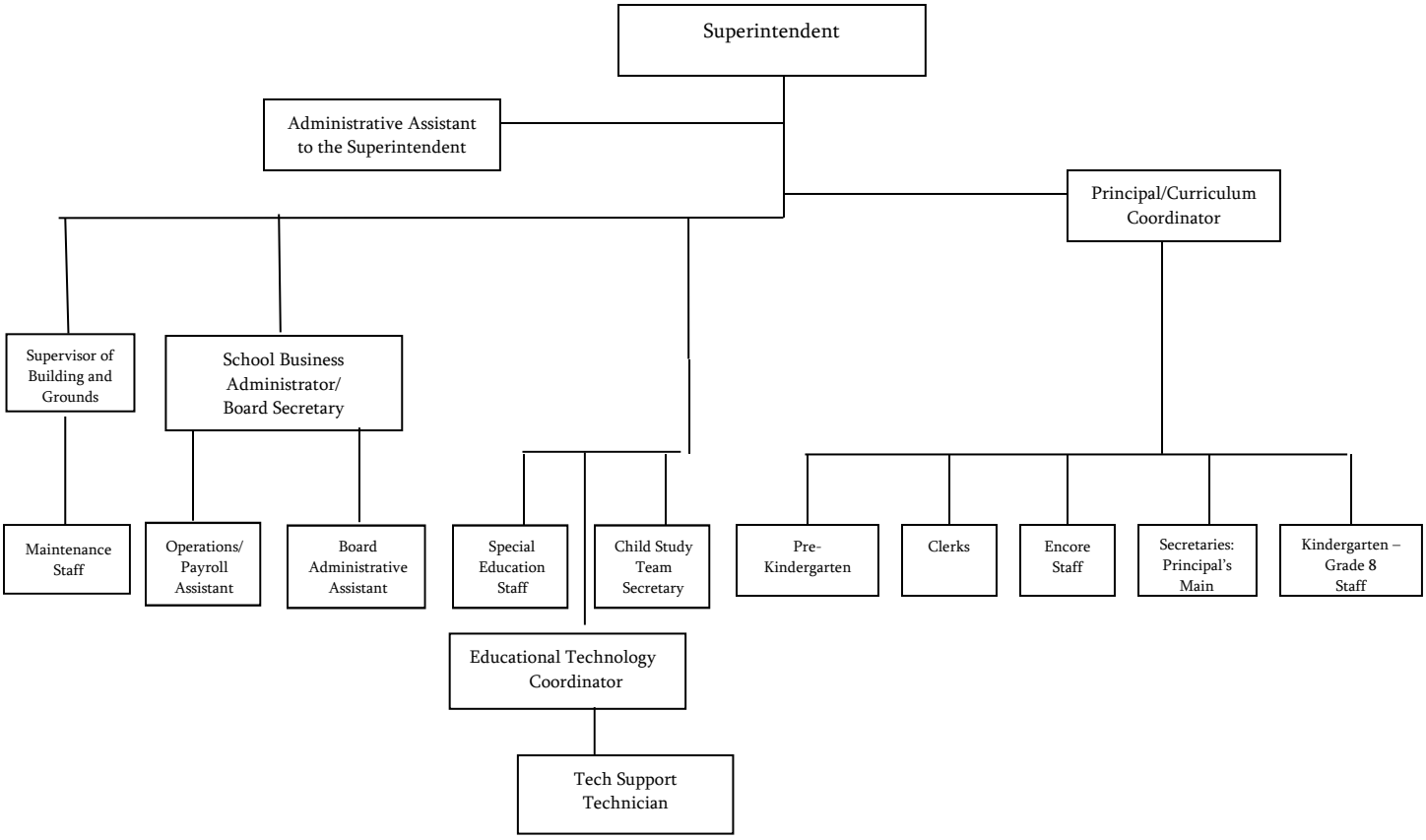
We would like to express our appreciation to the members of the Holland Township School District Board of Education for their dedication in providing fiscal accountability to the citizens and taxpayers of the School District and contributing their full support to the development and maintenance of our 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,

Stephanie Snyder
Chief School Administrator

Teresa O'Brien
School Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Superintendent Evaluations
Principal/Curriculum Coordinator
School Business Administrator/Board Secretary
Administrative Assistant to the Superintendent
Educational Technology Coordinator

Board Approved: April 25, 2023

HOLLAND TOWNSHIP SCHOOL DISTRICT
Roster of Officials
June 30, 2025

Members of the Board of Education	Title	Term Expires
Matthew Davis	President	2025
Nickolas Moustakas	Vice President	2026
Michael Giovannetti		2025
John Schleicher		2025
Amy Hawrylo		2026
Brett Curry		2027
Tom Friend		2027

Other Officials	Title
Stephanie Snyder	Superintendent
Teresa O'Brien	School Business Administrator
Carla Abert	Reconciler of Accounts

HOLLAND TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors
June 30, 2025

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

ATTORNEYS

Comegno Law Group
521 Pleasant Valley Ave
Morristown, NJ 08057

Hatfield and Schwartz Law Group
Counselors at Law
240 Cedar Knolls Road, Suite 303
Cedar Knolls, NJ 07927

ARCHITECT

Gianforcaro Architects, Engineers & Planners
111 Howard Boulevard, Suite 203
Mount Arlington, NJ 07856

OFFICIAL DEPOSITORY

Citizens Bank
3563 Highway 22 North
Whitehouse, NJ 08888

BKC
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Holland Township School District
Milford, New Jersey

Report on the Financial Statements

Opinion

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 Holland Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2025, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

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

Basis for Opinion

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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, 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 Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of 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, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion on the Basic Financial Statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

November 11, 2025
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

HOLLAND TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

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

Financial Highlights

Key financial highlights for 2025 are as follows:

- In total, net position increased $796,389 which represents a 9.04% increase from 2024.
- General revenues accounted for $15,555,374 in revenue or 90.24% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions accounted for $1,682,006 or 9.76% of total revenues of $17,237,380.
- Total assets of governmental activities increased by $578,149 as cash and cash equivalents increased by $318,435, receivables and other assets increased by $46,645, and capital assets increased by $213,069.
- The School District had $16,478,166 in expenses; only $1,682,006 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $15,555,374 were adequate to provide for these programs.
- Among major funds, the general fund had $15,005,787 in revenues and $15,015,963 in expenditures and other financing uses. The general fund's balance decreased $10,176 from 2024.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Holland Township School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these Fund Financial Statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provided.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2025 compared to June 30, 2024.

Table 1
Net Position

			Variance	
	06/30/25	06/30/24	Dollars	Percent
Assets				
Current & other assets	$ 6,019,088	$ 5,668,774	$ 350,314	6.18%
Capital assets	6,003,073	5,769,653	233,420	4.05%
Total assets	12,022,161	11,438,427	583,734	5.10%
Deferred outflows of resources				
Deferred amount on pension activity	219,011	375,744	(156,733)	-41.71%
Liabilities				
Long-term liabilities	1,485,156	2,358,547	(873,391)	-37.03%
Other liabilities	184,097	252,103	(68,006)	-26.98%
Total liabilities	1,669,253	2,610,650	(941,397)	-36.06%
Deferred inflows of resources				
Deferred amount on pension activity	967,297	395,288	572,009	144.71%
Net position				
Net investment in capital assets	6,003,073	5,769,653	233,420	4.05%
Restricted	5,061,248	4,644,148	417,100	8.98%
Unrestricted	(1,459,699)	(1,605,568)	145,869	9.09%
Total net position	$ 9,604,622	$ 8,808,233	$ 796,389	9.04%

Total assets increased $583,734. Cash and cash equivalents increased by $303,555, receivables and other assets increased by $46,759 and capital assets increased by $233,420. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by $145,869.

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2025 compared to June 30, 2024.

Table 2
Changes in Net Position

			Variance	
	06/30/25	06/30/24	Dollars	Percent
Revenues				
Program revenues				
Charges for services	$ 356,333	$ 291,077	$ 65,256	22.42%
Operating grants and contributions	1,232,275	573,543	658,732	114.85%
Capital grants and contributions	93,398	-	93,398	*
General revenues				
Property taxes	10,762,090	10,556,240	205,850	1.95%
Grants and entitlements	4,718,678	5,016,721	(298,043)	-5.94%
Other	74,606	97,991	(23,385)	-23.86%
Total revenues	17,237,380	16,535,572	701,808	4.24%
Expenses				
Instruction				
Regular	6,503,120	6,708,071	(204,951)	-3.06%
Special	3,469,492	3,299,437	170,055	5.15%
Other	182,431	167,044	15,387	9.21%
Support services				
Tuition	116,088	137,905	(21,817)	-15.82%
Student & instructional related services	3,181,090	3,229,796	(48,706)	-1.51%
General & business administration	819,647	854,457	(34,810)	-4.07%
School administration	294,599	291,648	2,951	1.01%
Maintenance	1,145,805	1,028,980	116,825	11.35%
Transportation	563,925	573,274	(9,349)	-1.63%
Food service	181,009	187,523	(6,514)	-3.47%
Property rental	5,911	5,304	607	11.44%
Other	15,049	15,049	-	0.00%
Total expenses	16,478,166	16,498,488	(20,322)	-0.12%
Increase (decrease) in net position before special position	759,214	37,084	722,130	1947.28%
Special Item				
Transfers	37,175	-	37,175	*
Loss on disposal of assets	-	(1,655)	1,655	100.00%
Change in net position	$ 796,389	$ 35,429	$ 760,960	2147.84%

*Undefined

Governmental Activities

Local property taxes made up 63.17% of revenues for governmental activities for the Holland Township School District for fiscal year 2025.

Instruction comprises 61.63% of district expenses. Support services expenses make up 38.37% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2025 compared to June 30, 2024.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/25	06/30/24	06/30/25	06/30/24
Instruction	$ 10,155,043	$ 10,174,552	$ 9,034,131	$ 9,802,903
Support services				
Tuition	116,088	137,905	116,088	37,905
Student & instructional staff	3,181,090	3,229,796	2,869,240	3,048,204
General & business administration	819,647	854,457	815,257	854,457
School administration	294,599	291,648	274,673	283,759
Plant operations & maintenance	1,145,805	1,028,980	1,122,201	1,023,743
Pupil transportation	563,925	573,274	563,925	573,274
Food services	181,009	187,523	2,485	7,320
Property rental	5,911	5,304	(16,889)	(12,746)
Other	15,049	15,049	15,049	15,049
Total expenses	$ 16,478,166	$ 16,498,488	$ 14,796,160	$ 15,633,868

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration, and business administration include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. For all activities, general revenue support is 90.24%. The community, as a whole, is the primary support or funding source for the Holland Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $16,333,086 and expenditures of $15,946,716. The general fund had a decrease in fund balance of $10,176.

General Fund Budgeting Highlights

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

During the course of fiscal year 2025, the School District amended its general fund budget as needed. The School District uses program-based budgeting, and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budgetary basis revenue and other financing sources were $12,302,806, $208,594 above original budgeted estimates of $12,094,212. This difference was primarily due to receiving unbudgeted extraordinary aid.

The general fund revenues of the School District were more than expenditures and other financing uses by $7,077. The financial position of the School District remains strong.

Capital Assets

At the end of the fiscal year 2025, the School District had $6,003,073 invested in land, building, furniture and equipment. Table 4 shows June 30, 2025 balances compared to June 30, 2024.

Table 4
Capital Assets at Year End (Net of Depreciation)

	06/30/25	06/30/24	Variance Dollars	Variance Percent
Land	$ 347,800	$ 347,800	$ -	0.00%
Construction in progress	1,094,903	577,364	517,539	89.64%
Land improvements	797,308	834,419	(37,111)	-4.45%
Buildings & improvements	3,389,054	3,560,172	(171,118)	-4.81%
Furniture & equipment	374,008	449,898	(75,890)	-16.87%
	$ 6,003,073	$ 5,769,653	$ 233,420	4.05%

Overall capital assets increased $233,420 from fiscal year 2024 to fiscal year 2025. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2025, the School District had $1,485,156 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2025 compared to June 30, 2024.

At June 30, 2025, the legal debt limit is $26,684,359. General obligation debt at June 30, 2025 is $0 resulting in a legal debt margin of $26,684,359.

Table 5
Long-Term Liabilities at Year End

	06/30/25	06/30/24	Variance Dollars	Variance Percent
Compensated absences payable	$ 344,065	$ 223,714	$ 120,351	53.80%
PERS net pension liability	1,141,091	2,134,833	(993,742)	-46.55%
	$ 1,485,156	$ 2,358,547	$ (873,391)	-37.03%

For the Future

The Holland Township School District is in good financial condition. A major concern, however, is the continued increase in special education costs, as a percentage of the total school budget, and the reliance on local property taxes to support the District programs.

The Holland Township Board of Education continues to work to keep the local tax levy increase at or below 2%. The 2% annual tax levy cap presents challenges to the District, as costs for special education, personnel, benefits and other operating costs are rising at faster rates than the primary tax revenue source. Receiving minimal state aid, Holland Township School District must rely on local property taxes to support approximately 84% of their operating budget.

New Jersey school districts have no taxing authority. Municipalities collect all property taxes for their respective communities and pay over to the other governmental agencies what is collected on their behalf. The municipalities pay over to school districts the exact amount included in the budget approved by the Holland Township Board of Education the previous May.

