

**BRANCBURG TOWNSHIP
SCHOOL DISTRICT**

**Branchburg Township School District
Branchburg, New Jersey**

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

**Annual Comprehensive
Financial Report**

of the

Branchburg Township School District

Branchburg, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Branchburg Township School District Board of Education

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INTRODUCTORY SECTION
(UNAUDITED)

Branchburg Township School District

240 Baird Road
Branchburg, New Jersey 08876

Ms. Stephanie Voorhees

Interim Business Administrator/Board Secretary
svoorhees@branchburg.k12.nj.us

Honorable President and
Members of the Board of Education
Branchburg Township School District
240 Baird Road
Branchburg, New Jersey 08876

Dear Board Members:

The annual comprehensive financial report of the Branchburg Township School District (District) for the fiscal year ended June 30, 2025 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections as follows:

- The Introductory Section includes this Letter of Transmittal, the District's Organizational Chart, Roster of Officials, and Consultants and Advisors.
- The Financial Section includes the Independent Auditors' Report, the Management's Discussion and Analysis, and the Basic Financial Statements, Notes, and other schedules that provide an overview of the District's financial position.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section includes the Auditors' report on the internal control system and compliance with applicable laws and regulations and findings and recommendations. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

The Branchburg Township School District provides a full range of educational services for pupils in grades Kindergarten through 8. Resident pupils in grades 9-12 attend Somerville High School on a tuition basis. The K-8 programs include regular, special education and enrichment instruction which offer a wide range of opportunities for pupils of varying abilities. The District also offers a pre-K special education program that accepts up to 19 parent paid regular education students.

2. 2025-2026 MAJOR INITIATIVES:

The Branchburg Township School District continues to cultivate an inclusive community that empowers students to explore their interests, build healthy relationships, and develop the resilience and knowledge needed to thrive academically and personally in an ever-changing world. Our vision remains rooted in ensuring every student feels a deep sense of belonging that inspires them to take on challenges, pursue their passions, and grow into resilient, confident individuals.

For 2025–2026, this vision will be advanced through a series of targeted initiatives aligned to student achievement, family engagement, school culture, safety, and long-term sustainability.

Promoting Student Achievement

We are strengthening instructional practices at the classroom level, with a continued focus on high impact Tier 1 strategies, equitable access to programs, and consistent intervention and referral processes. Expanded course offerings at the middle school, refinements to attendance and behavior systems, and stronger transition supports from grade to grade including to Somerville High School will ensure students are prepared academically and socially. Special education programming will undergo a comprehensive review, with an emphasis on quality instruction, inclusion practices, and student growth.

Strengthening Family–District Collaboration

The district will deepen communication with families by continuing structured feedback loops, enhancing the district website, and expanding family engagement events such as academic nights, wellness programming, and student showcases. Partnerships with the PTO and the Branchburg Education Foundation will be strengthened to support innovation, enrichment, and student well-being.

Empowering Students

Students will be given increased voice and leadership opportunities through liaison groups and advisory structures. We will explore evidence-based programs to support emotional intelligence and expand our focus on wellness, mental health, and social emotional learning. At the same time, consistent behavior expectations rooted in restorative practices will be reinforced across schools, reducing infractions and supporting positive climates.

Ensuring Safety and Sustainability

The district will continue phased security enhancements, implement robust emergency preparedness measures, and use data from HIB reporting to inform prevention and training. Facility improvements will remain a priority, guided by referendum funded projects and a multi-year plan for maintenance and upgrades. Budget sustainability strategies, including new revenue opportunities and efficiency reviews, will be pursued to address rising costs that far exceed the state's two percent cap.

Innovation and Operational Excellence

Branchburg will continue to pilot the use of artificial intelligence tools to support learning and engagement, while also strengthening cybersecurity infrastructure and compliance. A long-range Board planning calendar will be developed to align governance cycles with district priorities, ensuring transparency and proactive decision making.

3. INTERNAL ACCOUNTING CONTROLS:

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

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

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

Honorable President and
Members of the Board of Education
Branchburg Township School District
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4. 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 appropriations budget approved by a vote of the Board of Education. Annual appropriations budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund.

Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year ended June 30, 2025 is reflected in the financial section.

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

5. ACCOUNTING SYSTEM AND REPORTS:

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

6. CASH MANAGEMENT:

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

7. 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. A schedule of insurance coverage is found in the Statistical Section as Schedule J-20.

Honorable President and
Members of the Board of Education
Branchburg Township School District
Page 5

8. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education.

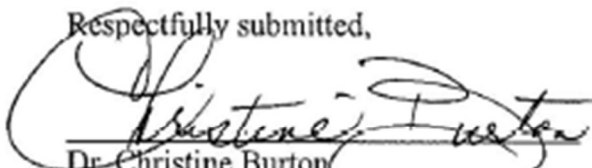
In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the state single audit and *Governmental Auditing Standards* are included in the single audit section of this report.

9. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Branchburg Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Board office staff.

Respectfully submitted,



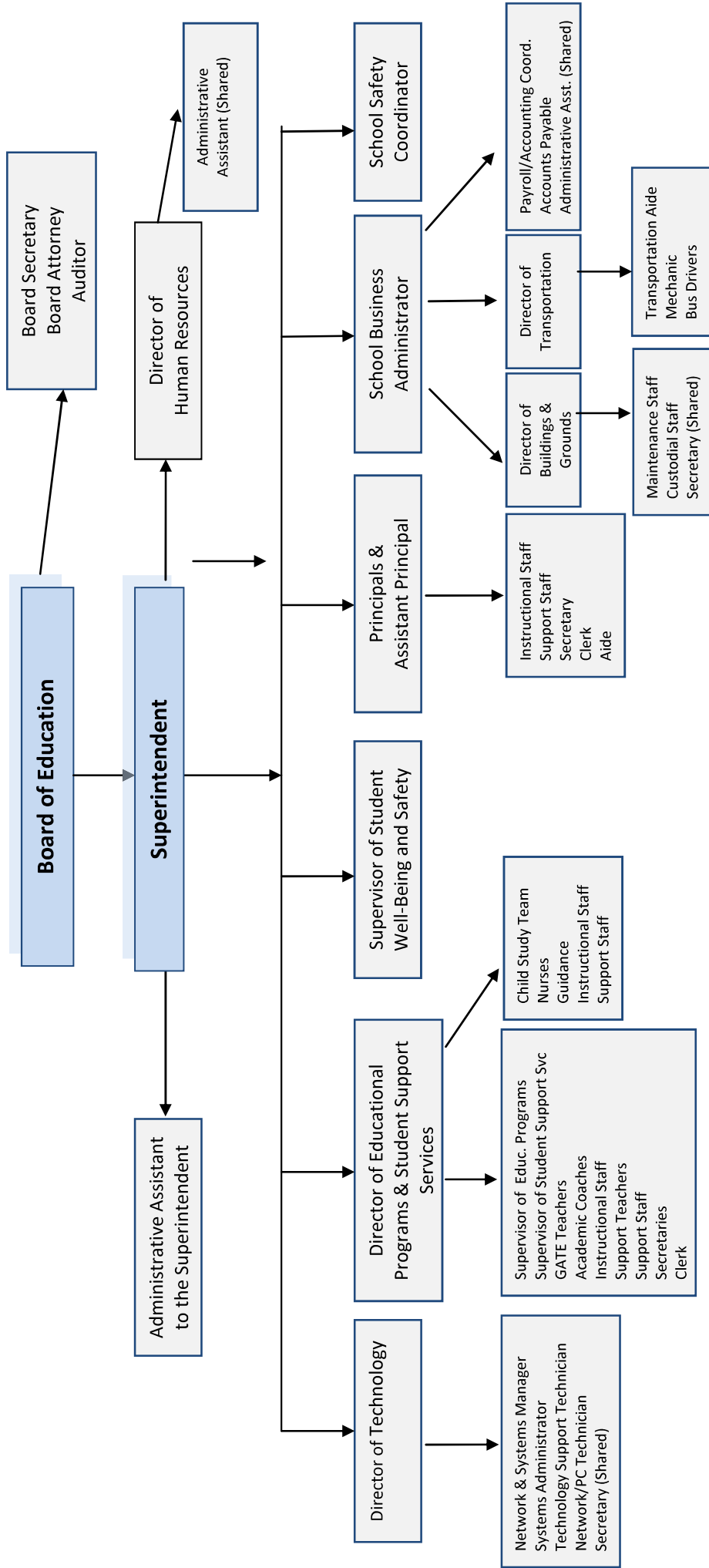
Dr. Christine Burton
Interim Superintendent of Schools



Stephanie Voorhees
Interim Business Administrator/
Board Secretary

Branchburg Township School District

2024-2025 Organizational Chart



Updated 6/30/25

BRANCBURG TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025

| <u>MEMBERS OF THE BOARD OF EDUCATION</u> | <u>TERM EXPIRES</u> |
|---|----------------------------|
| Vincent Carpentier, President | January 2027 |
| Puja Desai, Vice President | January 2026 |
| Kenneth Hallenbeck | January 2028 |
| Theresa Joyce | January 2026 |
| Nat Krishnamurti | January 2028 |
| Robert Maider | January 2027 |
| Bindhu Shah | January 2026 |
| Meghan Smith | January 2028 |
| Charles Tuma | January 2027 |

| <u>OTHER OFFICIALS</u> | <u>TITLE</u> |
|-------------------------------|---|
| Dr. Karen Chase | Superintendent of Schools |
| Stephanie Voorhees | Interim School Business Administrator/Board Secretary |
| David B. Rubin, Esq. | Board Attorney |
| Jennifer Anderson | Director of Educational Programs and Student Support Services |
| Beth Stanton | Principal, Branchburg Central Middle School |
| Kristen Kries | Principal, Stony Brook School |
| Dee Shober | Principal, Whiton Elementary School |

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

ATTORNEY

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OFFICIAL DEPOSITORY

TD Bank
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Bridgewater, New Jersey 08807

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

November 4, 2025
Mt. Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell
Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BRANCHBURG, NEW JERSEY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

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

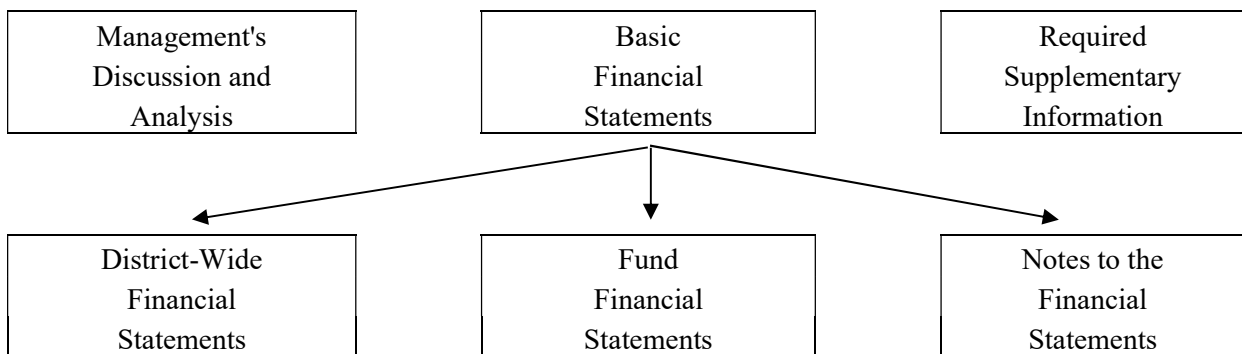
Overview of the Financial Statements

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

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

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

**Figure A-1
Organization of Branchburg Board of Education’s Financial Report**



**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

| | District-Wide Statements | Fund Financial Statements | |
|--|--|--|---|
| | | Governmental Funds | Proprietary Funds |
| Scope | Entire District | The activities of the District that are not proprietary such as special education and building maintenance | Activities the District operates similar to private businesses: food services |
| Required Financial Statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances | <ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| Type of Asset/Liability Information | All assets and liabilities, both financial and capital, short-term and long-term | Assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities are included | All assets and liabilities, both financial and capital, short-term and long-term |
| Type of Inflow/Outflow Information | All revenue and expenses during the year, regardless of when cash is received or paid | Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable | All revenue and expenses during the year, regardless of when cash is received or paid |

**BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BRANCHBURG, NEW JERSEY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- *Governmental funds*: Most of the District’s basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Fund Financial Statements

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$37,991,252 on June 30, 2025, \$2,583,646 or 7.30% more than the year before (See Figure A-3). Net position from governmental activities increased \$2,558,571 and net position from business-type activities increased \$25,075 (See Figure A-4). Net investment in capital assets increased \$397,988, restricted net position increased \$1,803,741 and unrestricted net position increased \$381,917.

**Figure A-3
Condensed Statement of Net Position**

| | Government Activities | | Business-Type Activities | | Total School District | | Percent Change |
|----------------------------------|-----------------------|---------------|--------------------------|------------|-----------------------|---------------|----------------|
| | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | |
| Current and Other Assets | \$ 16,710,003 | \$ 15,271,773 | \$ 290,196 | \$ 353,471 | \$ 17,000,199 | \$ 15,625,244 | |
| Capital Assets, Net | 37,216,003 | 38,587,275 | 116,550 | 59,263 | 37,332,553 | 38,646,538 | |
| Total Assets | 53,926,006 | 53,859,048 | 406,746 | 412,734 | 54,332,752 | 54,271,782 | 0.11% |
| Deferred Outflows of Resources | 1,186,970 | 949,994 | | | 1,186,970 | 949,994 | 24.94% |
| Other Liabilities | 934,589 | 1,026,088 | 27,074 | 58,137 | 961,663 | 1,084,225 | |
| Long-Term Liabilities | 15,970,226 | 17,945,826 | | | 15,970,226 | 17,945,826 | |
| Total Liabilities | 16,904,815 | 18,971,914 | 27,074 | 58,137 | 16,931,889 | 19,030,051 | -11.03% |
| Deferred Inflows of Resources | 596,581 | 784,119 | | | 596,581 | 784,119 | -23.92% |
| Net Position: | | | | | | | |
| Net Investment in Capital Assets | 27,924,811 | 27,584,110 | 116,550 | 59,263 | 28,041,361 | 27,643,373 | |
| Restricted | 11,370,932 | 9,567,191 | | | 11,370,932 | 9,567,191 | |
| Unrestricted/(Deficit) | (1,684,163) | (2,098,292) | 263,122 | 295,334 | (1,421,041) | (1,802,958) | |
| Total Net Position | \$ 37,611,580 | \$ 35,053,009 | \$ 379,672 | \$ 354,597 | \$ 37,991,252 | \$ 35,407,606 | 7.30% |

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Financial Analysis of the District as a Whole

Changes in net position. The District's *combined* net position increased by \$2,583,646 or 7.30%, over the course of the fiscal year. Net investment in capital assets increased \$397,988 primarily due to a \$1,745,000 net reduction in bonded debt from current year maturities and \$977,480 in capital additions (\$913,677 from governmental and \$63,803 from business-type activities) offset by \$2,291,465 in depreciation (\$2,284,949 from governmental and \$6,516 from business-type activities). Restricted net position increased \$1,803,741 mainly due to an increase in excess surplus of \$1,500,000, an increase of \$276,200 in maintenance reserve and an increase in tuition reserve of \$214,997, offset by a decrease of \$234,705 in capital reserve. The \$381,917 increase in unrestricted net position is due primarily to an increase in capital projects, a decrease in deferred inflows related to pensions and an increase in deferred outflows related to pensions offset by decreases in encumbrances and unassigned fund balance (See Figure A-4).

Figure A-4

Changes in Net Position from Operating Results

| | Governmental Activities | | Business-Type Activities | | Total School District | | Percent Change |
|--------------------------------|-------------------------|---------------------|--------------------------|------------------|-----------------------|---------------------|----------------|
| | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | |
| Revenue: | | | | | | | |
| Program Revenue: | | | | | | | |
| Charges for Services | \$ 498,284 | \$ 461,158 | \$ 525,956 | \$ 565,383 | \$ 1,024,240 | \$ 1,026,541 | |
| Operating Grants/Contributions | 8,328,567 | 9,359,960 | 192,007 | 214,820 | 8,520,574 | 9,574,780 | |
| General Revenue: | | | | | | | |
| Property Taxes | 48,904,263 | 47,209,478 | | | 48,904,263 | 47,209,478 | |
| Unrestricted Federal/State Aid | 212,066 | 195,572 | | | 212,066 | 195,572 | |
| Other | 979,217 | 1,028,419 | 4,235 | 10,451 | 983,452 | 1,038,870 | |
| Total Revenue | <u>58,922,397</u> | <u>58,254,587</u> | <u>722,198</u> | <u>790,654</u> | <u>59,644,595</u> | <u>59,045,241</u> | 1.02% |
| Expenses: | | | | | | | |
| Instruction | 23,523,102 | 22,533,981 | | | 23,523,102 | 22,533,981 | |
| Pupil and Instruction Services | 20,084,699 | 21,086,412 | | | 20,084,699 | 21,086,412 | |
| Administrative and Business | 3,464,804 | 3,636,837 | | | 3,464,804 | 3,636,837 | |
| Maintenance and Operations | 3,242,955 | 2,645,953 | | | 3,242,955 | 2,645,953 | |
| Transportation | 3,747,200 | 3,445,350 | | | 3,747,200 | 3,445,350 | |
| Other | 2,301,066 | 2,174,316 | 697,123 | 697,500 | 2,998,189 | 2,871,816 | |
| Total Expenses | <u>56,363,826</u> | <u>55,522,849</u> | <u>697,123</u> | <u>697,500</u> | <u>57,060,949</u> | <u>56,220,349</u> | 1.50% |
| Change in Net Position | <u>\$ 2,558,571</u> | <u>\$ 2,731,738</u> | <u>\$ 25,075</u> | <u>\$ 93,154</u> | <u>\$ 2,583,646</u> | <u>\$ 2,824,892</u> | -8.54% |

**BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BRANCHBURG, NEW JERSEY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Governmental Activities

The financial position of the District’s Governmental Activities improved significantly. However, maintaining existing programs, developing new programs for regular education pupil enrollment and continued special programs and services for disabled pupils places great demands on the District’s resources. Veteran employee retirements and increased employee health benefit contributions have been surpassed by the increase in health benefits costs and the costs associated with training new teachers.

Careful management of expenses remains essential for the District to sustain its financial health. The following measures have continued to be utilized by the District and resulted in significant cost saving and have led to superior transportation efficiency and fiscal restraint. The District’s cost-saving measures included:

- Joint Transportation with surrounding school districts
- All employees contribute towards health and dental benefits
- Group purchasing for electric, gas, insurance and telecommunications
- Shared transportation operations with Readington Township School District
- Continuation of in-district special education programs

Due to the constraints placed upon the District by legislation enacted in the past several years, it is crucial that the District continually examines its expenses. Parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of six major District activities: instruction, pupil & instructional services, administration & business, maintenance & operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

**Figure A-5
Net Cost of Governmental Activities**

| | Total Costs of Services | | Net Cost of Services | |
|--------------------------------|-------------------------|----------------------|----------------------|----------------------|
| | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 |
| Instruction | \$ 23,523,102 | \$ 22,533,981 | \$ 17,206,976 | \$ 15,573,011 |
| Pupil and Instruction Services | 20,084,699 | 21,086,412 | 19,307,593 | 19,873,080 |
| Administration and Business | 3,464,804 | 3,636,837 | 3,160,256 | 3,176,625 |
| Maintenance and Operations | 3,242,955 | 2,645,953 | 3,242,955 | 2,645,953 |
| Transportation | 3,747,200 | 3,445,350 | 2,318,129 | 2,258,746 |
| Other | 2,301,066 | 2,174,316 | 2,301,066 | 2,174,316 |
| | <u>\$ 56,363,826</u> | <u>\$ 55,522,849</u> | <u>\$ 47,536,975</u> | <u>\$ 45,701,731</u> |

**BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BRANCHBURG, NEW JERSEY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Business-Type Activities

- Net position from the District’s business-type activities (Food Service program) increased \$25,075 which consisted of a \$57,287 increase in the Net Investment in Capital Assets offset by a \$32,212 decrease in Unrestricted Net Position. The decrease in the Unrestricted Net Position reflects the District’s plan to reduce the Food Service net cash resources in accordance with the Department of Agriculture’s regulations. (Refer to Figure A-4).

Financial Analysis of the District’s Funds

The District’s General Fund fund balance increased \$360,709 primarily due to unexpended budget appropriations.

The District has had a multi-year practice of utilizing excess surplus from its restricted and annual tuition reserves to offset or reduce the tax levy.

The District must continue its practice of sound financial management in order to maintain a stable financial position and achieve educational excellence.

General Fund Budgetary Highlights

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

Capital Assets

The District’s capital assets decreased \$1,313,985 – from \$38,646,538 to \$37,332,553 – or 3.40%, over the course of the fiscal year. (See Figure A-6.) (More detailed information about the District’s capital assets is presented in Note 8 to the basic financial statements.)

**Figure A-6
Capital Assets (Net of Depreciation)**

| | Government Activities | | Business-Type Activities | | Total School District | | Percent Change |
|-------------------------------------|-----------------------|----------------------|--------------------------|------------------|-----------------------|----------------------|----------------|
| | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | 2024/2025 | 2023/2024 | |
| Land | \$ 2,367,600 | \$ 2,367,600 | | | \$ 2,367,600 | \$ 2,367,600 | |
| Construction in Progress | 108,909 | | | | 108,909 | | |
| Site Improvements | 1,229,554 | 1,350,124 | | | 1,229,554 | 1,350,124 | |
| Buildings and Building Improvements | 31,853,234 | 33,416,396 | | | 31,853,234 | 33,416,396 | |
| Furniture, Machinery & Equipment | 1,656,706 | 1,453,155 | \$ 116,550 | \$ 59,263 | 1,773,256 | 1,512,418 | |
| Total Capital Assets, Net | \$ 37,216,003 | \$ 38,587,275 | \$ 116,550 | \$ 59,263 | \$ 37,332,553 | \$ 38,646,538 | -3.40% |

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Capital Assets

The decrease in capital assets was attributable to current year depreciation of \$2,291,465 (\$2,284,949 from its governmental and \$6,516 from its business-type activities) during the year offset by capital asset acquisitions (net of deletions) of \$977,480 (\$913,677 from its governmental and \$63,803 from its business-type activities).

Long-Term Liabilities

The District’s long-term liabilities decreased \$1,975,600 – from \$17,945,826 to \$15,970,226 – or 11.01%, over the course of the fiscal year. (See Figure A-7.) (More detailed information about the District’s long-term liabilities is presented in Note 9 to the financial statements.)

**Figure A-7
Outstanding Long-Term Liabilities**

| | Total School District | | Percent Change |
|---|-----------------------|----------------------|-------------------|
| | 2024/2025 | 2023/2024 | |
| General Obligation Bonds (Financed with Property Taxes) | \$ 9,465,000 | \$ 11,210,000 | |
| Unamortized Bond Issuance Premium | 993,550 | 1,189,388 | |
| Net Pension Liability | 4,942,791 | 4,931,826 | |
| Compensated Absences Payable | 568,885 | 614,612 | |
| | <u>\$ 15,970,226</u> | <u>\$ 17,945,826</u> | -11.01% |

The decrease in long-term liabilities was attributable to a decrease in bonds of \$1,745,000, a decrease in unamortized bond issuance premium of \$195,838, and a net decrease in compensated absences payable of \$45,727 offset by an increase in the net pension liability of \$10,965.

