SCHOOL DISTRICT

OF

DUNELLEN BOROUGH

Dunellen School District
Board of Education
Dunellen, Middlesex County
New Jersey

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

Annual Comprehensive

Financial Report

of the

Dunellen School District
Board of Education
Dunellen, New Jersey
For the Fiscal Year Ending June 30, 2025

Prepared by
Dunellen School District
Board of Education
Finance Department

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Introductory Section

DUNELLEN PUBLIC SCHOOLS

Business Office

Rich Pepe, *School Business Administrator / Board Secretary*

400 High St., Dunellen, NJ 08812

Phone: (732) 400-5900 / Fax: (732) 968-3513

December 16, 2025

Ardito & Company LLC
1110 Harrison Street
Suite C
Frenchtown, New Jersey 08825

Honorable President and Members of the Board of Education
Dunellen Public School District
County of Middlesex, State of New Jersey

Dear Board Members:

The annual comprehensive financial report of the Dunellen School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Dunellen Board of Education. 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: introductory, financial, statistical and single audit.

- The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials.
- The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information.
- The statistical section includes selected financial and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is subject to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget "Uniform Guidance," "Audits of States, Local Governments and Nonprofit Organizations," 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 auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, findings and questioned costs are included in the single audit section of this report.

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Business Office

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1. REPORTING ENTITY AND ITS SERVICES

Dunellen School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Dunellen Board of Education and all of its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular education and special education for handicapped students from preschool disabled through grade 12.

2. ECONOMIC CONDITION AND OUTLOOK

Conditions in the Borough of Dunellen have been improving since the COVID-19 pandemic and the local economy is continuing to show signs of growth. Borough leadership continues to focus on increasing the taxable value of property in the Borough, as the recent property revaluation created some economic challenges for families. Within the school district, the percentage of students who identify as "economically disadvantaged" continues to climb and the school supports and resources have increased proportionately based on student and family needs.

3. MAJOR INITIATIVES

The District's financial budget includes and supports the maintenance of our three school buildings, upgrades and maintenance of all district technology, new and revised curriculum, and professional development opportunities for all staff. Capital projects have consumed a significant amount of the district's available resources and have focused on improving safety and security on both campuses. The approved Facilities Enhancement Projects from 2019, which were partially funded by Debt Service Aid, are in progress or completed and have resulted in increased classroom space, upgraded facilities, and enhanced instructional opportunities.

The District continues to support extended day and extended year programs using Federal funds. These programs include instruction in STEAM, English and Math Enrichment, and Visual and Performing Arts courses. Additional programming is planned to meet the needs of all students.

4. INTERNAL ACCOUNTING CONTROLS

District management 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.

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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's management.

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

5. BUDGETARY CONTROLS

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

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

6. ACCOUNTING SYSTEM AND REPORTS

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

7. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District has adopted a cash management plan 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT

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

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contents, and fidelity bonds. The New Jersey Schools Insurance Group oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

9. INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Co., LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB "Uniform Guidance" and New Jersey's OMB Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit and Government Auditing Standards are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS

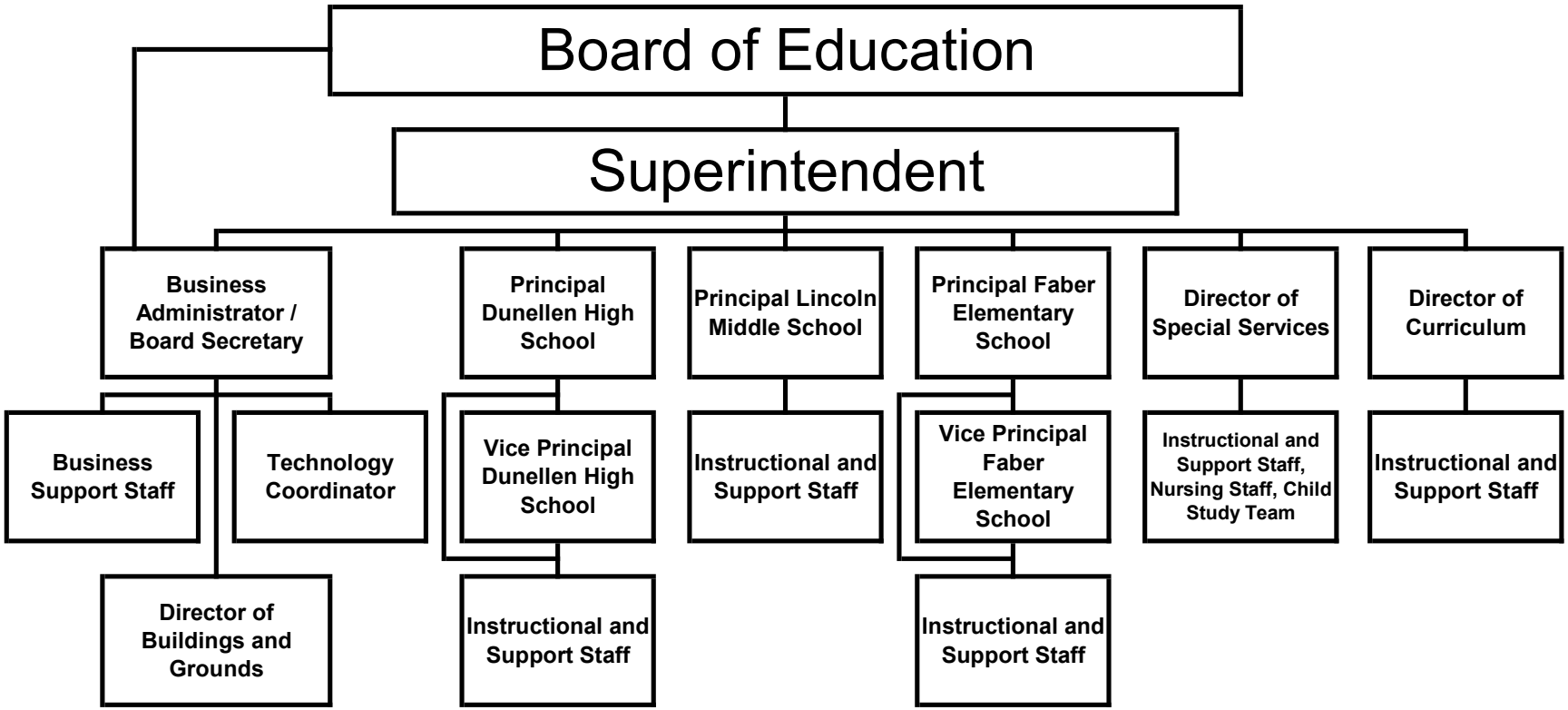
We would like to express our appreciation to the members of the Dunellen School District Business Office for their concern in providing fiscal accountability to the citizens and taxpayers of the district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Richard Pepe

Richard Pepe
School Business Administrator / Board Secretary

Daniel J. Ross, Esq.
Superintendent of Schools


Board of Education
Superintendent
Business Administrator / Board Secretary
Principal Dunellen High School
Principal Lincoln Middle School
Principal Faber Elementary School
Director of Special Services
Director of Curriculum
Business Support Staff
Technology Coordinator
Director of Buildings and Grounds
Vice Principal Dunellen High School
Instructional and Support Staff
Instructional and Support Staff
Vice Principal Faber Elementary School
Instructional and Support Staff
Instructional and Support Staff, Nursing Staff, Child Study Team
Instructional and Support Staff

DUNELLEN SCHOOL DISTRICT

BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2025

Members of the Board of Education	**Term Expires**
Dr. Isaias Noel Gendrano III, ***President***	2025
Lisa Howard, ***Vice-President***	2025
Dave Walker	2025
Jason Anderson	2026
Elyse Schoepp	2026
Shronda Schimpf	2026
Michael Duggan	2025
Wilfred Sa-Onoy	2025
Guadalupe Condit	2025

Other Officials

Mr. Daniel J. Ross, Esq., Superintendent

Mr. Rich Pepe, Business Administrator/ Board Secretary

Joseph L. Roselle, Esq., Board Attorney

DUNELLEN SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192

ATTORNEY

Joseph L. Roselle, Esquire
Schenck, Price, Smith, & King LLP
220 Park Avenue, PO Box 991
Florham Park, NJ 07932

OFFICIAL DEPOSITORIES

Provident Savings Bank
P.O. Box 48
Jersey City, New Jersey 07303

Blue Foundry Bank
100 S Washington Ave #101
Dunellen, New Jersey 08812

Financial Section

Independent Auditor's Report

ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Dunellen School District
County of Middlesex
Dunellen, New Jersey 08812

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Dunellen School District Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. 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 Dunellen School District Board of Education, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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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 of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence 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 of School Finance, Department of Education, State of New Jersey, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dunellen School District Board of Education's basic financial statements. The combining and individual non-major fund

-Continued-

financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance, 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 OMB's Circulars 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 combining and individual non-major fund financial statements, long-term debt schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 December 5, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
December 5, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
December 5, 2025

Required Supplementary Information - Part I

Management's Discussion and Analysis

The discussion and analysis of Dunellen School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- In total, Net Position increased $2,847,513 which represents a 9.9% increase from 2024.
- General revenues accounted for $14,900,977 in revenue or 36.0% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $26,542,264 or 64.0% of total revenues of $41,443,241.
- Total assets of governmental activities decreased by $144,010, as cash and cash equivalents increased by $2,263,489, receivables decreased by $735,628, and capital assets decreased by $1,675,060.
- The School District had $38,595,728 in expenses; only $26,542,264 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $14,900,977 were available to provide for these programs.
- Among major funds, the General Fund had $38,372,473 in revenues and $34,189,538 in expenditures. The General Fund's surplus balance increased $3,183,591 over 2024, which compares favorably to the budgeted decrease of $888,951.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Dunellen School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Dunellen School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 26. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for 2025 compared to 2024.

Table 1
Net Position

	2025	2024
Assets		
Current and Other Assets	$ 17,978,035	$ 16,446,985
Capital Assets	40,135,245	41,810,305
Total Assets	58,113,280	58,257,290
Deferred Outflows of Resources	487,690	568,621
Liabilities		
Long-Term Liabilities	25,146,068	27,685,712
Other Liabilities	1,646,297	2,095,508
Total Liabilities	26,792,365	29,781,220
Deferred Inflows of Resources	285,525	369,124
Net Position		
Invested in Capital Assets, Net of Debt	18,630,245	18,225,305
Restricted	15,830,847	12,742,320
Unrestricted	(2,938,012)	(2,292,058)
Total Net Position	$ 31,523,080	$ 28,675,567

Total assets of governmental activities decreased by $144,010, as cash and cash equivalents increased by $2,263,489, receivables decreased by $735,628, and capital assets decreased by $1,675,060.

The cash increase was due to favorable actual results V. budget in the general fund operating budget as revenues exceeded expenditures by $3,444,933. The receivable decrease was due to COVID-19 grants that were spent in the prior year, but collected in the current year. The decrease in capital assets was due to depreciation expense for the year, net of capital improvement spending.

Table 2 shows the changes in Net Position from fiscal year 2024.