In conclusion, The Holland Township School District has committed itself to financial excellence. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District will continue the sound financial management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Teresa O'Brien, School Business Administrator/Board Secretary at Holland Township Board of Education, 714 Milford-Warren Glen Road, Milford 08848.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 703,341	$ 74,853	$ 778,194
Receivables, net	257,393	1,254	258,647
Inventory	-	4,428	4,428
Restricted assets			
Capital reserve account - cash	3,910,647	-	3,910,647
Emergency reserve - cash	250,000	-	250,000
Maintenance reserve - cash	545,445	-	545,445
Student activities - cash	13,186	-	13,186
Unemployment claims - cash	25,804	-	25,804
Capital projects - cash	232,737	-	232,737
Capital assets, net			
Land	347,800	-	347,800
Construction in progress	1,094,903	-	1,094,903
Other capital assets, net of depreciation	4,533,812	26,558	4,560,370
Total assets	11,915,068	107,093	12,022,161
Deferred outflows of resources			
Deferred amount on pension activity	219,011	-	219,011
Liabilities			
Accounts payable	48,402	4,473	52,875
Payroll deductions and withholdings payable	71,026	-	71,026
Unearned revenue	38,663	9,385	48,048
Unemployment compensation claims payable	12,148	-	12,148
Long-term liabilities			
Due beyond one year	1,485,156	-	1,485,156
Total liabilities	1,655,395	13,858	1,669,253
Deferred inflows of resources			
Deferred amount on pension liability	967,297	-	967,297

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	$ 5,976,515	$ 26,558	$ 6,003,073
Restricted for			
Capital reserve	3,910,647	-	3,910,647
Emergency reserve	250,000	-	250,000
Maintenance reserve	545,445	-	545,445
Student activities	13,186	-	13,186
Unemployment claims	15,835	-	15,835
Capital projects	326,135	-	326,135
Unrestricted	(1,526,376)	66,677	(1,459,699)
Total net position	$ 9,511,387	$ 93,235	$ 9,604,622

See accompanying notes to the financial statements.

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

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contribution	Program Revenues: Capital Grants & Contribution	Net (Expense) Revenue & Changes in Net Position: Governmental Activities	Net (Expense) Revenue & Changes in Net Position: Business-Type Activities	Net (Expense) Revenue & Changes in Net Position: Total
Governmental activities								
Instruction								
Regular	$ 3,484,970	$ 3,018,150	$ 143,383	$ 784,150	$ 43,337	$ (5,532,250)	$ -	$ (5,532,250)
Special education	1,690,911	1,367,332	-	118,117	22,135	(2,917,991)	-	(2,917,991)
Other special education	201,325	209,924	-	6,521	3,269	(401,459)	-	(401,459)
Other instruction	176,366	6,065	-	-	-	(182,431)	-	(182,431)
Support services								
Tuition	116,088	-	-	-	-	(116,088)	-	(116,088)
Students & instruction related services	2,245,332	935,758	66,190	231,744	13,916	(2,869,240)	-	(2,869,240)
General & business administration services	600,704	218,943	-	-	4,390	(815,257)	-	(815,257)
School administration services	177,841	116,758	-	17,778	2,148	(274,673)	-	(274,673)
Plant operations & maintenance	1,006,251	139,554	10,000	9,401	4,203	(1,122,201)	-	(1,122,201)
Pupil transportation	563,925	-	-	-	-	(563,925)	-	(563,925)
Interest on long-term debt	15,049	-	-	-	-	(15,049)	-	(15,049)
Total governmental activities	10,278,762	6,012,484	219,573	1,167,711	93,398	(14,810,564)	-	(14,810,564)
Business-type activities								
Food service	181,009	-	113,960	64,564	-	-	(2,485)	(2,485)
Property rental	5,911	-	22,800	-	-	-	16,889	16,889
Total business-type activities	186,920	-	136,760	64,564	-	-	14,404	14,404
Total primary government	$ 10,465,682	$ 6,012,484	$ 356,333	$ 1,232,275	$ 93,398	(14,810,564)	14,404	(14,796,160)
General revenues, special items & transfers								
Property taxes levied for general purposes						10,762,090	-	10,762,090
Federal & state aid not restricted						4,718,678	-	4,718,678
Investment earnings						69,974	684	70,658
Miscellaneous income						3,910	38	3,948
Transfer in (out)						47,175	(10,000)	37,175
Total general revenues, special items & transfers						15,601,827	(9,278)	15,592,549
Change in net position						791,263	5,126	796,389
Net position - beginning						8,720,124	88,109	8,808,233
Net position - ending						$ 9,511,387	$ 93,235	$ 9,604,622

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	$ 703,341	$ -	$ -	$ -	$ 703,341
Due from other funds	19,937	-	-	-	19,937
Receivables from other governments					
State	161,735	-	93,398	-	255,133
Federal	-	1,990	-	-	1,990
Other accounts receivable	270	-	-	-	270
Restricted cash and cash equivalents	4,731,896	13,186	232,737	-	4,977,819
Total assets	$ 5,617,179	$ 15,176	$ 326,135	$ -	$ 5,958,490
Liabilities and fund balances					
Liabilities					
Due to other funds	$ -	$ 19,937	$ -	$ -	$ 19,937
Accounts payable	48,402	-	-	-	48,402
Payroll deductions and withholdings payable	71,026	-	-	-	71,026
Unearned revenue	-	38,663	-	-	38,663
Unemployment compensation claims payable	12,148	-	-	-	12,148
Total liabilities	131,576	58,600	-	-	190,176

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2025

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	$ 250,000	$ -	$ -	$ -	$ 250,000
Excess surplus - current year	9,704	-	-	-	9,704
Capital reserve	3,910,647	-	-	-	3,910,647
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve	545,445	-	-	-	545,445
Student activities	-	13,186	-	-	13,186
Unemployment claims	15,835	-	-	-	15,835
Capital projects	-	-	326,135	-	326,135
Committed fund balance					
Year-end encumbrances	218,653	-	-	-	218,653
Unassigned fund balance	285,319	(56,610)	-	-	228,709
Total fund balances	5,485,603	(43,424)	326,135	-	5,768,314
Total liabilities and fund balances	$ 5,617,179	$ 15,176	$ 326,135	$ -	
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:					
Capital assets used in government activities are not financial resources and therefore are not reported in the funds.					5,976,515
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.					(748,286)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(1,485,156)
Total net position of governmental activities					$ 9,511,387

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	$ 10,762,090	$ -	$ -	$ -	$ 10,762,090
Tuition					
Other LEAs within the state	143,383	-	-	-	143,383
Interest	69,974	-	-	-	69,974
Rents and royalties	10,000	-	-	-	10,000
Miscellaneous	3,910	66,190	-	-	70,100
Total local sources	10,989,357	66,190	-	-	11,055,547
State sources	4,016,430	897,220	93,398	-	5,007,048
Federal sources	-	270,491	-	-	270,491
Total revenues	15,005,787	1,233,901	93,398	-	16,333,086
Expenditures					
Current					
Instructional					
Regular instruction	2,807,290	677,680	-	-	3,484,970
Special education instruction	1,572,794	118,117	-	-	1,690,911
Other special instruction	194,804	6,521	-	-	201,325
Other instruction	176,366	-	-	-	176,366
Support service & undistributed costs					
Tuition	116,088	-	-	-	116,088
Student & instruction related services	1,966,440	278,892	-	-	2,245,332
General & business administrative services	600,704	-	-	-	600,704
School administrative services	162,712	15,129	-	-	177,841
Plant operations & maintenance	998,251	8,000	-	-	1,006,251
Pupil transportation	563,925	-	-	-	563,925
Unallocated benefits	4,936,296	200,676	-	-	5,136,972

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	$ 168,699	$ -	$ 362,283	$ -	$ 530,982
Debt service					
Interest & other charges	15,049	-	-	-	15,049
Total expenditures	14,279,418	1,305,015	362,283	-	15,946,716
Excess (deficit) of revenues over (under) expenditures	726,369	(71,114)	(268,885)	-	386,370
Other financing sources (uses)					
Transfers	(736,545)	188,700	595,020	-	47,175
Total other financing sources (uses)	(736,545)	188,700	595,020	-	47,175
Net change in fund balance	(10,176)	117,586	326,135	-	433,545
Fund balances, July 1	5,495,779	(161,010)	-	-	5,334,769
Fund balances, June 30	$ 5,485,603	$ (43,424)	$ 326,135	$ -	$ 5,768,314

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Total net changes in fund balances - governmental fund (from B-2)		$ 433,545
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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:		
Capital outlays	$ 530,982	
Depreciation expense	(317,913)	213,069
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		265,000
In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		(120,351)
Change in net position of governmental activities		$ 791,263

See accompanying notes to the financial statements.

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

	Food Service Fund	Rental Property Fund	Total
Assets			
Current assets			
Cash and cash equivalents	$ 53,318	$ 21,535	$ 74,853
Receivables from other governments			
State	47	-	47
Federal	1,207	-	1,207
Inventory	4,428	-	4,428
Total current assets	59,000	21,535	80,535
Noncurrent assets			
Capital assets	111,164	-	111,164
Less: accumulated depreciation	84,606	-	84,606
Total noncurrent assets	26,558	-	26,558
Total assets	85,558	21,535	107,093
Liabilities			
Current liabilities			
Accounts payable	4,473	-	4,473
Unearned revenues - commodities	2,692	-	2,692
Unearned revenues - prepaid sales	4,793	1,900	6,693
Total liabilities	11,958	1,900	13,858
Net position			
Invested in capital assets, net of related debt	26,558	-	26,558
Unrestricted	47,042	19,635	66,677
Total net position	$ 73,600	$ 19,635	$ 93,235

See accompanying notes to the financial statements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

	Food Service Fund	Property Rental Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	$ 60,137	$ -	$ 60,137
Daily sales - non-reimbursable programs	53,823	-	53,823
Property rental	-	22,800	22,800
Total operating revenues	113,960	22,800	136,760
Operating expenses			
Cost of sales - reimbursable programs	51,926	-	51,926
Cost of sales - non-reimbursable programs	23,369	-	23,369
Commodity food costs	15,951	-	15,951
Salaries	49,735	-	49,735
Supports services - employee benefits	7,288	-	7,288
Purchased professional/technical services	1,853	-	1,853
Purchased property services	2,472	1,483	3,955
Other purchased services			
Insurance	8,572	4,428	13,000
Management fee	10,441	-	10,441
Supplies and materials	6,106	-	6,106
Depreciation	2,910	-	2,910
Miscellaneous expenditures	386	-	386
Total operating expenses	181,009	5,911	186,920
Operating income (loss)	(67,049)	16,889	(50,160)
Non-operating revenues (expenses)			
State sources			
State school lunch program	2,051	-	2,051
Federal sources			
National school lunch program			
Cash assistance	45,919	-	45,919
Non-cash assistance (commodities)	15,951	-	15,951
P-EBT Administrative	643	-	643
Other sources			
Interest earned on investments	684	-	684
Miscellaneous	38	-	38
Total non-operating revenues (expenses)	65,286	-	65,286
Other financing sources (uses)			
Operating transfer out	-	(10,000)	(10,000)
Total non-operating revenues (expenses)	-	(10,000)	(10,000)
Change in net position	(1,763)	6,889	5,126
Net position, beginning	75,363	12,746	88,109
Net position, ending	$ 73,600	$ 19,635	$ 93,235

See accompanying notes to the financial statements.

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

	Food Service Fund	Property Rental Fund	Total
Cash flows from operating activities			
Receipts from customers	$ 112,989	$ 22,800	$ 135,789
Payments to Food Service Management Company	(159,909)	-	(159,909)
Payments to vendors (net)	(387)	(5,911)	(6,298)
Net cash provided by (used for) operating activities	(47,307)	16,889	(30,418)
Cash flows from non-capital financing activities			
State sources	2,044	-	2,044
Federal sources	46,033	-	46,033
Miscellaneous	38	-	38
Interfund	-	(10,000)	(10,000)
Net cash provided by (used for) non-capital financing activities	48,115	(10,000)	38,115
Cash flows from capital financing activities			
Acquisition of equipment	(23,261)	-	(23,261)
Net cash provided by (used for) capital financing activities	(23,261)	-	(23,261)
Cash flows from investing activities			
Interest earned on investments	684	-	684
Net cash provided by (used for) investing activities	684	-	684
Net increase (decrease) in cash and cash equivalents	(21,769)	6,889	(14,880)
Cash and cash equivalents, beginning	75,087	14,646	89,733
Cash and cash equivalents, ending	$ 53,318	$ 21,535	$ 74,853
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	$ (67,049)	$ 16,889	$ (50,160)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	2,910	-	2,910
Federal food donation program	15,951	-	15,951
Increase (decrease) in accounts payable	1,553	-	1,553
(Increase) decrease in inventory	422	-	422
Increase (decrease) in deferred revenue	(1,094)	-	(1,094)
Net cash provided by (used for) operating activities	$ (47,307)	$ 16,889	$ (30,418)

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of significant accounting policies

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

The Basic Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic Financial Statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II district located in the County of Hunterdon, 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 elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2025 of 521 students.

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

1. The Organization is legally separate (can sue or be sued in their own name).

2. The District holds the corporate powers of the Organization.

3. The District appoints a voting majority of the Organization's Board.

4. The District is able to impose its will on the Organization.

5. The Organization has the potential to impose a financial benefit/burden on the District.

6. There is a fiscal dependency by the Organization on the District.

Based on the aforementioned criteria, the District has no component units.

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the Fund Financial Statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary Fund Financial Statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aid.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District did not utilize the debt service fund during the fiscal year.