Factors Bearing on the District’s Future

The Branchburg Township School District is currently maintaining stable financial operations. However, several factors are expected to influence future planning and the district’s overall financial outlook. In preparing the 2025–2026 budget, the administration carefully considered increased enrollment, which requires additional staffing and resources; unpredictable state and federal aid, which makes long-term planning difficult; rising salary and benefit costs, which continue to grow each year; and capital needs related to maintaining and improving district facilities. District employees are also contributing to health benefit costs on a tiered system, which helps offset increases in premiums.

Looking ahead, the district faces rising operational costs that far exceed the state’s two percent cap on annual tax levy increases. These pressures are driven by a variety of factors, including but not limited to out-of-district placement costs, health benefit expenses, and mandated program requirements. In addition, the district has experienced enrollment growth beyond what was projected by the demographer, largely due to new housing developments in the township.

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2025**

Factors Bearing on the District's Future

Other challenges that will continue to shape financial and operational planning include the potential impact of Affordable Housing (COAH) requirements, which may further increase enrollment and resource demands; the rising costs associated with ensuring the safety and security of students and staff; and state-mandated changes to employee health benefit plans and contributions, which may shift budget priorities.

While these challenges require careful management, the Branchburg Township Board of Education remains committed to balancing fiscal responsibility with the district's mission to provide high-quality educational opportunities for all students.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 240 Baird Road, Branchburg, New Jersey 08876.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

| | <u>Governmental</u> <u>Activities</u> | <u>Business-type</u> <u>Activities</u> | <u>Total</u> |
|---|--|---|-------------------|
| ASSETS: | | | |
| Cash and Cash Equivalents | \$ 5,871,436 | \$ 256,020 | \$ 6,127,456 |
| Receivable from State Government | 816,203 | 502 | 816,705 |
| Receivable from Federal Government | 14,744 | 8,479 | 23,223 |
| Other Accounts Receivable | 136,689 | 6,124 | 142,813 |
| Inventories | | 19,071 | 19,071 |
| Restricted Assets - Cash and Cash Equivalents | 9,870,931 | | 9,870,931 |
| Capital Assets: | | | |
| Sites (Land) and Construction in Progress | 2,476,509 | | 2,476,509 |
| Depreciable Site Improvements, Building & Building Improvements & Furniture, Machinery & Equipment | 34,739,494 | 116,550 | 34,856,044 |
| Total Assets | 53,926,006 | 406,746 | 54,332,752 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Amount on Refunding | 173,808 | | 173,808 |
| Deferred Outflows - Pensions | 463,168 | | 463,168 |
| Deferred Outflows - District Contribution Subsequent to the Measurement Date - Pensions | 549,994 | | 549,994 |
| Total Deferred Outflows of Resources | 1,186,970 | | 1,186,970 |
| LIABILITIES: | | | |
| Accrued Interest Payable | 175,377 | | 175,377 |
| Accounts Payable | 744,143 | | 744,143 |
| Payable to Federal Government | 500 | | 500 |
| Payable to State Government | 1,202 | | 1,202 |
| Unearned Revenue | 13,367 | 27,074 | 40,441 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 2,080,837 | | 2,080,837 |
| Due Beyond One Year | 13,889,389 | | 13,889,389 |
| Total Liabilities | 16,904,815 | 27,074 | 16,931,889 |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Deferred Inflows Related to Pensions | 596,581 | | 596,581 |
| Total Deferred Inflows of Resources | 596,581 | | 596,581 |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025
(Continued)

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|----------------------------------|------------------------------------|-------------------------------------|----------------------|
| NET POSITION: | | | |
| Net Investment in Capital Assets | \$ 27,924,811 | \$ 116,550 | \$ 28,041,361 |
| Restricted for: | | | |
| Capital Projects | 5,632,749 | | 5,632,749 |
| Debt Service | 1 | | 1 |
| Tuition | 2,200,000 | | 2,200,000 |
| Excess Surplus | 1,500,000 | | 1,500,000 |
| Emergency | 120,000 | | 120,000 |
| Maintenance | 1,000,000 | | 1,000,000 |
| Unemployment Compensation | 847,851 | | 847,851 |
| Student Activities | 70,331 | | 70,331 |
| Unrestricted/(Deficit) | <u>(1,684,163)</u> | <u>263,122</u> | <u>(1,421,041)</u> |
| Total Net Position | <u>\$ 37,611,580</u> | <u>\$ 379,672</u> | <u>\$ 37,991,252</u> |

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

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

| Functions/Programs | Program Revenue | | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|-------------------|-------------------------|--|--|--|-----------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 14,085,158 | \$ 39,435 | \$ 1,672,723 | | \$ (12,373,000) | | \$ (12,373,000) |
| Special Education | 6,929,360 | 161,944 | 4,146,699 | | (2,620,717) | | (2,620,717) |
| Other Special Instruction | 1,749,282 | | 204,201 | | (1,545,081) | | (1,545,081) |
| School-Sponsored/Other Instruction | 759,302 | | 91,124 | | (668,178) | | (668,178) |
| Support Services: | | | | | | | |
| Tuition | 13,772,598 | | | | (13,772,598) | | (13,772,598) |
| Student & Instruction Related Services | 6,312,101 | 142,276 | 634,830 | | (5,534,995) | | (5,534,995) |
| General Administration Services | 977,220 | | 52,085 | | (925,135) | | (925,135) |
| School Administration Services | 1,656,324 | | 194,553 | | (1,461,771) | | (1,461,771) |
| Central Services | 703,810 | | 57,910 | | (645,900) | | (645,900) |
| Administrative Information Technology | 127,450 | | | | (127,450) | | (127,450) |
| Plant Operations and Maintenance | 3,242,955 | | | | (3,242,955) | | (3,242,955) |
| Pupil Transportation | 3,747,200 | 154,629 | 1,274,442 | | (2,318,129) | | (2,318,129) |
| Transfer of Funds to Charter Schools | 176,322 | | | | (176,322) | | (176,322) |
| Interest on Long-Term Debt | 286,974 | | | | (286,974) | | (286,974) |
| Unallocated Depreciation | 1,837,770 | | | | (1,837,770) | | (1,837,770) |
| Total Governmental Activities | 56,363,826 | 498,284 | 8,328,567 | | (47,536,975) | | (47,536,975) |

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

| Functions/Programs | Program Revenue | | | Net (Expense) Revenue and Changes in Net Position | | | |
|--|-----------------|-------------------------|--|--|----------------------------|-----------------------------|---------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Business-type Activities: | | | | | | | |
| Food Service Program | \$ 697,123 | \$ 525,956 | \$ 192,007 | | \$ 20,840 | \$ 20,840 | \$ 20,840 |
| Total Business-type Activities | 697,123 | 525,956 | 192,007 | | 20,840 | 20,840 | 20,840 |
| Total Primary Government | \$ 57,060,949 | \$ 1,024,240 | \$ 8,520,574 | \$ - 0 - | \$ (47,536,975) | 20,840 | (47,516,135) |
| General Revenue: | | | | | | | |
| Property Taxes, Levied for General Purposes, Net | | | | | 46,717,400 | | 46,717,400 |
| Taxes Levied for Debt Service | | | | | 2,186,863 | | 2,186,863 |
| Federal and State Aid not Restricted | | | | | 212,066 | | 212,066 |
| Miscellaneous Income | | | | | 979,217 | 4,235 | 983,452 |
| Total General Revenue | | | | | 50,095,546 | 4,235 | 50,099,781 |
| Change in Net Position | | | | | 2,558,571 | 25,075 | 2,583,646 |
| Net Position - Beginning | | | | | 35,053,009 | 354,597 | 35,407,606 |
| Net Position - Ending | | | | | \$ 37,611,580 | \$ 379,672 | \$ 37,991,252 |

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

FUND FINANCIAL STATEMENTS

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

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| ASSETS: | | | | | |
| Cash and Cash Equivalents | \$ 4,690,206 | \$ 7,369 | \$ 1,173,860 | \$ 1 | \$ 5,871,436 |
| Receivables From State Government | 816,203 | | | | 816,203 |
| Receivables From Federal Government | 5,141 | 9,603 | | | 14,744 |
| Other Accounts Receivable | 136,689 | | | | 136,689 |
| Restricted Cash and Cash Equivalents | 9,800,600 | 70,331 | | | 9,870,931 |
| Total Assets | \$ 15,448,839 | \$ 87,303 | \$ 1,173,860 | \$ 1 | \$ 16,710,003 |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 191,346 | \$ 2,803 | | | \$ 194,149 |
| Payable to State Government | | 1,202 | | | 1,202 |
| Payable to Federal Government | | 500 | | | 500 |
| Unearned Revenue | 900 | 12,467 | | | 13,367 |
| Total Liabilities | 192,246 | 16,972 | | | 209,218 |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Capital Reserve | 5,632,749 | | | | 5,632,749 |
| Maintenance Reserve | 1,000,000 | | | | 1,000,000 |
| Emergency Reserve | 120,000 | | | | 120,000 |
| Tuition Reserve - For 2025-2026 | 1,100,000 | | | | 1,100,000 |
| Tuition Reserve - For 2026-2027 | 1,100,000 | | | | 1,100,000 |
| Debt Service Fund | | | | \$ 1 | 1 |
| Excess Surplus - For 2026-2027 | 1,500,000 | | | | 1,500,000 |
| Unemployment Compensation | 847,851 | | | | 847,851 |
| Student Activities | | 70,331 | | | 70,331 |
| Committed: | | | | | |
| Capital Projects Fund | | | \$ 1,173,860 | | 1,173,860 |
| Assigned: | | | | | |
| For Subsequent Year's Expenditures | 1,500,000 | | | | 1,500,000 |
| Year-end Encumbrances | 1,230,882 | | | | 1,230,882 |
| Unassigned | 1,225,111 | | | | 1,225,111 |
| Total Fund Balances | 15,256,593 | 70,331 | 1,173,860 | \$ 1 | 16,500,785 |
| Total Liabilities and Fund Balances | \$ 15,448,839 | \$ 87,303 | \$ 1,173,860 | \$ 1 | \$ 16,710,003 |

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

Amounts Reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are different because:

| | |
|---|-----------------------------|
| Total Fund Balances (Above) | \$ 16,500,785 |
| Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. | 37,216,003 |
| Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds. | (15,970,226) |
| Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds: | |
| Deferred Outflows of Resources Related to Pensions | 463,168 |
| Deferred Inflows of Resources Related to Pensions | (596,581) |
| Interest on long-term debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due. | (175,377) |
| The Deferred Amount on the Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure. | <u>173,808</u> |
| Net Position - Governmental Activities (Exhibit A-1) | <u><u>\$ 37,611,580</u></u> |

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

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

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUE: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 46,717,400 | | | \$ 2,186,863 | \$ 48,904,263 |
| Tuition | 201,379 | | | | 201,379 |
| Transportation Fees From Other LEAs | 154,629 | | | | 154,629 |
| Interest Earned on Capital Reserve Funds | 158,638 | | | | 158,638 |
| Restricted Miscellaneous Revenue | 27,266 | | | | 27,266 |
| Unrestricted Miscellaneous Revenue | 793,313 | \$ 170,048 | | | 963,361 |
| Total - Local Sources | 48,052,625 | 170,048 | | 2,186,863 | 50,409,536 |
| State Sources | 12,169,904 | 9,110 | | | 12,179,014 |
| Federal Sources | 5,603 | 584,647 | | | 590,250 |
| Total Revenue | 60,228,132 | 763,805 | | 2,186,863 | 63,178,800 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Regular Instruction | 9,203,152 | 204,902 | | | 9,408,054 |
| Special Education Instruction | 4,165,903 | 412,127 | | | 4,578,030 |
| Other Special Instruction | 1,122,954 | | | | 1,122,954 |
| School-Sponsored/Other Instruction | 513,149 | | | | 513,149 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 13,772,598 | | | | 13,772,598 |
| Student & Instruction Related Services | 4,226,402 | 141,925 | | | 4,368,327 |
| General Administration Services | 821,979 | | | | 821,979 |
| School Administration Services | 1,081,697 | | | | 1,081,697 |
| Central Services | 516,780 | | | | 516,780 |
| Administrative Information Technology | 127,450 | | | | 127,450 |

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

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Support Services and Undistributed Costs: | | | | | |
| Plant Operations and Maintenance | \$ 2,598,532 | | | | \$ 2,598,532 |
| Pupil Transportation | 2,950,015 | | | | 2,950,015 |
| Unallocated Benefits | 16,255,491 | | | | 16,255,491 |
| Capital Outlay | 762,230 | \$ 4,500 | \$ 398,909 | | 1,165,639 |
| Transfer to Charter School | 176,322 | | | | 176,322 |
| Debt Service: | | | | | |
| Principal | | | | \$ 1,745,000 | 1,745,000 |
| Interest and Other Charges | | | | 441,862 | 441,862 |
| Total Expenditures | <u>58,294,654</u> | <u>763,454</u> | <u>398,909</u> | <u>2,186,862</u> | <u>61,643,879</u> |
| Excess/(Deficit) of Revenue Over/(Under) Expenditures | 1,933,478 | 351 | (398,909) | 1 | 1,534,921 |
| OTHER FINANCING SOURCES/(USES): | | | | | |
| Transfers In | | | 1,572,769 | | 1,572,769 |
| Transfers Out | <u>(1,572,769)</u> | | | | <u>(1,572,769)</u> |
| Total Other Financing Sources/(Uses) | <u>(1,572,769)</u> | | <u>1,572,769</u> | | |
| Net Change in Fund Balances | 360,709 | 351 | 1,173,860 | 1 | 1,534,921 |
| Fund Balance—July 1 | 14,895,884 | 69,980 | | -0- | 14,965,864 |
| Fund Balance—June 30 | <u>\$ 15,256,593</u> | <u>\$ 70,331</u> | <u>\$ 1,173,860</u> | <u>\$ 1</u> | <u>\$ 16,500,785</u> |

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

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

| | | | |
|---|----------------------|----|-------------------------|
| Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) | | \$ | 1,534,921 |
| Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because: | | | |
| Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation in the period. | Depreciation Expense | \$ | (2,284,949) |
| | Capital Outlays | | <u>913,677</u> |
| | | | (1,371,272) |
| In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Fund, 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 (+). | | | 45,727 |
| Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities (+). | | | 1,745,000 |
| The governmental funds report the effect of the deferred amount on refunding relative to an advance refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (-). | | | (33,028) |
| Interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction to the reconciliation (-). When the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). | | | 34,803 |
| The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | | 195,838 |
| The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds: | | | |
| Change in Net Pension Liability | | | (10,965) |
| Change in Deferred Outflows | | | 230,009 |
| Change in Deferred Inflows | | | <u>187,538</u> |
| Change in Net Position of Governmental Activities (Exhibit A-2) | | \$ | <u><u>2,558,571</u></u> |

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

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

| | Business-Type Activities - Enterprise Funds Food Service |
|--|---|
| ASSETS: | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 256,020 |
| Accounts Receivable: | |
| State | 502 |
| Federal | 8,479 |
| Other | 6,124 |
| Inventories | 19,071 |
| Total Current Assets | 290,196 |
| Non-Current Assets: | |
| Capital Assets | 534,547 |
| Less: Accumulated Depreciation | (417,997) |
| Total Non-Current Assets | 116,550 |
| Total Assets | 406,746 |
| LIABILITIES: | |
| Unearned Revenue - Prepaid Sales | 22,066 |
| Unearned Revenue - Donated Commodities | 5,008 |
| Total Current Liabilities | 27,074 |
| NET POSITION: | |
| Investment in Capital Assets | 116,550 |
| Unrestricted | 263,122 |
| Total Net Position | \$ 379,672 |

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

BRANCHBURG BOARD OF EDUCATION
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | <u>Business-Type Activities - Enterprise Funds Food Service</u> |
|---|---|
| Operating Revenue: | |
| Local Sources: | |
| Daily Sales - Reimbursable Programs | \$ 355,290 |
| Daily Sales - Non-Reimbursable Programs | 170,666 |
| Total Operating Revenue | <u>525,956</u> |
| Operating Expenses: | |
| Cost of Sales - Reimbursable Programs | 202,511 |
| Cost of Sales - Non-Reimbursable Programs | 97,278 |
| Salaries, Benefits & Payroll Taxes | 325,822 |
| Supplies and Materials | 34,612 |
| Food Service Management Fee | 25,250 |
| Purchased Professional Services | 5,134 |
| Depreciation | 6,516 |
| Total Operating Expenses | <u>697,123</u> |
| Operating (Loss) | <u>(171,167)</u> |
| Non-Operating Revenue: | |
| State Sources: | |
| State School Lunch Program | 7,868 |
| State School Breakfast Program | 59 |
| New Jersey Extended Income Eligibility - Lunch | 1,007 |
| S-EBT Reimbursement | 322 |
| Federal Sources: | |
| National School Lunch Program | 126,252 |
| School Breakfast Program | 8,229 |
| Healthy Hunger Free Kids Act | 10,137 |
| S-EBT Reimbursement | 321 |
| Local Foods For Schools Cooperative Agreement Program | 882 |
| Food Distribution Program | 36,930 |
| Local Sources: | |
| Interest Income | 4,235 |
| Total Non-Operating Revenue | <u>196,242</u> |
| Change in Net Position | 25,075 |
| Net Position - Beginning of Year | <u>354,597</u> |
| Net Position - End of Year | <u>\$ 379,672</u> |

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

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

| | Business-Type Activities - Enterprise Funds Food Service |
|--|---|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 525,770 |
| Payments to Employees | (325,822) |
| Payments to Suppliers | (357,354) |
| Net Cash Used for Operating Activities | (157,406) |
| Cash Flows from Investing Activities: | |
| Interest Income | 4,235 |
| Net Cash Provided by Investing Activities | 4,235 |
| Cash Flows from Noncapital Financing Activities: | |
| Cash Received from State and Federal Reimbursements | 153,136 |
| Net Cash Provided by Noncapital Financing Activities | 153,136 |
| Net Decrease in Cash and Cash Equivalents | (63,838) |
| Cash and Cash Equivalents, July 1 | 319,858 |
| Cash and Cash Equivalents, June 30 | \$ 256,020 |
| Reconciliation of Operating Loss to Net Cash Used for Operating Activities: | |
| Operating Loss | \$ (171,167) |
| Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities: | |
| Depreciation | 6,516 |
| Federal Food Distribution Program | 36,930 |
| Changes in Assets and Liabilities: | |
| (Increase) in Accounts Receivable - Other | (1,450) |
| Decrease in Inventory | 2,828 |
| Decrease in Unearned Revenue | 1,264 |
| (Decrease) in Accounts Payable | (32,327) |
| Net Cash Used for Operating Activities | \$ (157,406) |

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$37,444 and utilized \$36,930 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2025.

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities, lease assets, or subscription assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following proprietary funds:

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

C. Measurement Focus and Basis of Accounting:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

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

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

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

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|--|----------------------|------------------------------|
| Sources/Inflows of Resources: | | |
| Actual amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule | \$ 60,267,002 | \$ 752,619 |
| Differences - Budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not. | | |
| Current Year Encumbrances | | (9,662) |
| Prior Year Encumbrances | | 20,848 |
| Prior Year State Aid payments recognized for GAAP Statements | 321,327 | |
| Current Year State Aid payments recognized for Budgetary purposes, not recognized for GAAP Statements | (360,197) | |
| Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | <u>\$ 60,228,132</u> | <u>\$ 763,805</u> |
| Actual amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 58,294,654 | \$ 752,268 |
| Differences - Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes | | |
| Current Year Encumbrances | | (9,662) |
| Prior Year Encumbrances | | 20,848 |
| Total Expenditures as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 58,294,654</u> | <u>\$ 763,454</u> |
| | | <u>Capital Projects Fund</u> |
| | <u>Revenue</u> | <u>Fund Balance</u> |
| Revenue and Other Financing Sources/Fund Balance (Budgetary Basis) | \$ 2,621,282 | \$ 2,222,373 |
| Reconciliation to Governmental Fund Statements (GAAP): | | |
| SDA Grants Receivable not recognized on GAAP Basis | (1,048,513) | (1,048,513) |
| Revenue and Other Financing Sources/Fund Balance - Governmental Funds (GAAP) | <u>\$ 1,572,769</u> | <u>\$ 1,173,860</u> |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

N.J.S.A. 17:9-41 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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

H. Encumbrances:

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

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

K. Capital Assets:

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

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

K. Capital Assets: (Cont'd)

| | Estimated Useful Life |
|-------------------------------------|-----------------------|
| Buildings and Building Improvements | 50 Years |
| Site Improvements | 20 Years |
| Furniture, Machinery and Equipment | 10 to 15 Years |
| Computer and Related Technology | 5 Years |
| Vehicles | 8 Years |

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

L. Lease Assets:

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

M. Subscription Assets:

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

N. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2025, the amount earned by these employees but not disbursed was \$-0-.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

P. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with District personnel policies. Upon termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after varying years of service based upon employees' individual contracts.

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

Q. Leases Payable:

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

R. Subscriptions Payable:

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

S. Unearned Revenue:

Unearned revenue in the Special Revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

T. Fund Balance Appropriated:

General Fund: Of the \$15,256,593 General Fund balance at June 30, 2025, \$1,230,882 is assigned for encumbrances and \$1,500,000 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2026; \$5,632,749 is restricted in the capital reserve account; \$1,000,000 is restricted in the maintenance reserve account; \$120,000 is restricted in the emergency reserve account; \$2,200,000 is restricted in the tuition reserve account of which \$1,100,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2026 and \$1,100,000 will be appropriated as anticipated revenue for the year ending June 30, 2027; \$847,851 is restricted for unemployment compensation; \$1,500,000 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004,C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2027; and \$1,225,111 is unassigned fund balance which is \$360,197 less than the calculated maximum unassigned fund balance due to the final two state aid payments that are not recognized on the GAAP basis until the fiscal year ending June 30, 2026.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Special Revenue Fund: The Special Revenue Fund balance at June 30, 2025 is \$70,331 and is restricted for student activities.

Capital Projects Fund: The Capital Projects Fund balance of \$1,173,860 at June 30, 2025 is committed.

Debt Service Fund: The Debt Service Fund balance of \$1 at June 30, 2025 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2025 as indicated above.

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

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,684,163 in governmental activities, which is primarily due to accrued interest payable, compensated absences payable, unamortized bond premiums, and net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

V. Net Position: (Cont'd)

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

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2025.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2025.

X. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

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

Deposits:

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

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Investments:

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

- (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

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

| | Cash and Cash Equivalents | Restricted Cash and Cash Equivalents | Total |
|----------------------------------|---------------------------------|---|---------------|
| Checking and Savings Accounts | \$ 6,127,456 | \$ 9,870,931 | \$ 15,998,387 |

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$15,998,387 and the bank balance was \$17,530,536.

NOTE 4. MAINTENANCE RESERVE ACCOUNT

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

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 4. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end.