Table 2
Changes in Net Position

	2025	2024
Revenues		
Program Revenues:		
Charges for Services	$ 471,705	$ 701,757
Operating Grants and Contributions	26,070,559	22,642,813
General Revenues:		
Property Taxes	13,877,991	13,613,321
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	806,265	270,276
Other	216,721	266,576
Total Revenues	41,443,241	37,494,743
Program Expenses		
Instruction	19,841,407	18,723,456
Support Services:		
Tuition	1,531,970	1,423,019
Pupils and Instructional Staff	6,455,689	4,883,651
General Administration, School Administration, Business	3,633,555	3,339,512
Operations and Maintenance of Facilities	4,364,150	3,361,468
Pupil Transportation	1,062,373	500,655
Business-Type Activities	1,127,774	988,234
Interest and Fiscal Charges	578,810	631,536
Total Expenses	38,595,728	33,851,531
Increase in Net Position	$ 2,847,513	$ 3,643,212

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 33.5% percent of revenues for governmental activities for the Dunellen School District for the fiscal year 2025.

Instruction comprises 51.4% of district expenses. Support services expenses make up 44.2% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Instruction	$ 19,841,407	$ 4,482,762	18,723,456	$4,723,834
Support Services:				
Tuition	1,531,970	1,531,970	1,423,019	1,423,019
Pupils and Instructional Staff	6,455,689	1,504,479	4,883,651	1,241,932
General Admin., School Admin., Business	3,633,555	502,109	3,339,512	626,886
Operation and Maintenance of Facilities	4,364,150	3,181,645	3,361,468	2,337,120
Pupil Transportation	1,062,373	1,062,373	500,655	500,655
Business-Type Activities	1,127,774	92,372	988,234	(104,909)
Interest and Fiscal Charges	578,810	(304,246)	631,536	(241,576)
Total Expenses	$ 38,595,728	$ 12,053,464	$ 33,851,531	$ 10,506,961

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

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

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

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

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

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service and early childhood care.

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

The dependence upon tax revenues is apparent. Over 22.6% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 45.7%. The community, as a whole, is a major support for the Dunellen School District.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other scources of $42,922,958 and expenditures of $40,889,657. The General Fund's surplus balance increased $3,183,591 over 2024, which compares favorably to the budgeted decrease of $888,951.

General Fund Budgeting Highlights

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

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

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was $33,426,372, $720,740 over original budgeted estimates of $32,705,632. This difference was due primarily to extraordinary aid and non-budgeted miscellaneous revenues, including interest earned on bank balances.

General fund revenues exceeded expenditures by $3,513,795. Again this surplus compares to a budgeted deficit of $888,951, which was due to the use of surplus needed to balance the 2025 budget.

The budgeted surplus was significantly increased due to unspent line items in the operating budget related to instruction, support, tuition, transportation, maintenance, and benefits, including excess revenues as discussed in the previous paragraph.

Overall general fund balance (budget basis) was $12,706,069, and amounts ear-marked and reserved for future purposes were $11,915,229, leaving a surplus in unreserved fund balance at the statutory maximum of $790,840. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

Capital Assets

At the end of the fiscal year 2025, the School District had $40,061,505 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	2025	2024
Land Improvements	53,063	67,857
Buildings and Improvements	39,782,734	41,685,642
Machinery and Equipment	225,708	(34,274)
Totals	$ 40,061,505	$ 41,719,225

Overall capital assets decreased $1,657,720 from fiscal year 2024 to fiscal year 2025. The decrease in capital assets was due to depreciation expense, net of capital improvement additions.

Capital improvements of $369,800 were purchased during fiscal year 2025, which was related to the Faber classroom and referendum capital projects.

Debt Administration

At June 30, 2025, the School District had $21,876,578 as outstanding long term debt. Of this amount, $371,578 is for compensated absences and $21,505,000 is for bonds payable outstanding.

At June 30, 2025, the School District's overall legal debt margin was $36,736,381 and the unvoted debt margin was $15,231,381.

For the Future

The Dunellen School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. The Dunellen School District is primarily a residential community, thus the burden is focused on homeowners to bear the tax burden. However, future finances are not without challenges as the community continues to grow and state funding growing less than expected.

In conclusion, the Dunellen School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at Dunellen School District, High and Lehigh Streets, Dunellen, New Jersey.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

DUNELLEN SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 16,215,728	$ 718,172	$ 16,933,900
Receivables from Other Governments	658,695	28,010	686,705
Other Receivables	1,661	2,705	4,366
Interfund Receivables	14,505	328,242	342,747
Other Assets			
Inventory		10,317	10,317
Capital Assets, Net (Note 6):	40,061,505	73,740	40,135,245
Total Assets	56,952,094	1,161,186	58,113,280
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows (Note 8)	487,690		487,690
LIABILITIES			
Accounts Payable	177,681		177,681
Payroll Deductions and Withholdings	445,138		445,138
Interfund Payable	251,742	91,005	342,747
Unearned Revenue	480,049	2,832	482,881
Accrued Interest	197,850		197,850
Net Pension Liability (Note 8)	3,269,490		3,269,490
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,165,000		2,165,000
Due Beyond One Year	19,711,578		19,711,578
Total Liabilities	26,698,528	93,837	26,792,365
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows (Note 8)	285,525		285,525
Net Position			
Invested in Capital Assets, Net of Related Debt	18,556,505	73,740	18,630,245
Restricted for:			
Other Purposes	15,830,847		15,830,847
Unrestricted	(3,931,621)	993,609	(2,938,012)
Total Net Position	**$ 30,455,731**	**$ 1,067,349**	**$ 31,523,080**

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

DUNELLEN SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

		PROGRAM REVENUES			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
Functions/Programs							
Governmental Activities:							
Instruction:							
Regular	$ 15,539,553	$ 5,505	$ 12,090,304		$ (3,443,744)		$ (3,443,744)
Special Education	3,288,373	1,624	3,261,212		(25,537)		(25,537)
Other Special Instruction	1,013,481				(1,013,481)		(1,013,481)
Support Services:							
Tuition	1,531,970				(1,531,970)		(1,531,970)
Student & Instruction Related Services	6,455,689	1,624	4,949,586		(1,504,479)		(1,504,479)
School Administrative Services	1,763,856	937	1,882,310		119,391		119,391
General and Business Admin. Services	1,869,699	621	1,247,578		(621,500)		(621,500)
Plant Operations and Maintenance	4,364,150	589	1,181,916		(3,181,645)		(3,181,645)
Pupil Transportation	1,062,373		-		(1,062,373)		(1,062,373)
Interest and Fiscal Charges	578,810		883,056		304,246		304,246
Total Governmental Activities	37,467,954	10,900	25,495,962		(11,961,092)		(11,961,092)
Business-Type Activities:							
Food Service	918,114	231,943	574,597			$ (111,574)	(111,574)
Preschool Program	-	-				-	-
After Care	209,660	228,862	-			19,202	19,202
Chrome Program	-	-				-	-
Total Business-Type Activities	1,127,774	460,805	574,597	-	-	(92,372)	(92,372)
Total Primary Government	**$ 38,595,728**	**$ 471,705**	**$ 26,070,559**		**$ (11,961,092)**	**$ (92,372)**	**$ (12,053,464)**
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes,Net					$ 13,877,991		$ 13,877,991
Taxes Levied for Debt Service							
Investment Earnings					806,265		806,265
Miscellaneous Income					216,721	-	216,721
Total General Revenues, Special Items, Extraordinary Items and Transfers					14,900,977		14,900,977
Change in Net Position					2,939,885	(92,372)	2,847,513
Net Position—Beginning					27,515,846	1,159,721	28,675,567
Net Position—Ending					**$ 30,455,731**	**$ 1,067,349**	**$ 31,523,080**

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

FUND FINANCIAL STATEMENTS

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

DUNELLEN SCHOOL DISTRICT

Exhibit B-1

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	$ 14,624,880	$ 272,688	$ 1,318,160		$ 16,215,728
Receivables from Other Governments	237,160	421,535			658,695
Other Accounts Receivable	1,661				1,661
Interfund Receivables	1,452,129	373,076	3,309,875	$ 975,307	6,110,387
TOTAL ASSETS	**$ 16,315,830**	**$ 1,067,299**	**$ 4,628,035**	**$ 975,307**	**$ 22,986,471**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 138,344	$ 249			$ 138,593
Payroll Deductions and Withholdings Payable	445,138				445,138
Unemployment Claims Payable	17,112				17,112
Amount Due to State of New Jersey		21,976			21,976
Interfund Payables	4,910,000	462,317		$ 975,307	6,347,624
Deferred Revenue	14,978	465,071			480,049
Total Liabilities	5,525,572	949,613	-	975,307	7,450,492
Fund Balances:					
Restricted for:					
Excess Surplus	1,711,796				1,711,796
Excess Surplus-Desig. Subs. Yr.	1,703,007				1,703,007
Capital Reserve	8,054,000				8,054,000
Unemployment Compensation	40,145				40,145
Student Activities		272,688			272,688
Assigned to:					
Year-End Encumbrances	406,281		$ 578,824		985,105
Capital Projects Fund			4,049,211		4,049,211
Unassigned:					
General Fund	(1,124,971)				(1,124,971)
Special Revenue Fund		(155,002)			(155,002)
Total Fund Balances	10,790,258	117,686	4,628,035	-	15,535,979
TOTAL LIABILITIES AND FUND BALANCE	**$ 16,315,830**	**$ 1,067,299**	**$ 4,628,035**	**$ 975,307**	**$ 22,986,471**

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $58,178,073 and the accumulated depreciation is $18,116,568. (see Note 6)	$ 40,061,505
Deferred Outflows related to pension contributions subsequent to the Net Pension Liablity measurement date and other deferred itesm are not current financial resources and therefore are not report in the fund statements. (See Note 8)	487,690
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(285,525)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 8)	(3,269,490)
Accrued Interest on Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 7)	(197,850)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 7)	(21,876,578)
Net Position of governmental activities	**$ 30,455,731**

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

DUNELLEN SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local Tax Levy	$ 13,141,191			$ 736,800	$ 13,877,991
Tuition	10,900				10,900
Miscellaneous	817,933	$ 205,053			1,022,986
Total - Local Sources	13,970,024	205,053	-	736,800	14,911,877
State Sources	24,394,693	1,372,121		883,056	26,649,870
Federal Sources	7,756	1,353,455			1,361,211
Total Revenues	38,372,473	2,930,629	-	1,619,856	42,922,958
EXPENDITURES					
Current:					
Regular Instruction	8,339,198	1,195,758			9,534,956
Special Education Instruction	2,112,389				2,112,389
Other Special Instruction	1,013,481				1,013,481
Support services and undistributed costs:					
Tuition	1,531,970				1,531,970
Student and Instruction Related Services	3,591,331	1,688,374			5,279,705
School Administrative Services	1,076,900				1,076,900
Other Administrative Services	1,419,826				1,419,826
Plant Operations and Maintenance	2,715,653				2,715,653
Pupil Transportation	1,062,373				1,062,373
Unallocated Benefits	10,663,706				10,663,706
Transfer to Charter School	206,234				206,234
Debt Service:					
Principal				2,080,000	2,080,000
Interest and Other Charges				539,200	539,200
Capital Outlay	456,477	124,261	$ 1,072,526		1,653,264
Total Expenditures	34,189,538	3,008,393	1,072,526	2,619,200	40,889,657
Excess (Deficiency) of Revenues Over Expenditures	4,182,935	(77,764)	(1,072,526)	(999,344)	2,033,301
OTHER FINANCING SOURCES (USES)					
Transfers to Debt Service Fund	(999,344)			999,344	-
Total other financing sources and uses	(999,344)	-	-	999,344	-
Net Change in Fund Balances	3,183,591	(77,764)	(1,072,526)	-	2,033,301
Fund Balance—July 1	7,606,667	195,450	5,700,561	-	13,502,678
Fund Balance—June 30	**$ 10,790,258**	**$ 117,686**	**$ 4,628,035**	**-**	**$ 15,535,979**