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary fund types (continued)

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

The District's enterprise funds are comprised of the food service fund and the property rental fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 years

Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. 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 and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

Note 1 - Summary of significant accounting policies (continued)

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

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

E. 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 reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2024-2025 are based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than $2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

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

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

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

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

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

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

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

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

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

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted general fund balance policy described below as unassigned:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

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

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's Fund Financial Statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the Municipality, the Municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to the amount of collection, by the Municipality (the collection agency) and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the District’s Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2025, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

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

Note 3 - Deposits, cash equivalents, and investments (continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first $250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2025, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	$	250,000
Insured by GUDPA		5,892,919
Total bank balances	$	6,142,919

Deposits at June 30, 2025 appear in the financial statements as summarized below:

	Ref.		
Unrestricted cash			
Governmental funds, Balance Sheet	B-1	$	703,341
Enterprise funds, Statement of Net Position	B-4		74,853
Restricted cash			
Governmental funds, Balance Sheet	B-1		4,977,819
Total cash		$	5,756,013

Note 4 - Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 347,800	$ -	$ -	$ 347,800
Construction in progress	577,364	517,539	-	1,094,903
Total	925,164	517,539	-	1,442,703
Capital assets, being depreciated				
Land improvements	1,220,702	-	-	1,220,702
Building & improvements	7,555,528	-	-	7,555,528
Furniture & equipment	1,208,523	13,443	-	1,221,966
Total	9,984,753	13,443	-	9,998,196
Accumulated depreciation				
Land improvements	386,283	37,111	-	423,394
Building & improvements	3,995,356	171,118	-	4,166,474
Furniture & equipment	764,832	109,684	-	874,516
Total	5,146,471	317,913	-	5,464,384
Total capital assets, being depreciated, net	4,838,282	(304,470)	-	4,533,812
Governmental activities capital assets, net	$ 5,763,446	$ 213,069	$ -	$ 5,976,515

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	$ 87,903	$ 23,261	$ -	$ 111,164
Less: accumulated depreciation	81,696	2,910	-	84,606
Business type activities capital assets, net	$ 6,207	$ 20,351	$ -	$ 26,558

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	$ 119,838
Special education	58,146
Other special instruction	6,923
Other instruction	6,065
Support services	
Student & instruction	77,211
General & business administration	20,656
School administration	6,115
Plant maintenance	22,959
Total depreciation expense, governmental activities	$ 317,913

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences payable	$ 223,714	$ 120,351	$ -	$ 344,065	$ -
PERS net pension liability	2,134,833	-	993,742	1,141,091	-
Total governmental activities long-term liabilities	$ 2,358,547	$ 120,351	$ 993,742	$ 1,485,156	$ -

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2025 is $26,684,359. General obligation debt at June 30, 2025 is $0 resulting in a legal debt margin of $26,684,359.

Note 6 - Pension plans

Description of systems

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

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 the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

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

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled 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 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.

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense (benefit). The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2023 through June 30, 2024. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense (benefit) excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the Plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer and Nonemployer Allocations are applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer. The allocation percentages for each group as of June 30, 2024 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024 measurement date.

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 non-contributory group insurance benefits is based on actual claims paid. For state fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Contributions (continued)

The employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for 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 were credited with the full payment and any such amounts were 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 is adjusted by the rate of return on the actuarial value of assets.

The District's contractually required contribution rate for the year ended June 30, 2025 was 19.51% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

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, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the 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 employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the fiscal year ended June 30, 2024, the State of New Jersey contributed $3,679 to the PERS for normal pension benefits on behalf of the District.

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2024:

Net pension liability	$ 1,141,091
Proportionate share	0.0083977571%
Plan fiduciary net position as a percentage of the total pension liability	68.22%

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 6.55%
Investment rate of return	7.00%

Collective net pension liability and actuarial information

Preretirement 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 generational basis. Mortality improvement is based on Scale MP-2021.

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

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Long-term expected rate of return

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

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real assets	8.00%	10.95%
Real estate	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount rate

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

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2024 measurement date, calculated using the discount rate 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% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability	
At current discount rate (7.00%)	$ 1,141,091
At a 1% lower rate (6.00%)	1,528,992
At a 1% higher rate (8.00%)	828,768

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2024 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,858	$ 3,038
Changes of assumptions	1,418	12,983
Net difference between projected and actual earnings on pension plan investments	-	52,909
Changes in proportion and differences between District contributions and proportionate share of contributions	80,465	898,367
District contributions subsequent to the measurement date	114,270	-
Total	$ 219,011	$ 967,297

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2025, the Plan measurement date is June 30, 2024) of $114,270 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2024 measurement date:

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	$ 20,412	$ 2,446	$ 22,858
Changes of assumptions	4,690	(3,272)	1,418
Differences between expected and actual experience	9,831	(9,831)	-
Deferred inflows of resources			
Differences between expected and actual experience	(8,727)	5,689	(3,038)
Changes of assumptions	(129,380)	116,397	(12,983)
Differences between projected and actual investment earnings on pension plan investments	-	(52,909)	(52,909)
Net changes	$ (103,174)	$ 58,520	$ (44,654)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal year ended June 30,	
2025	$ (48,447)
2026	37,487
2027	(21,567)
2028	(12,451)
2029	324
Total	$ (44,654)

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension expense (benefit)

For the year ended June 30, 2025, the District recognized net pension expense (benefit) of ($150,004), which represents the District's proportionate share of allocable plan pension revenue of $24,868, plus the net amortization of deferred amounts from changes in proportion of ($258,316), plus the pension expense related to specific liabilities of individual employers of $725, and plus other adjustments to the net pension liability of $82,719. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2024 measurement date are as follows:

Service cost	$	55,155
Interest on total pension liability		206,019
Benefit changes		-
Member contributions		(45,171)
Administrative expense		1,595
Other- Chapter 19 adjustment		(1,661)
Expected investment return net of investment expense		(124,450)
Pension expense related to specific liabilities of individual employers		(1,588)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		6,277
Changes of assumptions		(50,350)
Difference between projected and actual investment earnings on pension plan investments		(20,958)
Pension expense (benefit)	$	24,868

B. Teacher's Pension and Annuity Fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a 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 the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at www.state.nj.us/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. 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.

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

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 the fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Special funding situation

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

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ended June 30, 2024, the State of New Jersey contributed $1,788,319 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2024 measurement date is as follows:

District proportionate share of net pension liability	$	32,975,219
Less: State proportionate share of net pension liability		12,526,086
Net pension liability	$	20,449,133

Proportionate share	0.0413739781%
Plan fiduciary net position as a percentage of the total pension liability	37.99%

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 (based on years of service)	2.75 - 5.65%
Investment rate of return	7.00%

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

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions (continued)

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

Long-term 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 measurement date) 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 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount rate

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

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2024 measurement date, calculated using the discount rate 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% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability		
At current discount rate (7.00%)	$	20,449,133
At a 1% lower rate (6.00%)		24,306,689
At a 1% higher rate (8.00%)		17,200,341

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense (benefit) related to specific liabilities of individual employers, for the District for the year ended June 30, 2024 measurement date are as follows:

Service cost	$	576,445
Interest on total pension liability		2,232,355
Benefit changes		-
Member contributions		(400,006)
Administrative expense		9,916
Expected investment return net of investment expense		(776,868)
Pension expense related to specific liabilities of individual employers		(216)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		67,350
Changes of assumptions		(1,725,373)
Difference between projected and actual investment earnings on pension plan investments		(58,198)
Pension expense (benefit)	$	(74,595)

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, 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 maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary ($9,300 in 2025) but who earn salary of at least $5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

Note 6 - Pension plans (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2025 was $2,935.

D. Other pension plan information

During the year ended June 30, 2025, the State of New Jersey contributed $524,943 to the TPAF for postretirement medical benefits, $21,982 for non-contributory insurance premiums, $753 for long-term disability insurance, and $1,774,535 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $398,021 during the year ended June 30, 2025 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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 Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 state and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following Plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Note 7 - Postretirement benefits (continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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 State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a fiscal year 2024 total OPEB liability of $59,650,630,530 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at https://www.state.nj.us/treasury/taxation/payments-notices.shtml.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2024 measurement date is as follows:

State's proportionate share of the OPEB liability	$ 59,650,630,530
District's proportionate share of the State's OPEB liability	29,397,889
Employer OPEB expense and related revenue	773,164
Allocable proportionate percentage	0.0492834505%

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2023	$ 27,112,728
Service cost	918,510
Interest cost	967,709
Change of benefit terms	-
Differences between expected and actual experiences	(1,086,662)
Changes of assumptions	2,199,353
Member contributions	25,306
Gross benefit payments	(739,055)
Total OPEB liability at June 30, 2024	$ 29,397,889

There were no changes of the benefit terms from June 30, 2023 to June 30, 2024.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% as of the June 30, 2023 Plan measurement date to 3.93% as of the June 30, 2024 Plan measurement date.

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

	TPAF (based on years of service)	PERS (based on years of service)
Salary increases	2.75% - 5.65%	2.75% - 6.55%

Preretirement mortality rates were based on the Pub-2010 Healthy Teachers (TPAF/ABP) and General (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 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 actuarial experience studies for the periods July 1, 2018 - June 30, 2021.

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

Health care trend assumptions

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

Discount rate

The discount rate for June 30, 2024 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 the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2024 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)		
At current discount rate (3.93%)	$	29,397,889
At a 1% lower rate (2.93%)		34,431,224
At a 1% higher rate (4.93%)		25,350,043

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability as of June 30, 2024 calculated using the healthcare trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rate:

Total OPEB liability (school retirees)		
Healthcare cost trend rate	$	29,397,889
At a 1% lower rate (1% decrease)		24,488,656
At a 1% higher rate (1% increase)		35,792,490

Note 7 - Postretirement benefits (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates (continued)

For the year ended June 30, 2024, the District recognized OPEB expense of $773,164 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

OPEB expense and deferred outflows and inflows of resources related to OPEB

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

Equitable
Variable Annuity Life Insurance Co.
Lincoln Investment Planning

Note 9 - Interfund receivables and payables

The balance due from the special revenue fund to the general fund of $19,937 represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2025 consisted of the following:

Food	$	3,844
Supplies		584
Total	$	4,428

Note 11 - Contingent liabilities

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

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

Note 12 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ unemployment trust fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

Fiscal Year	Board Contribution	Interest Earnings	Employee Contribution	Amount Reimbursed	Ending Balance Available for Claims
2024 - 2025	$ -	$ 277	$ 12,148	$ 15,046	$ 27,983
2023 - 2024	-	919	11,896	57,251	30,604
2022 - 2023	-	756	12,362	13,582	75,040

Note 13 - District reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

Note 13 - District reserve accounts (continued)

The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	$ 3,700,765	$ 750,000	$ 4,902	$ 50,000	$ 595,020	$ 3,910,647
Emergency	250,000	-	-	-	-	250,000
Maintenance	645,445	-	-	-	100,000	545,445
Total	$ 4,596,210	$ 750,000	$ 4,902	$ 50,000	$ 695,020	$ 4,706,092

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2025 is as follows:

Restricted		
Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	$	9,704
Capital reserve account - represents funds restricted to capital projects in the District's long range facilities plan.		3,910,647
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.		250,000
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).		545,445
Unemployment compensation - represents funds accumulated for future unemployment claims.		15,835
Committed		
Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.		218,653
Assigned		
Designated surplus - designated for subsequent year's expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.		250,000
Unassigned		
Undesignated - represents fund balance which has not been restricted or designated.		383,722
Total fund balance - budgetary basis (Exhibit C-1)		5,584,006
Last state aid payments not recognized on GAAP basis		(98,403)
Total fund balance - GAAP basis (Exhibit B-1)	$	5,485,603

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is $9,704.

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2025 of ($1,526,376) on Schedule A-1 Statement of Net Position. The deficit balance is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 17 - Deficit unassigned fund balance in the special revenue fund

The District has a deficit unassigned fund balance of ($56,610) in the special revenue fund as of June 30, 2025 as reported in the fund statements. PL 2005, Chapter 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the last state aid payment in the subsequent fiscal year, the School District cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable.

Due to the timing difference of recording the last state aid payment, the special revenue fund balance deficit does not alone indicate that the District is facing financial difficulties.