At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

| | | |
|--|----|-----------|
| Beginning Balance, July 1, 2024 | \$ | 723,800 |
| Increased by: | | |
| Deposit approved by Board Resolution - June 2025 | | 276,200 |
| Ending Balance, June 30, 2025 | \$ | 1,000,000 |

NOTE 5. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution in June 2011. The account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or for a withdrawal that was included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

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

| | | |
|---------------------------------|----|---------|
| Beginning Balance, July 1, 2024 | \$ | 120,000 |
| Ending Balance, June 30, 2025 | \$ | 120,000 |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 6. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by a transfer by Board resolution at year end of any unanticipated revenue or unexpended line-item appropriation, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

| | |
|---|--------------|
| Beginning Balance, July 1, 2024 | \$ 5,867,454 |
| Increased by: | |
| Interest Earnings | 158,638 |
| Deposit by Board Resolution - June 2025 | 1,054,657 |
| | 7,080,749 |
| Decreased by: | |
| Budgeted Withdrawal | (1,448,000) |
| Ending Balance, June 30, 2025 | \$ 5,632,749 |

The balance in the capital reserve account as of June 30, 2025 does not exceed the LRFP balance of local support costs of uncompleted capital projects. Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District’s LRFP.

NOTE 7. TUITION RESERVE ACCOUNT:

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated, and any remaining balance related to that year must be restricted and budgeted for tax relief.

The District established a \$1,100,000 tuition reserve during 2023/2024 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2026, and a \$1,100,000 tuition reserve during 2024/2025 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2027.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. CAPITAL ASSETS

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Adjustments/ Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|-----------------------|-----------------------------------|---------------------------|
| Capital Assets not Being Depreciated: | | | | |
| Sites (Land) | \$ 2,367,600 | | | \$ 2,367,600 |
| Construction in Progress | | \$ 108,909 | | 108,909 |
| Total Capital Assets not Being Depreciated | <u>2,367,600</u> | <u>108,909</u> | | <u>2,476,509</u> |
| Capital Assets Being Depreciated: | | | | |
| Site Improvements | 2,744,875 | | | 2,744,875 |
| Buildings and Building Improvements | 68,525,169 | 341,146 | | 68,866,315 |
| Machinery and Equipment | 8,806,009 | 463,622 | | 9,269,631 |
| Total Capital Assets Being Depreciated | <u>80,076,053</u> | <u>804,768</u> | | <u>80,880,821</u> |
| | <u>82,443,653</u> | <u>913,677</u> | | <u>83,357,330</u> |
| Less Accumulated Depreciation for: | | | | |
| Site Improvements | (1,394,751) | (120,570) | | (1,515,321) |
| Buildings and Building Improvements | (35,108,773) | (1,904,308) | | (37,013,081) |
| Machinery and Equipment | (7,352,854) | (260,071) | | (7,612,925) |
| Total Accumulated Depreciation | <u>(43,856,378)</u> | <u>(2,284,949)</u> | | <u>(46,141,327)</u> |
| Governmental Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 38,587,275</u> | <u>\$ (1,371,272)</u> | <u>\$ - 0 -</u> | <u>\$ 37,216,003</u> |
| Business -Type Activities: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Furniture and Equipment | \$ 470,744 | \$ 63,803 | | \$ 534,547 |
| Less: Accumulated Depreciation | <u>(411,481)</u> | <u>(6,516)</u> | | <u>(417,997)</u> |
| Business-Type Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 59,263</u> | <u>\$ 57,287</u> | <u>\$ - 0 -</u> | <u>\$ 116,550</u> |

The District had no active capital projects as of June 30, 2025.

Depreciation expense was charged to governmental functions as follows:

| | |
|--|---------------------|
| Student & Instruction Related Services | \$ 40,387 |
| Plant Operations and Maintenance | 196,824 |
| Pupil Transportation | 209,968 |
| Unallocated Depreciation | <u>1,837,770</u> |
| | <u>\$ 2,284,949</u> |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. LONG-TERM LIABILITIES

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

| | Balance June 30, 2024 | Accrued | Retired | Balance June 30, 2025 | Amount Due Within One Year |
|-----------------------------------|--------------------------|------------------|---------------------|--------------------------|----------------------------------|
| Serial Bonds Payable | \$ 11,210,000 | | \$ 1,745,000 | \$ 9,465,000 | \$ 1,885,000 |
| Unamortized Bond Issuance Premium | 1,189,388 | | 195,838 | 993,550 | 195,837 |
| Net Pension Liability | 4,931,826 | \$ 10,965 | | 4,942,791 | |
| Compensated Absences Payable | 614,612 | | 45,727 | 568,885 | |
| | <u>\$ 17,945,826</u> | <u>\$ 10,965</u> | <u>\$ 1,986,565</u> | <u>\$ 15,970,226</u> | <u>\$ 2,080,837</u> |

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be retired through the Debt Service Fund. The current portion of bonds payable is \$1,885,000 and the long-term portion is \$7,580,000.

On November 6, 2019, the District issued refunding school bonds of \$4,370,000 with an interest rate of 4.00% to refund \$4,635,000 of 2010 refunding school bonds with interest rates ranging from 3.25% to 4.00%. The bonds mature on February 1, 2020 through 2026 and are non-callable. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2010 refunding school bonds were called on February 1, 2020. The refunding met the requirements of an in-substance debt defeasance, and the school bonds were removed from the district's government-wide financial statements.

As a result of the refunding, the district will realize a total of \$291,320 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$277,824, or 5.99%, of the bonds refunded.

The District had bonds outstanding as of June 30, 2025 as follows:

| <u>Purpose</u> | <u>Serial Bonds</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Amount</u> |
|-------------------------|---------------------|-----------------------|-----------------------|---------------------|
| Refunding Bonds of 2016 | | 07/15/31 | 2.50% to 5.00% | \$ 8,600,000 |
| Refunding Bonds of 2019 | | 02/01/26 | 4.00% | 865,000 |
| | | | | <u>\$ 9,465,000</u> |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding are as follows:

| Fiscal Year | Bonds | | Total |
|----------------|---------------------|---------------------|---------------------|
| | Principal | Interest | |
| 2026 | \$ 1,885,000 | \$ 360,288 | \$ 2,245,288 |
| 2027 | 1,120,000 | 272,188 | 1,392,188 |
| 2028 | 1,185,000 | 214,562 | 1,399,562 |
| 2029 | 1,245,000 | 153,812 | 1,398,812 |
| 2030 | 1,295,000 | 106,500 | 1,401,500 |
| 2031-2032 | 2,735,000 | 90,606 | 2,825,606 |
| | <u>\$ 9,465,000</u> | <u>\$ 1,197,956</u> | <u>\$ 8,417,668</u> |

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the district has no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is \$0 and is separated from the long-term portion of \$568,885.

There is no liability for compensated absences in the District's Enterprise Fund.

D. Unamortized Bond Issuance Premium

The unamortized bond issuance premium is recorded in the governmental fund types is recorded in the noncurrent liabilities of the governmental fund types and the current portion is balance of the governmental funds is \$195,837 and the long-term portion is \$797,713.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the noncurrent liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is \$-0- and the long-term portion is \$4,942,791. See Note 11 for further information on the PERS.

NOTE 10. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025 the District transferred \$197,835 to the capital outlay accounts for equipment which did not require County Superintendent approval and transferred \$80,000 to capital outlay accounts for facilities acquisition and construction services, for which the District received County Superintendent approval.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Contributions

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

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

District contributions to PERS amounted to \$494,982 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$15,936 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% 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 the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

At June 30, 2025, the District reported a liability of \$4,942,791 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.0364%, which was an increase of 0.0024% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of \$93,216 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the District in the amount of \$15,936 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2025.

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

| | <u>Year of Deferral</u> | <u>Amortization Period in Years</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|-----------------------------|---|---|--|
| Changes in Assumptions | 2020 | 5.16 | | \$ (35,920) |
| | 2021 | 5.13 | \$ 6,141 | |
| | 2022 | 5.04 | | (20,318) |
| | | | <u>6,141</u> | <u>(56,238)</u> |
| Difference Between Expected and Actual Experience | 2020 | 5.16 | 2,001 | |
| | 2021 | 5.13 | | (4,883) |
| | 2022 | 5.04 | | (8,276) |
| | 2023 | 5.08 | 25,425 | |
| | 2024 | 5.08 | <u>71,587</u> | |
| | | | <u>99,013</u> | <u>(13,159)</u> |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

| | <u>Year of Deferral</u> | <u>Amortization Period in Years</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|-----------------------------|---|---|--|
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 2021 | 5.00 | | \$ (339,291) |
| | 2022 | 5.00 | | 538,232 |
| | 2023 | 5.00 | | (139,573) |
| | 2024 | 5.00 | | (288,552) |
| | | | | <u>(229,184)</u> |
| Changes in Proportion | 2020 | 5.16 | | (7,243) |
| | 2021 | 5.13 | \$ 74,260 | |
| | 2022 | 5.04 | | (165,589) |
| | 2023 | 5.08 | | (125,168) |
| | 2024 | 5.08 | 283,754 | |
| | | | <u>358,014</u> | <u>(298,000)</u> |
| District Contribution Subsequent to the Measurement Date | 2024 | 1.00 | 549,994 | |
| | | | <u>\$ 1,013,162</u> | <u>\$ (596,581)</u> |

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

| <u>Fiscal Year Ending June 30,</u> | <u>Total</u> |
|--|---------------------|
| 2025 | \$ (203,648) |
| 2026 | 118,664 |
| 2027 | (67,763) |
| 2028 | 12,364 |
| 2029 | 6,970 |
| | <u>\$ (133,413)</u> |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

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

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

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

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

Long Term Expected Rate of Return

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate

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

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

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

| | June 30, 2024 | | |
|--|--|--|------------------------------|
| | At 1% Decrease (6.00%) | At Current Discount Rate (7.00%) | At 1% Increase (8.00%) |
| | District's Proportionate Share - Net Pension Liability | \$ 6,567,754 | \$ 4,942,791 |

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed \$5,036,062 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of \$222,011.

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

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

At June 30, 2025, the District reported a liability of \$60,860,742 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.123%, which was an increase of 0.005% from its proportion measured as of June 30, 2023.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

| | |
|---|---------------|
| District's Proportionate Share of the Net Pension Liability | \$ - 0 - |
| State's Proportionate Share of the Net Pension Liability Associated with the District | 60,860,742 |
| | 60,860,742 |
| Total | \$ 60,860,742 |

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of \$222,011 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

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

Actuarial Assumptions

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

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

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate-TPAF

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

| | June 30, 2024 | | |
|--|------------------------------|--|------------------------------|
| | At 1% Decrease (6.00%) | At Current Discount Rate (7.00%) | At 1% Increase (8.00%) |
| State's Proportionate Share of the Net Pension Liability Associated with the District | \$ 72,341,607 | \$ 60,860,742 | \$ 51,191,682 |

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District made pension contributions of \$31,814 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$46,201 for the fiscal year ended June 30, 2025.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. DEFERRED COMPENSATION

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

AXA Equitable
Lincoln Investment Planning
Fidelity Investments

AXA Equitable and Lincoln Investment Planning are the plan administrators for the District's Internal Revenue Code Section 457 plans.

NOTE 13. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 14. RISK MANAGEMENT

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

The District maintains insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

The Branchburg Township School District is a member of the New Jersey Schools Insurance Group ("NJSIG") (the "Group"). The Group provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The Group is a risk-sharing fund that is both an insured and a self-administered group of school boards established for the purpose of providing low-cost insurance coverage for their members to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 14. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

As a member of the Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group’s liabilities.

The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Financial information for the Group as of June 30, 2025 is not available as of the date of this report. Selected financial information for the Group as of June 30, 2024 is as follows:

| | New Jersey Schools Insurance Group |
|------------------------|--|
| Total Assets | \$ 452,862,436 |
| Net Position | \$ 208,813,945 |
| Total Revenue | \$ 187,698,949 |
| Total Expenses | \$ 178,093,729 |
| Change in Net Position | \$ 7,005,220 |
| Member Dividends | \$ 2,600,000 |

Financial statements for the Group are available at the Group’s Executive Director’s Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
(609) 386-6060

New Jersey Unemployment Compensation Insurance

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

A summary of the District and employee contributions, interest, and reimbursements to the State for benefits paid and balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years follows:

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 14. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions and Interest</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|--|--------------------------|-----------------------|
| 2025 | \$ - 0 - | \$ 128,584 | \$ 81,687 | \$ 847,851 |
| 2024 | - 0 - | 94,581 | 46,737 | 800,954 |
| 2023 | - 0 - | 82,063 | 74,048 | 753,110 |

NOTE 15. ACCOUNTS PAYABLE

The following accounts payable existed on the various balance sheets as of June 30, 2025:

| | <u>Governmental Funds</u> | | <u>District Contribution</u> | <u>Total Governmental</u> | <u>Total</u> |
|-------------------------------------|---------------------------|-----------------------------|---------------------------------------|---------------------------|-------------------|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Subsequent to Measurement Date</u> | | |
| Vendors | \$ 185,225 | \$ 2,803 | | \$ 188,028 | \$ 188,028 |
| Payroll Deductions and Withholdings | 6,121 | | | 6,121 | 6,121 |
| Due to: State of New Jersey | | | \$ 549,994 | 549,994 | 549,994 |
| | <u>\$ 191,346</u> | <u>\$ 2,803</u> | <u>\$ 549,994</u> | <u>\$ 744,143</u> | <u>\$ 744,143</u> |

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District estimates that any potential claims (not covered by insurance) resulting from litigation would not materially affect its financial position.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 16. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

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

| General Fund | Special Revenue | Capital Projects Fund | Total Governmental Funds |
|-----------------|--------------------|-----------------------------|--------------------------------|
| \$ 1,230,882 | \$ 9,662 | \$ 1,376,811 | \$ 2,617,355 |

On the District’s Governmental Funds Balance Sheet as of June 30, 2025, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$9,662 are not recognized on the GAAP basis and are reflected either as a reduction in grants receivable or an increase in unearned revenue. The \$1,376,811 year-end encumbrances in the Capital Projects Fund are included in the committed fund balance.

NOTE 17. ECONOMIC DEPENDENCY

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

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Plan Description and Benefits Provided (Cont'd)

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

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

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

Employees Covered by Benefit Terms

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

Actuarial Assumptions and Other Inputs

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Actuarial Assumptions and Other Inputs (Cont'd)

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

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

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

Mortality Rates

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

Health Care Trend Assumptions

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

Discount Rate

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

| | Total OPEB Liability |
|--|-------------------------|
| Balance at June 30, 2023 | \$ 69,381,952 |
| Changes for Year: | |
| Service Cost | 2,562,199 |
| Interest on the Total OPEB Liability | 2,536,315 |
| Changes of Assumptions | 5,764,392 |
| Differences between Expected and Actual Experience | (1,323,796) |
| Gross Benefit Payments by the State | (1,937,025) |
| Contributions from Members | 66,326 |
| Net Changes | 7,668,411 |
| Balance at June 30, 2024 | \$ 77,050,363 |

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

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

| June 30, 2024 | | | |
|---|------------------------------|--------------------------------|------------------------------|
| | At 1% Decrease (2.93%) | At Discount Rate (3.93%) | At 1% Increase (4.93%) |
| Total OPEB Liability Attributable to the District | \$ 90,242,477 | \$ 77,050,363 | \$ 66,324,913 |

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

| June 30, 2024 | | | |
|---|----------------|-------------------------------|----------------|
| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
| Total OPEB Liability Attributable to the District | \$ 64,183,513 | \$ 77,050,363 | \$ 93,810,284 |

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

For the fiscal year ended June 30, 2025 the District recognized OPEB expense of \$2,491,440 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation. In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2024 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

| | Deferral Year | Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|------------------|--------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions | 2017 | 9.54 | | \$ 1,477,644 |
| | 2018 | 9.51 | | 1,803,962 |
| | 2019 | 9.29 | \$ 284,616 | |
| | 2020 | 9.24 | 7,341,823 | |
| | 2021 | 9.24 | 43,367 | |
| | 2022 | 9.13 | | 11,782,915 |
| | 2023 | 9.30 | 107,008 | |
| | 2024 | 9.33 | 5,146,556 | |
| | | | 12,923,370 | 15,064,521 |
| Differences Between Expected and Actual Experience | 2018 | 9.51 | | 1,705,306 |
| | 2019 | 9.29 | | 3,349,940 |
| | 2020 | 9.24 | 6,842,868 | |
| | 2021 | 9.24 | | 8,339,783 |
| | 2022 | 9.13 | 1,213,471 | |
| | 2023 | 9.30 | | 994,064 |
| | 2024 | 9.33 | 183,290 | |
| | | | 8,239,629 | 14,389,093 |
| Changes in Proportion | N/A | N/A | 3,555,312 | 3,644,390 |
| | | | \$ 24,718,311 | \$ 33,098,004 |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

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

| Fiscal Year Ending June 30, | Total |
|--------------------------------|----------------|
| 2025 | \$ (2,733,066) |
| 2026 | (2,291,692) |
| 2027 | (1,088,481) |
| 2028 | 286,072 |
| 2029 | (1,986,271) |
| Thereafter | (477,177) |
| | \$ (8,290,615) |

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| District's Proportion - Net Pension Liability | 0.037806674% | 0.038737566% | 0.034122444% | 0.035563507% | 0.036675157% | 0.035892971% | 0.037438726% | 0.035287950% | 0.034049287% | 0.036376024% |
| District's Proportionate Share - Net Pension Liability | \$ 8,486,841 | \$ 11,472,956 | \$ 7,943,160 | \$ 7,002,277 | \$ 6,654,279 | \$ 5,853,205 | \$ 4,435,178 | \$ 5,325,437 | \$ 4,931,826 | \$ 4,942,791 |
| District's Covered Employee Payroll | \$ 2,625,017 | \$ 2,354,627 | \$ 2,413,370 | \$ 2,620,336 | \$ 2,580,221 | \$ 2,664,785 | \$ 2,584,546 | \$ 2,598,337 | \$ 2,841,640 | \$ 2,965,700 |
| District's Proportionate Share - Net Pension Liability as a Percentage of its Covered Employee Payroll | 323.31% | 487.25% | 329.13% | 267.23% | 257.90% | 219.65% | 171.60% | 204.96% | 173.56% | 166.67% |
| Plan Fiduciary Net Position as a % of the Total Pension Liability | 47.93% | 40.14% | 48.10% | 53.60% | 56.27% | 58.32% | 70.33% | 62.91% | 65.23% | 68.22% |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Contractually Required Contribution | \$ 325,036 | \$ 346,437 | \$ 321,635 | \$ 355,910 | \$ 361,202 | \$ 392,652 | \$ 438,451 | \$ 444,998 | \$ 455,078 | \$ 494,982 |
| Contributions in Relation to the Contractually Required Contribution | (325,036) | (346,437) | (321,635) | (355,910) | (361,202) | (392,652) | (438,451) | (444,998) | (455,078) | (494,982) |
| Contribution Deficiency (Excess) | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| Districts Covered Employee Payroll | \$2,354,627 | \$2,413,370 | \$2,620,336 | \$2,580,221 | \$2,664,785 | \$2,584,546 | \$2,598,337 | \$2,841,640 | \$2,965,700 | \$3,525,346 |
| Contributions as a Percentage of Covered Employee Payroll | 13.80% | 14.35% | 12.27% | 13.79% | 13.55% | 15.19% | 16.87% | 15.66% | 15.34% | 14.04% |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| State's Proportion of the Net Pension Liability Attributable to the District | 0.1308605445% | 0.1282080348% | 0.1304605284% | 0.1256523106% | 0.1238740318% | 0.1231441819% | 0.1226135266% | 0.1210047490% | 0.1184862850% | 0.1231372995% |
| State's Proportionate Share - Net Pension Liability Attributable to the District | \$ 82,709,452 | \$ 100,856,603 | \$ 87,961,192 | \$ 79,937,301 | \$ 76,022,663 | \$ 81,088,962 | \$ 58,946,684 | \$ 62,431,693 | \$ 60,466,714 | \$ 60,860,742 |
| District's Covered Employee Payroll | \$ 13,262,413 | \$ 12,997,930 | \$ 12,736,975 | \$ 13,297,398 | \$ 13,482,431 | \$ 13,553,278 | \$ 13,475,218 | \$ 14,110,481 | \$ 14,083,314 | \$ 15,019,008 |
| State's Proportionate Share - Net Pension Liability Attributable to the District as a % of its Covered Employee Payroll | 623.64% | 775.94% | 690.60% | 601.15% | 563.86% | 598.30% | 437.45% | 442.45% | 429.35% | 405.22% |
| Plan Fiduciary Net Position as a % of the Total Pension Liability | 28.71% | 22.33% | 25.41% | 26.49% | 26.95% | 24.60% | 35.52% | 32.29% | 34.68% | 37.99% |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Contractually Required Contribution | \$ 5,050,157 | \$ 7,577,970 | \$ 6,093,506 | \$ 4,660,065 | \$ 4,484,020 | \$ 5,042,457 | \$ 1,387,041 | \$ 1,680,211 | \$ 1,485,491 | \$ (222,011) |
| Contributions in relation to the Contractually Required Contribution | (1,026,484) | (1,416,115) | (1,850,415) | (2,436,303) | (2,701,023) | (3,564,227) | (4,981,349) | (4,843,791) | (5,247,291) | (5,036,062) |
| Contribution Deficiency/(Excess) | \$ 4,023,673 | \$ 6,161,855 | \$ 4,243,091 | \$ 2,223,762 | \$ 1,782,997 | \$ 1,478,230 | \$ (3,594,308) | \$ (3,163,580) | \$ (3,761,800) | \$ (5,258,073) |
| District's Covered Employee Payroll | \$12,997,930 | \$12,736,975 | \$13,297,398 | \$13,482,431 | \$13,553,278 | \$13,475,218 | \$14,110,481 | \$14,083,314 | \$15,019,008 | \$15,192,943 |
| Contributions as a percentage of Covered Employee Payroll | 7.90% | 11.12% | 13.92% | 18.07% | 19.93% | 26.45% | 35.30% | 34.39% | 34.94% | 33.15% |

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

| | Fiscal Year Ending June 30, | | | | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Service Cost | \$ 2,654,071 | \$ 2,203,307 | \$ 1,945,936 | \$ 2,073,973 | \$ 3,673,984 | \$ 3,228,406 | \$ 2,483,025 | \$ 2,562,199 |
| Interest Cost | 2,153,533 | 2,489,404 | 2,368,879 | 1,989,224 | 1,981,740 | 1,748,022 | 2,443,548 | 2,536,315 |
| Change of Benefit Terms | | | | | (81,312) | | | |
| Changes in Assumptions | (8,849,265) | (4,264,527) | 827,340 | 15,883,821 | 75,368 | (17,694,460) | 139,845 | 5,764,392 |
| Differences between Expected & Actual Experience | (6,894,939) | (8,084,640) | (8,084,640) | 12,987,978 | (14,701,131) | 3,960,350 | 197,334 | (1,323,796) |
| Member Contributions | 58,083 | 55,528 | 50,492 | 45,884 | 50,663 | 55,546 | 62,619 | 66,326 |
| Gross Benefit Payments | (1,577,383) | (1,606,624) | (1,703,336) | (1,513,827) | (1,561,056) | (1,731,468) | (1,904,785) | (1,937,025) |
| Net Change in Total OPEB Liability | (5,560,961) | (8,017,851) | (4,595,329) | 31,467,053 | (10,561,744) | (10,433,604) | 3,421,586 | 7,668,411 |
| Total OPEB Liability - Beginning | 73,662,802 | 68,101,841 | 60,083,990 | 55,488,661 | 86,955,714 | 76,393,970 | 65,960,366 | 69,381,952 |
| Total OPEB Liability - Ending | \$ 68,101,841 | \$ 60,083,990 | \$ 55,488,661 | \$ 86,955,714 | \$ 76,393,970 | \$ 65,960,366 | \$ 69,381,952 | \$ 77,050,363 |
| District's Covered Employee Payroll* | \$ 15,352,557 | \$ 15,150,345 | \$ 15,917,734 | \$ 16,062,652 | \$ 16,218,063 | \$ 16,059,764 | \$ 16,708,818 | \$ 16,924,954 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 444% | 397% | 345% | 541% | 471% | 411% | 415% | 455% |

* - Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

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

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

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

BUDGETARY COMPARISON SCHEDULES

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Revenues from Local Sources: | | | | | |
| Local Tax Levy | \$ 46,717,400 | | \$ 46,717,400 | \$ 46,717,400 | |
| Tuition From Individuals | 150,000 | | 150,000 | 39,435 | \$ (110,565) |
| Tuition From Other LEAs Within the State | 40,000 | | 40,000 | 161,944 | 161,944 |
| Transportation Fees From Other LEAs | 250,000 | | 250,000 | 154,629 | 114,629 |
| Rents and Royalties | 45,000 | | 45,000 | 276,354 | 26,354 |
| Unrestricted Miscellaneous Revenues | 1,000 | | 1,000 | 516,959 | 471,959 |
| Interest Earned on Capital Reserve Funds | | | | 158,638 | 157,638 |
| Other Restricted Miscellaneous Revenues | | | | 27,266 | 27,266 |
| Total Revenues from Local Sources | 47,203,400 | | 47,203,400 | 48,052,625 | 849,225 |
| Revenues from State Sources: | | | | | |
| Categorical Transportation Aid | 1,230,918 | | 1,230,918 | 1,230,918 | |
| Extraordinary Aid | 218,612 | | 218,612 | 699,068 | 480,456 |
| Categorical Special Education Aid | 2,302,172 | | 2,302,172 | 2,302,172 | |
| Categorical Security Aid | 207,928 | | 207,928 | 207,928 | |
| Nonpublic Transportation | | | | 61,644 | 61,644 |
| TPAF Post Retirement Contributions (Non-Budgeted) | | | | 1,489,770 | 1,489,770 |
| TPAF Pension Contributions (Non-Budgeted) | | | | 5,036,062 | 5,036,062 |
| TPAF Non-Contributory Insurance (Non-Budgeted) | | | | 62,383 | 62,383 |
| TPAF Long-Term Disability Insurance (Non-Budgeted) | | | | 2,502 | 2,502 |
| Reimbursed TPAF Social Security Contributions | | | | 1,116,327 | 1,116,327 |
| Total Revenues from State Sources | 3,959,630 | | 3,959,630 | 12,208,774 | 8,249,144 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Revenues from Federal Sources: | | | | | |
| Medicaid Reimbursement | \$ 20,292 | \$ | 20,292 | \$ 5,603 | \$ (14,689) |
| Total Revenues from Federal Sources | 20,292 | | 20,292 | 5,603 | (14,689) |
| TOTAL REVENUE | 51,183,322 | | 51,183,322 | 60,267,002 | 9,083,680 |
| GENERAL CURRENT EXPENSE | | | | | |
| Regular Programs - Instruction: | | | | | |
| Kindergarten - Salaries of Teachers | 766,801 | \$ (68,058) | 698,743 | 697,575 | 1,168 |
| Grades 1-5 - Salaries of Teachers | 4,259,124 | 98,998 | 4,358,122 | 4,264,385 | 93,737 |
| Grades 6-8 - Salaries of Teachers | 3,089,785 | 4,509 | 3,094,294 | 3,091,270 | 3,024 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 15,500 | (724) | 14,776 | 11,750 | 3,026 |
| Purchased Professional-Educational Services | 22,000 | (2,425) | 19,575 | 6,097 | 13,478 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Purchased Technical Services | 800 | | 800 | | 800 |
| Other Purchased Services (400-500 series) | 365,418 | (94,738) | 270,680 | 265,468 | 5,212 |
| General Supplies | 613,918 | 116,988 | 730,906 | 667,082 | 63,824 |
| Textbooks | 198,000 | | 198,000 | 197,981 | 19 |
| Other Objects | 1,560 | | 1,560 | 1,544 | 16 |
| Total Regular Programs - Instruction | 9,332,906 | 54,550 | 9,387,456 | 9,203,152 | 184,304 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities - Mild to Moderate: | | | | | |
| Salaries of Teachers | \$ 156,640 | \$ 4,544 | \$ 161,184 | \$ 160,698 | \$ 486 |
| Other Salaries for Instruction | 26,069 | 103,989 | 130,058 | 129,109 | 949 |
| General Supplies | 11,500 | 3,420 | 14,920 | 12,239 | 2,681 |
| Other Objects | | 400 | 400 | 315 | 85 |
| Total Learning and/or Language Disabilities - Mild to Moderate | 194,209 | 112,353 | 306,562 | 302,361 | 4,201 |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 3,232,777 | (280,044) | 2,952,733 | 2,889,852 | 62,881 |
| Other Salaries for Instruction | 201,969 | 204,998 | 406,967 | 396,015 | 10,952 |
| General Supplies | 15,000 | (31) | 14,969 | 9,941 | 5,028 |
| Other Objects | 1,000 | (800) | 200 | 105 | 95 |
| Total Resource Room/Resource Center | 3,450,746 | (75,877) | 3,374,869 | 3,295,913 | 78,956 |
| Autism: | | | | | |
| Salaries of Teachers | 81,077 | 70,871 | 151,948 | 150,855 | 1,093 |
| Other Salaries for Instruction | 96,023 | (22,712) | 73,311 | 61,098 | 12,213 |
| General Supplies | 6,000 | 1,020 | 7,020 | 7,001 | 19 |
| Total Autism | 183,100 | 49,179 | 232,279 | 218,954 | 13,325 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Preschool Disabilities - Part-Time: | | | | | |
| Salaries of Teachers | \$ 171,145 | \$ 41,353 | \$ 212,498 | \$ 211,444 | \$ 1,054 |
| Other Salaries for Instruction | 93,558 | 44,537 | 138,095 | 136,200 | 1,895 |
| Purchased Professional-Educational Services | | 1,500 | 1,500 | 500 | 1,000 |
| General Supplies | 2,000 | (469) | 1,531 | 531 | 1,000 |
| Other Objects | | 400 | 400 | | 400 |
| Total Preschool Disabilities - Part-Time | <u>266,703</u> | <u>87,321</u> | <u>354,024</u> | <u>348,675</u> | <u>5,349</u> |
| TOTAL SPECIAL EDUCATION - INSTRUCTION | 4,094,758 | 172,976 | 4,267,734 | 4,165,903 | 101,831 |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 1,013,610 | (50,149) | 963,461 | 955,863 | 7,598 |
| Other Salaries for Instruction | 22,492 | (20,640) | 1,852 | 17 | 1,835 |
| Total Basic Skills/Remedial - Instruction | <u>1,036,102</u> | <u>(70,789)</u> | <u>965,313</u> | <u>955,880</u> | <u>9,433</u> |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 158,005 | 8,103 | 166,108 | 166,108 | |
| General Supplies | 1,000 | | 1,000 | 966 | 34 |
| Total Bilingual Education - Instruction | <u>159,005</u> | <u>8,103</u> | <u>167,108</u> | <u>167,074</u> | <u>34</u> |
| School-Spon. Cocurricular & Extracurricular Actvts. - Inst.: | | | | | |
| Salaries | 148,507 | 1,514 | 150,021 | 136,432 | 13,589 |
| Supplies and Materials | 8,136 | 2,150 | 10,286 | 5,982 | 4,304 |
| Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst. | <u>156,643</u> | <u>3,664</u> | <u>160,307</u> | <u>142,414</u> | <u>17,893</u> |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-----------------|------------------|--------------|------------|--------------------------|
| School-Sponsored Athletics - Instruction: | | | | | |
| Salaries | \$ 86,015 | \$ 100 | \$ 86,115 | \$ 58,825 | \$ 27,290 |
| Supplies and Materials | 18,410 | (100) | 18,310 | 6,484 | 11,826 |
| Total School-Sponsored Athletics - Instruction | 104,425 | | 104,425 | 65,309 | 39,116 |
| Other Supplemental/At Risk Programs - Instruction: | | | | | |
| Salaries of Teacher Tutors | 330,565 | (16,000) | 314,565 | 305,426 | 9,139 |
| Total Other Suppl//At-Risk Prog - Instruction | 330,565 | (16,000) | 314,565 | 305,426 | 9,139 |
| TOTAL INSTRUCTION | 15,214,404 | 152,504 | 15,366,908 | 15,005,158 | 361,750 |
| Undistributed Expenditures - Instruction: | | | | | |
| Tuition to Other LEAs Within the State-Regular | 11,140,620 | - | 11,140,620 | 10,859,812 | 280,808 |
| Tuition to Other LEAs Within the State-Special | 1,645,675 | | 1,645,675 | 1,114,497 | 531,178 |
| Tuition to County Voc. School Dist.-Regular | 69,861 | 12,687 | 82,548 | 74,298 | 8,250 |
| Tuition to County Voc. School Dist.-Special | 53,482 | (12,687) | 40,795 | 12,000 | 28,795 |
| Tuition to Priv. Sch. for the Handicap. W/I State | 2,257,756 | (79,900) | 2,177,856 | 1,711,991 | 465,865 |
| Total Undistributed Expenditures - Instruction | 15,167,394 | (79,900) | 15,087,494 | 13,772,598 | 1,314,896 |
| Undistributed Expend. - Attendance & Social Work: | | | | | |
| Purchased Professional and Technical Services | 5,000 | | 5,000 | | 5,000 |
| Total Undist. Expend. - Attendance and Social Work | 5,000 | | 5,000 | | 5,000 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|--------------|------------|-----------------------------|
| Undistributed Expenditures - Health Services: | | | | | |
| Salaries | \$ 278,030 | \$ (2,591) | \$ 275,439 | \$ 274,647 | \$ 792 |
| Purchased Professional and Technical Services | 5,500 | | 5,500 | 5,500 | |
| Other Purchased Services (400-500 series) | 2,500 | | 2,500 | 1,697 | 803 |
| Supplies and Materials | 10,172 | 2,000 | 12,172 | 11,003 | 1,169 |
| Total Undist. Expenditures - Health Services | 296,202 | (591) | 295,611 | 292,847 | 2,764 |
| Undist. Expend. - Speech, OT, PT, Related Services: | | | | | |
| Salaries | 587,195 | (25,100) | 562,095 | 554,755 | 7,340 |
| Purchased Professional - Educational Services | 105,000 | (12,198) | 92,802 | 35,489 | 57,313 |
| Supplies and Materials | 10,000 | (3,235) | 6,765 | 3,735 | 3,030 |
| Other Objects | | 792 | 792 | 693 | 99 |
| Total Undist. Expend. - Speech, OT, PT, Related Services | 702,195 | (39,741) | 662,454 | 594,672 | 67,782 |
| Undist. Expend. - Other Supp.Serv. Students - Extra. Serv.: | | | | | |
| Salaries | 286,135 | (146,108) | 140,027 | 19,145 | 120,882 |
| Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv. | 286,135 | (146,108) | 140,027 | 19,145 | 120,882 |
| Undist.Expend. - Guidance: | | | | | |
| Salaries of Other Professional Staff | 322,960 | 426 | 323,386 | 321,638 | 1,748 |
| Supplies and Materials | 2,000 | | 2,000 | 145 | 1,855 |
| Total Undist Expend. - Guidance | 324,960 | 426 | 325,386 | 321,783 | 3,603 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| Undist. Expend. - Child Study Team: | | | | | |
| Salaries of Other Professional Staff | \$ 983,940 | \$ 25,268 | \$ 1,009,208 | \$ 999,918 | \$ 9,290 |
| Salaries of Secretarial and Clerical Assistants | 135,779 | (3,483) | 132,296 | 132,296 | |
| Purchased Professional - Educational Services | 1,157,066 | (135,567) | 1,021,499 | 487,268 | 534,231 |
| Other Purchased Services (400-500 series) | 47,850 | 325 | 48,175 | 22,078 | 26,097 |
| Supplies and Materials | 8,500 | 278 | 8,778 | 7,150 | 1,628 |
| Other Objects | 2,000 | | 2,000 | 1,980 | 20 |
| Total Undist Expend. - Child Study Team | 2,335,135 | (113,179) | 2,221,956 | 1,650,690 | 571,266 |
| Undist. Expend. - Improvement of Instructional Services: | | | | | |
| Salaries of Supervisors of Instruction | 82,619 | | 82,619 | 82,619 | |
| Salaries of Other Professional Staff | 463,858 | (55,359) | 408,499 | 358,488 | 50,011 |
| Salaries of Secretarial and Clerical Assistants | 73,847 | | 73,847 | 73,847 | |
| Purchased Professional - Educational Services | 13,000 | 13,200 | 26,200 | 10,460 | 15,740 |
| Other Purchased Services (400-500 series) | 177,234 | (13,000) | 164,234 | 146,448 | 17,786 |
| Supplies and Materials | 3,520 | | 3,520 | 1,855 | 1,665 |
| Other Objects | 4,000 | 800 | 4,800 | 2,472 | 2,328 |
| Total Undist. Expend. - Improvement of Instructional Services | 818,078 | (54,359) | 763,719 | 676,189 | 87,530 |
| Undist. Expend. - Educational Media Services/School Library: | | | | | |
| Salaries | 201,465 | 33,133 | 234,598 | 234,319 | 279 |
| Salaries of Technology Coordinators | 380,888 | 27,645 | 408,533 | 407,133 | 1,400 |
| Supplies and Materials | 14,760 | (1,200) | 13,560 | 7,304 | 6,256 |
| Total Undist. Expend. - Educational Media Services/School Library | 597,113 | 59,578 | 656,691 | 648,756 | 7,935 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-----------------|------------------|----------------|----------------|--------------------------|
| Undist. Expend. - Instructional Staff Training Services: | | | | | |
| Salaries of Other Professional Staff | \$ 10,000 | \$ | \$ 10,000 | \$ 4,559 | \$ 5,441 |
| Purchased Professional - Educational Service | 32,000 | | 32,000 | 14,254 | 17,746 |
| Other Purchased Services (400-500 series) | 20,000 | | 20,000 | 3,507 | 16,493 |
| Total Undist. Expend. - Instructional Staff Training Services | 62,000 | | 62,000 | 22,320 | 39,680 |
| Undist. Expend. - Support Services - General Administration: | | | | | |
| Salaries | 444,460 | \$ (155,104) | 289,356 | 286,185 | 3,171 |
| Legal Services | 60,000 | 63,000 | 123,000 | 52,714 | 70,286 |
| Audit Fees | 52,500 | 33,000 | 85,500 | 85,500 | |
| Other Purchased Professional Services | 30,100 | (6,575) | 23,525 | 22,881 | 644 |
| Communications/Telephone | 110,811 | (532) | 110,279 | 86,977 | 23,302 |
| BOE Other Purchased Services | 22,000 | (12,265) | 9,735 | 2,536 | 7,199 |
| Other Purch. Serv. (400-500 series other than 530 & 585) | 115,500 | (7,134) | 108,366 | 106,625 | 1,741 |
| General Supplies | 4,542 | 400 | 4,942 | 1,503 | 3,439 |
| BOE In-house Training/ Meeting Supplies | 500 | | 500 | 143 | 357 |
| Judgments Against The School District | | 140,000 | 140,000 | 140,000 | |
| Miscellaneous Expenditures | 17,743 | 575 | 18,318 | 17,425 | 893 |
| BOE Membership Dues and Fees | 20,200 | | 20,200 | 19,490 | 710 |
| Total Undist. Expend. - Support Services - General Administration | 878,356 | 55,365 | 933,721 | 821,979 | 111,742 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Undist. Expend. - Support Services - School Administration: | | | | | |
| Salaries of Principals/Assistant Principals/Prog Director | \$ 533,557 | \$ 41,096 | \$ 574,653 | \$ 574,652 | \$ 1 |
| Salaries of Secretarial and Clerical Assistants | 481,328 | 12,994 | 494,322 | 494,322 | |
| Other Purchased Services (400-500 series) | 4,250 | | 4,250 | 2,313 | 1,937 |
| Supplies and Materials | 6,114 | 1,191 | 7,305 | 6,161 | 1,144 |
| Other Objects | 6,125 | | 6,125 | 4,249 | 1,876 |
| Total Undist. Expend. - Support Services - School Administration | 1,031,374 | 55,281 | 1,086,655 | 1,081,697 | 4,958 |
| Undist. Expend. - Central Services: | | | | | |
| Salaries | 369,692 | (51,501) | 318,191 | 318,189 | 2 |
| Purchased Professional Services | 15,800 | 180,200 | 196,000 | 182,641 | 13,359 |
| Miscellaneous Purchased Services (400-500 series other than 594) | 8,600 | (1,227) | 7,373 | 7,062 | 311 |
| Supplies and Materials | 7,808 | 977 | 8,785 | 8,688 | 97 |
| Other Objects | 3,350 | (3,150) | 200 | 200 | |
| Total Undist. Expend. - Central Services | 405,250 | 125,299 | 530,549 | 516,780 | 13,769 |
| Undist. Expend. - Admin. Info. Technology: | | | | | |
| Salaries | | 1,510 | 1,510 | | 1,510 |
| Purchased Technical Services | 80,267 | 14,076 | 94,343 | 86,976 | 7,367 |
| Other Purchased Services (400-500 series) | 32,000 | 2,075 | 34,075 | 33,339 | 736 |
| Supplies and Materials | 5,700 | | 5,700 | 5,480 | 220 |
| Other Objects | 2,650 | | 2,650 | 1,655 | 995 |
| Total Undist. Expend. - Admin. Info. Technology | 120,617 | 17,661 | 138,278 | 127,450 | 10,828 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|--------------|------------|-----------------------------|
| Undist. Expend. - Required Maintenance for School Facilities: | | | | | |
| Salaries | \$ 374,477 | \$ (13,915) | \$ 360,562 | \$ 359,534 | \$ 1,028 |
| Cleaning, Repair, and Maintenance Services | 261,108 | 203,650 | 464,758 | 429,032 | 35,726 |
| General Supplies | 105,702 | 4,000 | 109,702 | 103,917 | 5,785 |
| Other Objects | 129,000 | (1,161) | 127,839 | 127,561 | 278 |
| Total Undist. Expend. - Required Maint. for School Facilities | 870,287 | 192,574 | 1,062,861 | 1,020,044 | 42,817 |
| Undist. Expend. - Custodial Services: | | | | | |
| Salaries | 647,151 | 19,415 | 666,566 | 628,572 | 37,994 |
| Cleaning, Repair, and Maintenance Services | 66,000 | (7,400) | 58,600 | 36,920 | 21,680 |
| Other Purchased Property Services | 44,000 | 18,659 | 62,659 | 60,636 | 2,023 |
| Insurance | 61,100 | (6,447) | 54,653 | 54,653 | |
| Miscellaneous Purchased Services | 53,000 | (12,300) | 40,700 | 39,409 | 1,291 |
| General Supplies | 181,896 | (43,452) | 138,444 | 130,484 | 7,960 |
| Energy (Natural Gas) | 160,000 | (8,159) | 151,841 | 145,744 | 6,097 |
| Energy (Electricity) | 465,000 | (30,500) | 434,500 | 324,322 | 110,178 |
| Other Objects | 7,000 | | 7,000 | 1,345 | 5,655 |
| Total Undist. Expend. - Custodial Services | 1,685,147 | (70,184) | 1,614,963 | 1,422,085 | 192,878 |
| Security: | | | | | |
| Salaries | 74,216 | | 74,216 | 73,823 | 393 |
| Purchased Professional and Technical Services | 37,880 | 44,695 | 82,575 | 82,526 | 49 |
| General Supplies | 63,000 | (63,000) | | | |
| Other Objects | | 1,500 | 1,500 | 54 | 1,446 |
| Total Security | 175,096 | (16,805) | 158,291 | 156,403 | 1,888 |
| Total Undist. Expend. - Oper. and Maint. of Plant Services | 2,730,530 | 105,585 | 2,836,115 | 2,598,532 | 237,583 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|------------------|------------------|------------------|------------------|--------------------------|
| Undist. Expend. - Student Transportation Services | | | | | |
| Sal. for Pupil Trans. (Bet. Home and Sch) - Regular | \$ 1,164,658 | \$ (59,252) | \$ 1,105,406 | \$ 1,096,370 | \$ 9,036 |
| Sal. for Pupil Trans. (Bet. Home and Sch) - Special Education | 176,770 | 111,038 | 287,808 | 285,678 | 2,130 |
| Sal. for Pupil Trans. (Other than Between Home & School) | 105,000 | (10,098) | 94,902 | 92,389 | 2,513 |
| Other Purchased Professional and Technical Services | 98,059 | (3,173) | 94,886 | 48,783 | 46,103 |
| Cleaning, Repair, and Maintenance Services | 5,743 | 1,605 | 7,348 | 7,160 | 188 |
| Undist. Expend. - Student Transportation Services: | | | | | |
| Contract. Serv. - Aid in Lieu of Payments - Nonpublic Students | 170,673 | | 170,673 | 143,576 | 27,097 |
| Contract. Serv. - Aid in Lieu of Payments - Choice Students | 7,573 | | 7,573 | 1,040 | 6,533 |
| Contract. Serv. (Special Ed. Students) - ESCs & CTSA's | 1,026,600 | 148,183 | 1,174,783 | 1,057,575 | 117,208 |
| Misc. Purchased Services - Transportation | 2,617 | (1,769) | 848 | | 848 |
| General Supplies | 211,219 | (103,006) | 108,213 | 86,989 | 21,224 |
| Transportation Supplies | 262,215 | (127,293) | 134,922 | 127,044 | 7,878 |
| Other Objects | 6,825 | | 6,825 | 3,411 | 3,414 |
| Total Undist. Expend. - Student Transportation Services | <u>3,237,952</u> | <u>(43,765)</u> | <u>3,194,187</u> | <u>2,950,015</u> | <u>244,172</u> |
| UNALLOCATED BENEFITS | | | | | |
| Social Security Contributions | 425,000 | 54,715 | 479,715 | 476,973 | 2,742 |
| Other Retirement Contributions - PERS | 510,000 | (3,514) | 506,486 | 494,982 | 11,504 |
| Other Retirement Contributions - Regular | 50,000 | (15,000) | 35,000 | 31,814 | 3,186 |
| Workers Compensation | 199,550 | 32,757 | 232,307 | 232,050 | 257 |
| Health Benefits | 7,380,148 | (336,214) | 7,043,934 | 7,000,955 | 42,979 |
| Tuition Reimbursement | 114,500 | (20,000) | 94,500 | 49,536 | 44,964 |
| Other Employee Benefits | 22,100 | (680) | 21,420 | 16,504 | 4,916 |
| Unused Sick Payment to Terminated/Retired Staff | 260,000 | (3,955) | 256,045 | 245,633 | 10,412 |
| TOTAL UNALLOCATED BENEFITS | <u>8,961,298</u> | <u>(291,891)</u> | <u>8,669,407</u> | <u>8,548,447</u> | <u>120,960</u> |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|--------------|--------------|-----------------------------|
| ON-BEHALF CONTRIBUTIONS (NON-BUDGETED) | | | | | |
| TPAF Post Retirement Contributions (Non-Budgeted) | | | \$ 1,489,770 | \$ 1,489,770 | \$ (1,489,770) |
| TPAF Pension Contributions (Non-Budgeted) | | | 62,383 | 5,036,062 | (5,036,062) |
| TPAF Non-Contributory Insurance (Non-Budgeted) | | | 2,502 | | (62,383) |
| TPAF Long-Term Disability Insurance (Non-Budgeted) | | | 1,116,327 | | (2,502) |
| Reimbursed TPAF Social Security Contributions | | | 7,707,044 | | (1,116,327) |
| TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED) | | | | | (7,707,044) |
| TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS | \$ 8,961,298 | \$ (291,891) | \$ 8,669,407 | 16,255,491 | (7,586,084) |
| TOTAL UNDISTRIBUTED EXPENDITURES | 37,959,589 | (350,339) | 37,609,250 | 42,350,944 | (4,741,694) |
| TOTAL GENERAL CURRENT EXPENSE | 53,173,993 | (197,835) | 52,976,158 | 57,356,102 | (4,379,944) |
| CAPITAL OUTLAY | | | | | |
| Equipment: | | | | | |
| Grades 1-5 | 5,718 | | 5,718 | 5,718 | |
| Grades 6-8 | | 20,000 | 20,000 | | 20,000 |
| Special Education - Instruction: | | | | | |
| Auditory Impairments | | 12,198 | 12,198 | 12,198 | |
| Undistributed: | | | | | |
| Undistributed Expenditures - Admin. Info. Technology | 119,000 | (2,000) | 117,000 | 112,568 | 4,432 |
| Undist. Expend. - Required Maintenance for School Facilities | | 25,000 | 25,000 | 9,842 | 15,158 |
| Undist. Expend. - Security | 9,000 | | 9,000 | | 9,000 |
| School Buses - Regular | 664,208 | 142,637 | 806,845 | 490,431 | 316,414 |
| Total Equipment | 797,926 | 197,835 | 995,761 | 630,757 | 365,004 |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|---------------------|---------------------|---------------------|----------------------|-----------------------------|
| Facilities Acquisition and Construction Services: | | | | | |
| Other Purchased Prof. and Tech. Services | \$ 10,500 | \$ 80,000 | \$ 90,500 | \$ 51,569 | \$ 38,931 |
| Construction Services | 3,080,572 | | 3,080,572 | 37,180 | 3,043,392 |
| Assessment for Debt Service on SDA Funding | 42,724 | | 42,724 | 42,724 | |
| Total Facilities Acquisition and Consttuction Services | <u>3,133,796</u> | <u>80,000</u> | <u>3,213,796</u> | <u>131,473</u> | <u>3,082,323</u> |
| TOTAL CAPITAL OUTLAY | <u>3,931,722</u> | <u>277,835</u> | <u>4,209,557</u> | <u>762,230</u> | <u>3,447,327</u> |
| Transfer of Funds to Charter Schools | <u>176,322</u> | | <u>176,322</u> | <u>176,322</u> | |
| TOTAL EXPENDITURES | <u>57,282,037</u> | <u>80,000</u> | <u>57,362,037</u> | <u>58,294,654</u> | <u>(932,617)</u> |
| Excess/(Deficit) of Revenues Over/(Under) Expenditures | \$ (6,098,715) | \$ (80,000) | \$ (6,178,715) | \$ 1,972,348 | \$ 8,151,063 |
| Other Financing Sources/(Uses): | | | | | |
| Capital Outlay - Transfer to Capital Projects | (1,572,769) | | (1,572,769) | (1,572,769) | |
| Total Other Financing Sources/(Uses) | <u>(1,572,769)</u> | | <u>(1,572,769)</u> | <u>(1,572,769)</u> | |
| Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses | (7,671,484) | (80,000) | (7,751,484) | 399,579 | 8,151,063 |
| Fund Balance, July 1 | <u>15,217,211</u> | | <u>15,217,211</u> | <u>15,217,211</u> | |
| Fund Balance, June 30 | <u>\$ 7,545,727</u> | <u>\$ (80,000)</u> | <u>\$ 7,465,727</u> | <u>\$ 15,616,790</u> | <u>\$ 8,151,063</u> |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|--------------|----------------------|-----------------------------|
| <u>Recapitulation:</u> | | | | | |
| Restricted Fund Balance: | | | | | |
| Excess Surplus - Restricted For 2026-2027 | \$ 1,500,000 | | | | |
| Capital Reserve | | | | 5,632,749 | |
| Maintenance Reserve | | | | 1,000,000 | |
| Tuition Reserve - For 2025-2026 | | | | 1,100,000 | |
| Tuition Reserve - For 2026-2027 | | | | 1,100,000 | |
| Emergency Reserve | | | | 120,000 | |
| Unemployment Compensation | | | | 847,851 | |
| Assigned Fund Balance: | | | | | |
| Year End Encumbrances | | | | 1,230,882 | |
| Designated for Subsequent Year's Expenditures | | | | 1,500,000 | |
| Unassigned Fund Balance | | | | 1,585,308 | |
| | | | | <u>15,616,790</u> | |
| Reconciliation to Governmental Funds Statement (GAAP): | | | | | |
| Last State Aid Payments not Recognized on GAAP basis | | | | <u>(360,197)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$ 15,256,593</u> | |