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

DUNELLEN SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2)		$ 2,033,301
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	$ (2,027,520)	
Capital Outlays	369,800	(1,657,720)
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administravtive costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.		224,356
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		2,080,000
In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the curren year's compensated absence payments exceed the current year's amount earned.		237,956
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This is the amount by which current year's amount of interest accrual exceeds the prior year's amount.		21,992
Change in Net Position of Governmental Activities		$ 2,939,885

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

DUNELLEN SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2025

	Business-Type Activities-Enterprise Funds				
	Food Service	**Preschool Program**	**After Care**	**Chrome Program**	**Totals**
ASSETS					
Current assets:					
Cash and Cash Equivalents	$ 463,745	$ (194,404)	$ 440,415	$ 8,416	$ 718,172
Federal and State Accounts Receivable	28,010				28,010
Other Accounts Receivable	-		2,705		2,705
Interfund Receivable	26,201	302,041			328,242
Inventories	10,317				10,317
Total Current Assets	528,273	107,637	443,120	8,416	1,087,446
Noncurrent Assets:					
Furniture, Machinery and Equipment	307,485				307,485
Less Accumulated Depreciation	(233,745)				(233,745)
Total Noncurrent Assets	73,740				73,740
Total Assets	**602,013**	**107,637**	**443,120**	**8,416**	**1,161,186**
LIABILITIES					
Current liabilities:					
Interfund Payable			91,005		91,005
Deferred Revenue	2,832				2,832
Total Current Liabilities	2,832		91,005		93,837
Total Liabilities	**2,832**		**91,005**		**93,837**
Net Position					
Invested in Capital Assets Net of Related Debt	73,740				73,740
Unrestricted	525,441	107,637	352,115	8,416	993,609
Total Net Position	**$ 599,181**	**$ 107,637**	**$ 352,115**	**$ 8,416**	**$ 1,067,349**

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

DUNELLEN SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities-Enterprise Fund				
	Food Service	**Preschool Program**	**After Care**	**Chrome Program**	**Total Enterprise**
Operating Revenues:					
Charges for Services:					
Daily Sales - Reimbursable Programs	$ 125,920				$ 125,920
Daily Sales - Non-Reimb.Programs	106,023				106,023
Miscellaneous	-		$ 228,862		228,862
Total Operating Revenues	231,943		228,862		460,805
Operating Expenses:					
Cost of Sales - Reimbursable Programs	299,033				299,033
Cost of Sales - Non-reimbursable Programs	13,440				13,440
Salaries	275,658		115,131		390,789
Employee Benefits	77,281				77,281
Supplies	210,236		94,529		304,765
Other Purchased Professional Services	21,400				21,400
Miscellaneous	3,726				3,726
Depreciation	17,340				17,340
Total Operating Expenses	918,114		209,660		1,127,774
Operating Income (Loss)	(686,171)		19,202		(666,969)
Nonoperating Revenues (Expenses):					
State Sources:					
State School Lunch Program	27,240				27,240
Federal Sources:					
National School Lunch Program	453,199				453,199
School Breakfast Program	53,322				53,322
Summer EBT Reimbursement	643				643
Food Distribution Program	40,193				40,193
Total Nonoperating Revenues (Expenses)	574,597				574,597
Income (Loss) Before Contributions and Transfers	(111,574)		19,202		(92,372)
Transfers In (Out)	-	-	-	-	-
Change in Net Position	(111,574)		19,202		(92,372)
Total Net Position—Beginning	710,755	$ 107,637	332,913	$ 8,416	1,159,721
Total Net Position—Ending	**$ 599,181**	**$ 107,637**	**$ 352,115**	**$ 8,416**	**$ 1,067,349**

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

DUNELLEN SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2025

	Business-Type Activities-Enterprise Funds				
	Food Service	**Preschool Program**	**After Care**	**Chrome Program**	**Total Enterprise**
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ 231,943		$ 228,862		$ 460,805
Payments to Employees	(275,659)		(115,131)		(390,790)
Payments for Employee Benefits	(77,281)		-		(77,281)
Payments to Suppliers	(511,383)		(94,528)		(605,911)
Net Cash Provided by (used for) Operating Activities	(632,380)	-	19,203	-	(613,177)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State Sources	26,712				26,712
Federal Sources	498,355				498,355
Operating Subsidy Transfers from Other Funds	-				-
Net Cash Provided by (used for) Non-Capital Financing Activities	525,067	-	-	-	525,067
Net Increase (Decrease) in Cash and Cash Equivalents	(107,313)		19,203		(88,110)
Balances—Beginning of Year	571,058	$ (194,404)	421,212	$ 8,416	806,282
Balances—End of Year	**$ 463,745**	**$ (194,404)**	**$ 440,415**	**$ 8,416**	**$ 718,172**
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:					
Operating Income (Loss)	$ (686,171)	-	$ 19,202	-	$ (666,969)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Depreciation	17,340				17,340
Federal Commodities	40,193				40,193
(Increase) Decrease in Receivables					
(Increase) Decrease in Inventories	(3,189)				(3,189)
Increase (Decrease) in Payables	(553)				(553)
Total Adjustments	53,791				53,791
Net Cash Provided by (used for) Operating Activities	**$ (632,380)**	**-**	**$ 19,202**	**-**	**$ (613,178)**

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

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liablities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions, GASB 98, Annual Comprehensive Financial Report, GASB 100, Accounting Changes and Error Corrections, and GASB 101, Compensated Absences. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2024.

A. Reporting Entity:

The Dunellen School District is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Dunellen School District had an approximate enrollment at June 30, 2025, of 1,381 students.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School 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, including its fiduciary funds. Separate statements for each fund category—*governmental, proprietary,* and *fiduciary* —are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No.34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

GOVERNMENTAL FUNDS

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 all expendable financial resources, except those required to be accounted for in another fund, including payroll agency and unemployment compensation accounts. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes. The special revenue fund also accounts for student activities.

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

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

PROPRIETARY FUNDS

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

Enterprise (Preschool Program) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's early childhood operations. The preschool fund provides preschool services recovered primarily through user charges (tuition).

Enterprise (After Care) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's operations provided after school hours. The after care fund provides services recovered primarily through user charges (tuition).

Enterprise (Chrome Program) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's operations for providing chromebook computers to students. The chrome program fund provides services recovered primarily through user charges contributing to the cost of providing chromebooks to students.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute as the municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control (Continued):

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

D. Encumbrance Accounting:

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, 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.

Allowance for Uncollectible Accounts:

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

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is $2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

Asset Class	Estimated Useful Lives
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Compensated Absences:

The District accounts for compensated absencesas directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

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

The liability for compensated absences was accrued and determined based on 1.) leave that has not been used, and 2.) leave that has been used but not yet paid in cash or settled through noncash means. For leave that has not been used, a liability is recognized if, 1.) the leave is attributable to services already rendered, 2.) the leave accumulates (no-use-it-or-lose-it), and, the leave is more likely to than not to be used for time off or otherwise paid in cash or settled through noncash means. For leave that has been used, a liability should be recognized when leave has been used for time off but has not been paid in cash or settled through noncash means.

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes that were received as of June 30, 2025, but which were levied to finance subsequent fiscal years operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Deferred Outflows and Deferred Inflows of Resources

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

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

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense, that could not be attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

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

NOTE 2: CASH AND CASH EQUIVALENTS

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.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the district would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollarteralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2025, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

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

	Cash and Cash Equivalents (Exhibit A-1)
Checking	$ 16,933,900
	$ 16,933,900

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was $16,933,900 and the bank balance was $20,455,608. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, $750,000 was covered by federal depository insurances and $19,705,608 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2025, consisted of intergovernmental receivables for grants and lunch reimbursements. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	$ 398,856	$ 400,328
Federal Aid	259,839	286,377
Gross Receivable-Governm.	658,695	686,705
Other Receivables	1,661	4,366
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	$ 660,356	$ 691,071

Other receivables consisted of tuition in both the governmental fund and enterprise funds.

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2025, consisted of the following:

Food	$ 7,485
Supplies	2,832
Total	$ 10,317

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 5: DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The costs associated with the issued of the various bonds are immaterial and are not amortized on the District-wide financial statements.

NOTE 6: CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Land and Land Improvements	$ 644,814			$ 644,814
Buildings and Building Improvements	56,334,810			56,334,810
Machinery and Equipment	828,649	$ 369,800		1,198,449
Total at Historical Cost	57,808,273	369,800		58,178,073
Less Accumulated Depreciation for:				
Land Improvements	(576,957)	(14,794)		(591,751)
Building and Improvements	(14,649,168)	(1,902,908)		(16,552,076)
Equipment	(862,923)	(109,818)		(972,741)
Total Accumulated Depreciation	(16,089,048)	(2,027,520)		(18,116,568)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	41,719,225	(1,657,720)		40,061,505
Government Activity Capital Assets, Net	**$ 41,719,225**	**$ (1,657,720)**		**$ 40,061,505**

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to $2,000. The previous threshold was $500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than $500 but not greater than $2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	$ 2,018,880
School Administration	8,200
Plant and Operations	440
Total Depreciation Expense	$ 2,027,520

NOTE 7: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	$ 23,585,000	-	$ (2,080,000)	$ 21,505,000	$ 2,165,000
Other Liabilities:					
Compensated Absences Payable	609,534		(237,956)	371,578	
Total	$ 24,194,534	-	$ (2,317,956)	$ 21,876,578	$ 2,165,000

Compensated absences and capital leases have ben liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income taxes. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2025, it is not necessary for the Board to establish a liability for arbitrage rebate.