Note 18 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 19 - Subsequent events

The District has evaluated subsequent events through November 11, 2025, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources					
Local tax levy	$ 10,762,090	$ -	$10,762,090	$10,762,090	$ -
Tuition from other LEAs within the state	98,000	-	98,000	143,383	45,383
Rents and royalties	10,000	-	10,000	10,000	-
Unrestricted miscellaneous revenues	43,000	-	43,000	68,705	25,705
Interest earned on maintenance reserve	200	-	200	-	(200)
Interest earned on capital reserve funds	1,300	-	1,300	4,902	3,602
Other restricted miscellaneous revenues	-	-	-	277	277
Total	10,914,590	-	10,914,590	10,989,357	74,767
State sources					
School choice aid	130,041	-	130,041	130,041	-
Categorical transportation aid	36,300	-	36,300	36,300	-
Extraordinary aid	-	-	-	131,387	131,387
Categorical special education aid	530,185	-	530,185	530,185	-
Equalization aid	473,643	-	473,643	473,643	-
Categorical security aid	9,453	-	9,453	9,453	-
State reimbursements for menstrual products	-	-	-	105	105
Other state aid	-	-	-	2,335	2,335
TPAF Pension (on-behalf)	-	-	-	1,774,535	1,774,535
TPAF Non-contributory insurance	-	-	-	21,982	21,982
TPAF Social Security (reimbursed)	-	-	-	398,021	398,021
TPAF Post retirement benefits	-	-	-	524,943	524,943
TPAF Long-term disability insurance	-	-	-	753	753
Total	1,179,622	-	1,179,622	4,033,683	2,854,061
Total revenues	$ 12,094,212	$ -	$12,094,212	$15,023,040	$ 2,928,828
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	$ 47,175	$ -	$ 47,175	$ 47,175	$ -
Kindergarten	268,941	(17,707)	251,234	230,992	20,242
Grades 1-5	1,431,662	(3,520)	1,428,142	1,415,689	12,453
Grades 6-8	1,027,912	(158,835)	869,077	827,722	41,355
Home instruction					
Salaries of teacher	4,000	6,330	10,330	9,522	808
Purchased professional - educational services	-	950	950	950	-
Regular programs - undistributed instruction					
Purchased technical services	5,000	(2,463)	2,537	1,891	646
Other purchased services	138,946	-	138,946	116,836	22,110
General supplies	176,045	(3,584)	172,461	145,465	26,996
Textbooks	5,000	6,048	11,048	11,048	-
Total	3,104,681	(172,781)	2,931,900	2,807,290	124,610

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Special education					
Learning and/or language disabilities					
Salaries of Teachers	$ 211,606	$ (211,606)	$ -	$ -	$ -
Other salaries for instruction	-	222,270	222,270	208,354	13,916
General supplies	3,748	(634)	3,114	2,878	236
Total	215,354	10,030	225,384	211,232	14,152
Emotional Regulation Impairment					
Salaries of teachers	72,218	(72,218)	-	-	-
General supplies	1,000	(1,000)	-	-	-
Total	73,218	(73,218)	-	-	-
Multiple disabilities					
Salaries of Teachers	72,218	(72,218)	-	-	-
General supplies	1,000	(1,000)	-	-	-
Total	73,218	(73,218)	-	-	-
Resource room/resource center					
Salaries of Teachers	987,298	(987,298)	-	-	-
Other salaries for instruction	-	1,279,752	1,279,752	1,273,978	5,774
General supplies	10,000	(6,626)	3,374	3,282	92
Total	997,298	285,828	1,283,126	1,277,260	5,866
Autism					
Salaries of teachers	65,869	12,781	78,650	78,180	470
General supplies	2,385	1,074	3,459	2,772	687
Total	68,254	13,855	82,109	80,952	1,157
Home instruction					
Purchased professional - educational services	-	3,350	3,350	3,350	-
Total	-	3,350	3,350	3,350	-
Total special education	1,427,342	166,627	1,593,969	1,572,794	21,175
Basic skills/remedial					
Salaries of Teachers	178,878	15,926	194,804	194,804	-
General supplies	850	(850)	-	-	-
Total	179,728	15,076	194,804	194,804	-
School-sponsored co/extracurricular activities - instruction					
Salaries	100,322	(244)	100,078	89,993	10,085
Supplies and materials	5,500	5,069	10,569	10,569	-
Other objects	385	-	385	385	-
Total	106,207	4,825	111,032	100,947	10,085

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
School-sponsored athletics - instruction					
Salaries	$ 25,200	$ 42,744	$ 67,944	$ 67,944	$ -
Purchased services	8,250	(2,000)	6,250	5,961	289
Supplies and materials	5,000	(3,836)	1,164	1,164	-
Other objects	300	50	350	350	-
Total	38,750	36,958	75,708	75,419	289
Total instruction regular	$ 4,856,708	$ 50,705	$ 4,907,413	$ 4,751,254	$ 156,159
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - special	$ -	$ 9,775	$ 9,775	$ 9,430	$ 345
Tuition to priv. school for the disabled in state	-	52,148	52,148	21,063	31,085
Tuition - state facilities	26,250	(26,250)	-	-	-
Tuition - other	-	91,790	91,790	85,595	6,195
Total	26,250	127,463	153,713	116,088	37,625
Undistributed expenditures - attendance & social work					
Salaries	2,800	5,842	8,642	8,642	-
Total	2,800	5,842	8,642	8,642	-
Undistributed expenditures - health services					
Salaries	140,803	(2,238)	138,565	132,378	6,187
Purchased professional and technical services	4,200	-	4,200	4,005	195
Other purchased services	300	-	300	-	300
Supplies and materials	5,000	1,665	6,665	3,467	3,198
Supplies - menstrual products	-	213	213	213	-
Total	150,303	(360)	149,943	140,063	9,880
Undistributed expenditures - speech, ot, pt & related services					
Salaries	243,696	(2,557)	241,139	233,155	7,984
Purchased professional - educational services	142,200	(295)	141,905	129,289	12,616
Supplies and materials	4,950	-	4,950	511	4,439
Other objects	100	295	395	295	100
Total	390,946	(2,557)	388,389	363,250	25,139
Undistributed expend - other supp. service stds. - extra service					
Purchased professional - educational services	836,910	(25,823)	811,087	669,111	141,976
Total	836,910	(25,823)	811,087	669,111	141,976
Undistributed expenditures - guidance					
Salaries of other Professional Staff	145,766	939	146,705	146,705	-
Other purchased services	-	25	25	12	13
Supplies and materials	2,500	-	2,500	806	1,694
Total	148,266	964	149,230	147,523	1,707

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	$ 178,769	$ (178,769)	$ -	$ -	$ -
Salaries of Secretarial and Clerical Assistants	45,459	176,293	221,752	214,932	6,820
Purchased professional - educational services	163,100	(14,095)	149,005	138,516	10,489
Other purchased professional & technical services	-	13,100	13,100	13,046	54
Other purchased services	400	1,029	1,429	1,429	-
Supplies and materials	5,000	850	5,850	4,315	1,535
Other objects	500	-	500	300	200
Total	393,228	(1,592)	391,636	372,538	19,098
Undistributed expenditures - improvement of inst. service					
Salaries of other Professional Staff	12,200	10,033	22,233	22,053	180
Supplies and materials	500	-	500	-	500
Total	12,700	10,033	22,733	22,053	680
Undistributed expenditures - edu. media service/sch. library					
Salaries	89,219	1,000	90,219	89,515	704
Salaries of technology coordinators	115,713	8,464	124,177	124,177	-
Other purchased services	500	(500)	-	-	-
Supplies and materials	7,675	5,350	13,025	7,387	5,638
Total	213,107	14,314	227,421	221,079	6,342
Undistributed expend. - instructional staff training services					
Purchased professional - educational services	25,000	-	25,000	17,163	7,837
Other purchased services	8,113	(909)	7,204	5,018	2,186
Total	33,113	(909)	32,204	22,181	10,023
Undistributed expend. - support service - general admin.					
Salaries	212,140	5,121	217,261	217,261	-
Legal services	65,000	(65,000)	-	-	-
Audit fees	23,000	(23,000)	-	-	-
Architectural/engineering services	25,000	(25,000)	-	-	-
Purchased technical services	10,174	110,495	120,669	82,251	38,418
Communications/telephone	27,310	-	27,310	25,778	1,532
BOE other purchased services	3,000	1,431	4,431	2,766	1,665
Misc. purchased services	40,850	(1,431)	39,419	34,392	5,027
General supplies	1,000	-	1,000	784	216
BOE membership dues and fees	8,339	5	8,344	8,343	1
Total	415,813	2,621	418,434	371,575	46,859
Undistributed expend. - support service - school admin.					
Salaries of Principals/Assistant Principals	110,908	2,846	113,754	113,652	102
Salaries of Secretarial and Clerical Assistants	42,941	3,310	46,251	46,251	-
Other purchased services	500	100	600	600	-
Supplies and materials	2,000	(52)	1,948	1,244	704
Other objects	950	15	965	965	-
Total	157,299	6,219	163,518	162,712	806

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expend. - central services					
Salaries	$ 124,617	$ 5,264	$ 129,881	$ 129,881	$ -
Purchased professional services	70,000	(9,823)	60,177	58,500	1,677
Purchased technical services	56,680	(6,914)	49,766	38,783	10,983
Miscellaneous purchased services	-	300	300	-	300
Supplies and materials	300	3,377	3,677	1,215	2,462
Other objects	900	(150)	750	750	-
Total	252,497	(7,946)	244,551	229,129	15,422
Undistributed expend. - required maint. for school facilities					
Salaries	103,608	(8,442)	95,166	95,166	-
Cleaning, repair, and maintenance services	341,259	(94,098)	247,161	139,701	107,460
Lead testing in water	-	2,900	2,900	750	2,150
General supplies	8,577	-	8,577	7,261	1,316
Total	453,444	(99,640)	353,804	242,878	110,926
Undistributed expend. - custodial services					
Salaries	247,221	17,327	264,548	252,818	11,730
Purchased professional and technical services	55,000	-	55,000	17,096	37,904
Cleaning, repair, and maintenance service	27,985	-	27,985	19,556	8,429
Other purchased property services	39,500	-	39,500	37,294	2,206
Insurance	141,450	-	141,450	136,861	4,589
Miscellaneous purchased services	1,500	-	1,500	49	1,451
General supplies	69,500	(26,524)	42,976	40,394	2,582
Energy (natural gas)	90,000	-	90,000	81,768	8,232
Energy (electricity)	130,000	(22,063)	107,937	107,937	-
Other objects	3,750	-	3,750	1,710	2,040
Total	805,906	(31,260)	774,646	695,483	79,163
Undistributed expend. - care and upkeep of grounds					
Cleaning, repair, and maintenance service	17,500	14,744	32,244	15,744	16,500
General supplies	14,736	6,925	21,661	10,354	11,307
Total	32,236	21,669	53,905	26,098	27,807
Undistributed expend. - security					
Purchased professional and technical services	17,623	256	17,879	16,063	1,816
Cleaning, repair, and maintenance service	20,100	(1,440)	18,660	14,745	3,915
General supplies	7,000	(2,016)	4,984	2,984	2,000
Total	44,723	(3,200)	41,523	33,792	7,731
Undistributed expend. - student transportation service					
Salaries for pupil trans (between home & school) - reg.	2,000	-	2,000	2,000	-
Contract service-aid in lieu pymts - non-public schools	6,990	2,649	9,639	5,297	4,342
Contract serv-aid in lieu pymts-choice school students	3,495	5,280	8,775	8,775	-
Contr service (between home & school) - joint agreements	493,000	(11,598)	481,402	463,074	18,328
Contr service (sp ed stds) - joint agreements	100,000	6,854	106,854	84,779	22,075
Total	605,485	3,185	608,670	563,925	44,745

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Unallocated benefits - employee benefits					
Social Security contributions	$ 112,443	$ (7,321)	$ 105,122	$ 93,219	$ 11,903
Other retirement contributions - PERS	205,000	(500)	204,500	114,996	89,504
Other retirement contributions - regular	2,500	-	2,500	-	2,500
Unemployment compensation	-	15,046	15,046	15,046	-
Workmen's compensation	89,000	-	89,000	85,874	3,126
Health benefits	2,052,773	(43,282)	2,009,491	1,823,000	186,491
Tuition reimbursement	35,000	(1,568)	33,432	16,930	16,502
Other employee benefits	7,050	37,551	44,601	44,601	-
Unused sick payment to terminated/retired staff	-	22,396	22,396	22,396	-
Total	2,503,766	22,322	2,526,088	2,216,062	310,026
On-behalf TPAF Pension contribution	-	-	-	1,774,535	(1,774,535)
On-behalf TPAF Non-contributory insurance	-	-	-	21,982	(21,982)
On-behalf TPAF Post retirement medical benefits	-	-	-	524,943	(524,943)
On-behalf TPAF Long-term disability insurance	-	-	-	753	(753)
Reimbursed TPAF Social Security contribution	-	-	-	398,021	(398,021)
Total	-	-	-	2,720,234	(2,720,234)
Total undistributed expenditures	$ 7,478,792	$ 41,345	$ 7,520,137	$ 9,344,416	$ (1,824,279)
Total current	$ 12,335,500	$ 92,050	$12,427,550	$14,095,670	$ (1,668,120)
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	$ -	$ 48,773	$ 48,773	$ -	$ 48,773
Undistributed expenditures - school admin.	-	16,765	16,765	-	16,765
Undistributed expenditures - central services	10,425	-	10,425	10,300	125
Undistributed expenditures - care and upkeep of grounds	-	39,793	39,793	-	39,793
Undistributed expenditures - security	-	3,200	3,200	3,143	57
Total equipment	10,425	108,531	118,956	13,443	105,513
Facilities acquisition and construction service					
Other purchased professional and technology services	3,503	-	3,503	3,503	-
Construction services	201,752	1	201,753	151,753	50,000
Assessment for debt service on SDA funding	15,049	-	15,049	15,049	-
Total facilities acquisition and construction service	220,304	1	220,305	170,305	50,000
Total capital outlay	$ 230,729	$ 108,532	$ 339,261	$ 183,748	$ 155,513
Total expenditures	$ 12,566,229	$ 200,582	$12,766,811	$14,279,418	$ (1,512,607)
Excess (deficiency) of revenues over (under) expenditures	$ (472,017)	$ (200,582)	$ (672,599)	$ 743,622	$ 1,416,221