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

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|-----------------|------------------|-----------------|----------------|--------------------------|
| Revenue: | | | | | |
| Local Sources | \$ 90,000 | \$ 105,000 | \$ 195,000 | \$ 171,562 | \$ (23,438) |
| State Sources | 7,455 | 2,545 | 10,000 | 9,110 | (890) |
| Federal Sources | 725,361 | (140,086) | 585,275 | 571,947 | (13,328) |
| Total Revenue | 822,816 | (32,541) | 790,275 | 752,619 | (37,656) |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 205,037 | (146,812) | 58,225 | 57,872 | 353 |
| Purchased Professional and Educational Services | 72,003 | (47,506) | 24,497 | | 24,497 |
| Tuition | 331,226 | 63,530 | 394,756 | 394,756 | |
| General Supplies | 47,949 | 51,979 | 99,928 | 97,720 | 2,208 |
| Textbooks | 1,100 | (321) | 779 | 536 | 243 |
| Total Instruction | 657,315 | (79,130) | 578,185 | 550,884 | 27,301 |
| Support Services: | | | | | |
| Salaries of Other Professional Staff | | 1,976 | 1,976 | 1,270 | 706 |
| Purchased Professional and Technical Services | | 15,000 | 15,000 | 15,000 | |
| Other Purchased Services | 165,501 | (116,812) | 48,689 | 38,689 | 10,000 |
| Student Activities | | 141,925 | 141,925 | 141,925 | |
| Total Support Services | 165,501 | 42,089 | 207,590 | 196,884 | 10,706 |
| Facilities Acquisition and Construction Services: | | | | | |
| Construction Services | | 4,500 | 4,500 | 4,500 | |
| Total Facilities Acquisition and Construction Services | | 4,500 | 4,500 | 4,500 | |
| Total Expenditures | 822,816 | (32,541) | 790,275 | 752,268 | 38,007 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | \$ - 0 - | \$ - 0 - | \$ - 0 - | \$ 351 | \$ 351 |

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

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

| | General Fund | Special Revenue Fund |
|---|-----------------|----------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule | \$ 60,267,002 | \$ 752,619 |
| Differences - Budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not. | | |
| Current Year Encumbrances | | (9,662) |
| Prior Year Encumbrances | | 20,848 |
| Prior Year State Aid Payments recognized for GAAP statements | 321,327 | |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements | (360,197) | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | \$ 60,228,132 | \$ 763,805 |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 58,294,654 | \$ 752,268 |
| 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. | | |
| Current Year Encumbrances | | (9,662) |
| Prior Year Encumbrances | | 20,848 |
| Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds | \$ 58,294,654 | \$ 763,454 |

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

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

| | IDEA, Part B | | | Education Stabilization Fund | |
|---|--------------|------------------|-----------|---|-----------------|
| | Basic | Preschool - 2024 | Preschool | COVID 19 - ARP Learning Acceleration | Summer Learning |
| REVENUE: | | | | | |
| Local Sources | | | | | |
| State Sources | | | | | |
| Federal Sources | \$ 394,756 | 4 | \$ 21,439 | \$ 58,228 | \$ 9,890 |
| Total Revenue | 394,756 | 4 | 21,439 | 58,228 | 9,890 |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | | | | | 9,890 |
| Tuition | 394,756 | | | | |
| General Supplies | | 4 | 6,439 | 43,500 | |
| Textbooks | | | | | |
| Total Instruction | 394,756 | 4 | 6,439 | 43,500 | 9,890 |
| Support Services: | | | | | |
| Salaries of Other Professional Staff | | | | | |
| Purchased Professional and Technical Services | | | 15,000 | | |
| Other Purchased Services | | | | 14,728 | |
| Student Activities | | | | | |
| Total Support Services | | | 15,000 | 14,728 | |
| Facilities Acquisition/Construction: | | | | | |
| Construction Services | | | | | |
| Total Facilities Acquisition/Construction | | | | | |
| Total Expenditures | \$ 394,756 | 4 | \$ 21,439 | \$ 58,228 | \$ 9,890 |

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

| | Nursing | Security | Textbooks | Technology | Nonpublic | Textbooks | Technology |
|---|----------|----------|-----------|------------|-----------|-----------|------------|
| SDA Emergent and Capital Maintenance Needs | | | | | | | |
| \$ 4,500 | \$ 1,270 | \$ 2,230 | \$ 536 | \$ 574 | | | |
| 4,500 | 1,270 | 2,230 | 536 | 574 | | | |
| REVENUE: | | | | | | | |
| Local Sources | | | | | | | |
| State Sources | | | | | | | |
| Federal Sources | | | | | | | |
| Total Revenue | | | | | | | |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | | | | | | | |
| Tuition | | | | | | | |
| General Supplies | | | | | 2,230 | | 574 |
| Textbooks | | | | | | 536 | |
| Total Instruction | | | | | 2,230 | 536 | 574 |
| Support Services: | | | | | | | |
| Salaries of Other Professional Staff | | | | | | | |
| Purchased Professional and Technical Services | | | | | 1,270 | | |
| Other Purchased Services | | | | | | | |
| Student Activities | | | | | | | |
| Total Support Services | | | | | 1,270 | | |
| Facilities Acquisition/Construction: | | | | | | | |
| Construction Services | | | | | | | |
| 4,500 | | | | | | | |
| 4,500 | | | | | | | |
| \$ 4,500 | \$ 1,270 | \$ 2,230 | \$ 536 | \$ 574 | | | |
| 4,500 | 1,270 | 2,230 | 536 | 574 | | | |

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

| | <u>Local Grants</u> | <u>Student Activities</u> | <u>Totals</u> |
|--|---------------------|---------------------------|----------------------|
| | | | <u>June 30, 2025</u> |
| REVENUE: | | | |
| Local Sources | \$ 29,286 | \$ 142,276 | \$ 171,562 |
| State Sources | | | 9,110 |
| Federal Sources | | | 571,947 |
| Total Revenue | <u>29,286</u> | <u>142,276</u> | <u>752,619</u> |
| EXPENDITURES: | | | |
| Instruction: | | | |
| Salaries of Teachers | | | 57,872 |
| Tuition | | | 394,756 |
| General Supplies | 29,286 | | 97,720 |
| Textbooks | | | 536 |
| Total Instruction | <u>29,286</u> | | <u>550,884</u> |
| Support Services: | | | |
| Salaries of Other Professional Staff | | | 1,270 |
| Purchased Professional and Technical Services | | | 15,000 |
| Other Purchased Services | | | 38,689 |
| Student Activities | | 141,925 | 141,925 |
| Total Support Services | | <u>141,925</u> | <u>196,884</u> |
| Facilities Acquisition/Construction: | | | |
| Construction Services | | | 4,500 |
| Total Facilities Acquisition/Construction | | | <u>4,500</u> |
| Total Expenditures | <u>\$ 29,286</u> | <u>\$ 141,925</u> | <u>\$ 752,268</u> |

CAPITAL PROJECTS FUND

BRANCHBURG 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

| | |
|---|---------------------|
| Revenue and Other Financing Sources: | |
| Transfer from General Fund - Capital Outlay | \$ 1,572,769 |
| State Sources - SDA Grants | <u>1,048,513</u> |
| Total Revenue and Other Financing Sources | <u>2,621,282</u> |
| Expenditures: | |
| Other Purchased Professional Technical Services | 86,686 |
| Construction Services | <u>312,223</u> |
| Total Expenditures | <u>398,909</u> |
| Excess of Revenue and Other Financing Sources Over Expenditures | 2,222,373 |
| Fund Balance - Beginning Balance | <u>- 0 -</u> |
| Fund Balance - Ending Balance | <u>\$ 2,222,373</u> |
| Recapitulation: | |
| Committed Fund Balance | \$ 845,562 |
| Committed - Year End Encumbrances | <u>1,376,811</u> |
| | 2,222,373 |
| Reconciliation to Governmental Funds Statements (GAAP): | |
| SDA Grant Receivable not Recognized on GAAP Basis | <u>(1,048,513)</u> |
| Fund Balance per Governmental Funds (GAAP) | <u>\$ 1,173,860</u> |

BRANCBURG TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES
AND PROJECT STATUS - BUDGETARY BASIS
BOILERS AND HOT WATER HEATERS - MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Total</u> | <u>Authorized Cost</u> |
|--|--------------------------|-------------------------|------------------|----------------------------|
| Revenue and Other Financing Sources: | | | | |
| Transfer from Capital Outlay | | \$ 242,779 | \$ 242,779 | \$ 242,779 |
| SDA Grant | | 161,852 | 161,852 | 161,852 |
| Total Revenue and Other Financing Sources | | 404,631 | 404,631 | 404,631 |
| Expenditures: | | | | |
| Construction Services | | 312,223 | 312,223 | 404,631 |
| Total Expenditures | | 312,223 | 312,223 | 404,631 |
| Excess of Revenue and Other Financing Sources Over Expenditures | <u>\$ - 0 -</u> | <u>\$ 92,408</u> | <u>\$ 92,408</u> | <u>\$ - 0 -</u> |

Additional Project Information:

| | |
|--|------------------|
| Project Number | 0510-020-23-R501 |
| Grant Date | 5/7/2024 |
| Original Authorized Cost | \$ 404,631 |
| % Increase over Original Authorized Cost | 0% |
| % Completion | 77% |
| Original Target Completion Date | 9/30/2025 |

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

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Total</u> | <u>Authorized Cost</u> |
|--|--------------------------|-------------------------|---------------------|----------------------------|
| Revenue and Other Financing Sources: | | | | |
| Transfer from Capital Outlay | | \$ 823,636 | \$ 823,636 | \$ 823,636 |
| SDA Grant | | 549,091 | 549,091 | 549,091 |
| Total Revenue and Other Financing Sources | | <u>1,372,727</u> | <u>1,372,727</u> | <u>1,372,727</u> |
| Expenditures: | | | | |
| Other Purchased Professional Technical Services | | 47,775 | 47,775 | 60,515 |
| Construction Services | | | | 1,312,212 |
| Total Expenditures | | <u>47,775</u> | <u>47,775</u> | <u>1,372,727</u> |
| Excess of Revenue and Other Financing Sources Over Expenditures | <u>\$ - 0 -</u> | <u>\$ 1,324,952</u> | <u>\$ 1,324,952</u> | <u>\$ - 0 -</u> |

Additional Project Information:

| | |
|--|------------------|
| Project Number | 0510-020-23-R504 |
| Grant Date | 5/7/2024 |
| Original Authorized Cost | \$ 1,372,727 |
| % Increase over Original Authorized Cost | 0% |
| % Completion | 3% |
| Original Target Completion Date | 4/30/2026 |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES
AND PROJECT STATUS - BUDGETARY BASIS
BOILERS AND HOT WATER HEATERS - WHITON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | Prior Periods | Current Year | Total | Authorized Cost |
|--|------------------|-----------------|----------------|--------------------|
| Revenue and Other Financing Sources: | | | | |
| Transfer from Capital Outlay | | \$ 506,354 | \$ 506,354 | \$ 506,354 |
| SDA Grant | | 337,570 | 337,570 | 337,570 |
| Total Revenue and Other Financing Sources | | 843,924 | 843,924 | 843,924 |
| Expenditures: | | | | |
| Other Purchased Professional Technical Services | | 38,911 | 38,911 | 62,270 |
| Construction Services | | | | 781,654 |
| Total Expenditures | | 38,911 | 38,911 | 843,924 |
| Excess of Revenue and Other Financing Sources Over Expenditures | \$ - 0 - | \$ 805,013 | \$ 805,013 | \$ - 0 - |

Additional Project Information:

| | |
|--|------------------|
| Project Number | 0510-090-23-R501 |
| Grant Date | 5/7/2024 |
| Original Authorized Cost | \$ 843,924 |
| % Increase over Original Authorized Cost | 0% |
| % Completion | 5% |
| Original Target Completion Date | 6/30/2026 |

PROPRIETARY FUNDS

BRANCBURG TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

| | <u>Business-Type Activities - Enterprise Funds Food Service</u> |
|--|---|
| ASSETS: | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 256,020 |
| Accounts Receivable: | |
| State | 502 |
| Federal | 8,479 |
| Other | 6,124 |
| Inventories | <u>19,071</u> |
| Total Current Assets | <u>290,196</u> |
| Capital Assets: | |
| Furniture & Equipment | 534,547 |
| Less: Accumulated Depreciation | <u>(417,997)</u> |
| Total Capital Assets, Net | <u>116,550</u> |
| Total Assets | <u>406,746</u> |
| LIABILITIES: | |
| Current Liabilities: | |
| Unearned Revenue - Prepaid Sales | 22,066 |
| Unearned Revenue - Donated Commodities | <u>5,008</u> |
| Total Current Liabilities | <u>27,074</u> |
| NET POSITION: | |
| Investment in Capital Assets | 116,550 |
| Unrestricted | <u>263,122</u> |
| Total Net Position | <u>\$ 379,672</u> |

BRANCHBURG BOARD OF EDUCATION
ENTERPRISE FUNDS
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | Business-Type Activities - Enterprise Funds Food Service |
|---|---|
| Operating Revenue: | |
| Local Sources: | |
| Daily Sales - Reimbursable Programs | \$ 355,290 |
| Daily Sales - Non-Reimbursable Programs | 170,666 |
| | 525,956 |
| Total Operating Revenue | 525,956 |
| Operating Expenses: | |
| Cost of Sales - Reimbursable Programs | 202,511 |
| Cost of Sales - Non-Reimbursable Programs | 97,278 |
| Salaries, Benefits & Payroll Taxes | 325,822 |
| Supplies and Materials | 34,612 |
| Food Service Management Fee | 25,250 |
| Purchased Professional/Technical Services | 5,134 |
| Depreciation | 6,516 |
| | 697,123 |
| Total Operating Expenses | 697,123 |
| Operating (Loss) | (171,167) |
| Non-Operating Revenue: | |
| State Sources: | |
| State School Lunch Program | 7,868 |
| State School Breakfast Program | 59 |
| New Jersey Extended Income Eligibility - Lunch | 1,007 |
| S-EBT Reimbursement | 322 |
| Federal Sources: | |
| National School Lunch Program | 126,252 |
| School Breakfast Program | 8,229 |
| Healthy Hunger Free Kids Act | 10,137 |
| S-EBT Reimbursement | 321 |
| Local Foods For Schools Cooperative Agreement Program | 882 |
| Food Distribution Program | 36,930 |
| Local Sources: | |
| Interest Income | 4,235 |
| | 196,242 |
| Total Non-Operating Revenue | 196,242 |
| Change in Net Position | 25,075 |
| Net Position - Beginning of Year | 354,597 |
| Net Position - End of Year | \$ 379,672 |

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

| | Business-Type Activities - Enterprise Funds Food Service |
|---|---|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 525,770 |
| Payments to Employees | (325,822) |
| Payments to Suppliers | (357,354) |
| | (157,406) |
| Net Cash Used for Operating Activities | |
| Cash Flows from Investing Activities: | |
| Interest Income | 4,235 |
| | 4,235 |
| Net Cash Provided by Investing Activities | |
| Cash Flows from Capital and Related Financing Activities: | |
| Acquisition of Capital Assets | (63,803) |
| | (63,803) |
| Net Cash Used for Capital and Related Financing Activities | |
| Cash Flows from Noncapital Financing Activities: | |
| Cash Received from State and Federal Reimbursements | 153,136 |
| | 153,136 |
| Net Cash Provided by Noncapital Financing Activities | |
| Net Decrease in Cash and Cash Equivalents | (63,838) |
| Cash and Cash Equivalents, July 1 | 319,858 |
| Cash and Cash Equivalents, June 30 | \$ 256,020 |
| Reconciliation of Operating Loss to Net Cash | |
| Used for Operating Activities: | |
| Operating Loss | \$ (171,167) |
| Adjustment to Reconcile Operating Loss to Net Cash | |
| Used for Operating Activities: | |
| Depreciation | 6,516 |
| Federal Food Distribution Program | 36,930 |
| Changes in Assets and Liabilities: | |
| (Increase) in Accounts Receivable - Other | (1,450) |
| Decrease in Inventory | 2,828 |
| Decrease in Unearned Revenue | 1,264 |
| (Decrease) in Accounts Payable | (32,327) |
| | (32,327) |
| Net Cash Used for Operating Activities | \$ (157,406) |
| <u>Noncash Investing, Capital and Financing Activities:</u> | |

The Food Service Enterprise Fund received \$37,444 and utilized \$36,930 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2025.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

| Purpose | Date of Issue | Original Issue | Maturities of Bonds Outstanding | | | Interest Rate | Balance July 1, 2024 | Retired or Matured | Balance June 30, 2025 |
|-------------------------|---------------|----------------|---------------------------------|---------------|--------|---------------|----------------------|--------------------|-----------------------|
| | | | Date | June 30, 2025 | | | | | |
| | | | | Amount | | | | | |
| Refunding Bonds of 2016 | 3/15/2016 | \$ 15,490,000 | 7/15/25 | \$ 1,020,000 | 5.000% | | | | |
| | | | 7/15/26 | 1,120,000 | 5.000% | | | | |
| | | | 7/15/27 | 1,185,000 | 5.000% | | | | |
| | | | 7/15/28 | 1,245,000 | 5.000% | | | | |
| | | | 7/15/29 | 1,295,000 | 2.500% | | | | |
| | | | 7/15/30 | 1,345,000 | 3.336% | | | | |
| | | | 7/15/31 | 1,390,000 | 3.270% | \$ 9,515,000 | \$ 915,000 | \$ 8,600,000 | |
| Refunding Bonds of 2019 | 11/06/2019 | 4,370,000 | 2/1/26 | 865,000 | 4.000% | 1,695,000 | 830,000 | 865,000 | |
| | | | | | | \$ 11,210,000 | \$ 1,745,000 | \$ 9,465,000 | |

BRANCBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|--------------|--------------------------------|
| REVENUE: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 2,186,863 | | \$ 2,186,863 | \$ 2,186,863 | |
| Total Revenue | 2,186,863 | | 2,186,863 | 2,186,863 | |
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 441,863 | | 441,863 | 441,862 | \$ 1 |
| Redemption of Principal | 1,745,000 | | 1,745,000 | 1,745,000 | |
| Total Regular Debt Service | 2,186,863 | | 2,186,863 | 2,186,862 | 1 |
| Total Expenditures | 2,186,863 | | 2,186,863 | 2,186,862 | 1 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | | | | 1 | 1 |
| Fund Balance, July 1 | - 0 - | | - 0 - | - 0 - | |
| Fund Balance, June 30 | \$ - 0 - | \$ - 0 - | \$ - 0 - | \$ 1 | \$ 1 |
| Recapitulation of Fund Balance: | | | | | |
| Restricted | | | | \$ 1 | |

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

| | June 30, | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 16,567,660 | \$ 16,012,567 | \$ 16,297,353 | \$ 16,297,353 | \$ 19,771,236 | \$ 22,058,302 | \$ 23,306,431 | \$ 25,861,469 | \$ 27,584,110 | \$ 27,924,811 |
| Restricted | 4,063,944 | 5,870,211 | 7,188,636 | 7,188,636 | 11,188,146 | 9,753,484 | 8,821,554 | 8,892,898 | 9,567,191 | 11,370,932 |
| Unrestricted (Deficit) | (9,743,207) | (9,582,706) | (8,531,601) | (8,531,601) | (9,619,152) | (5,940,673) | (3,068,820) | (2,433,096) | (2,098,292) | (1,684,163) |
| Total Governmental Activities | \$ 10,888,397 | \$ 12,300,072 | \$ 14,954,388 | \$ 14,954,388 | \$ 21,340,230 | \$ 25,871,113 | \$ 29,059,165 | \$ 32,321,271 | \$ 35,053,009 | \$ 37,611,580 |
| Business-Type Activities: | | | | | | | | | | |
| Investment in Capital Assets | \$ 104,770 | \$ 54,191 | \$ 47,878 | \$ 47,878 | \$ 46,384 | \$ 42,044 | \$ 34,544 | \$ 37,954 | \$ 59,263 | \$ 116,550 |
| Unrestricted | 205,660 | 205,536 | 174,569 | 174,569 | 108,397 | 76,649 | 199,177 | 223,489 | 295,334 | 263,122 |
| Total Business-Type Activities Net Position | \$ 310,430 | \$ 259,727 | \$ 222,447 | \$ 222,447 | \$ 154,781 | \$ 118,693 | \$ 233,721 | \$ 261,443 | \$ 354,597 | \$ 379,672 |
| District-Wide: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 16,672,430 | \$ 16,066,758 | \$ 16,345,231 | \$ 16,345,231 | \$ 19,817,620 | \$ 22,100,346 | \$ 23,340,975 | \$ 25,899,423 | \$ 27,643,373 | \$ 28,041,361 |
| Restricted | 4,063,944 | 5,870,211 | 7,188,636 | 7,188,636 | 11,188,146 | 9,753,484 | 8,821,554 | 8,892,898 | 9,567,191 | 11,370,932 |
| Unrestricted (Deficit) | (9,537,547) | (9,377,170) | (8,357,032) | (8,357,032) | (9,510,755) | (5,864,024) | (2,869,643) | (2,209,607) | (1,802,958) | (1,421,041) |
| Total District-Wide Net Position | \$ 11,198,827 | \$ 12,559,799 | \$ 15,176,835 | \$ 15,176,835 | \$ 21,495,011 | \$ 25,989,806 | \$ 29,292,886 | \$ 32,582,714 | \$ 35,407,606 | \$ 37,991,252 |

Source: Branchburg Township School District financial reports.

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 13,313,817 | \$ 14,629,510 | \$ 14,740,212 | \$ 13,836,624 | \$ 13,731,029 | \$ 14,703,672 | \$ 14,670,478 | \$ 12,707,823 | \$ 13,510,522 | \$ 14,085,158 |
| Special Education | 4,926,087 | 5,475,316 | 5,559,645 | 5,310,525 | 5,518,643 | 5,759,941 | 5,478,617 | 5,101,864 | 5,850,427 | 6,929,360 |
| Other Special Instruction | 1,947,619 | 2,032,737 | 2,082,557 | 2,291,491 | 2,238,614 | 1,955,901 | 2,068,717 | 2,801,229 | 2,236,777 | 1,749,282 |
| School-Sponsored/Other Instruction | 648,398 | 740,733 | 821,798 | 837,708 | 869,722 | 755,876 | 997,846 | 330,361 | 936,255 | 759,302 |
| Support Services: | | | | | | | | | | |
| Tuition | 12,987,601 | 12,863,308 | 12,181,091 | 12,094,127 | 12,580,922 | 13,006,329 | 13,979,905 | 13,919,842 | 13,964,607 | 13,772,598 |
| Student & Instruction Related Services | 5,454,740 | 6,107,872 | 6,372,612 | 5,800,427 | 5,579,116 | 5,625,395 | 5,718,523 | 6,758,507 | 7,121,805 | 6,312,101 |
| General Administration Services | 925,050 | 794,698 | 953,315 | 938,301 | 883,649 | 883,913 | 881,777 | 938,698 | 995,810 | 977,220 |
| School Administration Services | 1,710,545 | 2,102,409 | 2,144,192 | 2,025,079 | 2,113,871 | 2,041,423 | 1,849,726 | 1,801,147 | 1,790,825 | 1,656,324 |
| Central Services and Administrative | | | | | | | | | | |
| Information Technology | 728,440 | 851,691 | 912,960 | 722,657 | 709,847 | 717,200 | 648,371 | 663,929 | 850,202 | 831,260 |
| Plant Operations and Maintenance | 2,315,820 | 2,145,436 | 2,558,894 | 2,433,608 | 2,210,817 | 2,371,133 | 2,665,324 | 2,707,792 | 2,645,953 | 3,242,955 |
| Pupil Transportation | 2,714,783 | 2,887,552 | 2,923,879 | 4,298,042 | 2,266,449 | 2,168,731 | 3,329,548 | 3,565,239 | 3,445,350 | 3,747,200 |
| Charter Schools | | | | | | | 55,412 | 77,360 | 178,178 | 176,322 |
| Interest On Long-Term Debt | 1,360,087 | 1,023,964 | 739,820 | 696,742 | 604,965 | 546,308 | 489,368 | 436,411 | 364,699 | 286,974 |
| Unallocated Depreciation | 1,462,332 | 1,432,741 | 1,426,185 | 1,460,818 | 1,566,129 | 1,566,129 | 1,586,149 | 1,524,788 | 1,631,439 | 1,837,770 |
| Total Governmental Activities Expenses | 50,495,319 | 53,087,967 | 53,417,160 | 52,746,149 | 50,873,773 | 52,101,951 | 54,419,761 | 53,334,990 | 55,522,849 | 56,363,826 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 646,424 | 690,795 | 713,950 | 709,721 | 562,101 | 224,055 | 647,368 | 704,454 | 697,500 | 697,123 |
| Total Business-Type Activities Expenses | 646,424 | 690,795 | 713,950 | 709,721 | 562,101 | 224,055 | 647,368 | 704,454 | 697,500 | 697,123 |

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

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Total District-Wide Expenses | \$ 51,141,743 | \$ 53,778,762 | \$ 54,131,110 | \$ 53,455,870 | \$ 51,435,874 | \$ 52,326,006 | \$ 55,067,129 | \$ 54,039,444 | \$ 56,220,349 | \$ 57,060,949 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges For Services | 152,146 | 209,061 | 140,303 | 172,206 | 129,602 | 142,750 | 214,898 | 444,627 | 461,158 | 498,284 |
| Operating Grants and Contributions | 9,772,045 | 12,470,399 | 13,178,050 | 11,400,304 | 10,014,379 | 11,358,239 | 11,283,103 | 9,509,644 | 9,359,960 | 8,328,567 |
| Total Governmental Activities Program Revenues | 9,924,191 | 12,679,460 | 13,318,353 | 11,572,510 | 10,143,981 | 11,500,989 | 11,498,001 | 9,954,271 | 9,821,118 | 8,826,851 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 592,524 | 567,854 | 540,541 | 544,508 | 345,002 | 4,796 | 113,259 | 495,269 | 565,383 | 525,956 |
| Operating Grants and Contributions | 94,357 | 111,120 | 117,903 | 118,069 | 97,143 | 177,266 | 646,580 | 231,692 | 214,820 | 192,007 |
| Total Business-Type Activities Program Revenues | 686,881 | 678,974 | 658,444 | 662,577 | 442,145 | 182,062 | 759,839 | 726,961 | 780,203 | 717,963 |
| Total District-Wide Program Revenues | 10,611,072 | 13,358,434 | 13,976,797 | 12,235,087 | 10,586,126 | 11,683,051 | 12,257,840 | 10,681,232 | 10,601,321 | 9,544,814 |
| Net Revenue/(Expense) - Governmental Activities | (40,571,128) | (40,408,507) | (40,098,807) | (41,173,639) | (40,729,792) | (40,600,962) | (42,921,760) | (43,380,719) | (45,701,731) | (47,536,975) |
| Net Revenue/(Expense) - Business-Type Activities | 40,457 | (11,821) | (55,506) | (47,144) | (119,956) | (41,993) | 112,471 | 22,507 | 82,703 | 20,840 |
| Total District-Wide Net Revenue/(Expense) | (40,530,671) | (40,420,328) | (40,154,313) | (41,220,783) | (40,849,748) | (40,642,955) | (42,809,289) | (43,358,212) | (45,619,028) | (47,516,135) |
| General Revenues and Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | 38,963,858 | 39,622,347 | 40,216,682 | 40,694,329 | 41,508,216 | 42,338,380 | 42,761,764 | 43,616,999 | 45,077,591 | 46,717,400 |
| Taxes Levied for Debt Service | 2,130,355 | 2,109,741 | 1,944,055 | 1,968,552 | 2,018,709 | 2,011,556 | 2,046,164 | 2,091,538 | 2,131,887 | 2,186,863 |

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| General Revenues and Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Federal and State Aid not Restricted | \$ 341,210 | \$ 360,773 | \$ 353,564 | \$ 294,851 | \$ 288,812 | \$ 364,961 | \$ 288,851 | \$ 191,840 | \$ 195,572 | \$ 212,066 |
| Investment Earnings | 8,504 | 19,001 | 63,573 | 180,049 | 180,049 | 180,049 | | | | |
| Miscellaneous Income | 112,631 | 78,941 | 175,249 | 243,810 | 160,728 | 236,899 | 1,013,033 | 742,448 | 1,028,419 | 979,217 |
| Other Item - SDA Grants Cancelled | (13,317) | | | | | | | | | |
| Transfers | 26,681 | | | | | | | | | |
| Total Governmental Activities General Revenues and Other Changes in Net Position | 41,569,922 | 42,190,803 | 42,753,123 | 43,381,591 | 44,156,514 | 45,131,845 | 46,109,812 | 46,642,825 | 48,433,469 | 50,095,546 |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | 2,136 | 5,465 | 18,226 | 56,579 | 42,855 | 5,905 | 2,557 | 5,215 | 10,451 | 4,235 |
| Transfers | (26,681) | | | | | | | | | |
| Total Business-Type Activities General Revenues and Other Changes in Net Position | (24,545) | 5,465 | 18,226 | 56,579 | 42,855 | 5,905 | 2,557 | 5,215 | 10,451 | 4,235 |
| Total District-Wide General Revenues and Other Changes in Net Position | 41,545,377 | 42,196,268 | 42,771,349 | 43,438,170 | 44,199,369 | 45,137,750 | 46,112,369 | 46,648,040 | 48,443,920 | 50,099,781 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | 998,794 | 1,782,296 | 2,654,316 | 2,207,952 | 3,426,722 | 4,530,883 | 3,188,052 | 3,262,106 | 2,731,738 | 2,558,571 |
| Business-Type Activities | 15,912 | (6,356) | (37,280) | 9,435 | (77,101) | (36,088) | 115,028 | 27,722 | 93,154 | 25,075 |
| Total District-Wide Change in Net Position | \$ 1,014,706 | \$ 1,775,940 | \$ 2,617,036 | \$ 2,217,387 | \$ 3,349,621 | \$ 4,494,795 | \$ 3,303,080 | \$ 3,289,828 | \$ 2,824,892 | \$ 2,583,646 |

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

| | June 30, | | | | | | | | | |
|---------------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 4,063,944 | \$ 5,857,500 | \$ 7,175,925 | \$ 7,253,119 | \$ 11,117,772 | \$ 9,684,977 | \$ 8,771,997 | \$ 8,838,969 | \$ 9,497,211 | \$ 11,300,600 |
| Assigned | 643,224 | 932,857 | 1,846,471 | 1,903,745 | 509,745 | 2,598,751 | 3,682,903 | 4,204,970 | 3,845,712 | 2,730,882 |
| Unassigned | 680,232 | 1,075,839 | 1,127,697 | 1,190,788 | 1,097,765 | 2,175,656 | 2,685,318 | 1,535,198 | 1,552,961 | 1,225,111 |
| Total General Fund | \$ 5,387,400 | \$ 7,866,196 | \$ 10,150,093 | \$ 10,347,652 | \$ 12,725,282 | \$ 14,459,384 | \$ 15,140,218 | \$ 14,579,137 | \$ 14,895,884 | \$ 15,256,593 |
| Other Governmental Funds: | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| Student Activities | | | | | \$ 62,271 | \$ 65,049 | \$ 49,556 | \$ 53,928 | \$ 69,980 | \$ 70,331 |
| Debt Service | | | | | 8,103 | 3,458 | 1 | 1 | 1 | 1 |
| Restricted | | \$ 12,711 | \$ 12,711 | | | | | | | |
| Committed | | | | | | | | | | 1,173,860 |
| Total Other Governmental Funds | \$ - 0 - | \$ 12,711 | \$ 12,711 | \$ - 0 - | \$ 70,374 | \$ 68,507 | \$ 49,557 | \$ 53,929 | \$ 69,980 | \$ 1,244,192 |
| Total All Governmental Funds | \$ 5,387,400 | \$ 7,878,907 | \$ 10,162,804 | \$ 10,347,652 | \$ 12,795,656 | \$ 14,527,891 | \$ 15,189,775 | \$ 14,633,066 | \$ 14,965,864 | \$ 16,500,785 |

Source: Branchburg Township School District financial reports.

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Revenues: | | | | | | | | | | |
| Tax Levy | \$41,094,213 | \$41,732,088 | \$42,160,737 | \$42,662,881 | \$43,526,925 | \$44,349,936 | \$44,807,928 | \$45,708,537 | \$47,209,478 | \$48,904,263 |
| Tuition | 152,146 | 209,061 | 140,303 | 172,206 | 129,602 | 114,906 | 136,778 | 96,488 | 215,568 | 201,379 |
| Transportation Fees From Other LEAs | 6,847 | 15,929 | 55,460 | 159,582 | 102,926 | 16,270 | 277,317 | 210,178 | 106,534 | 154,629 |
| Interest Earned on Investments | 1,657 | 3,072 | 8,113 | 20,467 | 11,268 | 1,717 | 15,182 | 218,419 | 378,921 | 378,921 |
| Interest Earned on Capital Reserve Funds | 143,398 | 102,995 | 201,493 | 279,336 | 230,298 | 443,193 | 803,269 | 73,954 | 152,343 | 158,638 |
| Miscellaneous | 5,571,808 | 6,182,076 | 6,737,988 | 7,462,539 | 7,700,578 | 9,315,477 | 11,162,015 | 606,692 | 652,850 | 611,706 |
| State Sources | 487,007 | 463,187 | 528,205 | 520,590 | 481,876 | 697,316 | 1,066,037 | 1,063,256 | 808,435 | 590,250 |
| Federal Sources | | | | | | | | | | |
| Total Revenue | 47,457,076 | 48,708,408 | 49,832,299 | 51,277,601 | 52,183,473 | 54,938,815 | 58,270,725 | 59,152,226 | 61,633,990 | 63,178,800 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 7,894,098 | 7,719,036 | 7,874,096 | 7,984,258 | 7,792,083 | 8,457,065 | 8,817,176 | 8,318,504 | 8,738,858 | 9,408,054 |
| Special Education Instruction | 2,984,395 | 2,994,216 | 3,072,883 | 3,111,861 | 3,306,859 | 3,319,950 | 3,454,622 | 3,346,289 | 3,811,307 | 4,578,030 |
| Other Special Instruction | 1,096,442 | 1,034,996 | 1,056,649 | 1,257,445 | 1,267,485 | 1,065,124 | 1,234,478 | 1,741,127 | 1,403,083 | 1,122,954 |
| School-Sponsored/Other Instruction | 372,395 | 384,868 | 429,005 | 465,096 | 498,528 | 417,331 | 600,493 | 188,812 | 583,322 | 513,149 |
| Support Services: | | | | | | | | | | |
| Tuition | 12,987,601 | 12,863,308 | 12,181,091 | 12,094,127 | 12,580,922 | 13,006,329 | 13,979,905 | 13,919,842 | 13,964,607 | 13,772,598 |
| Student & Instruction-Related Services | 3,155,510 | 3,184,792 | 3,424,723 | 3,277,555 | 3,274,709 | 3,182,748 | 3,638,335 | 4,519,101 | 4,936,840 | 4,368,327 |
| General Administration Services | 708,491 | 562,971 | 648,940 | 665,179 | 657,021 | 633,845 | 672,781 | 743,298 | 767,589 | 821,979 |
| School Administration Services | 967,675 | 1,066,325 | 1,093,830 | 1,127,759 | 1,201,810 | 1,127,719 | 1,106,890 | 1,129,938 | 1,121,194 | 1,081,697 |
| Central Services | 366,049 | 380,936 | 385,689 | 348,622 | 365,800 | 365,999 | 357,777 | 404,521 | 481,095 | 516,780 |
| Administrative Information Technology | 111,774 | 113,714 | 120,141 | 101,573 | 80,768 | 52,978 | 62,463 | 106,114 | 118,944 | 127,450 |
| Plant Operations and Maintenance | 1,881,080 | 1,755,110 | 2,129,316 | 2,032,049 | 1,961,192 | 2,073,474 | 2,425,820 | 2,450,618 | 2,333,885 | 2,598,532 |
| Pupil Transportation | 1,850,927 | 1,736,612 | 1,789,017 | 1,768,816 | 1,727,872 | 1,560,361 | 2,657,367 | 2,911,005 | 2,738,225 | 2,950,015 |
| Unallocated Benefits | 8,872,757 | 9,492,374 | 10,357,174 | 10,947,691 | 11,080,365 | 12,912,584 | 13,933,340 | 14,692,477 | 15,795,117 | 16,255,491 |
| Capital Outlay | 955,716 | 729,429 | 941,054 | 3,834,778 | 2,585,332 | 2,919,535 | 2,467,145 | 3,068,391 | 2,197,060 | 1,165,639 |
| Debt Service: | | | | | | | | | | |
| Principal | 1,235,000 | 1,505,000 | 1,215,000 | 1,285,000 | 1,410,000 | 1,420,000 | 1,510,000 | 1,510,000 | 1,615,000 | 1,745,000 |
| Interest and Other Charges | 1,045,300 | 693,214 | 829,794 | 790,944 | 695,891 | 691,538 | 634,837 | 581,538 | 516,888 | 441,862 |
| Charter Schools | | | | | | | 55,412 | 77,360 | 178,178 | 176,322 |
| Total Expenditures | 46,485,210 | 46,216,901 | 47,548,402 | 51,092,753 | 50,486,637 | 53,206,580 | 57,608,841 | 59,708,935 | 61,301,192 | 61,643,879 |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|--------------|--------------|------------|--------------|--------------|------------|--------------|------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Excess/(Deficiency) of Revenues | \$ 971,866 | \$ 2,491,507 | \$ 2,283,897 | \$ 184,848 | \$ 1,696,836 | \$ 1,732,235 | \$ 661,884 | \$ (556,709) | \$ 332,798 | \$ 1,534,921 |
| Over/(Under) Expenditures | | | | | | | | | | |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| NJEDA/SDA Grants (Cancelled) | (13,317) | | | | | | | | | |
| Refunding Bonds Issued | 15,490,000 | | | | 4,370,000 | | | | | |
| School Bonds Defeased | (17,100,000) | | | | (4,635,000) | | | | | |
| Bond Issuance Costs | (141,823) | | | | (108,245) | | | | | |
| Deferred Amount on Refunding | (375,417) | | | | (66,951) | | | | | |
| Original Issuance Bond Premium | 2,127,240 | | | | 440,196 | | | | | |
| Transfers In | 43,137 | | | | | | | | | 1,572,769 |
| Transfers Out | (16,456) | | | | | | | | | (1,572,769) |
| Total Other Financing Sources/(Uses) | 13,364 | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Excess (Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses | \$ 985,230 | \$ 2,491,507 | \$ 2,283,897 | \$ 184,848 | \$ 1,696,836 | \$ 1,732,235 | \$ 661,884 | \$ (556,709) | \$ 332,798 | \$ 1,534,921 |
| Debt Service As a % of Noncapital Expenditures | 5.27% | 5.07% | 4.59% | 4.59% | 4.60% | 4.38% | 4.05% | 3.83% | 3.74% | 3.75% |

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

| Fiscal Year Ended June 30, | Interest on Investments | Tuition | Transportation Fees | Rentals- Use of Facilities | Other | Total |
|----------------------------------|----------------------------|------------|------------------------|----------------------------------|-----------|------------|
| 2016 | \$ 8,504 | \$ 152,146 | | \$ 50,670 | \$ 61,961 | \$ 273,281 |
| 2017 | 19,001 | 209,061 | | 73,190 | 5,751 | 307,003 |
| 2018 | 63,573 | 140,303 | | 131,390 | 35,110 | 370,376 |
| 2019 | 180,049 | 172,206 | | 163,953 | 79,857 | 596,065 |
| 2020 | 114,194 | 129,602 | | 182,133 | 44,450 | 470,379 |
| 2021 | 17,987 | 114,906 | | 209,811 | 189,150 | 531,854 |
| 2022 | 17,381 | 136,778 | \$ 277,317 | 219,066 | 499,269 | 1,149,811 |
| 2023 | 292,373 | 96,488 | 210,178 | 214,456 | 235,619 | 1,049,114 |
| 2024 | 555,874 | 215,568 | 106,534 | 249,330 | 223,215 | 1,350,521 |
| 2025 | 498,295 | 201,379 | 154,629 | 276,354 | 204,568 | 1,335,225 |

Source: Branchburg Township School District financial reports.