	Government Activities				
	Issue Dates	Interest Rates	Date of Maturity	Original Issue	Balance June 30, 2025
General School Renovations					
Bonds Payable-Series 2020	3/26/20	Various	2/15/35	$ 23,800,000	$ 18,130,000
Bonds Payable-Series 2012	12/12/12	Various	7/15/29	8,005,000	3,375,000
Total Bonds					$ 21,505,000

NOTE 7: LONG-TERM OBLIGATIONS-(Continued)

B. Debt Service Requirements:

Debt Service requirements on serial bonds payable at June 30, 2025, is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 2,165,000	$ 485,200	$ 2,650,200
2027	2,245,000	429,000	2,674,000
2028	2,330,000	370,600	2,700,600
2029	2,420,000	309,900	2,729,900
2030	2,505,000	246,900	2,751,900
2031	1,835,000	211,400	2,046,400
2032	1,900,000	174,700	2,074,700
2033	1,965,000	136,700	2,101,700
2034	2,035,000	97,400	2,132,400
2035	2,105,000	56,700	2,161,700
	$ 21,505,000	$ 2,518,500	$ 24,023,500

NOTE 8: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at http://www.state.nj.us/treasury/pensions/annrprts.shtml.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

NOTE 8: PENSION PLANS (Continued)

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is 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 district (employer) does 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 district. However, the state's portion of the net pension liability that was associated with the district was $35,793,641 as measured on June 30, 2024 and $36,356,715 measured on June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of ($130,570) and revenue of ($130,570) for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2025 is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2023 and June 30, 2024.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	6/30/2024	6/30/2025
Collective deferred outflows of resources	$2,498,730,891	$1,176,934,477
Collective deferred inflows of resources	$14,719,080,314	$10,530,833,639
Collective net pension liability (Nonemployer-State of New Jersey)	$51,032,669,551	$49,425,106,602
State's portion of the net pension liability that was associated with the district	$36,356,715	$35,793,641
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.071242%	0.072420%

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

NOTE 8: PENSION PLANS (Continued)

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

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 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% 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:

Asset Class	***Target Allocation***	***Long-Term Expected Real Rate of Return***
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	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 Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

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

NOTE 8: PENSION PLANS (Continued)

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2024, calculated using the discount rate shown 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Collective Net Pension Liability	$ 58,828,334,396	$ 49,492,072,325	$ 41,629,174,739

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml. The plan fudiciary net position as of June 30, 2024 was $30,316,295,787.

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amoounts) related to pensions will be recognized in the state's pension expense as follows:

	Year Ended June 30:
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)
Total	($9,436,989,313)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	$1,395,143,002
Interest on total pension liability	5,402,862,412
Member contributions	(968,116,740)
Administrative expense	23,998,868
Expected investment return net of investment expenses	(1,880,215,821)
Pension expense related to specific liabilities of individual employers	(521,718)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	163,003,839
Changes in assumptions	(4,175,839,758)
Difference between projected and actual investment earnings on pension plan investments	(140,853,575)
Total pension expense	($180,539,491)

NOTE 8: PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Summary of Significant Accounting Policies - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 $3,269,490 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 to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2022 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the District's proportion was 0.0241% which was a decrease of 0.00004% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of $108,326. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 65,494	$ 8,704
Changes of assumptions	4,062	37,199
Net difference between projected and actual earnings on pension plan investments	-	151,597
Changes in proportion and differences between District contributions and proportionate share of contributions	90,721	88,025
District contributions subsequent to the measurement date	327,413	
Total	$ 487,690	$ 285,525

NOTE 8: PENSION PLANS (Continued)

$327,413 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability measured as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2025	$219,352
2026	(169,728)
2027	97,648
2028	56,360
2029	(1,467)
Total	$202,165

	6/30/2024	6/30/2025
Collective deferred outflows of resources	$1,080,204,730	$289,074,215
Collective deferred inflows of resources	1,780,216,457	820,816,333
Collective net pension liability	$14,484,374,047	$13,588,045,796
District's portion of net pension liability	$3,491,178	$3,269,490
District's proportion %	0.02410306%	0.02406152%

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

Inflation:	
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 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021

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

NOTE 8: PENSION PLANS (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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 rates of return for each major · asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	***Target Allocation***	***Long-Term Expected Real Rate of Return***
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	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 Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	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 on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 4,344,348	$3,269,490	$ 2,354,791

NOTE 8: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	$240,257
Interest on total Pension liability	$897,427
Member contributions	($196,767)
Administrative expense	$6,949
Other - Chaper 19 Adjustment	($7,234)
Expected investment return net of investment expenses	($542,111)
Pension expense related to specific liabilities of individual employers	($6,917)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	$27,341
Changes in assumptions	($219,325)
Difference between projected and actual investment earnings on pension plan investments	($91,293)
Total pension expense	$108,326

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml.

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 8: PENSION PLANS (Continued)

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

 New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

 The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78'sceffective date with a minimum contribution required to becat least 1.5% of salary. In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2025	$327,413	100 %	-0-
6/30/2024	$322,144	100	-0-
6/30/2023	$306,869	100	-0-

NOTE 8: PENSION PLANS (Continued)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2025	$3,403,040	100 %	-0-
6/30/2024	$3,123,031	100	-0-
6/30/2023	$2,954,548	100	-0-

During the fiscal year ended June 30, 2025, the State of New Jersey did contribute $4,396,789 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $879,516 during the year ended June 30, 2025, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

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

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

Actuarial assumptions and other imputes. The June 30, 2025 GASB 75 reporting is based on a measurement date of June 30, 2024. 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. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS anf PFRS. 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:

Total Nonemployer OPEB Liability:	$	59,650,630,530

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75% to 5.65%	2.75% to 6.55%	3.25% to 16.25%
		Based on service years	

(a) Health Care Trend Assumptions

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

(b) Discount Rate

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

Changes in the Total OPEB Liability reported by the State of New Jersey

	Total OPEB Liability
The State's Total OPEB Liability Balance at 6/30/2023	**$52,361,668,239**
Changes for the year:	
Service Cost	2,152,062,729
Interest on the Total OPEB Liability	1,963,557,443
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Gross Benefit Payments	(1,499,600,607)
Contributions from Members/Employers	51,347,810
Net changes	7,288,962,291
The State's Total OPEB Liability Balance at 6/30/2024	**$59,650,630,530**
The State's total OPEB liability attributable to the District:	**$41,026,435**

Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2024		
	At 1% Decrease 2.93%	At Discount Rate 3.93%	At 1% Increase 4.93%
Total OPEB Liability (School Retirees)	$69,863,663,542	$59,650,630,530	$51,437,232,141

	June 30, 2023		
	At 1% Decrease 2.65%	At Discount Rate 3.65%	At 1% Increase 4.65%
Total OPEB Liability (School Retirees)	$61,385,066,712	$52,361,668,239	$45,116,926,835

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

	June 30, 2024		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	$49,689,409,509	$59,650,630,530	$72,625,778,279

	June 30, 2023		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	$43,468,257,358	$52,361,668,239	$63,998,719,320

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

For the year ended June 30, 2024, the board of education recognized OPEB expense and related revenue of $2,012,240 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences Between Expected and Actual Experience	$6,378,932,312	$11,139,706,892
Changes of assumptions or other inputs	10,004,978,073	11,662,607,882
Total	$16,383,910,385	$22,802,314,774

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	($2,115,877,507)
2026	($1,774,175,666)
2027	($842,677,045)
2028	$221,470,185
2029	(1,537,725,697)
Thereafter	(369,418,659)
	($6,418,404,389)

NOTE 10: COMPENSATED ABSENCES

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

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

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

NOTE 11: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the ***Benefit Reimbursement Method***. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2024-2025	-	$44,656	$27,544	$57,257
2023-2024	$35	-	35	$40,145
2022-2023	65	-	3,845	$40,145

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the 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 School District is a involved in various disputes with construction contractors. Although the outcome of these disputes is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1)- Of the $10,790,258 General Fund fund balance at June 30, 2025, $406,281 is reserved for encumbrances; $8,054,000 is reserved for Capital Reserve; $3,414,803 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7; ($1,703,007 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026); $40,145 is reserve for Unemployment Compensation, and ($1,124,971) is unreserved and undesignated.

NOTE 14: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is $1,711,796.

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The enterprise fund (aftercare) owes the general fund $14,505 for general fund tuition received in the aftercare fund. The general fund owes the food service fund for federal and state subsidies not yet transferred to the food service fund in the amount of $26,201, and the preschool program for budgeted contributions and payroll reimbursements not yet transferred in the amount of 225,541.

NOTE 16: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Dunellen School District Board of Education by inclusion of $1. on October 11, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2024	$ 4,387,992
Budgeted Withdrawal	(975,544)
Deposits: Budgeted & (PL 2007 c.62 (A1)): Board Resolution 6/11/2025	4,641,552
Ending Balance, June 30, 2025	$ 8,054,000

NOTE 17: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

DUNELLEN SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 13,141,191		$ 13,141,191	$ 13,141,191	
Tuition from Individuals	-		-	10,900	$ 10,900
Miscellaneous	265,000		265,000	817,933	552,933
Total - Local Sources	13,406,191	-	13,406,191	13,970,024	563,833
State Sources:					
Equalization Aid	17,097,188		17,097,188	17,097,188	
Transportation Aid	76,133		76,133	76,133	
Special Education Aid	1,589,062		1,589,062	1,589,062	
Security Aid	493,621		493,621	493,621	
Extraordinary Aid			-	192,588	192,588
TPAF Pension (On-Behalf - Non-Budgeted)				3,400,912	3,400,912
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				993,749	993,749
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				2,128	2,128
TPAF Social Security (Reimbursed - Non-Budgeted)				879,516	879,516
Total State Sources	19,256,004		19,256,004	24,724,897	5,468,893
Federal Sources:					
Medical Assistance Program	43,437		43,437	7,756	(35,681)
Total Federal Sources	43,437		43,437	7,756	(35,681)
TOTAL REVENUES	**32,705,632**		**32,705,632**	**38,702,677**	**5,997,045**

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DUNELLEN SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	361,600	(48,873)	312,727	309,393	3,334
Grades 1-5 - Salaries of Teachers	2,216,039	340,826	2,556,865	2,536,411	20,454
Grades 6-8 - Salaries of Teachers	1,553,530	58,860	1,612,390	1,569,913	42,477
Grades 9-12 - Salaries of Teachers	2,465,441	208,074	2,673,515	2,603,877	69,638
Regular Programs - Home Instruction:					
Salaries of Teachers	16,275	-	16,275	12,760	3,515
Purchased Professional-Educational Services	16,800	32,395	49,195	32,524	16,671
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	28,448	293,394	321,842	306,418	15,424
Purchased Professional-Educational Services	549,569	(4,343)	545,226	459,878	85,348
Purchased Technical Services	9,250	-	9,250	6,606	2,644
General Supplies	367,325	25,234	392,559	282,272	110,287
Textbooks	198,750	16,057	214,807	196,929	17,878
Other Objects	115,000	(88,799)	26,201	22,217	3,984
TOTAL REGULAR PROGRAMS - INSTRUCTION	**7,898,027**	**832,825**	**8,730,852**	**8,339,198**	**391,654**
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	135,512	2,350	137,862	131,697	6,165
Purchased Professional-Educational Services	108,675	(10,905)	97,770	97,770	-
General Supplies	1,680	-	1,680	-	1,680
Total Learning and/or Language Disabilities	245,867	(8,555)	237,312	229,467	7,845
Multiple Disabilities:					
Salaries of Teachers	450,966	(130,800)	320,166	310,248	9,918
Other Salaries for Instruction	33,056	2,785	35,841	33,513	2,328
Purchased Professional-Educational Services	118,566	(20,797)	97,769	97,770	(1)
General Supplies	6,300	4	6,304	1,408	4,896
Total Multiple Disabilities	608,888	(148,808)	460,080	442,939	17,141