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Other financing sources (uses)					
Operating transfer out					
Transfer to special revenue fund - preschool programs	$ (141,525)	$ -	$ (141,525)	$ (141,525)	$ -
Capital reserve - transfer to capital projects fund	(310,020)	(285,000)	(595,020)	(595,020)	-
Total other financing sources (uses)	(451,545)	(285,000)	(736,545)	(736,545)	-
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(923,562)	(485,582)	(1,409,144)	7,077	1,416,221
Fund balances, July 1	5,576,929	-	5,576,929	5,576,929	-
Fund balances, June 30	$ 4,653,367	$ (485,582)	$ 4,167,785	$ 5,584,006	$ 1,416,221
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	$ (265,042)	$ -	$ (265,042)	$ (265,042)	$ -
Increase in capital reserve	-	800,000	800,000	800,000	-
Interest deposit to capital reserve	1,300	-	1,300	4,902	3,602
Withdrawal from capital reserve	(310,020)	(285,000)	(595,020)	(595,020)	-
Interest earned on maintenance reserve	200	-	200	-	(200)
Withdrawal from maintenance reserve	(100,000)	-	(100,000)	(100,000)	-
Interest earned on unemployment compensation	-	-	-	277	277
Withdrawal from unemployment compensation	-	(15,046)	(15,046)	(15,046)	-
Budgeted fund balance	(250,000)	(985,536)	(1,235,536)	177,006	1,412,542
Total	$ (923,562)	$ (485,582)	$ (1,409,144)	$ 7,077	$ 1,416,221
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - current year				$ 9,704	
Capital reserve				3,910,647	
Emergency reserve				250,000	
Maintenance reserve				545,445	
Unemployment compensation				15,835	
Committed fund balance					
Year-end encumbrances				218,653	
Assigned fund balance					
Designated for subsequent year's expenditures				250,000	
Unassigned fund balance				383,722	
Fund balance per budgetary basis				5,584,006	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(98,403)	
Fund balance per governmental funds (GAAP)				$ 5,485,603	

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT

Special Revenue Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources	$ 66,190	$ -	$ 66,190	$ 66,190	$ -
State sources	869,300	-	869,300	849,300	(20,000)
Federal sources	270,491	-	270,491	270,491	-
Total revenues	1,205,981	-	1,205,981	1,185,981	(20,000)
Other financing sources					
Transfers in	188,700	-	188,700	188,700	-
Total revenues & other financing sources	$ 1,394,681	$ -	$ 1,394,681	$ 1,374,681	$ (20,000)
Expenditures					
Instruction					
Salaries	$ 579,921	$ -	$ 579,921	$ 579,921	$ -
Purchased professional and technical services	104,049	5,487	109,536	109,536	-
General supplies	116,806	(5,485)	111,321	111,321	-
Total	800,776	2	800,778	800,778	-
Support services					
Salaries	111,139	25,000	136,139	136,139	-
Employee benefits	200,676	-	200,676	200,676	-
Purchased professional and technical services	73,939	(24,902)	49,037	49,037	-
Plant operations and maintenance	8,000	-	8,000	8,000	-
Other purchased services	118,000	-	118,000	98,000	20,000
Miscellaneous	5,000	-	5,000	5,000	-
Supplies and materials	10,961	(100)	10,861	10,861	-
Student activities	70,338	-	70,338	70,338	-
Total	598,053	(2)	598,051	578,051	20,000
Total expenditures	$ 1,398,829	$ -	$ 1,398,829	$ 1,378,829	$ 20,000
Excess (deficiency) of revenues over (under) expenditures	$ (4,148)	$ -	$ (4,148)	$ (4,148)	$ -
Fund balances, July 1	17,334	-	17,334	17,334	-
Fund balances, June 30	$ 13,186	$ -	$ 13,186	$ 13,186	$ -
Recapitulation of fund balance					
Restricted fund balance					
Student activities				$ 13,186	
Fund balance per budgetary basis				13,186	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(56,610)	
Fund balance per governmental funds (GAAP)				$ (43,424)	

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2025

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	$ 15,023,040	$1,185,981
Differences - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	1,540
Outstanding encumbrances - current year	-	(75,354)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State aid receivable prior year	81,150	178,344
State aid receivable current year	(98,403)	(56,610)
Total revenues (GAAP basis)	$ 15,005,787	$1,233,901
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 14,279,418	$1,378,829
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	1,540
Outstanding encumbrances - current year	-	(75,354)
Total expenditures (GAAP basis)	$ 14,279,418	$1,305,015

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value			
2016	0.0158023702%	$ 4,680,209	$ 1,057,159	442.72%	40.14%
2017	0.0153128283%	3,564,582	1,100,236	323.98%	48.10%
2018	0.0156297000%	3,077,410	1,127,084	273.04%	53.60%
2019	0.0166191114%	2,994,512	1,053,331	284.29%	56.27%
2020	0.0148574491%	2,422,861	1,083,099	223.70%	58.32%
2021	0.0159051677%	1,884,206	1,057,262	178.22%	70.33%
2022	0.0144406872%	2,179,298	1,031,788	211.22%	62.91%
2023	0.0147388689%	2,134,833	645,353	330.80%	65.23%
2024	0.0083977571%	1,141,091	632,296	180.47%	68.22%
2025	N/A	N/A	585,729	N/A	N/A

N/A = Information not available

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2016	$ 129,046	$ (129,046)	$ -	$ 1,057,159	12.21%
2017	138,343	(138,343)	-	1,100,236	12.57%
2018	140,386	(140,386)	-	1,127,084	12.46%
2019	141,857	(141,857)	-	1,053,331	13.47%
2020	161,655	(161,655)	-	1,083,099	14.93%
2021	162,533	(162,533)	-	1,057,262	15.37%
2022	186,268	(186,268)	-	1,031,788	18.05%
2023	182,104	(182,104)	-	645,353	28.22%
2024	196,989	(196,989)	-	632,296	31.15%
2025	114,270	(114,270)	-	585,729	19.51%

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)						
	District's proportion		State's			District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value	proportion	Total	District's covered employee payroll		
2016	0.00%	N/A	N/A	N/A	$ 4,499,102	0.00%	22.33%
2017	0.00%	N/A	N/A	N/A	4,559,875	0.00%	25.41%
2018	0.00%	$ -	$ 27,492,761	$ 27,492,761	4,479,051	0.00%	26.49%
2019	0.00%	-	26,126,944	26,126,944	4,302,821	0.00%	26.95%
2020	0.00%	-	25,263,878	25,263,878	4,364,827	0.00%	24.60%
2021	0.00%	-	19,471,856	19,471,856	4,705,366	0.00%	35.52%
2022	0.00%	-	20,248,436	20,248,436	4,406,526	0.00%	32.29%
2023	0.00%	-	20,498,487	20,498,487	5,263,913	0.00%	34.68%
2024	0.00%	-	20,449,133	20,449,133	5,471,360	0.00%	37.99%
2025	N/A	N/A	N/A	N/A	5,380,398	N/A	N/A

N/A = Information not available

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2016	N/A	N/A	N/A	$ 4,499,102	N/A
2017	N/A	N/A	N/A	4,559,875	N/A
2018	$ 498,665	$ (498,665)	$ -	4,479,051	11.13%
2019	653,268	(653,268)	-	4,302,821	15.18%
2020	855,974	(855,974)	-	4,364,827	19.61%
2021	869,396	(869,396)	-	4,705,366	18.48%
2022	1,186,943	(1,186,943)	-	4,406,526	26.94%
2023	1,642,519	(1,642,519)	-	5,263,913	31.20%
2024	1,673,626	(1,673,626)	-	5,471,360	30.59%
2025	1,788,319	(1,788,319)	-	5,380,398	33.24%

N/A = Information not available

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefit Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)						
	District's proportion		State's			District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other post employment employee benefits liability
	Percentage	Value	proportion	Total	District's covered employee payroll		
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	$ -	$ 27,014,392	$ 27,014,392	$ 5,660,111	0.00%	0.00%
2018	0.00%	-	23,501,823	23,501,823	5,606,135	0.00%	0.00%
2019	0.00%	-	20,117,670	20,117,670	5,356,152	0.00%	0.00%
2020	0.00%	-	33,578,523	33,578,523	5,447,926	0.00%	0.00%
2021	0.00%	-	28,781,677	28,781,677	5,762,628	0.00%	0.00%
2022	0.00%	-	24,814,776	24,814,776	5,438,314	0.00%	0.00%
2023	0.00%	-	27,112,728	27,112,728	5,909,266	0.00%	0.00%
2024	0.00%	-	29,397,889	29,397,889	6,103,656	0.00%	0.00%
2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

HOLLAND TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2025

Note 1 - Special funding situation - PERS, TPAF, and other postretirement benefits

The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

Note 2 - Changes in assumptions - TPAF

The discount rate was 7.00% in State fiscal year 2023 and 7.00% in State fiscal year 2024. The inflation rate was 2.75% in State fiscal year 2023 and 2.75% in State fiscal year 2024.

Note 3 - Changes in assumptions - PERS

The discount rate was 7.00% in State fiscal year 2023 and 7.00% in State fiscal year 2024. The inflation rate was 2.75% for State fiscal year 2023 and 2.75% for State fiscal year 2024.

Note 4 - Changes in assumptions - other postretirement employee benefits

The other postretirement employee benefits discount rate increased from 3.65% in State fiscal year 2023 to 3.93% in State fiscal year 2024.

Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits

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

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

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

	IDEA Basic	IDEA Preschool	ESEA IA	ESEA IIA	ESEA IV	ARP ESSER III	Small Rural School Achievement	Preschool Expansion Aid	School Reorganization Efficiency Program	Student Activities	Total
Revenues											
Local sources	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 66,190	$ 66,190
State sources	-	-	-	-	-	-	-	751,300	98,000	-	849,300
Federal sources	137,629	5,602	14,021	6,423	10,000	37,097	59,719	-	-	-	270,491
Total revenues	137,629	5,602	14,021	6,423	10,000	37,097	59,719	751,300	98,000	66,190	1,185,981
Other financing sources											
Transfer from general fund	-	-	-	-	-	-	-	188,700	-	-	188,700
Total revenues and other financing sources	$ 137,629	$ 5,602	$ 14,021	$ 6,423	$ 10,000	$ 37,097	$ 59,719	$ 940,000	$ 98,000	$ 66,190	$ 1,374,681
Expenditures											
Instruction											
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 579,921	$ -	$ -	$ 579,921
Purchased professional and technical services	101,515	-	6,521	-	-	-	-	1,500	-	-	109,536
General supplies	11,000	5,602	-	-	10,000	-	59,719	25,000	-	-	111,321
Total	112,515	5,602	6,521	-	10,000	-	59,719	606,421	-	-	800,778
Support services											
Salaries	-	-	-	-	-	37,097	-	99,042	-	-	136,139
Employee benefits	-	-	-	-	-	-	-	200,676	-	-	200,676
Purchased professional and technical services	25,114	-	7,500	6,423	-	-	-	10,000	-	-	49,037
Plant operations & maintenance	-	-	-	-	-	-	-	8,000	-	-	8,000
Other purchased services	-	-	-	-	-	-	-	-	98,000	-	98,000
Miscellaneous	-	-	-	-	-	-	-	5,000	-	-	5,000
Supplies and materials	-	-	-	-	-	-	-	10,861	-	-	10,861
Student activities	-	-	-	-	-	-	-	-	-	70,338	70,338
Total	25,114	-	7,500	6,423	-	37,097	-	333,579	98,000	70,338	578,051
Total expenditures	$ 137,629	$ 5,602	$ 14,021	$ 6,423	$ 10,000	$ 37,097	$ 59,719	$ 940,000	$ 98,000	$ 70,338	$ 1,378,829
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,148)	$ (4,148)
Fund balances, July 1	-	-	-	-	-	-	-	-	-	17,334	17,334
Fund balances, June 30	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,186	$ 13,186

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	$ 376,394	$ 376,394	$ -
Other salaries for instruction	203,527	203,527	-
Purchased professional and technical services	1,500	1,500	-
Supplies	25,000	25,000	-
Total	606,421	606,421	-
Support services			
Salaries - supervisor of instruction	4,000	4,000	-
Salaries - program director	5,990	5,990	-
Salaries - other professional staff	15,903	15,903	-
Salaries - secretarial & clerical	5,139	5,139	-
Salaries - other	15,097	15,097	-
Salaries - community parent involvement	6,500	6,500	-
Salaries - master teachers	46,413	46,413	-
Employee benefits	200,676	200,676	-
Plant operations & maintenance	8,000	8,000	-
Purchased professional and technical services	10,000	10,000	-
Miscellaneous purchased services	5,000	5,000	-
Supplies	10,861	10,861	-
Total	333,579	333,579	-
Total expenditures	$ 940,000	$ 940,000	$ -

HOLLAND TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2025

Calculation of Budget & Carryover	
Total revised 2024 - 2025 preschool education aid allocation	$ 566,100
Add: actual ECPA/PEA carryover (June 30, 2024)	185,200
Add: budgeted transfer from general fund	188,700
Total preschool education aid funds available for 2024 - 2025 budget	940,000
Less: 2024 - 2025 budgeted preschool education aid	(940,000)
Available and unbudgeted preschool education aid funds as of June 30, 2025	-
Add: 2024 - 2025 unexpended preschool education aid	-
2024 - 2025 Actual carryover preschool education aid	$ -
Preschool education aid carryover budgeted for preschool programs 2025 - 2026	$ -
Unbudgeted carryover preschool education aid	$ -

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2025

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date Prior Years	GAAP Expenditures to Date Current Year	Unexpended Appropriations 06/30/2025
HVAC Upgrades	09/16/23	$ 801,700	$ -	$ 362,283	$ 439,417
		$ 801,700	$ -	$ 362,283	$ 439,417

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2025

Revenues	
State sources	
School development authority grant	$ 206,680
Local sources	
Transfer from capital reserve	595,020
Total revenues	801,700
Expenditures and other financing uses	
Construction	323,310
Purchased professional & technical services	38,973
Total expenditures	362,283
Excess (deficiency) of revenues and other financing sources over (under) expenditures & other financing uses	439,417
Fund balance - beginning	-
Fund balance - ending	$ 439,417
Recapitulation of fund balance	
Capital project fund balance	$ 439,417
Fund balance per budgetary basis	439,417
Reconciliation to governmental statements (GAAP)	
Receivables from other governments - state	(113,282)
Fund balance per governmental Funds (GAAP)	$ 326,135

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
HVAC Upgrades
For the Fiscal Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources				
School development authority grant	$ -	$ 206,680	$ 206,680	$ 206,680
Local sources				
Transfer in from operating	-	595,020	595,020	595,020
Total revenues	-	801,700	801,700	801,700
Expenditures and other financing uses				
Purchased professional & technical services	-	38,973	38,973	101,700
Construction	-	323,310	323,310	700,000
Total expenditures	-	362,283	362,283	801,700
Excess (deficiency) of revenues over (under) Expenditures	$ -	$ 439,417	$ 439,417	$ -

Additional Project Information	
Project number	2450-050-14-1003-G04
Authorization date	09/16/23
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	$ 801,700
Additional authorized cost	$ -
Revised authorized cost	$ 801,700
Percentage completion	45.19%

See independent auditors' report.