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

| Year End Dec. 31 | Vacant | Residential | Farm (Regular) | Farm (Qualified) | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities ^a | Net Valuation Taxable | Tax-Exempt Property | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized) Valuation |
|------------------------|------------|---------------|-------------------|---------------------|--------------|----------------|----------------|----------------------------|----------------------------------|--------------------------|------------------------|---|---|
| | 2015 | \$ 22,535,500 | \$ 1,995,476,000 | \$ 29,974,800 | \$ 1,316,000 | \$ 225,697,700 | \$ 576,756,700 | \$ 25,000,000 | \$ 2,876,756,700 | \$ 4,200,235 | \$ 2,880,956,935 | \$ 202,713,800 | \$ 1.40 |
| 2016 | 18,910,800 | 2,045,433,700 | 27,597,700 | 1,310,300 | 243,296,400 | 593,317,700 | 28,000,000 | 2,957,866,600 | 4,323,235 | 2,962,189,835 | 204,654,700 | 1.40 | 3,017,020,874 |
| 2017 | 18,131,400 | 2,086,801,600 | 27,847,300 | 1,281,300 | 249,325,500 | 612,645,000 | 28,500,000 | 3,024,532,100 | 4,439,637 | 3,028,971,737 | 201,582,200 | 1.39 | 3,056,724,791 |
| 2018 | 15,502,500 | 2,130,749,600 | 28,511,800 | 1,306,700 | 251,093,600 | 626,334,800 | 29,925,000 | 3,083,424,000 | 4,536,447 | 3,087,960,447 | 202,414,600 | 1.37 | 3,119,278,203 |
| 2019 | 5,536,500 | 2,192,152,800 | 28,891,600 | 1,285,900 | 264,305,000 | 639,030,600 | 31,660,000 | 3,162,862,400 | 4,580,000 | 3,167,442,400 | 205,126,700 | 1.36 | 3,229,028,884 |
| 2020 | 4,428,300 | 2,231,354,500 | 30,879,100 | 1,233,900 | 278,969,200 | 669,334,400 | 33,920,000 | 3,250,119,400 | 4,689,100 | 3,254,808,500 | 229,919,800 | 1.35 | 3,348,263,449 |
| 2021 | 6,880,000 | 2,291,351,400 | 30,969,000 | 1,205,200 | 265,958,600 | 737,416,700 | 36,800,000 | 3,370,580,900 | 4,757,650 | 3,375,338,550 | 233,150,100 | 1.33 | 3,440,430,304 |
| 2022 * | 16,748,700 | 2,445,703,600 | 32,170,900 | 1,221,600 | 300,104,000 | 882,602,800 | 38,942,000 | 3,717,493,600 | 4,781,600 | 3,722,275,200 | 238,309,100 | 1.21 | 3,884,267,057 |
| 2023 * | 48,642,400 | 2,630,843,500 | 34,546,900 | 1,240,200 | 311,899,600 | 986,557,800 | 44,285,000 | 4,058,015,400 | 5,181,100 | 4,063,196,500 | 256,509,000 | 1.14 | 4,173,258,144 |
| 2024 * | 12,873,000 | 2,830,530,000 | 35,703,300 | 1,232,300 | 323,984,700 | 1,158,203,500 | 66,591,000 | 4,429,117,800 | 6,295,500 | 4,435,413,300 | 259,154,500 | 1.18 | 4,368,418,088 |

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

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

^b Tax rates are per \$100 of assessed valuation.

* Revaluation/reassessment was effective in this year.

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

| Year Ended December 31, | Branchburg Township School District | | | | | | Total Direct and Overlapping Tax Rate |
|----------------------------|-------------------------------------|--|-----------------|------------------------------|--------------------|---------|--|
| | Direct Rate | | | Overlapping Rates | | | |
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct | Township of Branchburg | Somerset County | | |
| 2015 | \$ 1.33 | \$ 0.07 | \$ 1.40 | \$ 0.37 | \$ 0.40 | \$ 2.18 | |
| 2016 | 1.33 | 0.07 | 1.40 | 0.39 | 0.41 | 2.19 | |
| 2017 | 1.32 | 0.06 | 1.39 | 0.39 | 0.40 | 2.18 | |
| 2018 | 1.31 | 0.06 | 1.37 | 0.39 | 0.40 | 2.16 | |
| 2019 | 1.30 | 0.06 | 1.36 | 0.39 | 0.40 | 2.15 | |
| 2020 | 1.29 | 0.06 | 1.35 | 0.39 | 0.41 | 2.14 | |
| 2021 | 1.27 | 0.06 | 1.33 | 0.38 | 0.40 | 2.11 | |
| 2022 | * 1.15 | 0.06 | 1.21 | 0.36 | 0.40 | 1.97 | |
| 2023 | * 1.09 | 0.05 | 1.14 | 0.34 | 0.38 | 1.87 | |
| 2024 | * 1.13 | 0.05 | 1.18 | 0.37 | 0.35 | 1.90 | |

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

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

* Revaluation/reassessment was effective in this year.

Source: Branchburg Township Tax Collector and School Business Administrator.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

| | 2024 | | 2015 | | % of Total District Net Valuation Taxable | |
|--------------------------------------|----------|------------------------|---|-----------------------------------|---|------------------------|
| | Taxpayer | Taxable Assessed Value | % of Total District Net Valuation Taxable | Taxpayer | | Taxable Assessed Value |
| Roche & Genetech Inc. | | \$ 113,251,700 | 2.55% | Roche & Genetech Inc. | \$ 86,700,000 | 3.01% |
| Imclone Systems Corp. | | 74,328,400 | 1.68% | Imclone Systems Corp. | 80,738,200 | 2.80% |
| Cellco Partnership (Verizon) | | 46,640,000 | 1.05% | Cellco Partnership (Verizon) | 38,450,000 | 1.33% |
| S/K Old York Road Associates | | 3,680,000 | 0.08% | Transcontinental Gas Pipeline Co. | 28,809,100 | 1.00% |
| Transcontinental Gas Pipeline Co. | | 32,587,100 | 0.73% | S/K Old York Road Associates | 28,000,000 | 0.97% |
| Briad Lodging Group Branchburg II | | 26,513,000 | 0.60% | Individual Taxpayer #1 | 24,309,500 | 0.84% |
| Global Wells Inv Grp LLC c/o TSEN | | 25,785,000 | 0.58% | LSREF3/AH Chicago, LLC | 15,985,000 | 0.55% |
| Allergen Sales LLC | | 23,380,000 | 0.53% | Branchburg Commons | 15,155,500 | 0.53% |
| Friedrich D&Weill J, Suc-Co-Trustees | | 22,800,000 | 0.51% | Briad Lodging Group Branchburg II | 15,065,000 | 0.52% |
| Schultz Container Systems Inc | | 22,005,000 | 0.50% | Zues Industrial Products, Inc. | 1,000,000 | 0.52% |
| Total | | \$ 390,970,200 | 11.40% | Total | \$ 334,212,300 | 12.09% |

Source: Branchburg Township Tax Assessor.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|-------------------------------|--|--|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2016 | \$ 41,094,213 | \$ 41,094,213 | 100.00% | \$ - 0 - |
| 2017 | 41,732,088 | 41,732,088 | 100.00% | - 0 - |
| 2018 | 42,160,737 | 42,160,737 | 100.00% | - 0 - |
| 2019 | 42,662,881 | 42,662,881 | 100.00% | - 0 - |
| 2020 | 43,526,925 | 43,526,925 | 100.00% | - 0 - |
| 2021 | 44,349,936 | 44,349,936 | 100.00% | - 0 - |
| 2022 | 44,807,928 | 44,807,928 | 100.00% | - 0 - |
| 2023 | 45,708,537 | 45,708,537 | 100.00% | - 0 - |
| 2024 | 47,209,478 | 47,209,478 | 100.00% | - 0 - |
| 2025 | 48,904,263 | 48,904,263 | 100.00% | - 0 - |

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

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

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

| Fiscal Year Ended June 30, | Governmental Activities | | | Total District | Percentage of Personal Income ^a | Per Capita ^a |
|----------------------------------|--------------------------------|-----------------------|---|-------------------|--|-------------------------|
| | General Obligation Bonds | Financed Purchases | Bond Anticipation Notes (BANs) | | | |
| 2016 | \$ 22,945,000 | \$ - 0 - | \$ - 0 - | \$ 22,945,000 | 1.72% | \$ 1,584 |
| 2017 | 21,440,000 | - 0 - | - 0 - | 21,440,000 | 1.49% | 1,482 |
| 2018 | 20,225,000 | - 0 - | - 0 - | 20,225,000 | 1.33% | 1,391 |
| 2019 | 18,940,000 | - 0 - | - 0 - | 18,940,000 | 1.18% | 1,302 |
| 2020 | 17,265,000 | - 0 - | - 0 - | 17,265,000 | 1.05% | 1,190 |
| 2021 | 15,845,000 | - 0 - | - 0 - | 15,845,000 | 0.94% | 1,074 |
| 2022 | 14,335,000 | - 0 - | - 0 - | 14,335,000 | 0.87% | 966 |
| 2023 | 12,825,000 | - 0 - | - 0 - | 12,825,000 | 0.69% | 841 |
| 2024 | 11,210,000 | - 0 - | - 0 - | 11,210,000 | 0.64% | 775 |
| 2025 | 9,465,000 | - 0 - | - 0 - | 9,465,000 | 0.54% | 654 |

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

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

Source: Branchburg Township School District financial reports.

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

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | | Percentage of Net Valuation Taxable ^a | Per Capita ^b |
|-------------------------------------|---------------------------------|------------|---|--|-------------------------|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 2016 | \$ 22,945,000 | \$ - 0 - | \$ 22,945,000 | 0.80% | \$ 1,586 |
| 2017 | 21,440,000 | - 0 - | 21,440,000 | 0.72% | 1,480 |
| 2018 | 20,225,000 | - 0 - | 20,225,000 | 0.67% | 1,398 |
| 2019 | 18,940,000 | - 0 - | 18,940,000 | 0.61% | 1,302 |
| 2020 | 17,265,000 | - 0 - | 17,265,000 | 0.55% | 1,190 |
| 2021 | 15,845,000 | - 0 - | 15,845,000 | 0.49% | 1,074 |
| 2022 | 14,335,000 | - 0 - | 14,335,000 | 0.42% | 966 |
| 2023 | 12,825,000 | - 0 - | 12,825,000 | 0.34% | 841 |
| 2024 | 11,210,000 | - 0 - | 11,210,000 | 0.28% | 775 |
| 2025 | 9,465,000 | - 0 - | 9,465,000 | 0.21% | 654 |

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

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

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

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable *</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|--|--|
| Debt Repaid With Property Taxes | | | |
| Township of Branchburg | \$ 35,650,365 | 100.00% | \$ 35,650,365 |
| Somerset County General Obligation Debt | 295,206,531 | 5.57% | <u>16,435,270</u> |
| Subtotal, Overlapping Debt | | | 52,085,635 |
| Branchburg School District Direct Debt | | | <u>10,295,000</u> |
| Total Direct And Overlapping Debt | | | <u><u>\$ 62,380,635</u></u> |

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

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

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

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

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Debt Limit | \$ 87,142,102 | \$ 88,649,952 | \$ 90,391,503 | \$ 92,073,543 | \$ 94,204,077 | \$ 97,625,179 | \$ 100,961,815 | \$ 108,420,285 | \$ 116,697,931 | \$ 131,637,630 |
| Total Net Debt Applicable to Debt Limit | 22,945,000 | 21,440,000 | 20,225,000 | 18,940,000 | 17,265,000 | 15,845,000 | 14,335,000 | 12,825,000 | 11,210,000 | 9,465,000 |
| Legal Debt Margin | \$ 64,197,102 | \$ 67,209,952 | \$ 70,166,503 | \$ 73,133,543 | \$ 76,939,077 | \$ 81,780,179 | \$ 71,848,543 | \$ 75,264,077 | \$ 105,487,931 | \$ 122,172,630 |

| | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| Total Net Debt Applicable to Debt Limit as a % of the Debt Limit | 26.33% | 24.19% | 22.37% | 20.57% | 18.33% | 16.23% | 14.20% | 11.83% | 9.61% | 7.19% |
|--|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|

| Legal Debt Margin Calculation for Fiscal Year 2025 | | |
|--|---------------------------|-------------------------|
| | Equalized Valuation Basis | Branchburg Township |
| Average Equalized Valuation of Taxable Property | 2022 | \$ 4,223,944,552 |
| | 2023 | 4,239,021,623 |
| | 2024 | 4,700,796,858 |
| | | <u>\$13,163,763,033</u> |
| Debt Limit (3%* of Average Equalization Value) | | \$ 4,387,921,011 |
| Net Bonded School Debt as of June 30, 2025 | | \$ 131,637,630 |
| Legal Debt Margin | | <u>9,465,000</u> |
| | | <u>\$ 122,172,630</u> |

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

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

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

| Year | Township Population ^a | Somerset County Per Capita Personal Income ^b | | Township Personal Income ^c | | Township Unemployment Rate ^d |
|------|-------------------------------------|--|----|---|-----|---|
| 2016 | 14,486 | \$ 92,352 | | \$ 1,337,811,072 | | 3.80% |
| 2017 | 14,470 | 99,210 | | 1,435,568,700 | | 3.50% |
| 2018 | 14,543 | 104,620 | | 1,521,488,660 | | 3.40% |
| 2019 | 14,548 | 110,466 | | 1,607,059,368 | | 2.70% |
| 2020 | 14,512 | 112,825 | | 1,637,316,400 | | 6.80% |
| 2021 | 14,752 | 113,975 | | 1,681,359,200 | | 4.40% |
| 2022 | 14,835 | 110,753 | | 1,643,020,755 | | 2.90% |
| 2023 | 15,246 | 121,076 | | 1,845,924,696 | | 3.50% |
| 2024 | 14,465 | 121,076 | ** | 1,751,364,340 | *** | 3.20% |
| 2025 | 14,465 | 121,076 | * | 1,751,364,340 | *** | N/A |

N/A - Information is not available.

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

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

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

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - SOMERSET COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

| | 2024 | | 2015 | |
|--|----------------|--------------------------------|-----------|--------------------------------|
| | Employees | Percentage of Total Employment | Employees | Percentage of Total Employment |
| AT&T | 4,100 | 2.46% | | |
| Janssen Pharmaceuticals, Inc. | 1,800 | 1.08% | | |
| The Chubb Corporation | 1,800 | 1.08% | | |
| Johnson and Johnson Pharmaceuticals | 1,700 | 1.02% | | |
| Bloomberg (Princeton Engineering Office) | 1,380 | 0.83% | | |
| Ethicon, Inc. | 1,100 | 0.66% | | |
| E-Z Go | 1,050 | 0.63% | | |
| Personal Products Company (J&J) | 1,000 | 0.60% | | |
| Ortho Clinical Diagnostics | 1,000 | 0.60% | | |
| Hooper Homes Inc. | 900 | 0.54% | | |
| | <u>15,830</u> | <u>9.51%</u> | | |
| Total County Employment | <u>166,372</u> | | | |

INFORMATION IS NOT AVAILABLE

Source: NJ Department of Labor and Workforce Development Office of Research and Information.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

| <u>Function/Program</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction: | | | | | | | | | | |
| Regular | 106.4 | 108.0 | 104.8 | 104.0 | 107.2 | 113.0 | 107.0 | 107.0 | 105.0 | 110.0 |
| Special Education | 45.0 | 45.0 | 47.3 | 46.4 | 45.5 | 45.0 | 45.0 | 45.0 | 38.0 | 42.0 |
| Other Special Education | 19.7 | 17.0 | 15.0 | 18.0 | 17.8 | 21.8 | 38.0 | 28.4 | 30.8 | 32.7 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 42.9 | 43.0 | 43.3 | 47.7 | 47.4 | 34.8 | 35.0 | 35.0 | 46.4 | 42.8 |
| School Administration Services | 14.0 | 13.8 | 3.0 | 3.0 | 3.0 | 13.0 | 13.0 | 16.0 | 12.0 | 12.0 |
| General Administration Services | 3.0 | 3.0 | 13.8 | 13.8 | 12.5 | 3.0 | 3.0 | 5.0 | 3.9 | 3.9 |
| Central Services and Administrative Information Technology | 5.4 | 9.7 | 9.0 | 8.3 | 8.9 | 8.4 | 9.5 | 17.4 | 16.0 | 14.8 |
| Plant Operations and Maintenance | 8.6 | 8.0 | 7.5 | 8.7 | 9.1 | 9.8 | 8.5 | 9.6 | 20.1 | 20.1 |
| Pupil Transportation | 30.2 | 28.0 | 27.0 | 28.5 | 29.0 | 27.2 | 27.5 | 27.5 | 30.9 | 32.7 |
| Total | <u>275.2</u> | <u>275.4</u> | <u>270.5</u> | <u>278.4</u> | <u>280.4</u> | <u>276.0</u> | <u>286.5</u> | <u>290.9</u> | <u>303.1</u> | <u>311.0</u> |

Source: Branchburg Township School District personnel records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil ^b | Percent Change | Teaching Staff ^c | Pupil/Teacher Ratio | | Average Daily Enrollment (ADE) ^d | Average Daily Attendance (ADA) ^d | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|-----------------------------|----------------|-----------------------------|---------------------|--------|---|---|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle | | | | |
| 2016 | 2,236 | \$ 43,249,194 | \$ 19,342 | 3.14% | 162 | 9:1 | 9:1 | 1,459 | 1,407 | -6.29% | 96.44% |
| 2017 | 2,166 | 43,289,258 | 19,986 | 3.33% | 153 | 9:1 | 10:1 | 1,462 | 1,406 | 0.21% | 96.17% |
| 2018 | 2,191 | 44,562,554 | 20,339 | 1.77% | 152 | 9:1 | 10:1 | 1,444 | 1,382 | -1.23% | 95.71% |
| 2019 | 2,097 | 45,182,031 | 21,546 | 5.94% | 163 | 9:1 | 8:1 | 1,439 | 1,382 | -0.35% | 96.04% |
| 2020 | 2,031 | 45,795,414 | 22,548 | 4.65% | 164 | 8:1 | 8:1 | 1,384 | 1,346 | -3.82% | 97.25% |
| 2021 | 2,031 | 48,175,507 | 23,720 | 5.20% | 177 | 8:1 | 8:1 | 1,384 | 1,346 | 0.00% | 97.25% |
| 2022 | 1,941 | 52,996,859 | 27,304 | 15.11% | 177 | 9:1 | 9:1 | 1,297 | 1,233 | -6.29% | 95.07% |
| 2023 | 1,907 | 54,549,006 | 28,605 | 4.76% | 182 | 9:1 | 9:1 | 1,317 | 1,262 | 1.54% | 95.82% |
| 2024 | 1,945 | 56,972,244 | 29,292 | 2.40% | 186 | 10:1 | 8:1 | 1,379 | 1,295 | 4.71% | 93.91% |
| 2025 | 1,948 | 58,291,378 | 29,924 | 2.16% | 187 | 8:1 | 8:1 | 1,390 | 1,321 | 0.80% | 95.04% |

Note: Enrollment based on annual October District count and includes high school student enrollments.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

^c Teaching staff includes only full-time equivalents of certificated staff.

^d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Branchburg Township School District records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| <u>District Building</u> | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Stony Brook Elementary School | | | | | | | | | | |
| Square Feet | 47,368 | 47,368 | 47,368 | 47,368 | 47,368 | 47,368 | 47,368 | 47,368 | 47,368 | 47,368 |
| Capacity (Students) | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 |
| Enrollment | 326 | 337 | 342 | 316 | 265 | 284 | 284 | 284 | 312 | 313 |
| Whiton Elementary School | | | | | | | | | | |
| Square Feet | 90,321 | 90,321 | 90,321 | 90,321 | 90,321 | 90,321 | 90,321 | 90,321 | 90,321 | 90,321 |
| Capacity (Students) | 792 | 792 | 792 | 792 | 792 | 792 | 792 | 792 | 792 | 792 |
| Enrollment | 615 | 629 | 593 | 624 | 613 | 614 | 580 | 580 | 637 | 619 |
| Central Middle School | | | | | | | | | | |
| Square Feet | 141,310 | 141,310 | 141,310 | 141,310 | 141,310 | 141,310 | 141,310 | 141,310 | 141,310 | 141,310 |
| Capacity (Students) | 733 | 733 | 733 | 733 | 733 | 733 | 733 | 733 | 733 | 733 |
| Enrollment | 524 | 501 | 500 | 499 | 504 | 486 | 429 | 429 | 430 | 458 |

Number of Schools at June 30, 2025:

- Elementary = 2
- Middle School = 1

Note: Enrollment is based on the annual October District count.