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DUNELLEN SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	785,308	(73,618)	711,690	656,432	55,258
Other Salaries for Instruction	114,944	25,198	140,142	135,255	4,887
Purchased Professional-Educational Services	477,435	(53,766)	423,669	423,669	-
General Supplies	5,775	15,015	20,790	17,340	3,450
Total Resource Room/Resource Center	1,383,462	(87,171)	1,296,291	1,232,696	63,595
Autism:					
Other Salaries for Instruction	1,707	(1,707)	-	-	-
Total Autism:	1,707	(1,707)	-	-	-
Preschool Disabilities - Full Time:					
Salaries of Teachers	172,266	(70,104)	102,162	92,874	9,288
Other Salaries for Instruction	-	1,304	1,304	1,304	-
Purchased Professional-Educational Services	107,684	(9,914)	97,770	97,770	-
General Supplies	6,300	13,356	19,656	15,339	4,317
Total Preschool Disabilities - Full Time	286,250	(65,358)	220,892	207,287	13,605
TOTAL SPECIAL EDUCATION - INSTRUCTION	**2,526,174**	**(311,599)**	**2,214,575**	**2,112,389**	**102,186**
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	409,040	(11,690)	397,350	358,765	38,585
Total Basic Skills/Remedial - Instruction:	409,040	(11,690)	397,350	358,765	38,585
Bilingual Education - Instruction:					
Salaries of Teachers	628,066	(628,066)	-	-	-
General Supplies	500	(332)	168	-	168
Total Bilingual Education - Instruction	628,566	(628,398)	168	-	168
School-Spon. Co/Extra Curricular Actvts. - Inst.:					
Salaries	174,356	(2,250)	172,106	162,905	9,201
Supplies and Materials	1,000	-	1,000	-	1,000
Other Objects	8,818	(6,468)	2,350	1,900	450
Total School-Spon. Cocurricular Actvts. - Inst.	184,174	(8,718)	175,456	164,805	10,651

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Athletics - Instruction:					
Salaries	413,698	7,153	420,851	392,614	28,237
Purchased Services (300-500 series)	78,440	(464)	77,976	47,163	30,813
Supplies and Materials	38,500	(493)	38,007	32,087	5,920
Other Objects	38,511	(14,904)	23,607	17,956	5,651
Transfer to Cover Deficit (Agency Funds)	25,000	-	25,000	91	24,909
Total School-Spon. Athletics - Inst.	594,149	(8,708)	585,441	489,911	95,530
TOTAL INSTRUCTION	**12,240,130**	**(136,288)**	**12,103,842**	**11,465,068**	**638,774**
UNDISTRIBUTED EXPENDITURES					
Tuition:					
Tuition to Other LEAs Within the State-Regular	-	50,035	50,035	50,022	13
Tuition to Other LEAs Within the State-Special	483,102	(75,565)	407,537	342,703	64,834
Tuition to County Voc. School Dist. - Regular	-	11,500	11,500	11,500	-
Tuition to CSSD & Regional Day Schools	826,457	(163,016)	663,441	498,795	164,646
Tuition to Priv. Sch. For Disabled within State	624,410	25,638	650,048	628,950	21,098
Total Tuition	1,933,969	(151,408)	1,782,561	1,531,970	250,591
Attendance and Social Work:					
Salaries	128,183	72,103	200,286	190,397	9,889
Purchased Services (300-500 series)	2,500	(50)	2,450	-	2,450
Supplies and Materials	5,568	(3,818)	1,750	486	1,264
Total Attendance and Social Work	136,251	68,235	204,486	190,883	13,603
Health Services:					
Salaries	200,980	(1,810)	199,170	180,806	18,364
Purchased Professional and Technical Services	6,646	73,383	80,029	72,847	7,182
Supplies and Materials	24,773	3,051	27,824	16,285	11,539
Total Health Services	232,399	74,624	307,023	269,938	37,085
Other Supp. Services Students-Related Services:					
Salaries	513,940	(112,472)	401,468	401,468	-
Purchased Professional-Educational Services	123,080	442,494	565,574	450,318	115,256
Supplies and Materials	17,918	426,148	444,066	4,043	440,023
Total Other Supp. Services Students-Related Services	654,938	756,170	1,411,108	855,829	555,279

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DUNELLEN SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Extra. Services:					
Purchased Professional-Educational Services	416,248	(263,000)	153,248	57,346	95,902
Supplies and Materials	5,250	-	5,250	2,961	2,289
Total Other Supp. Services Students-Extra. Services	421,498	(263,000)	158,498	60,307	98,191
Guidance:					
Salaries of Other Professional Staff	647,850	(22,410)	625,440	505,884	119,556
Salaries of Secretarial and Clerical Assistants	46,583	2,615	49,198	49,198	-
Other Purchased Prof. and Tech. Services	4,000	-	4,000	580	3,420
Supplies and Materials	2,300	585	2,885	1,748	1,137
Other Objects	18,134	(15,884)	2,250	445	1,805
Total Guidance	718,867	(35,094)	683,773	557,855	125,918
Child Study Teams:					
Salaries of Other Professional Staff	590,068	85,189	675,257	646,037	29,220
Salaries of Secretarial and Clerical Assistants	55,800	2,038	57,838	57,838	-
Other Salaries	13,275	1,937	15,212	15,212	-
Purchased Professional-Educational Services	45,150	44,140	89,290	89,908	(618)
Other Purchased Services (400-500 series)	1,313	-	1,313	-	1,313
Supplies and Materials	17,330	5,613	22,943	21,700	1,243
Other Objects	16,388	(12,368)	4,020	3,201	819
Total Child Study Teams	739,324	126,549	865,873	833,896	31,977
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	139,296	-	139,296	139,296	-
Salaries of Other Professional Staff	265,390	(456)	264,934	246,791	18,143
Salaries of Secretarial and Clerical Assistants	72,925	-	72,925	54,838	18,087
Other Salaries	50,000	-	50,000	-	50,000
Purchased Professional-Educational Services	185,000	(94,300)	90,700	35,200	55,500
Supplies and Materials	227,580	(19,746)	207,834	169,940	37,894
Other Objects	5,227	(1,732)	3,495	3,495	-
Total Improvement of Instructional Services	945,418	(116,234)	829,184	649,560	179,624

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DUNELLEN SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Educational Media Services/School Library:					
Salaries	87,300	1,175	88,475	88,475	-
Supplies and Materials	9,913	734	10,647	5,084	5,563
Total Educational Media Services/School Library	97,213	1,909	99,122	93,559	5,563
Instructional Staff Training Services:					
Salaries	2,500	-	2,500	266	2,234
Purchased Professional-Educational Services	110,000	1,515	111,515	71,929	39,586
Other Purchased Services (400-500 series)	92,625	(365)	92,260	7,309	84,951
Supplies and Materials	-	200	200	-	200
Total Instructional Staff Training Services	205,125	1,350	206,475	79,504	126,971
Supp. Services - General Administration:					
Salaries	261,370	2,112	263,482	263,482	-
Legal Services	51,000	33,846	84,846	70,074	14,772
Audit Fees	24,352	-	24,352	24,352	-
Architectural/Engineering Services	-	15,000	15,000	9,371	5,629
Other Purchased Professional Services	4,965	-	4,965	4,965	-
Communications/Telephone	126,911	(37,951)	88,960	74,264	14,696
BOE Other Purchased Services	12,200	(2,661)	9,539	8,614	925
Other Purchased Services (400-500 series)	144,424	(962)	143,462	127,710	15,752
General Supplies	3,500	-	3,500	891	2,609
Judgments Against the School District	10,000	(10,000)	-	-	-
Miscellaneous Expenditures	23,112	(13,612)	9,500	6,506	2,994
BOE Membership Dues & Fees	10,000	-	10,000	9,730	270
Total Supp. Services - General Administration	671,834	(14,228)	657,606	599,959	57,647
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	895,499	(5,145)	890,354	842,249	48,105
Salaries of Other Professional Staff	-	5,000	5,000	2,847	2,153
Salaries of Secretarial and Clerical Assistants	183,484	27,925	211,409	189,109	22,300
Purchased Professional and Technical Services	2,000	-	2,000	540	1,460
Other Purchased Services (400-500 series)	8,212	-	8,212	6,923	1,289
Supplies and Materials	23,200	8,196	31,396	23,152	8,244
Other Objects	12,645	3,543	16,188	12,080	4,108
Total Support Services - School Administration	1,125,040	39,519	1,164,559	1,076,900	87,659

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DUNELLEN SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Central Services:					
Salaries	412,866	28,566	441,432	437,066	4,366
Purchased Professional Services	8,500	-	8,500	6,000	2,500
Purchased Technical Services	4,760	1,775	6,535	6,535	-
Misc. Purchased Services (400-500 series)	5,000	-	5,000	1,350	3,650
Supplies and Materials	6,000	4,803	10,803	10,146	657
Miscellaneous Expenditures	19,321	7,018	26,339	24,289	2,050
Total Central Services	456,447	42,162	498,609	485,386	13,223
Admin Information Technology:					
Salaries	228,488	1,948	230,436	119,062	111,374
Purchased Technical Services	141,768	33,871	175,639	133,594	42,045
Supplies and Materials	312,571	(182,839)	129,732	81,825	47,907
Total Admin Information Technology	682,827	(147,020)	535,807	334,481	201,326
Required Maintenance for School Facilities:					
Salaries	125,000	(25,586)	99,414	99,414	-
Cleaning, Repair and Maintenance Services	222,550	424,085	646,635	571,583	75,052
General Supplies	146,950	(60,052)	86,898	48,033	38,865
Total Required Maintenance for School Facilities	494,500	338,447	832,947	719,030	113,917
Other Operations and Maintenance of Plant:					
Salaries	945,540	29,580	975,120	968,850	6,270
Purchased Professional and Technical Services	-	2,869	2,869	1,755	1,114
Cleaning, Repair and Maintenance Services	61,500	(22,694)	38,806	26,852	11,954
Other Purchased Property Services	318,442	(237,000)	81,442	40,365	41,077
Insurance	187,788	-	187,788	155,205	32,583
Miscellaneous Purchased Services	8,000	-	8,000	2,298	5,702
General Supplies	145,000	25,554	170,554	141,445	29,109
Energy (Natural Gas)	200,000	(91,278)	108,722	67,085	41,637
Energy (Electricity)	230,000	19,329	249,329	249,329	-
Other Objects	24,840	(23,540)	1,300	1,053	247
Total Other Operations and Maintenance of Plant	2,121,110	(297,180)	1,823,930	1,654,237	169,693