STATISTICAL SECTION

HOLLAND TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Government activities										
Net investment in capital assets	$ 6,753,652	$ 6,482,904	$ 6,129,485	$ 5,977,584	$ 5,135,721	$ 5,110,195	$ 5,010,735	$ 5,386,721	$ 5,763,446	$ 5,976,515
Restricted	1,572,378	1,970,360	2,365,470	2,605,489	3,216,851	3,790,937	4,220,026	3,763,666	4,644,148	5,061,248
Unrestricted	(2,817,896)	(2,819,825)	(2,886,803)	(2,804,816)	(3,301,936)	(3,048,940)	(2,418,871)	(459,260)	(1,687,470)	(1,526,376)
Total governmental activities	$ 5,508,134	$ 5,633,439	$ 5,608,152	$ 5,778,257	$ 5,050,636	$ 5,852,192	$ 6,811,890	$ 8,691,127	$ 8,720,124	$ 9,511,387
Business-type activities										
Net investment in capital assets	$ 14,148	$ 21,315	$ 19,447	$ 17,267	$ 37,519	$ 32,748	$ 31,948	$ 8,428	$ 6,207	$ 26,558
Unrestricted	16,988	4,362	2,092	(367)	(9,464)	(6,963)	41,967	73,249	81,902	66,677
Total business-type activities	$ 31,136	$ 25,677	$ 21,539	$ 16,900	$ 28,055	$ 25,785	$ 73,915	$ 81,677	$ 88,109	$ 93,235
District-wide										
Net investment in capital assets	$ 6,767,800	$ 6,504,219	$ 6,148,932	$ 5,994,851	$ 5,173,240	$ 5,142,943	$ 5,042,683	$ 5,395,149	$ 5,769,653	$ 6,003,073
Restricted	1,572,378	1,970,360	2,365,470	2,605,489	3,216,851	3,790,937	4,220,026	3,763,666	4,644,148	5,061,248
Unrestricted	(2,800,908)	(2,815,463)	(2,884,711)	(2,805,183)	(3,311,400)	(3,055,903)	(2,376,904)	(386,011)	(1,605,568)	(1,459,699)
Total district-wide	$ 5,539,270	$ 5,659,116	$ 5,629,691	$ 5,795,157	$ 5,078,691 *	$ 5,877,977	$ 6,885,805	$ 8,772,804	$ 8,808,233	$ 9,604,622

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 5,518,906	$ 6,310,384	$ 6,723,383	$ 5,840,160	$ 5,568,027	$ 6,206,930	$ 5,175,497	$ 6,169,182	$ 6,708,071	$ 6,503,120
Special education	2,702,941	2,855,855	3,213,582	3,073,777	2,918,757	3,423,798	3,298,389	2,623,528	2,930,709	3,058,243
Other special education	342,807	397,015	474,574	-	-	-	-	192,783	368,728	411,249
Other instruction	105,220	112,465	139,595	413,200	251,659	234,425	323,372	68,635	167,044	182,431
Support services										
Tuition	31,592	30,000	42,324	-	-	-	-	246,705	137,905	116,088
Student & instruction related services	2,184,084	2,324,208	2,556,621	1,967,946	1,488,839	1,778,814	1,718,313	3,341,138	3,229,796	3,181,090
General & business administrative services	960,193	817,650	847,529	792,392	771,979	826,507	752,556	834,397	854,457	819,647
School administration	364,091	406,328	447,612	330,021	297,785	377,243	314,367	227,926	291,648	294,599
Plant operations & maintenance	1,053,315	1,128,427	1,394,877	1,060,316	1,177,581	1,183,496	1,205,009	990,617	1,028,980	1,145,805
Pupil transportation	349,426	399,918	374,288	537,018	559,496	500,478	602,783	632,191	573,274	563,925
Interest on long-term debt	15,049	15,049	15,049	-	-	-	-	15,049	15,049	15,049
Total governmental activities expenses	13,627,624	14,797,299	16,229,434	14,014,830	13,034,123	14,531,691	13,390,286	15,342,151	16,305,661	16,291,246
Business-type activities										
Food services	144,218	142,085	151,180	144,748	110,498	75,112	153,297	174,800	187,523	181,009
Property rental	-	-	-	-	-	-	-	-	5,304	5,911
Total business-type activities	144,218	142,085	151,180	144,748	110,498	75,112	153,297	174,800	192,827	186,920
Total district expenses	$ 13,771,842	$ 14,939,384	$ 16,380,614	$ 14,159,578	$ 13,144,621	$ 14,606,803	$ 13,543,583	$ 15,516,951	$ 16,498,488	$ 16,478,166

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program revenues										
Governmental activities										
Charges for services	$ 88,089	$ 69,995	$ 78,438	$ -	$ -	$ -	$ -	$ 407,548	$ 154,628	$ 219,573
Operating grants & contributions	286,843	216,606	195,238	3,169,945	2,330,232	3,633,691	2,353,321	477,837	511,739	1,167,711
Capital grants & contributions	39,410	29,315	-	-	-	-	-	-	-	93,398
Total governmental activities	414,342	315,916	273,676	3,169,945	2,330,232	3,633,691	2,353,321	885,385	666,367	1,480,682
Business-type activities										
Charges for services										
Food service	102,492	99,380	106,934	103,231	69,345	2,146	3,221	109,938	118,399	113,960
Property rental	-	-	-	-	-	-	-	-	18,050	22,800
Operating grants & contributions	36,360	37,115	38,766	36,620	29,700	60,692	198,193	91,981	61,804	64,564
Total business-type activities	138,852	136,495	145,700	139,851	99,045	62,838	201,414	201,919	198,253	201,324
Total district-wide program revenues	$ 553,194	$ 452,411	$ 419,376	$ 3,309,796	$ 2,429,277	$ 3,696,529	$ 2,554,735	$ 1,087,304	$ 864,620	$ 1,682,006
Net (expense) revenues										
Governmental activities	$ (13,213,282)	$ (14,481,383)	$ (15,955,758)	$ (10,844,885)	$ (10,703,891)	$ (10,898,000)	$ (11,036,965)	$ (14,456,766)	$ (15,639,294)	$ (14,810,564)
Business-type activities	(5,366)	(5,590)	(5,480)	(4,897)	(11,453)	(12,274)	48,117	27,119	5,426	14,404
Total district-wide net expenses	$ (13,218,648)	$ (14,486,973)	$ (15,961,238)	$ (10,849,782)	$ (10,715,344)	$ (10,910,274)	$ (10,988,848)	$ (14,429,647)	$ (15,633,868)	$ (14,796,160)
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	$ 8,771,709	$ 8,771,709	$ 8,943,061	$ 9,025,784	$ 9,201,300	$ 9,669,135	$ 10,146,328	$ 10,349,255	$ 10,556,240	$ 10,762,090
Unrestricted grants & contributions	4,781,170	5,807,579	6,925,071	1,923,566	1,798,496	1,753,961	1,545,299	5,112,689	5,016,721	4,718,678
Investment earnings	10,591	18,783	49,963	-	-	-	-	69,170	92,083	69,974
Miscellaneous income	298	1,752	12,379	207,498	218,971	177,419	316,138	-	4,902	3,910
Transfer in (out)	-	-	-	-	-	-	-	-	-	47,175
Loss on disposal of capital assets	-	6,865	-	-	-	-	(11,100)	-	(1,655)	-
Total governmental activities	13,563,768	14,606,688	15,930,474	11,156,848	11,218,767	11,600,515	11,996,665	15,531,114	15,668,291	15,601,827

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues & other changes in net position (cont'd)										
Business-type activities										
Investment earnings	$ 104	$ 131	$ 260	$ 259	$ 121	$ 4	$ 14	$ 710	$ 1,000	$ 684
Miscellaneous income	-	-	1,082	-	-	10,000	-	-	6	38
Transfer in (out)	-	-	-	-	-	-	-	-	-	(10,000)
Total business-type activities	104	131	1,342	259	121	10,004	14	710	1,006	(9,278)
Total district-wide	$ 13,563,872	$ 14,606,819	$ 15,931,816	$ 11,157,107	$ 11,218,888	$ 11,610,519	$ 11,996,679	$ 15,531,824	$ 15,669,297	$ 15,592,549
Change in net position										
Governmental activities	$ 350,486	$ 125,305	$ (25,284)	$ 311,963	$ 514,876	$ 702,515	$ 959,700	$ 1,074,348	$ 28,997	$ 791,263
Business-type activities	(5,262)	(5,459)	(4,138)	(4,638)	(11,332)	(2,270)	48,131	27,829	6,432	5,126
Total district	$ 345,224	$ 119,846	$ (29,422)	$ 307,325	$ 503,544	$ 700,245	$ 1,007,831	$ 1,102,177	$ 35,429	$ 796,389

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Restricted	$ 1,678,050	$ 2,085,256	$ 2,693,860	$ 2,605,489	$ 3,216,851	$ 3,745,290	$ 4,175,411	$ 4,241,209	$ 4,876,814	$ 4,981,631
Committed	57,122	312,602	367,057	-	-	-	180,914	768,265	265,042	218,653
Assigned	-	-	144,846	740,848	278,919	70,151	34,727	606,687	-	-
Unassigned	177,724	274,055	134,599	183,026	205,887	564,607	611,598	395,562	353,923	285,319
Total general fund	$ 1,912,896	$ 2,671,913	$ 3,340,362	$ 3,529,363	$ 3,701,657 *	$ 4,380,048	$ 5,002,650	$ 6,011,723	$ 5,495,779	$ 5,485,603
All other governmental funds										
Restricted, reported in										
Special revenue fund	$ 185,824	$ 130,109	$ -	$ -	$ -	$ -	$ -	$ 22,457	$ 17,334	$ 13,186
Capital projects fund	-	-	-	-	-	45,646	44,615	-	-	326,135
Unrestricted, reported in										
Special revenue fund	-	-	-	-	-	-	-	-	(178,344)	(56,610)
Total all other governmental funds	$ 185,824	$ 130,109	$ -	$ -	$ - *	$ 45,646	$ 44,615	$ 22,457	$ (161,010)	$ 282,711

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 8,771,709	$ 8,771,709	$ 8,943,061	$ 9,025,784	$ 9,201,300	$ 9,669,135	$ 10,146,328	$ 10,349,255	$ 10,556,240	$ 10,762,090
Tuition charges	63,497	44,155	67,831	132,006	146,536	165,762	312,769	366,910	87,011	143,383
Interest earnings	10,591	18,783	49,963	15,328	9,041	1,126	606	69,170	92,083	69,974
Rents and royalties	-	-	-	-	-	-	-	-	-	10,000
Miscellaneous	21,124	16,244	18,110	60,472	64,601	20,491	25,552	40,638	72,519	70,100
State sources	2,995,655	3,241,611	3,261,783	3,471,209	3,277,843	3,656,695	3,883,620	4,115,103	4,067,331	4,913,650
State sources - capital projects	39,410	29,315	-	-	-	-	-	-	-	93,398
Federal sources	273,897	211,576	193,282	226,539	197,251	263,639	288,744	451,635	329,928	270,491
Total revenues	12,175,883	12,333,393	12,534,030	12,931,338	12,896,572	13,776,848	14,657,619	15,392,711	15,205,112	16,333,086
Expenditures										
Instruction										
Regular instruction	2,891,039	3,112,048	2,833,115	2,889,562	2,865,570	2,958,666	2,852,495	3,214,958	3,128,920	2,807,290
Special education instruction	1,470,252	1,388,692	1,454,651	1,559,043	1,599,407	1,663,881	1,747,647	1,320,383	1,454,522	1,572,794
Other special instruction	166,533	177,386	185,953	196,574	129,066	93,137	169,316	75,543	168,405	194,804
Other instruction	67,482	68,572	77,764	-	-	-	-	54,940	75,512	176,366
Support services										
Tuition	1,592	-	42,324	263,748	161,343	198,540	298,114	136,189	37,905	116,088
Student & instructional related services	1,194,228	1,177,542	1,196,982	1,407,585	1,143,840	1,296,464	1,450,985	2,138,737	2,200,569	1,966,440
General administration	357,609	333,814	329,121	325,186	321,690	333,288	397,979	350,248	412,733	371,574
School administration services	203,726	205,289	206,906	157,479	148,780	174,334	167,392	123,394	162,511	162,712
Central services	255,511	188,551	221,804	221,060	219,663	199,926	198,756	204,862	211,269	229,130
Plant operations & maintenance	841,255	865,005	1,107,644	878,468	986,847	948,373	1,037,867	878,666	889,792	998,251
Pupil transportation	349,426	380,290	374,288	474,258	523,397	464,924	570,018	632,191	573,274	563,925
Employee benefits	2,228,342	2,169,946	2,325,177	4,071,999	3,906,563	4,535,526	4,945,699	2,167,546	2,387,119	2,216,062
On-behalf TPAF Pension & Social Security contributions	1,085,132	1,241,537	1,377,101	-	-	-	-	2,482,063	2,665,174	2,720,234
Capital outlay	29,040	11,599	48,798	282,326	703,064	269,743	184,731	70,394	625,188	168,699
Capital projects	103,941	85,030	-	-	-	-	-	-	-	362,283
Special revenue funds	286,843	216,606	199,013	-	-	-	-	540,633	896,581	1,305,015
Debt service										
Interest & other charges	15,049	15,049	15,049	15,049	15,049	15,049	15,049	15,049	15,049	15,049
Total expenditures	11,547,000	11,636,956	11,995,690	12,742,337	12,724,279	13,151,851	14,036,048	14,405,796	15,904,523	15,946,716