Source: Branchburg Township School District Facilities Office.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures:

Required Maintenance for School Facilities* (Account #11-000-261-XXX)

| Fiscal Year | Central Middle School | Old York Elementary School | Stony Brook Elementary School | Whiton Elementary School | Total All Facilities |
|----------------|-----------------------------|----------------------------------|-------------------------------------|--------------------------------|----------------------------|
| 2016 | \$ 198,555 | \$ 72,799 | \$ 79,390 | \$ 159,864 | \$ 510,608 |
| 2017 | 160,792 | 59,481 | 68,161 | 141,017 | 429,451 |
| 2018 | 190,531 | 61,925 | 87,254 | 485,391 | 825,101 |
| 2019 | 234,259 | 80,937 | 98,128 | 185,330 | 598,654 |
| 2020 | 223,896 | 89,030 | 100,178 | 127,558 | 540,662 |
| 2021 | 265,935 | 75,914 | 106,286 | 206,374 | 654,509 |
| 2022 | 276,960 | 115,882 | 123,936 | 338,468 | 855,246 |
| 2023 | 273,435 | 88,510 | 128,751 | 327,464 | 818,160 |
| 2024 | 224,196 | 45,136 | 189,277 | 313,932 | 772,541 |
| 2025 | 355,141 | 30,179 | 254,333 | 380,391 | 1,020,044 |

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

Source: Branchburg Township School District records.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|---|------------------------|-------------------|
| School Package Policy: | | |
| NJ Schools Insurance Group: | | |
| Property - Blanket Building and Contents | \$ 350,000,000 | \$ 5,000 |
| Extra Expense - Blanket | 50,000,000 | 5,000 |
| Valuable Papers | 10,000,000 | 5,000 |
| Electronic Data Processing (Computers) | 350,000,000 | 1,000 |
| Crime and Bonds: | | |
| Faithful Performance | 250,000 | 1,000 |
| Forgery & Alteration | 250,000 | 1,000 |
| Money & Securities | 100,000 | 500 |
| Money Orders/Counterfeit Currency | 100,000 | 500 |
| Computer Fraud | 250,000 | 1,000 |
| Commercial General Liability | 6,000,000 | N/A |
| Commercial Automobile Liability | 6,000,000 | N/A |
| Physical Damage (Comprehensive & Collision) | Actual Cash Value | 1,000 |
| Workers Compensation | | |
| (Including Employer's Liability) | Statutory 3,000,000 | N/A N/A |
| School Leaders' Errors & Omissions Liability (Including Employment Practices Liability) | 6,000,000 | 10,000 |
| Coverage "B" Administrative Hearings/Due Process | | |
| Per Claim | 100,000 | |
| Aggregate | 300,000 | 10,000 |
| Public Employees' Faithful Performance Blanket Position Bond - Selective Insurance Company | 250,000 | 1,000 |
| Business Administrator/Board Secretary | 350,000 | N/A |
| Treasurer | 350,000 | N/A |

Note: The District is part of the New Jersey Schools Insurance Group. Coverage represents the combined amounts for all of the school districts under master policies with insurance companies.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund of the Board of Education of the Branchburg Township School District, in the County of Somerset (the "District") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Branchburg Township School District
Page 2

Report on Compliance and Other Matters

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

Purpose of this Report

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

November 4, 2025
Mt. Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

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

The Honorable President and Members
of the Board of Education
Branchburg Township School District
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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the 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 GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

The Honorable President and Members
of the Board of Education
Branchburg Township School District
Page 3

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

November 4, 2025
Mt. Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

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

| State Grantor/Program Title | Project Number | Grant Period | Award Amount | Balance June 30, 2024 | | | | Balance June 30, 2025 | | | | MEMO | |
|--|---------------------|------------------|--------------|-----------------------|------------------------|----------------------|------------------------|-----------------------|------------------|-----------------|---------------------|----------------------|--|
| | | | | Budgetary | Budgetary | Cash | Budgetary | GAAP | Budgetary | Due to | Budgetary | Cumulative | |
| | | | | Accounts | Unearned | Received | Expenditures | Accounts | Revenue | Grantor | Accounts | Total | |
| N. J. Department of Education: | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| Special Education Categorical Aid | 25-495-034-5120-089 | 7/1/24-6/30/25 | \$ 2,302,172 | \$ 2,080,512 | \$ (2,302,172) | \$ 2,080,512 | \$ (2,302,172) | \$ 221,660 | \$ 2,302,172 | \$ 221,660 | \$ 2,302,172 | | |
| Transportation Aid | 25-495-034-5120-014 | 7/1/24-6/30/25 | 1,230,918 | 1,112,401 | (1,230,918) | 1,112,401 | (1,230,918) | 118,517 | 1,230,918 | 118,517 | 1,230,918 | | |
| Security Aid | 25-495-034-5120-084 | 7/1/24-6/30/25 | 207,928 | 187,908 | (207,928) | 187,908 | (207,928) | 20,020 | 207,928 | 20,020 | 207,928 | | |
| Extraordinary Aid | 25-495-034-5120-044 | 7/1/24-6/30/25 | 699,068 | | (699,068) | | (699,068) | 699,068 | 699,068 | 699,068 | 699,068 | | |
| Nonpublic Transportation Aid | 25-495-034-5120-014 | 7/1/24-6/30/25 | 61,644 | | (61,644) | | (61,644) | 61,644 | 61,644 | 61,644 | 61,644 | | |
| Reimbursed TPAF Social Security Contributions | 25-495-034-5094-003 | 7/1/24-6/30/25 | 1,116,327 | 1,060,836 | (1,116,327) | 1,060,836 | (1,116,327) | 55,491 | 1,116,327 | 55,491 | 1,116,327 | | |
| TPAF On-Behalf Contributions: | | | | | | | | | | | | | |
| TPAF Post Retirement Contributions | 24-495-034-5094-001 | 7/1/24-6/30/25 | 1,489,770 | 1,489,770 | (1,489,770) | 1,489,770 | (1,489,770) | | 1,489,770 | | 1,489,770 | | |
| TPAF Pension Contributions | 24-495-034-5094-002 | 7/1/24-6/30/25 | 5,036,062 | 5,036,062 | (5,036,062) | 5,036,062 | (5,036,062) | | 5,036,062 | | 5,036,062 | | |
| TPAF Non-Contributory Insurance | 24-495-034-5094-004 | 7/1/24-6/30/25 | 62,383 | 62,383 | (62,383) | 62,383 | (62,383) | | 62,383 | | 62,383 | | |
| TPAF Long-Term Disability Insurance | 24-495-034-5094-004 | 7/1/24-6/30/25 | 2,502 | 2,502 | (2,502) | 2,502 | (2,502) | | 2,502 | | 2,502 | | |
| Special Education Categorical Aid | 24-495-034-5120-089 | 7/1/23-6/30/24 | 2,111,636 | \$ 202,375 | 202,375 | 202,375 | | | 2,111,636 | | 2,111,636 | | |
| Transportation Aid | 24-495-034-5120-014 | 7/1/23-6/30/24 | 1,047,577 | 100,397 | 100,397 | 100,397 | | | 1,047,577 | | 1,047,577 | | |
| Security Aid | 24-495-034-5120-084 | 7/1/23-6/30/24 | 193,608 | 18,555 | 18,555 | 18,555 | | | 193,608 | | 193,608 | | |
| Extraordinary Aid | 24-495-034-5120-044 | 7/1/23-6/30/24 | 810,447 | 810,447 | 810,447 | 810,447 | | | 810,447 | | 810,447 | | |
| Nonpublic Transportation Aid | 24-495-034-5120-014 | 7/1/23-6/30/24 | 57,785 | 57,785 | 57,785 | 57,785 | | | 57,785 | | 57,785 | | |
| Reimbursed TPAF Social Security Contributions | 24-495-034-5094-003 | 7/1/23-6/30/24 | 1,094,825 | 53,352 | 53,352 | 53,352 | | | 1,094,825 | | 1,094,825 | | |
| Total General Fund State Aid | | | | 12,275,285 | (12,208,774) | 12,275,285 | (12,208,774) | 816,203 | 1,176,400 | 816,203 | 1,176,400 | 17,524,652 | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| N.J. Nonpublic Aid: | | | | | | | | | | | | | |
| Textbook Aid | 24-100-034-5120-064 | 9/1/23 - 6/30/24 | 867 | \$ 63 | \$ 63 | \$ 63 | | | 867 | | 867 | | |
| Textbook Aid | 25-100-034-5120-064 | 9/1/24 - 6/30/25 | 716 | 716 | (536) | 716 | (536) | | 716 | 180 | 536 | | |
| Nursing Aid | 24-100-034-5120-070 | 9/1/23 - 6/30/24 | 1,800 | 26 | 26 | 26 | | | 1,800 | | 1,800 | | |
| Nursing Aid | 25-100-034-5120-070 | 9/1/24 - 6/30/25 | 1,950 | 1,950 | (1,270) | 1,950 | (1,270) | | 680 | | 1,270 | | |
| Technology Aid | 24-100-034-5120-373 | 9/1/23 - 6/30/24 | 735 | 138 | 138 | 138 | | | 735 | | 735 | | |
| Technology Aid | 25-100-034-5120-373 | 9/1/24 - 6/30/25 | 686 | 686 | (574) | 686 | (574) | | 112 | | 574 | | |
| Security Aid | 24-100-034-5120-509 | 9/1/23 - 6/30/24 | 3,075 | 140 | 140 | 140 | | | 3,075 | | 3,075 | | |
| Security Aid | 25-100-034-5120-509 | 9/1/24 - 6/30/25 | 2,460 | 2,460 | (2,230) | 2,460 | (2,230) | | 230 | | 2,230 | | |
| School Climate Change Pilot | N/A | 7/1/22 - 6/30/23 | 6,660 | 546 | \$ 546 | \$ 546 | | | 6,660 | | 6,660 | | |
| School Development Authority: Emergent & Capital Maintenance Needs | N/A | 7/1/23- 6/30/24 | 29,223 | \$ 4,500 | (4,500) | \$ 4,500 | (4,500) | | 29,223 | | 29,223 | | |
| Total Special Revenue Fund | | | | 546 | (9,110) | 4,500 | (9,110) | 367 | 546 | 1,202 | 46,970 | | |
| Total N. J. Department of Education | | | | \$ 1,243,457 | \$ (12,217,884) | \$ 12,281,097 | \$ (12,217,884) | \$ 367 | \$ 546 | \$ 1,202 | \$ 1,176,400 | \$ 17,571,622 | |

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

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance June 30, 2024 | | | Balance June 30, 2025 | | | MEMO | | | | |
|--|-------------------------------|----------------|--------------|-------------------------------|----------------------------|----------------|--------------------------|----------------------------|----------------|-------------------------------|-------------------------------|----------|--------------|---------------|
| | | | | Budgetary Accounts Receivable | Budgetary Deferred Revenue | Due to Grantor | GAAP Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor | Budgetary Accounts Receivable | Cumulative Total Expenditures | | | |
| Schools Development Authority: | | | | | | | | | | | | | | |
| Capital Projects Fund: | | | | | | | | | | | | | | |
| Middle School: | | | | | | | | | | | | | | |
| Boilers & Hot Water Heaters | 0510-020-23-R501 | N/A | \$ 161,852 | \$ 161,852 | | | | | | \$ 161,852 | | | | |
| Roof Replacement | 0510-020-23-R504 | N/A | 549,091 | 549,091 | | | | | | 549,091 | | | | |
| Whitton Elementary School: | | N/A | | | | | | | | | | | | |
| Boilers & Hot Water Heaters | 0510-090-23-R506 | N/A | 337,570 | 337,570 | | | | | | 337,570 | | | | |
| Total Capital Projects Fund | | | | 1,048,513 | | | | | | 1,048,513 | | | | |
| N. J. Department of Agriculture: | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| State School Lunch Program | 24-100-010-3350-023 | 7/1/23-6/30/24 | 7,725 | 462 | \$ 462 | | | | | \$ 7,725 | | | | |
| NJ Low Income Eligibility - Lunch | 25-100-010-3350-023 | 7/1/24-6/30/25 | 1,007 | | 959 | \$ (1,007) | | | | 48 | 1,007 | | | |
| State School Lunch Program | 25-100-010-3350-023 | 7/1/24-6/30/25 | 7,868 | | 7,418 | (7,868) | | | | 450 | 7,868 | | | |
| School Breakfast Program | 25-100-010-3350-023 | 7/1/24-6/30/25 | 59 | | 55 | (59) | | | | 4 | 59 | | | |
| Summer Electronic Benefit Transfer (S-EBT) | 25-100-010-3350-023 | 7/1/24-6/30/25 | 322 | | 322 | (322) | | | | | 322 | | | |
| Total Enterprise Fund/N. J. Department of Agriculture | | | | 462 | 9,216 | (9,256) | | | | 502 | 16,981 | | | |
| Total State Awards Subject to Single Audit Determination | | | | \$ 2,292,432 | \$ 4,500 | \$ 367 | \$ 12,290,313 | \$ 367 | \$ 546 | \$ 816,705 | \$ - 0 - | \$ 1,202 | \$ 2,225,415 | \$ 17,588,603 |
| Less: State Awards Not Subject to Single Audit Major Program Determination | | | | | | | | | | | | | | |
| On-Behalf TPAF Pension System Contributions: | | | | | | | | | | | | | | |
| TPAF Post Retirement Contributions | 25-495-034-5094-001 | 7/1/24-6/30/25 | | | | 1,489,770 | | | | | | | | |
| TPAF Pension Contributions | 25-495-034-5094-002 | 7/1/24-6/30/25 | | | | 5,036,062 | | | | | | | | |
| TPAF Non-Contributory Insurance | 25-495-034-5094-004 | 7/1/24-6/30/25 | | | | 62,383 | | | | | | | | |
| TPAF Long-Term Disability Insurance | 25-495-034-5094-004 | 7/1/24-6/30/25 | | | | 2,502 | | | | | | | | |
| Subtotal - On-Behalf TPAF Pension System Contributions | | | | | | 6,590,717 | | | | | | | | |
| Total State Awards Subject to Single Audit Major Program Determination | | | | | | \$ (5,636,423) | | | | | | | | |

N/A - Not applicable/available.

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

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, Branchburg Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments for the prior year and for the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the current year payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$38,870) for the General Fund and \$11,186 (of which \$12,700 related to federal grants and (\$1,514) relates to local grants) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's basic financial statements on the GAAP basis as presented below:

| | State |
|---|---------------|
| General Fund | \$ 12,169,904 |
| Special Revenue Fund | 9,110 |
| Proprietary Funds - Food Service Enterprise | 9,256 |
| Total Awards | \$ 12,188,270 |

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District was awarded three grants totaling \$1,048,513 for various capital projects from the New Jersey Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. In the Capital Projects Fund, the District realized the full amount of these grant awards as revenue on the budgetary basis of accounting. As of June 30, 2025, \$-0- of the grant funds have been expended and drawn down on the GAAP basis. The District will realize grant revenue on the GAAP basis of accounting when the funds are expended and submitted for reimbursement.

NOTE 6. OTHER

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

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

- | | | | | |
|--|-------|-----|---------------|---------------|
| 1.) Material weakness identified? | _____ | Yes | _____ X _____ | No |
| 2.) Significant deficiencies identified? | _____ | Yes | _____ X _____ | None reported |

Noncompliance material to basic financial statements noted? _____ Yes _____ X _____ No

Federal Awards (Not Available)

State Awards

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

Unmodified

Internal control over major programs:

- | | | | | |
|--|-------|-----|---------------|---------------|
| 1.) Material weakness identified? | _____ | Yes | _____ X _____ | No |
| 2.) Significant deficiencies identified? | _____ | Yes | _____ X _____ | None reported |

Noncompliance material to basic financial statements noted? _____ Yes _____ X _____ No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

_____ Yes _____ X _____ No

Identification of major programs:

| Program Name or Cluster | State Grant No. | Grant Period | | Award Amount | Budgetary Expenditures | |
|-----------------------------------|---------------------|--------------|---------|--------------|------------------------|-----------|
| | | Start | End | | | |
| State Aid Public: | | | | | | |
| Special Education Categorical Aid | 25-495-034-5120-089 | 7/1/24 | 6/30/25 | \$ 2,302,172 | \$ | 2,302,172 |
| Security Aid | 25-495-034-5120-084 | 7/1/24 | 6/30/25 | 207,928 | | 207,928 |

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

Auditee qualified as low-risk auditee? _____ X _____ Yes _____ No

Section II - Financial Statement Findings - N/A

Section III - State Financial Assistance Findings and Questioned Costs - N/A

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

Status of Prior Year Findings:

There were no prior year findings.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
COUNTY OF SOMERSET
FEDERAL SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2025

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
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FISCAL YEAR ENDED JUNE 30, 2025

K. FEDERAL SINGLE AUDIT

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Report on Compliance For Each Major Federal Program; Report on Internal Control
Over Compliance and Report on Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Branchburg Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended June 30, 2025. The District's major Federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

The Honorable President and Members
of the Board of Education
Branchburg Township School District
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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance 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 Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon, dated November 4, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

December 5, 2025
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

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

| Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title | Assistance Listing Number | Grant or State Project Number | Grant Period | Award Amount | Balance June 30, 2024 | | Cash Received | Budgetary Expenditures | Balance June 30, 2025 | |
|--|---------------------------------|----------------------------------|-----------------|-----------------|------------------------|---------------------|------------------|---------------------------|---------------------------------------|----------------------------------|
| | | | | | Accounts Receivable | Unearned Revenue | | | (Budgetary Accounts Receivable) | Budgetary Unearned Revenue |
| General Fund: | | | | | | | | | | |
| U.S. Department of Health and Human Services | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | |
| Medicaid Cluster: | | | | | | | | | | |
| Medicaid Assistance Program | 93.778 | N/A | 7/1/24-6/30/25 | \$ 5,603 | | | \$ 462 | \$ (5,603) | \$ (5,141) | |
| Total General Fund | | | | | | | 462 | (5,603) | (5,141) | |
| Special Revenue Fund: | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | |
| Special Education Cluster (IDEA): | | | | | | | | | | |
| I.D.E.A. Part B, Basic | 84.027 | IDEA-0510-25 | 7/1/24-9/30/25 | 394,756 | | | 394,756 | (394,756) | | |
| I.D.E.A. Part B, Preschool | 84.173 | IDEA-0510-24 | 7/1/23-9/30/24 | 21,584 | | | 19,865 | (4) | | |
| I.D.E.A. Part B, Preschool | 84.173 | IDEA-0510-25 | 7/1/24-9/30/25 | 21,439 | | | 17,371 | (21,439) | (4,068) | |
| Total Special Education Cluster (IDEA) | | | | | | | 431,992 | (416,199) | (4,068) | |
| ESEA Consolidated: | | | | | | | | | | |
| Education Stabilization Fund: | | | | | | | | | | |
| Title I | 84.010 | ESEA-0510-24 | 7/1/23-9/30/24 | 55,912 | | | 6,966 | (4,950) | | |
| Title I | 84.010 | ESEA-0510-25 | 7/1/24-9/30/25 | 48,134 | | | 40,392 | (47,781) | (7,389) | |
| Total Title I | | | | | | | 47,358 | (52,731) | (7,389) | |
| Title II - Part A | 84.367A | ESEA-0510-24 | 7/1/23-9/30/24 | 25,905 | | | 16,155 | (800) | | |
| Title II - Part A | 84.367A | ESEA-0510-25 | 7/1/24-9/30/25 | 23,161 | | | 21,361 | (23,161) | (1,800) | |
| Total Title II | | | | | | | 37,516 | (23,961) | (1,800) | |
| Title IV | 84.424 | ESEA-0510-25 | 7/1/24-9/30/25 | 10,000 | | | 9,140 | (10,000) | (860) | |
| Title IV | 84.424 | ESEA-0510-24 | 7/1/23-9/30/24 | 10,000 | | | 3,402 | (938) | | |
| Total Title IV | | | | | | | 12,542 | (10,938) | (860) | |
| Subtotal ESEA Consolidated | | | | | | | 97,416 | (87,630) | (10,049) | |
| Education Stabilization Fund: | | | | | | | | | | |
| COVID-19 - ARP: | | | | | | | | | | |
| Learning Acceleration | 84.425U | S425U210027 | 3/12/20-9/30/24 | 157,698 | | | 83,312 | (58,228) | | \$ 500 |
| ESSER Evidence Based Summer Learning and Enrichment | 84.425U | S425U210027 | 3/12/20-9/30/24 | 40,000 | | | 11,461 | (9,890) | | |
| ARP ESSER Evidence Based Comprehensive Beyond the School Day | 84.425U | S425U210027 | 3/12/20-9/30/24 | 40,000 | | | 28,470 | | | |
| NITSS Mental Health Support Staffing | 84.425U | S425U210027 | 3/12/20-9/30/24 | 45,000 | | | 6,359 | | | |
| Total Education Stabilization Fund | | | | | | | 129,602 | (68,118) | | 500 |
| Total U.S. Department of Education | | | | | | | 659,010 | (571,947) | (14,117) | 500 |

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

| Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title | Assistance Listing Number | Grant or State Project Number | Grant Period | Award Amount | Balance June 30, 2024 | | Cash Received | Budgetary Expenditures | Balance June 30, 2025 | |
|--|---------------------------------|----------------------------------|-----------------|-----------------|------------------------|---------------------|------------------|---------------------------|---------------------------------------|----------------------------------|
| | | | | | Accounts Receivable | Unearned Revenue | | | (Budgetary Accounts Receivable) | Budgetary Unearned Revenue |
| U.S. Department of Treasury: Passed-through State Department of Education: COVID-19 ACSERS (Additional or Compensatory Special Education and Related Services to Students with Disabilities) | 21.027 | N/A | 7/1/23-6/30/24 | \$ 169,462 | \$ (84,731) | | \$ 84,731 | | | |
| Total U.S. Department of Treasury | | | | | (84,731) | | 84,731 | | | |
| Total Special Revenue Fund | | | | | (185,411) | | 743,741 | \$ (571,947) | \$ (14,117) | \$ 500 |
| U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster: | | | | | | | | | | |
| Federal Food Distribution Program | 10.555 | N/A | 7/1/23-6/30/24 | 41,363 | | | | (4,494) | | |
| Federal Food Distribution Program | 10.555 | N/A | 7/1/24-6/30/25 | 37,444 | | | 37,444 | (32,436) | \$ 5,008 | |
| National School Lunch Program | 10.555 | N/A | 7/1/23-6/30/24 | 110,621 | (6,578) | | 6,578 | | | |
| National School Lunch Program | 10.555 | N/A | 7/1/24-6/30/25 | 126,252 | | | 118,874 | (126,252) | (7,378) | |
| Healthy Hunger Free Kids Act | 10.555 | N/A | 7/1/24-6/30/25 | 10,137 | | | 9,567 | (10,137) | (570) | |
| School Breakfast Program | 10.553 | N/A | 7/1/24-6/30/25 | 8,229 | | | 7,698 | (8,229) | (531) | |
| Subtotal Child Nutrition Cluster | | | | | (6,578) | | 180,161 | (181,548) | (8,479) | |
| Summer Electronic Benefit Transfer (S-EBT) | 10.646 | N/A | 7/1/24-6/30/25 | 321 | | | 321 | (321) | | |
| Local Food for Schools Cooperative Agreement Program | 10.185 | N/A | 7/1/24-6/30/25 | 882 | | | 882 | (882) | | |
| Total Enterprise Funds/U.S. Department of Agriculture | | | | | (6,578) | | 181,364 | (182,751) | (8,479) | |
| Total Federal Awards | | | | | \$(191,989) | | \$ 925,567 | \$ (760,301) | \$ (27,737) | \$ 500 |

N/A - Not applicable/available.

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Board of Education, Branchburg Township School District under programs of the federal government for the fiscal year ended June 30, 2025. The information in this schedule is presented in accordance with 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”). Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedule of expenditures of federal awards are reported on the budgetary basis of accounting with the exception of programs noted under the food service fund, which are presented on the accrual basis of accounting. Under the budgetary basis of accounting, revenue is recognized when measurable and available and expenditures are recorded when the related liability is incurred. Under the accrual basis of accounting, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$12,700 for the special revenue fund. Revenue from federal awards are reported in the Board’s basic financial statements on a GAAP basis as presented below:

| | Federal |
|---|------------|
| General Fund | \$ 5,603 |
| Special Revenue Fund | 584,647 |
| Proprietary Funds - Food Service Enterprise | 182,751 |
| Total Awards | \$ 773,001 |

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

(Continued)

NOTE 5. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

| | | | | |
|---|-------|-----|---------------|---------------|
| 1.) Material weakness identified? | _____ | Yes | _____ X _____ | No |
| 2.) Significant deficiencies identified? | _____ | Yes | _____ X _____ | None reported |
| Noncompliance material to basic financial statements noted? | _____ | Yes | _____ X _____ | No |

Federal Awards

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

Unmodified

Internal control over major programs:

| | | | | |
|---|-------|-----|---------------|---------------|
| 1.) Material weakness identified? | _____ | Yes | _____ X _____ | No |
| 2.) Significant deficiencies identified? | _____ | Yes | _____ X _____ | None reported |
| Noncompliance material to basic financial statements noted? | _____ | Yes | _____ X _____ | No |

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes _____ X _____ No

Identification of major programs:

| Program Name or Cluster | Assistance Listing No. | Grant Period | | Award Amount | Budgetary Expenditures |
|-----------------------------------|------------------------|--------------|---------|--------------|------------------------|
| | | Start | End | | |
| Special Education Cluster (IDEA): | | | | | |
| I.D.E.A. Part B, Basic | 84.027 | 7/1/24 | 9/30/25 | \$ 394,756 | \$ 394,756 |
| I.D.E.A. Part B, Preschool | 84.173 | 7/1/24 | 9/30/25 | 21,439 | 21,439 |
| I.D.E.A. Part B, Preschool | 84.173 | 7/1/23 | 9/30/24 | 21,584 | 4 |

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

_____ X _____ Yes _____ No

Section II - Financial Statement Findings - N/A

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

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

Status of Prior Year Findings:

The District had no prior year audit findings.