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DUNELLEN SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Care and Upkeep of Grounds:					
Salaries	71,000	14,237	85,237	85,237	-
Cleaning, Repair and Maintenance Services	82,500	(7,097)	75,403	15,375	60,028
General Supplies	43,200	-	43,200	8,836	34,364
Other Objects	2,380	(1,980)	400	145	255
Total Care and Upkeep of Grounds	199,080	5,160	204,240	109,593	94,647
Security:					
Purchased Professional and Technical Services	321,300	(214,529)	106,771	83,214	23,557
Cleaning, Repair and Maintenance Services	-	2,895	2,895	2,895	-
General Supplies	132,400	18,747	151,147	146,684	4,463
Total Security	453,700	(192,887)	260,813	232,793	28,020
Student Transportation Services					
Management Fee - ESC & CTSA Trans. Program	-	59,856	59,856	42,948	16,908
Contracted Services - Aid in Lieu of Payments-Charter Sch.	-	3,531	3,531	3,531	-
Contract Services - (Between Home and School) - Vendors	-	34,052	34,052	32,687	1,365
Contract Services (Other than Between Home & School)-Vendors	86,000	3,577	89,577	89,577	-
Contract Services (Between Home & School)-Joint Agrmts	68,400	(34,200)	34,200	34,200	-
Contract Services - (Special Ed. Students) - Vendors	37,241	(37,241)	-	-	-
Contr Serv (Regular Students) - ESCs & CTSA	-	614,752	614,752	231,800	382,952
Contracted Services (Spec Ed. Students)-ESC's & CTSA's	1,040,000	(280,604)	759,396	626,999	132,397
Other Objects	-	631	631	631	-
Total Student Transportation Services	1,231,641	364,354	1,595,995	1,062,373	533,622
UNALLOCATED BENEFITS					
Regular Programs-Instruction:					
Social Security Contributions	300,000	60,124	360,124	324,753	35,371
Other Retirement Contributions - PERS	355,380	(8,011)	347,369	327,413	19,956
Other Retirement Contributions - Regular	-	4,875	4,875	1,674	3,201
Unemployment Compensation	20,000	(1,500)	18,500	-	18,500
Workman's Compensation	79,937	13,047	92,984	89,857	3,127
Health Benefits	4,460,000	(92,112)	4,367,888	4,367,888	-
Tuition Reimbursement	30,000	46,854	76,854	40,791	36,063
Other Employee Benefits	185,000	41,751	226,751	226,751	-
Unused Sick Payment to Term/Ret. Staff	25,000	-	25,000	8,274	16,726
Total Regular Programs-Instruction	5,455,317	65,028	5,520,345	5,387,401	132,944

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
On-behalf TPAF pension Contrib. (non-budgeted)			-	3,400,912	(3,400,912)
On-behalf TPAF PRM Contrib. (non-budgeted)				993,749	(993,749)
On-behalf TPAF pension LTD Ins. (non-budgeted)				2,128	(2,128)
Reimbursed TPAF Social Security Contrib. (non-budgeted)			-	879,516	(879,516)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	5,276,305	(5,276,305)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	5,455,317	65,028	5,520,345	10,663,706	(5,143,361)
TOTAL UNDISTRIBUTED EXPENDITURES	**18,976,498**	**666,456**	**19,642,954**	**22,061,759**	**(2,418,805)**
TOTAL GENERAL CURRENT EXPENSE	**31,216,628**	**530,168**	**31,746,796**	**33,526,827**	**(1,780,031)**
CAPITAL OUTLAY					
EQUIPMENT					
Regular Programs - Instruction:					
Undistributed Expenditures-Instruction	5,000	-	5,000	-	5,000
Undist. Expend.-Care and Upkeep of Grounds	107,000	77,967	184,967	142,404	42,563
Undist. Expend.-Security	12,500	-	12,500	-	12,500
TOTAL EQUIPMENT	124,500	77,967	202,467	142,404	60,063
FACILITIES ACQUISITIONS AND CONSTRUCT. SVCS:					
Architectural/Engineering	145,000	-	145,000	-	145,000
Construction Services	725,000	-	725,000	252,471	472,529
Assessment for Debt Service on SDA Funding	61,602	-	61,602	61,602	-
TOTAL FACILITIES ACQUISITIONS AND CONST. SVCS	931,602	-	931,602	314,073	617,529
TOTAL CAPITAL OUTLAY	**1,056,102**	**77,967**	**1,134,069**	**456,477**	**677,592**
Transfer of Funds to Charter Schools	85,331	120,903	206,234	206,234	-
TOTAL EXPENDITURES	**32,358,061**	**729,038**	**33,087,099**	**34,189,538**	**(1,102,439)**
Excess (Deficiency of Revenues Over(Under) Expenditures	347,571	(729,038)	(381,467)	4,513,139	4,894,606

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DUNELLEN SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources:					
Operating Transfer In/(Out):					
Transfer to Special Revenue Fund - Preschool	(260,978)	-	(260,978)	-	(260,978)
Capital Reserve - Transfer (to)/from Capital Projects Fund	-	-	-		-
Capital Reserve - Transfer to Repayment of Debt	(975,544)	(23,800)	(999,344)	(999,344)	-
Total Other Financing Sources:	(1,236,522)	(23,800)	(1,260,322)	(999,344)	(260,978)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(888,951)	(752,838)	(1,641,789)	3,513,795	4,633,628
Fund Balance, July 1	9,192,274		9,192,274	9,192,274	
Fund Balance, June 30	**$ 8,303,323**	**$ (752,838)**	**$ 7,550,485**	**$ 12,706,069**	**$ 4,633,628**

Recapitulation:	
Restricted for:	
Excess Surplus	$ 1,711,796
Excess Surplus - Designated for Subsequent Year's Expenditures	1,703,007
Capital Reserve	8,054,000
Unemployment Compensation	40,145
Assigned to:	
Reserve for Encumbrances	406,281
Unassigned:	
Unrestricted Fund Balance	790,840
Fund Balance per Governmental Funds(Budgetary Basis)	12,706,069
Reconciliation to Governmental Funds Statement(GAAP Basis):	
Last State Aid Payment not recognized on GAAP basis	(1,915,811)
Fund Balance per Governmental Funds(GAAP Basis B-2)	**$ 10,790,258**

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

DUNELLEN SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources	$ 100,000	$ 127,453	$ 227,453	$ 205,053	$ (22,400)
State Sources	1,936,002	(196,030)	1,739,972	1,471,601	(268,371)
Federal Sources	960,427	415,173	1,375,600	1,201,424	(174,176)
Total Revenues	**2,996,429**	**346,596**	**3,343,025**	**2,878,078**	**(464,947)**
EXPENDITURES:					
Instruction					
Salaries of Teachers	322,784	209,602	532,386	481,268	51,118
Other Salaries for Instruction	84,344	6,605	90,949	90,949	-
Tuition	264,625	78,744	343,369	343,369	-
Other Purchased Services		54,844	54,844	21,940	32,904
General Supplies	58,768	469,305	528,073	248,285	279,788
Total Instruction	730,521	819,100	1,549,621	1,185,811	363,810
Support Services					
Salaries of Supervisors of Instruction	102,743	7,157	109,900	109,105	795
Other Salaries	37,500	43,827	81,327	81,327	-
Salaries of Community Parent Involv. Spec.	63,500	3,175	66,675	64,675	2,000
Salaries of Master Teachers	83,000	(11,075)	71,925	69,675	2,250
Employee Benefits	289,615	(244,611)	45,004	22,776	22,228
Purchased Prof. Educational Services	840,000	(210,000)	630,000	630,000	-
Other Purchased Educational Services	32,000	3,450	35,450	35,450	-
Purchased Professional & Tech. Serv.	621,818	(366,407)	255,411	202,355	53,056
Buildings, Equipment & Maintenance	350,410	(239,746)	110,664	110,664	-
Field Trips	-	1,425	1,425	1,425	-
Travel	-	24,138	24,138	9,138	15,000
Other Purchased Services	-	21,823	21,823	21,823	-
Supplies and Materials	6,000	126,795	132,795	130,830	1,965
Other Objects	300	5,000	5,300	1,457	3,843
Student Activities	100,000	79,851	179,851	179,851	-
Total Support Services	2,526,886	(755,198)	1,771,688	1,670,551	101,137
Total Expenditures	3,257,407	63,902	3,321,309	2,856,362	464,947
Other Financing Sources (Uses)					
Transfers from Other Funds	260,978	(260,978)	-	-	-
Total Other Financing Sources (Uses)	260,978	(260,978)			
Total Outflows	**$2,996,429**	**$ 324,880**	**$ 3,321,309**	**$ 2,856,362**	**$ 464,947**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	21,716	21,716	21,716	-
Fund Balance Beginning				250,972	
Fund Balance Ending				$ 272,688	
Recapitulation:					
Restricted:					
Student Activities				$ 272,688	
Total Fund Balance				$ 272,688	
Reconciliation to Governmental Funds Statement B-2 (GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(155,002)	
Fund Balance per Governmental Funds B-2 (GAAP Basis)				$ 117,686	

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2025

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 (Exhibits C-1 and C-2, respectively)	$ 38,702,677	$ 2,878,078
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	152,156
Current Year Encumbrances	N/A	(125)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	1,585,607	55,522
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(1,915,811)	(155,002)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	$ 38,372,473	$ 2,930,629
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	$ 34,189,538	$ 2,856,362
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.		
Prior Year Encumbrances	N/A	152,156
Current Year Encumbrances	N/A	(125)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	$ 34,189,538	$ 3,008,393

Dunellen School District **Exhibit L-3**
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	$ 35,793,641	$ 36,356,715	$ 36,869,998	$ 33,952,293	$ 45,732,226	$ 42,225,562	$ 43,904,267	$ 43,685,729	$ 54,592,675	$ 43,760,207
Total	$ 35,793,641	$ 36,356,715	$ 36,869,998	$ 33,952,293	$ 45,732,226	$ 42,225,562	$ 43,904,267	$ 43,685,729	$ 54,592,675	$ 43,760,207
District's covered employee payroll	$ 11,962,149	$ 11,226,971	$ 8,902,582	$ 8,507,502	$ 8,068,312	$ 7,853,100	$ 7,673,817	$ 7,446,556	$ 7,138,073	$ 6,912,756
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Public Employees' Retirement System (PERS)

Exhibit L-1

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.024061518%	0.024103063%	0.024431662%	0.023270876%	0.024511002%	0.023245270%	0.022887630%	0.019050550%	0.0170779423%	0.0160802473%
District's proportionate share of the net pension liability (asset)	$ 3,269,490	$ 3,491,178	$ 3,672,402	$ 2,756,784	$ 3,997,103	$ 4,188,445	$ 4,506,461	$ 4,434,664	$ 5,057,997	$ 3,609,693
District's covered employee payroll	$ 2,217,876	$ 2,046,143	$ 1,882,535	$ 1,806,627	$ 1,776,437	$ 1,724,601	$ 1,682,675	$ 1,637,182	$ 1,574,452	$ 1,265,305
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	147.42%	170.62%	195.08%	152.59%	225.01%	242.86%	267.82%	270.87%	321.25%	285.28%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%

Dunellen School District **Exhibit L-2**
Required Supplementary Information - Part III
Schedule of District Contributions
Last Ten Fiscal Years

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	$ 11,962,149	$ 11,226,971	$ 8,902,582	$ 8,507,502	$ 8,068,312	$ 7,853,100	$ 7,673,817	$ 7,446,556	$ 7,138,073	$ 6,912,756
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 327,413	$ 322,144	$ 306,869	$ 272,529	$ 272,821	$ 227,813	$ 229,431	$ 179,536	$ 151,718	$ 138,247
Contributions in relation to the contractually required contribution	(327,413)	(322,144)	(306,869)	(272,529)	(272,821)	(227,813)	(229,431)	(179,536)	(151,718)	(138,247)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	$ 2,217,876	$ 1,882,535	$ 1,882,535	$ 1,806,627	$ 1,776,437	$ 1,724,601	$ 1,682,675	$ 1,637,182	$ 1,574,452	$ 1,265,305
Contributions as a percentage of covered-employee payroll	14.76%	17.11%	16.30%	15.08%	15.36%	13.21%	13.63%	10.97%	9.64%	10.93%