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess (deficiency) of revenues over (under) expenditures	$ 628,883	$ 696,437	$ 538,340	$ 189,001	$ 172,293	$ 624,997	$ 621,571	$ 986,915	$ (699,411)	$ 386,370
Other financing sources (uses)										
Proceeds from sale of assets	-	6,865	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	47,175
Total other financing sources (uses)	-	6,865	-	-	-	-	-	-	-	47,175
Net change in fund balances	$ 628,883	$ 703,302	$ 538,340	$ 189,001	$ 172,293	$ 624,997	$ 621,571	$ 986,915	$ (699,411)	$ 433,545
Debt service as a percentage of non-capital expenditures	0.13%	0.13%	0.13%	0.12%	0.13%	0.12%	0.11%	0.11%	0.10%	0.10%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

HOLLAND TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interest income	$ 10,591	$ 18,783	$ 49,963	$ 62,273	$ 40,171	$ 4,887	$ 2,762	$ 69,170	$ 92,083	$ 69,974
Tuition	63,497	44,155	67,831	132,006	146,536	165,762	312,769	366,910	87,011	143,383
Canceled										
Prior year accounts payable	185	1,295	650	-	-	-	-	-	-	-
Prior year refunds	-	29	2,802	-	-	-	-	-	902	3,910
Miscellaneous other	113	428	-	13,528	32,264	16,730	606	-	-	-
Rents and royalties	-	-	-	-	-	-	-	-	-	10,000
Sale of assets	-	2,376	1,760	-	-	-	-	-	4,000	-
Chromebook use rental income	7,120	7,086	7,167	-	-	-	-	-	-	-
Bid specification fees	760	-	-	-	-	-	-	-	-	-
Annual totals	$ 82,266	$ 74,152	$ 130,173	$ 207,807	$ 218,971	$ 187,379	$ 316,137	$ 436,080	$ 183,996	$ 227,267

Source: District records

HOLLAND TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Vacant land	$ 7,439,600	$ 8,046,300	$ 7,665,900	$ 7,302,800	$ 9,831,500	$ 9,500,900	$ 8,791,500	$ 9,986,700	$ 9,986,700	$ 9,721,600
Residential	526,884,100	527,053,100	524,938,100	524,979,900	526,398,500	525,715,700	526,881,200	529,114,500	528,674,200	528,400,700
Farm regular	64,633,400	62,836,000	64,907,400	64,915,900	63,918,100	65,028,100	66,460,300	65,687,800	65,675,700	65,302,500
Qualified farm	2,602,380	2,569,630	2,733,430	2,736,830	2,633,930	2,634,730	2,635,730	2,619,730	2,623,080	2,589,380
Commercial	13,883,911	14,136,311	14,447,811	14,458,811	14,565,111	13,813,111	13,867,311	13,660,211	13,660,200	13,660,200
Industrial	11,231,600	10,488,100	10,448,100	10,448,100	10,198,100	10,198,100	10,198,100	10,198,100	10,198,100	9,735,900
Apartment	429,300	429,300	429,300	429,300	429,300	429,300	429,300	429,300	429,300	429,300
Total assessed value	627,104,291	625,558,741	625,570,041	625,271,641	627,974,541	627,319,941	629,263,441	631,696,341	631,247,280	629,839,580
Public utilities (a)	1,464,110	1,506,110	1,136,595	1,124,474	1,127,501	1,261,048	1,188,633	1,125,381	1,077,621	1,077,621
Net valuation taxable	$ 628,568,401	$627,064,851	$ 626,706,636	$ 626,396,115	$ 629,102,042	$ 628,580,989	$ 630,452,074	$ 632,821,722	$ 632,324,901	$ 630,917,201
Estimated actual county equalized value	$ 659,360,538	$659,551,604	$ 668,986,588	$ 677,890,301	$ 691,678,093	$ 690,957,089	$ 733,834,917	$ 807,582,596	$ 886,229,714	$ 979,532,994
Percentage of net valuation to estimated actual equalized value	95.33%	95.07%	93.68%	92.40%	90.95%	90.97%	85.91%	78.36%	71.35%	64.41%
Total direct school tax rate (b)	$ 1.400	$ 1.420	$ 1.440	$ 1.471	$ 1.537	$ 1.614	$ 1.642	$ 1.668	$ 1.702	$ 1.721

Source: Municipal Tax Assessor

Notes: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
(b) Tax rates are per $100.

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per $100 of Assessed Value)

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County		
2016	$ 1.400	$ -	$ 1.400	$ 0.610	$ 0.190	$ 0.390	$ -	$ 2.590
2017	1.420	-	1.420	0.650	0.190	0.390	-	2.650
2018	1.440	-	1.440	0.601	0.190	0.403	-	2.634
2019	1.471	-	1.471	0.668	0.190	0.409	-	2.738
2020	1.537	-	1.537	0.723	0.190	0.415	-	2.865
2021	1.614	-	1.614	0.738	0.190	0.415	-	2.957
2022	1.642	-	1.642	0.786	0.189	0.440	-	3.057
2023	1.668	-	1.668	0.795	0.189	0.481	-	3.133
2024	1.702	-	1.702	0.830	0.189	0.519	-	3.240
2025	1.721	-	1.721	0.866	0.189	0.570	-	3.346

Sources: Municipal Tax Collector

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

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable

(b) Rates for debt service are based on each year's requirements.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2025			2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Gilbert Power, LLC	$ 6,160,700	1	0.98%	$ -		0.00%
Individual Property Owner	3,645,200	2	0.58%	4,388,600	2	0.70%
Fiberville Estates LLC	3,621,500	3	0.57%	1,368,700	8	0.22%
Georgia-Pacific Corp.	2,789,400	4	0.44%	2,789,400	4	0.44%
Oak Hill Golf Club, Inc.	2,020,200	5	0.32%	2,929,000	3	0.47%
Columbia Gas	1,897,400	6	0.30%	1,897,400	5	0.30%
Spring Mills LLC	1,778,600	7	0.28%	-		0.00%
Holland 2MG LLC	1,540,200	8	0.24%	-		0.00%
Individual Property Owner	1,466,000	9	0.23%	1,562,500	6	0.25%
KJA Holdings Inc.	1,152,000	10	0.18%	1,178,500	10	0.19%
Genon Energy Services	-		0.00%	6,515,900	1	1.04%
Individual Property Owner	-		0.00%	1,463,000	7	0.23%
Holland Retail LLC	-		0.00%	1,228,700	9	0.20%
	$ 26,071,200		4.12%	$ 25,321,700		4.04%

Source: Municipal Tax Assessor

HOLLAND TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2016	$ 8,771,709	$ 8,771,709	100.00%
2017	8,771,709	8,771,709	100.00%
2018	8,943,061	8,943,061	100.00%
2019	9,025,784	9,025,784	100.00%
2020	9,201,300	9,201,300	100.00%
2021	9,669,135	9,669,135	100.00%
2022	10,146,328	10,146,328	100.00%
2023	10,349,255	10,349,255	100.00%
2024	10,556,240	10,556,240	100.00%
2025	10,762,090	10,762,090	100.00%

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

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Certificates of Participation	Governmental Activities: Leases	Governmental Activities: Bond Anticipation Notes (BANs)	Business-Type Activities: Leases	Total District	% of Personal Income (a)	Per Capita (a)
2016	$ -	$ -	$ -	$ -	$ -	$ -	0.00%	$ -
2017	-	-	-	-	-	-	0.00%	-
2018	-	-	-	-	-	-	0.00%	-
2019	-	-	-	-	-	-	0.00%	-
2020	-	-	-	-	-	-	0.00%	-
2021	-	-	-	-	-	-	0.00%	-
2022	-	-	-	-	-	-	0.00%	-
2023	-	-	-	-	-	-	0.00%	-
2024	-	-	-	-	-	-	0.00%	-
2025	-	-	-	-	-	-	N/A	-

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

N/A Information is not available

HOLLAND TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
2016	$ -	$ -	$ -	0.00%	$ -
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	-	-	0.00%	-
2025	-	-	-	0.00%	-

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See Exhibit J-6 for property tax data.
(b) Population data can be found in Exhibit J-14.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Debt repaid with property taxes			
Municipality	$ -	100.00%	$ -
Regional High School	-	29.55%	-
County general obligation debt	72,292,160	3.28%	2,371,183
Subtotal, overlapping debt			2,371,183
School District direct debt			-
Total direct and overlapping debt			$ 2,371,183

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.

Notes: 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 Municipality. This process recognizes that when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping payment.

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2025

		Equalized Valuation Basis	
	2024		$ 980,045,459
	2023		885,348,761
	2022		803,041,655
			$ 2,668,435,875
Average equalized valuation of taxable property			$ 889,478,625
Debt limit (3.0% of average equalization value)		(a)	$ 26,684,359
Total net debt applicable to limit			-
Legal debt margin			$ 26,684,359

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt limit	$ 20,573,655	$ 21,113,968	$ 22,262,882	$ 24,199,589	$ 26,684,359
Total net debt applicable	-	-	-	-	-
Legal debt margin	$ 20,573,655	$ 21,113,968	$ 22,262,882	$ 24,199,589	$ 26,684,359
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	$ 19,915,786	$ 19,786,380	$ 19,865,629	$ 20,064,791	$ 20,334,060
Total net debt applicable	-	-	-	-	-
Legal debt margin	$ 19,915,786	$ 19,786,380	$ 19,865,629	$ 20,064,791	$ 20,334,060
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation basis obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2016	5,182	$ 407,579,846	$ 78,653	4.5%
2017	5,146	417,114,176	81,056	3.7%
2018	5,139	423,104,148	82,332	3.5%
2019	5,119	435,826,541	85,139	2.9%
2020	5,108	458,024,144	89,668	7.5%
2021	5,077	466,505,222	91,886	5.5%
2022	5,193	509,282,703	98,071	3.5%
2023	5,218	519,984,136	99,652	3.3%
2024	5,208	551,011,608	105,801	3.7%
2025	5,232	N/A	N/A	N/A

Sources:

(a) Population information provided by the NJ Dept of Labor and Workforce Development.

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

(c) Per capita personal income by County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information is not available

HOLLAND TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2025

Employer	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2016

Employer	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

HOLLAND TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
Instruction										
Regular	46.7	45.2	38.8	38.6	41.0	*	43.0	38.0	43.0	44.0
Special education	26.2	25.2	31.9	35.2	29.3	*	24.6	18.5	25.0	21.0
Support services										
Student and instruction related services	16.4	16.5	14.1	12.7	8.9	*	8.7	16.0	13.0	11.1
General administration	2.0	2.0	2.0	2.1	2.1	*	2.1	2.1	2.1	2.0
School administration services	3.0	3.0	3.0	2.3	2.3	*	2.0	2.0	2.0	3.0
Central services	3.4	3.4	3.0	2.5	2.5	*	2.5	2.5	1.5	3.0
Plant operations and maintenance	5.8	5.8	6.7	5.8	5.8	*	5.5	5.5	5.5	5.0
Total	103.5	101.1	99.5	99.2	91.9	*	88.4	84.6	92.1	89.1

* Information not available

Source: District Personnel Records

HOLLAND TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	559	$ 11,398,970	$ 20,392	7.68%	66.0	1 to 8.47	557.0	534.0	-4.79%	95.87%
2017	551	11,525,278	20,917	2.57%	68.0	1 to 8.10	548.0	525.0	-1.62%	95.80%
2018	568	11,931,843	21,007	0.43%	68.0	1 to 8.35	564.0	538.0	2.92%	95.39%
2019	531	12,444,962	23,437	11.57%	74.0	1 to 7.18	534.0	508.0	-5.32%	95.13%
2020	501	12,006,166	23,964	2.25%	70.0	1 to 7.16	529.0	510.0	-0.94%	96.41%
2021	*	12,867,059	*	*	*	*	*	*	*	*
2022	507	13,836,268	27,290	13.88%	68.0	1 to 7.46	511.5	497.0	-3.31%	97.17%
2023	517	14,320,353	27,699	1.50%	69.0	1 to 7.49	516.8	482.5	1.04%	93.36%
2024	523	15,264,286	29,186	5.37%	68.0	1 to 7.69	523.7	493.6	1.33%	94.25%
2025	521	15,400,685	29,560	1.28%	74.0	1 to 7.04	522.0	492.8	-0.33%	94.41%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.
(b) Teaching staff includes only full-time equivalents or certificated staff.
(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