Dunellen School District **Exhibit M-1**
Required Supplementary Information - Part III
Schedule of Changes in the State's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years *

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

The State of New Jesrsey's Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service Cost	$ 2,152,062,729	$ 2,136,235,476	$ 2,770,618,025	$ 3,217,184,264	$ 1,790,973,822	$ 1,734,404,850	$ 1,984,642,729	$ 2,391,878,884	$ 1,723,999,319	
Interest on the Total OPEB Liability	1,963,557,443	1,844,113,951	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792	
Change in Benefit Terms	-	-	-	-63870842						
Differences Between Expected and Actual Experience	158,934,425	(980,424,863)	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-5002065740			
Benefit Payments	(1,499,600,607)	-	(13,586,368,097)	59,202,405	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)	
Contributions from Members	51,347,810	(1,390,258,754)	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747	
Changes of Assumptions or other inputs	4,462,660,491	105,539,463	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521	
Net change in total OPEB liability	7,288,962,291	1,715,205,273	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360	
Total OPEB Liability - Beginning	$ 52,361,668,239	$50,646,462,966	$60,007,650,970	$ 67,809,962,608	$ 41,729,081,045	$46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	$ 46,849,651,824	
Total OPEB Liability - Ending	$ 59,650,630,530	$52,361,668,239	$50,646,462,966	$ 60,007,650,970	$ 67,809,962,608	$41,729,081,045	$ 46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	
The State of New Jersey's total OPEB liability **	$ 59,650,630,530	$52,361,668,239	$50,646,462,966	$ 60,007,650,970	$ 67,809,962,608	$41,729,081,045	$ 46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	
The State of New Jersey's OPEB liability attributable to the District **	$ 41,026,435	$ 34,012,675	$ 32,144,422	$ 39,057,394	$ 44,279,482	$ 26,441,348	$ 29,844,314	$ 34,000,620	$ 36,380,960	
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	
District's covered employee payroll	$ 14,180,025	$ 13,109,506	$ 10,785,117	$ 10,314,129	$ 9,844,749	$ 9,577,701	$ 9,356,492	$ 9,083,738	$ 8,712,525	
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
District's contribution	None	None	None	None	None	None	None	None	None	
State's covered employee payroll ***	$ 15,845,935,573	$15,314,749,297	$14,753,355,408	$ 14,425,669,769	$ 14,267,738,657	$13,929,083,479	$ 13,640,275,833	$ 13,493,400,208	$ 13,493,400,208	
Total State's OPEB liability as a percentage of its covered-employee payroll	376.44%	341.90%	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%	

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Covered payroll for the Measurement Period ending June 30, 2023 and June 30, 2024 is based on the payroll on the June 30, 2022 and June 30, 2023 census data, respectively

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules

For the Fiscal Year Ended June 30, 2025

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions. 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 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.

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

Public Employees' Retirement System (PERS)

Pension Schedules

Changes of benefit terms. 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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. 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 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.

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND
DETAIL STATEMENTS

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

DUNELLEN SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2025

	Title I Part A	Title II Part A	Title III	Title III Immigrant	Title IV	IDEA Basic	IDEA Preschool	ARP High Impact Tutoring	ARP Climate Education Resiliance	ARP Teacher Climate & Culture	ARP ESSER III	ARP Accel Learning	ARP Summer	ARP Beyond Sch Day	NJ Computer Science HS Courses	Preschool Education Aid	NJ DEPT EPA Tree For Schools Grant	NJSBAIG Grant	Student Activity	Totals
REVENUES																				
Local Sources																		$ 3,486	$ 201,567	$ 205,053
State Sources															$ 35,986	$ 1,422,103	$ 13,512			1,471,601
Federal Sources	$ 151,859	$ 44,020	$ 26,597	$ 7,883	$ 3,715	$ 343,369	$ 3,165	$ 28,130	$ 35,108	$ 125,000	$ 345,031	$ 26,762	$ 40,000	$ 20,785						1,201,424
TOTAL REVENUES	**151,859**	**44,020**	**26,597**	**7,883**	**3,715**	**343,369**	**3,165**	**28,130**	**35,108**	**125,000**	**345,031**	**26,762**	**40,000**	**20,785**	**35,986**	**1,422,103**	**13,512**	**3,486**	**201,567**	**2,878,078**
EXPENDITURES:																				
Instruction:																				
Salaries of Teachers	36,309		3,615	3,756				24,113			14,136		37,557	19,507	2,150	340,125				481,268
Other Salaries for Instruction																90,949				90,949
Tuition						343,369														343,369
Other Purchased Services	16,375						3,165		2,400											21,940
General Supplies	50,722		4,332		3,515			1,692	14,951		137,750				7,844	27,479				248,285
Total Instruction	103,406		7,947	3,756	3,515	343,369	3,165	25,805	17,351		151,886		37,557	19,507	9,994	458,553				1,185,811
Support Services:																				
Salaries of Supervisors of Instruction																109,105				109,105
Other Salaries	13,042	9,904	3,533						1,400	11,545	38,945				2,958					81,327
Salaries of Community Parent Involv. Spec.																64,675				64,675
Salaries of Master Teachers																69,675				69,675
Employee Benefits	3,775	758	547	287				2,325	107		4,060		2,443	1,278	238	6,958				22,776
Purchased Prof. Educational Services																630,000				630,000
Other Purchased Educational Services																35,450				35,450
Purchased Professional & Tech. Serv.	14,200	22,105	3,925		200				1,800	26,800	41,577	26,762			22,791	42,195				202,355
Buildings, Equipment & Maintenance									14,450		82,702						13,512			110,664
Field Trips			1,425																	1,425
Travel			4,839							3,275	1,019				5					9,138
Other Purchased Services	11,700	10,123																		21,823
Supplies and Materials	5,736	1,130	4,381	3,840						83,380	24,842					4,035		3,486		130,830
Other Objects																1,457				1,457
Student Activities																			179,851	179,851
Total Support Services	48,453	44,020	18,650	4,127	200			2,325	17,757	125,000	193,145	26,762	2,443	1,278	25,992	963,550	13,512	3,486	179,851	1,670,551
TOTAL EXPENDITURES	**151,859**	**44,020**	**26,597**	**7,883**	**3,715**	**343,369**	**3,165**	**28,130**	**35,108**	**125,000**	**345,031**	**26,762**	**40,000**	**20,785**	**35,986**	**1,422,103**	**13,512**	**3,486**	**179,851**	**2,856,362**
Total Outflows	**151,859**	**44,020**	**26,597**	**7,883**	**3,715**	**343,369**	**3,165**	**28,130**	**35,108**	**125,000**	**345,031**	**26,762**	**40,000**	**20,785**	**35,986**	**1,422,103**	**13,512**	**3,486**	**179,851**	**2,856,362**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,716	21,716
Other Financing Sources (Uses):																				
Transfers from Other Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,716	21,716
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250,972	250,972
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 272,688	$ 272,688

Dunellen School District
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	$ 262,000	$ 84,238	$ 346,238	$ 340,125	$ 6,113
Other Salaries for Instruction	84,344	6,605	90,949	90,949	-
Purchased Prof. Educational Services	-	23,948	23,948	-	23,948
General Supplies	10,000	23,990	33,990	27,479	6,511
Total instruction	356,344	138,781	495,125	458,553	36,572
Support services:					
Salaries of Supervisors of Instruction	102,743	7,157	109,900	109,105	795
Salaries of Other Professional Staff	37,500	(37,500)	-	-	-
Salaries of Community Parent Involv. Spec.	63,500	3,175	66,675	64,675	2,000
Salaries of Master Teachers	83,000	(11,075)	71,925	69,675	2,250
Employee Benefits	289,615	(50,945)	238,670	6,958	231,712
Purchased Prof. Educational Services	840,000	(210,000)	630,000	630,000	-
Other Purchased Educational Services	-	35,450	35,450	35,450	-
Purchased Professional & Tech. Serv.	32,000	53,463	85,463	42,195	43,268
Travel	-	15,000	15,000	-	15,000
Supplies and Materials	6,000	-	6,000	4,035	1,965
Other Objects	300	5,000	5,300	1,457	3,843
Total support services	1,454,658	(190,275)	1,264,383	963,550	300,833
Total Expenditures	$ 1,811,002	(51,494)	$ 1,759,508	$ 1,422,103	337,405

CALCULATION OF BUDGET & CARRYOVER

Total 2024-2025 PreK Aid Allocation	$ 1,550,024
Add: Actual ECPA Carryover June 30, 2024	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2023-2025 Budget	1,550,024
Less: 2024-2025 Budgeted PreK & ECPA (Including prior year budgeted carryover)	(1,759,508)
Available & Unbudgeted Funds as of June 30, 2025	(209,484)
Add: June 30, 2025 Unexpended PreK Aid	337,405
2024-2025 Actual Carryover - PreK Aid	$ 127,921
2024-2025 PreK Carryover Budgeted in 2025-2026	-

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

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

DUNELLEN SCHOOL DISTRICT

Exhibit F-1

CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the Fiscal Year Ended June 30, 2025

	Approval	Original Date	Original Appropriations	Revised Appropriations	Expenditures to Date Prior Years	Expenditures to Date Current Year	Unexpended Balance June 30, 2025
Faber Elementary Classroom Addition	Board of Education	5/3/19	$ 1,142,066	$ 8,741,037	$ 7,246,617	$ 262,561	$ 1,231,859
Referendum Project	Voters	12/10/19	23,800,000	23,800,000	19,593,859	809,965	3,396,176
			$ 24,942,066	$ 32,541,037	$ 26,840,476	1,072,526	$ 4,628,035
					Fund Balances, June 30, 2025		$ 4,628,035

DUNELLEN SCHOOL DISTRICT

Exhibit F-2

CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2025

Expenditures and Other Financing Uses:		
Professional Fees	$	593,156
Construction Services		479,370
Total Expenditures		1,072,526
Excess(deficiency) of revenues over(under) expenditures		(1,072,526)
Fund Balance - Beginning		5,700,561
Fund Balance - Ending	$	4,628,035

DUNELLEN SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
FABER ELEMENTARY CLASSROOM ADDITION

From Inception and for the Fiscal Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and Other Financing Sources				
Transfer from Capital Reserve	$ 8,741,037		$ 8,741,037	$ 8,741,037
Total Revenues	8,741,037	-	8,741,037	8,741,037
Expenditures and Other Financing Sources				
Purchased Professional and Technical Services			-	
Construction Services	7,246,617	$ 262,561	7,509,178	8,741,037
Total Expenditures	3,839,161	262,561	7,509,178	8,741,037
Excess(deficiency) of revenues over(under) expenditures	$ 4,901,876	$ (262,561)	$ 1,231,859	
		Project Fund Balance, 6/30/2025	$ 1,231,859	

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$1,142,066
Additional Authorized Cost	$7,598,971
Revised Authorized Cost	$8,741,037
Percentage Increase over Original Authorized Cost	665.4%
Percentage Completion	85.9%
Original Target Completion Date	6/30/23
Revised Target Completion Date	6/30/26