* Information not available

HOLLAND TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary (1948)										
Square feet	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840	112,840
Capacity (students)	770.0	770.0	770.0	770.0	770.0	770.0	770.0	770.0	770.0	770.0
Average daily enrollment	557.0	548.0	564.0	534.0	529.0	*	511.5	516.8	523.7	522.0

Number of schools at June 30, 2025:	
Elementary	1
Middle School	-
High School	-
Other	-

Source: District Facilities Office
* Information not available

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ending	Amount
2016	$ 175,332
2017	189,414
2018	374,948
2019	167,906
2020	294,376
2021	179,073
2022	263,976
2023	125,989
2024	126,652
2025	242,878
Total school facilities	$ 2,140,544

Source: District Records

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

HOLLAND TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2025
(Unaudited)

	Coverage	Deductible
Commercial Package Policy - School Alliance Insurance Fund		
PROPERTY SECTION		
Blanket building and contents (fund limit)	$ 500,000,000	$ 2,500
Accounts receivable	In Blanket Limit	2,500
Automobile physical damage	In Blanket Limit	1,000
Builders risk	25,000,000	2,500
Electronic data processing equipment	In Blanket Limit	2,500
LIABILITY SECTION		
Comprehensive general liability	5,000,000	-
Automobile liability	5,000,000	-
Employee benefit liability	5,000,000	-
EXCESS LIABILITY		
Includes general/auto liability/school board legal liability	5,000,000	-
CRIME		
Blanket employee dishonesty	500,000	1,000
Forgery	50,000	1,000
Theft/disappearance/destruction:		
Inside	50,000	1,000
Outside	50,000	1,000
Computer fraud	50,000	1,000
Funds transfer fraud	50,000	1,000
SCHOOL BOARD LEGAL LIABILITY	5,000,000	5,000
ENVIRONMENTAL IMPAIRMENT LIABILITY - (ACE)		
Limit of liability		
Incident	1,000,000	50,000
Fund annual aggregate	10,000,000	-
WORKERS' COMPENSATION (SAIF)		
(a) Statutory benefits	Included	-
(a) Employer's liability	5,000,000	-
Supplemental coverage (optional)	Included	-
Public employees' faithful performance blanket position bond		
Business Administrator - O'Brien	200,000	-
Treasurer - Albert	200,000	-

Source: District records

SINGLE AUDIT SECTION

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART I

BKC
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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable President and
Members of the Board of Education
Holland Township School District
Milford, New Jersey

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, and the aggregate remaining fund information of the Holland Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2025, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated November 11, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKC, CPAs, PC

BKC, CPAs, PC

MH

Michael A. Holk, CPA, PSA
NO. 20CS00265600

November 11, 2025
Flemington, New Jersey

BKC
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the New Jersey OMB Circular 15-08

Honorable President and
Members of the Board of Education
Holland Township School District
Milford, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Holland Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB's Circulars 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

BKC, CPAs, PC

BKC, CPAs, PC

MH

Michael A. Holk, CPA,
PSA NO. 20CS00265600

November 11, 2025
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

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

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2024 (Acct Rec) Def Revenue	Balance June 30, 2024 Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor
U.S. Department of Education passed														
through State Department of Education														
Special Revenue Fund														
Special education cluster (IDEA)														
IDEA Basic	84.027A	H027A250100	$ 137,629	07/01/24	06/30/25	$ -	$ -	$ 137,629	$ 137,629	$ -	$ -	$ -	$ -	$ -
IDEA Preschool	84.173A	H173A250114	5,602	07/01/24	06/30/25	-	-	5,602	5,602	-	-	-	-	-
Total special education cluster (IDEA)						-	-	143,231	143,231	-	-	-	-	-
Title I A	84.010	S010A250030	14,021	07/01/24	06/30/25	-	-	12,031	14,021	-	-	(1,990)	-	-
Title II A	84.367A	S367A250029	6,423	07/01/24	06/30/25	-	-	6,423	6,423	-	-	-	-	-
Title IV	84.424	S424A250031	10,000	07/01/24	06/30/25	-	-	10,000	10,000	-	-	-	-	-
COVID-19														
ARP - ESSER														
ARP - ESSER	84.425U	S425U210027	120,597	03/13/20	09/30/24	-	-	37,097	37,097	-	-	-	-	-
Small, Rural School Achievement Program	84.358	S358B250030	59,719	07/01/24	09/30/25	-	-	59,719	59,719	-	-	-	-	-
Total Special Revenue Fund						-	-	268,501	270,491	-	-	(1,990)	-	-
U.S. Department of Agriculture passed														
through State Department of Agriculture														
Enterprise Fund														
Child Nutrition Cluster														
National School Lunch Program														
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	19,121	07/01/23	06/30/24	2,815	-	-	2,815	-	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	251NJ304N1099	15,828	07/01/24	06/30/25	-	-	15,828	13,136	-	-	-	2,692	-
Cash Assistance	10.555	241NJ304N1099	25,804	07/01/23	06/30/24	(678)	-	678	-	-	-	-	-	-
Cash Assistance	10.555	251NJ304N1099	45,919	07/01/24	06/30/25	-	-	44,712	45,919	-	-	(1,207)	-	-
Total Child Nutrition Cluster						2,137	-	61,218	61,870	-	-	(1,207)	2,692	-
P-EBT Administrative	10.649	2022225900941	643	07/01/24	06/30/25	-	-	643	643	-	-	-	-	-
Total Enterprise Fund						2,137	-	61,861	62,513	-	-	(1,207)	2,692	-
Total Federal Awards						$ 2,137	$ -	$ 330,362	$ 333,004	$ -	$ -	$ (3,197)	$ 2,692	$ -

See independent auditors' report.

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

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2024 Deferred Rev. (Accts. Rec)	Balance June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditure	Adjust-ments	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Expenditure
State Department of Education														
General Fund														
Transportation Aid	25-495-034-5120-014	$ 36,300	07/01/24	06/30/25	$ -	$ -	$ 33,272	$ 36,300	$ -	$ -	$ -	$ -	$ 3,028	$ 36,300
Special Education Categorical Aid	25-495-034-5120-089	530,185	07/01/24	06/30/25	-	-	485,957	530,185	-	-	-	-	44,228	530,185
Equalization Aid	25-495-034-5120-078	473,643	07/01/24	06/30/25	-	-	434,132	473,643	-	-	-	-	39,511	473,643
School Choice Aid	25-495-034-5120-068	130,041	07/01/24	06/30/25	-	-	119,194	130,041	-	-	-	-	10,847	130,041
Security Aid	25-495-034-5120-084	9,453	07/01/24	06/30/25	-	-	8,664	9,453	-	-	-	-	789	9,453
Extraordinary Special Education Costs Aid	24-495-034-5120-044	182,350	07/01/23	06/30/24	(182,350)	-	182,350	-	-	-	-	-	-	182,350
Extraordinary Special Education Costs Aid	25-495-034-5120-044	131,387	07/01/24	06/30/25	-	-	-	131,387	-	(131,387)	-	-	-	131,387
Non-Public Transportation Aid	24-495-034-5120-014	3,185	07/01/23	06/30/24	(3,185)	-	3,185	-	-	-	-	-	-	3,185
Non-Public Transportation Aid	25-495-034-5120-014	2,335	07/01/24	06/30/25	-	-	-	2,335	-	(2,335)	-	-	-	2,335
State Reimb - Menstrual Products	Unavailable	105	07/01/24	06/30/25	-	-	-	105	-	(105)	-	-	-	105
State Reimb - Lead Testing	25-495-034-5120-014	2,150	07/01/24	06/30/25	-	-	-	2,150	-	(2,150)	-	-	-	2,150
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	395,975	07/01/23	06/30/24	(19,397)	-	19,397	-	-	-	-	-	-	395,975
Reimbursed TPAF Social Security Contribution	25-495-034-5094-003	398,021	07/01/24	06/30/25	-	-	372,263	398,021	-	(25,758)	-	-	-	398,021
On-Behalf TPAF Pension Contribution - Teacher's Pension & Annuity Fund	25-495-034-5094-002	1,774,535	07/01/24	06/30/25	-	-	1,774,535	1,774,535	-	-	-	-	-	1,774,535
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	25-495-034-5094-004	21,982	07/01/24	06/30/25	-	-	21,982	21,982	-	-	-	-	-	21,982
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	25-495-034-5094-002	753	07/01/24	06/30/25	-	-	753	753	-	-	-	-	-	753
On-Behalf TPAF Pension Contribution - Postretirement Medical	25-495-034-5094-001	524,943	07/01/24	06/30/25	-	-	524,943	524,943	-	-	-	-	-	524,943
Total General Fund					(204,932)	-	3,980,627	4,035,833	-	(161,735)	-	-	98,403	4,617,343
State Department of Education														
Special Revenue Fund														
School Climate Change Pilot	23-WB01-G02	6,660	07/01/22	06/30/23	2,308	-	-	-	-	-	2,308	-	-	4,352
Preschool Expansion Aid	24-495-034-5120-086	535,032	07/01/23	06/30/24	185,200	-	-	185,200	-	-	-	-	-	535,032
Preschool Expansion Aid	25-495-034-5120-086	566,100	07/01/24	06/30/25	-	-	509,490	566,100	-	-	-	-	56,610	566,100
School Reorganization Efficiency Program (SREP)	Unavailable	118,000	07/01/24	06/30/25	-	-	59,000	98,000	-	(39,000)	-	-	-	98,000
Total Special Revenue Fund					187,508	-	568,490	849,300	-	(39,000)	2,308	-	56,610	1,203,484

See independent auditors' report.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B (continued)
For the Fiscal Year Ended June 30, 2025

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2024 Deferred Rev. (Accts. Rec)	Balance June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditure	Adjust-ments	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Expenditure
NJ School Development Authority														
Capital Projects Fund														
School facilities project - HVAC upgrades	2220-060-23-R501	$ 206,680	07/01/24	06/30/25	$ -	$ -	$ -	$ 93,398	$ -	$ (93,398)	$ -	$ -	$ 206,680	$ 93,398
Total Special Revenue Fund					-	-	-	93,398	-	(93,398)	-	-	206,680	93,398
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	24-100-010-3350-023	1,801	07/01/23	06/30/24	(40)	-	40	-	-	-	-	-	-	1,801
State School Lunch Program	25-100-010-3350-023	2,051	07/01/24	06/30/25	-	-	2,004	2,051	-	(47)	-	-	-	2,051
Total Enterprise Fund					(40)	-	2,044	2,051	-	(47)	-	-	-	3,852
Total State Financial Assistance					$ (17,464)	$ -	$ 4,551,161	4,980,582	$ -	$ (294,180)	$ 2,308	$ -	$ 361,693	$ 5,918,077
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teacher's Pension & Annuity Fund	25-495-034-5094-002	1,774,535	07/01/24	06/30/25				1,774,535						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	25-495-034-5094-004	21,982	07/01/24	06/30/25				21,982						
On-Behalf TPAF Pension Contribution - Postretirement Medical	25-495-034-5094-001	524,943	07/01/24	06/30/25				524,943						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	25-495-034-5094-002	753	07/01/24	06/30/25				753						
Total for State Financial Assistance - Major Program Determination								$ 2,658,369						

See independent auditors' report.

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

Note 1 - General

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 Holland Township School District. The District is defined in Note 1 (A) to the District's Basic Financial Statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

The Basic Financial Statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($17,253) for the general fund, $47,920 for the special revenue fund, and ($113,282) for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. See Exhibit F-2 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

Note 3 - Relationship of financial statement (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	$ -	$ 4,016,430	$ 4,016,430
Special revenue fund	270,491	897,220	1,167,711
Capital projects fund	-	93,398	93,398
Food service fund	62,513	2,051	64,564
Total awards and financial assistance	$ 333,004	$ 5,009,099	$ 5,342,103

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2025. TPAF Social Security Contribution 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.

Note 6 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART II

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	*Unmodified*
Internal Control Over Financial Reporting:	
1. Were material weakness(es) identified?	___ Yes _X_ No
2. Were significant deficiencies identified?	___ Yes _X_ None reported
Noncompliance material to Basic Financial Statements noted?	___ Yes _X_ No
Federal Awards	*Not Applicable*
Internal Control Over Major Programs:	
1. Were material weakness(es) identified?	___ Yes ___ No
2. Were significant deficiencies identified?	___ Yes ___ None reported
What was the type of auditors' report issued on compliance for major programs?	*Not Applicable*
Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?	___ Yes ___ No

Identification of Major Programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
Not Applicable	*Not Applicable*	*Not Applicable*

What was the dollar threshold used to distinguish between Type A and Type B programs?	
Did the auditee qualify as a low-risk auditee?	___ Yes ___ No

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

Section I - Summary of Auditors' Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? *$750,000*

Did the auditee qualify as a low-risk auditee? *X* Yes ___ No

Internal Control Over Major Programs:
1. Were material weakness(es) identified? ___ Yes *X* No

2. Were there significant deficiencies identified that are not considered to be material weaknesses? ___ Yes *X* None reported

What was the type of auditors' report issued on compliance for major programs? *Unmodified*

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

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
	State Aid Public Cluster:
25-495-034-5120-089	*Special Education Categorical Aid*
25-495-034-5120-078	*Equalization Aid*
25-495-034-5120-084	*Security Aid*
25-495-034-5120-068	*School Choice Aid*
25-495-034-5120-086	*Preschool Expansion Aid*

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

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2025.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2025.

HOLLAND TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2025

Status of Prior Year Findings

There were no prior year findings.