DUNELLEN SCHOOL DISTRICT

Exhibit F-2b

CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
REFERENDUM PROJECTS

From Inception and for the Fiscal Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Costs
Revenues and Other Financing Sources				
Bond Proceeds	$ 23,800,000		$ 23,800,000	$ 23,800,000
Total Revenues	23,800,000	-	23,800,000	23,800,000
Expenditures and Other Financing Sources				
Purchased Professional and Technical Services	2,463,589	$ 593,156	3,056,745	3,570,000
Construction Services	17,130,270	216,809	17,347,079	20,230,000
Total Expenditures	19,593,859	809,965	20,403,824	23,800,000
Excess(deficiency) of revenues over(under) expenditures	$ 4,206,141	$ (809,965)	$ 3,396,176	
	Project Fund Balance, 6/30/2025		$ 3,396,176	

Additional project information:

Project Numbers:	
DHS Alterations	1140-040-19-5000
DHS Boilers	1140-040-19-6000
DHS Tee Center	1140-040-19-7000
DHS Multiple Renovations	1140-040-19-8000
DHS Generator	1140-040-19-9000
DHS Aud, Music Rm, Wood Shop	1140-040-19-1100
Faber HVAC & Roof	1140-050-19-4000
Faber Generator	1140-050-19-6000
Lincoln MS Toilet & Stairwell Renovations	1140-060-19-2000
Grant Date	N/A
Bond Authorization Date	12/10/19
Bonds Authorized	$23,800,000
Bonds Issued	$23,800,000
Original Authorized Cost	$23,800,000
Additional Authorized Cost	N/A
Revised Authorized Cost	$23,800,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	85.7%
Original Target Completion Date	6/30/23
Revised Target Completion Date	6/30/26

PROPRIETARY FUND
DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

FIDUCIARY FUND
DETAIL STATEMENTS

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

DUNELLEN SCHOOL DISTRICT

Exhibit I-1

SCHEDULE OF SERIAL BONDS
AS OF ENDED JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE July 1, 2024	RETIRED	BALANCE June 30, 2025
2012 Series School Bonds	12/12/12	$ 8,005,000	7/15/25	$ 620,000	4.00%	$ 3,965,000	$ (590,000)	$ 3,375,000
			7/15/26	645,000	4.00%			
			7/15/27	675,000	4.00%			
			7/15/28	705,000	4.00%			
			7/15/29	730,000	4.00%			
2020 Series School Bonds	3/26/20	23,800,000	2/15/26	1,545,000	2.00%	19,620,000	(1,490,000)	18,130,000
			2/15/27	1,600,000	2.00%			
			2/15/28	1,655,000	2.00%			
			2/15/29	1,715,000	2.00%			
			2/15/30	1,775,000	2.00%			
			2/15/31	1,835,000	2.00%			
			2/15/32	1,900,000	2.00%			
			2/15/33	1,965,000	2.00%			
			2/15/34	2,035,000	2.00%			
			2/15/35	2,105,000	2.00%			
Total						$ 23,585,000	$ (2,080,000)	$ 21,505,000

DUNELLEN SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND

For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/ (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 736,800	-	$ 736,800	$ 736,800	-
State Sources:					
Debt Service Aid Type II	883,056	-	883,056	883,056	-
TOTAL REVENUES	**1,619,856**	**-**	**1,619,856**	**1,619,856**	**-**
EXPENDITURES:					
Regular Debt Service:					
Interest	565,400	$ (26,200)	539,200	539,200	-
Redemption of Principal	2,030,000	50,000	2,080,000	2,080,000	-
Total Regular Debt Service	2,595,400	23,800	2,619,200	2,619,200	-
TOTAL EXPENDITURES	**2,595,400**	**23,800**	**2,619,200**	**2,619,200**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(975,544)	(23,800)	(999,344)	(999,344)	-
Other Financing Sources:					
Operating Transfers In:					
Capital Reserve-General Fund	975,544	23,800	999,344	999,344	-
Total Financing Sources	975,544	23,800	999,344	999,344	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-		-	-	-
Fund Balance, June 30	**-**	**-**	**-**	**-**	**-**
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	-	-	-	-	-

Dunellen School District
Statistical Section

Contents **Page**

Financial Trends (J-1 thru J-5) 92-97
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity (J-6 thru J-9) 98-101
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity (J-10 thru J-13) 102-105
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information (J-14 and J-15) 106-107
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information (J-16 thru J-20) 108-112
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources:

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

Dunellen School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	$ 10,160,602	$ 10,344,543	$ 10,283,113	$ 12,772,300	$ (8,129,076)	$ (5,240,473)	$ 5,272,177	$ 11,770,228	$ 18,134,225	$ 18,556,505
Restricted	554,622	813,505	686,176	539,438	22,540,241	18,712,194	14,418,931	10,865,005	12,742,320	15,830,847
Unrestricted	(3,703,158)	(4,267,757)	(3,393,552)	(4,246,240)	(2,225,836)	2,508,071	494,282	1,342,310	(3,360,699)	(3,931,621)
Total governmental activities Net Position	$ 7,012,066	$ 6,890,290	$ 7,575,737	$ 9,065,498	$ 12,185,329	$ 15,979,792	$ 20,195,390	$ 23,977,543	$ 27,515,846	$ 30,455,731
Business-type activities										
Invested in capital assets, net of related debt	$ 93,102	$ 63,190	$ 125,251	$ 84,329	$ 70,843	$ 60,723	$ 69,764	$ 57,514	$ 91,080	$ 73,740
Restricted			-	-	-	-	-	-	-	-
Unrestricted	(14,925)	163,626	503,328	286,668	355,267	428,121	684,129	997,298	1,068,641	993,609
Total business-type activities Net Position	$ 78,177	$ 226,816	$ 628,579	$ 370,997	$ 426,110	$ 488,844	$ 753,893	$ 1,054,812	$ 1,159,721	$ 1,067,349
District-wide										
Invested in capital assets, net of related debt	$ 10,253,704	$ 10,407,733	$ 10,408,364	$ 12,856,629	$ (8,058,233)	$ (5,179,750)	$ 5,341,941	$ 11,827,742	$ 18,225,305	$ 18,630,245
Restricted	554,622	813,505	686,176	539,438	22,540,241	18,712,194	14,418,931	10,865,005	12,742,320	15,830,847
Unrestricted	(3,718,083)	(4,104,131)	(2,890,224)	(3,959,572)	(1,870,569)	2,936,192	1,178,411	2,339,608	(2,292,058)	(2,938,012)
Total district Net Position	$ 7,090,243	$ 7,117,106	$ 8,204,316	$ 9,436,495	$ 12,611,439	$ 16,468,636	$ 20,939,283	$ 25,032,355	$ 28,675,567	$ 31,523,080

Source: ACFR Scehdule A-1

Dunellen Borough School District **Exhibit J-2**
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 9,257,507	$ 9,096,544	$ 10,544,290	$ 10,376,546	$ 10,138,612	$ 11,581,294	$ 12,092,049	$ 12,199,345	$ 14,707,473	$ 15,539,553
Special education	2,273,920	2,385,209	2,765,879	2,686,956	2,628,777	2,805,879	2,811,455	2,891,181	2,648,763	3,288,373
Other special instruction	897,047	1,012,423	632,386	699,547	672,705	631,784	751,106	897,743	1,367,220	1,013,481
Support Services:										
Tuition	1,047,738	884,398	858,063	951,733	891,820	621,085	912,708	950,592	1,423,019	1,531,970
Student & instruction related services	3,027,681	2,849,076	3,250,959	3,191,763	3,249,766	3,767,819	3,960,122	4,066,579	4,883,651	6,455,689
School administrative service	1,170,752	1,269,300	1,516,422	1,527,396	1,488,802	1,619,312	1,570,253	1,567,440	1,574,335	1,763,856
General and business admin.services	1,377,898	1,455,852	1,442,529	1,479,630	1,500,219	1,570,236	1,551,920	1,607,964	1,765,177	1,869,699
Plant operations and maintenance	1,399,567	1,632,890	1,791,859	1,753,836	1,981,042	2,022,401	2,239,981	2,353,875	3,361,468	4,364,150
Pupil transportation	538,842	534,132	443,149	585,236	395,220	385,373	497,362	769,520	500,655	1,062,373
Charter Schools	32,564	1,901,680								
Interest on long-term debt	348,017	334,677	339,795	305,089	394,938	707,004	744,507	677,779	631,536	578,810
Total governmental activities expenses	21,371,532	23,356,181	23,585,331	23,557,732	23,341,901	25,709,187	27,131,463	27,982,018	32,863,297	37,467,954
Business-type activities:										
Food service	581,155	608,480	567,122	608,805	473,884	514,821	706,276	694,950	761,811	918,114
Preschool Program			227,519	586,772	232,501	246,181	256,885	175,883	19,850	-
After Care		523,367	178,337	273,013	188,574	106,395	79,134	99,489	206,573	209,660
Chrome Program			2,299	15,000	1,380	-	-	-	-	-
Total business-type activities expense	581,155	1,131,846	975,277	1,483,590	896,339	867,397	1,042,295	970,322	988,234	1,127,774
Total district expenses	$ 21,952,687	$ 24,488,027	$ 24,560,608	$ 25,041,322	$ 24,238,240	$ 26,576,584	$ 28,173,758	$ 28,952,340	$ 33,851,531	$ 38,595,728
Program Revenues										
Governmental activities:										
Charges for services:										
Business and other support services	$ 69,268	$ 66,788	$ 39,234	$ 33,570	$ 15,800	$ 90,969	$ 96,384	$ 166,433	$ 164,811	$ 10,900
Operating grants and contributions	4,090,750	7,969,848	12,526,015	12,990,514	12,907,382	16,233,552	17,941,248	18,157,718	22,086,616	25,495,962
Capital grants and contributions				-	-	-	-	-	-	-
Total governmental activities program revenues	4,160,018	8,036,635	12,565,249	13,024,084	12,923,182	16,324,521	18,037,632	18,324,151	22,251,427	25,506,862
Business-type activities:										
Charges for services										
Food service	243,965	284,599	265,503	280,307	201,178	1,337	88,231	272,826	260,491	231,943
Preschool Program		453,795	443,300	264,500	227,500	244,287	263,095	283,058	11,000	-
After Care		192,888	292,766	300,441	214,174	30,976	179,937	163,870	265,455	228,862
Chrome Program			9,100	10,260	7,715	20	-	-	-	-
Operating grants and contributions	320,815	349,204	360,880	363,014	300,885	653,511	776,081	551,487	556,197	574,597
Capital grants and contributions			-	-	-	-	-	-	-	-
Total business type activities program revenues	564,780	1,280,486	1,371,549	1,218,522	951,452	930,131	1,307,344	1,271,241	1,093,143	1,035,402
Total district program revenues	$ 4,724,798	$ 9,317,121	$ 13,936,798	$ 14,242,606	$ 13,874,634	$ 17,254,652	$ 19,344,976	$ 19,595,392	$ 23,344,570	$ 26,542,264
Net (Expense)/Revenue										
Governmental activities	$ (17,211,513)	$ (15,319,546)	$ (11,020,082)	$ (10,533,648)	$ (10,418,719)	$ (9,384,666)	$ (9,093,831)	$ (9,657,867)	$ (10,611,870)	$ (11,961,092)
Business-type activities	(16,375)	148,640	396,272	(265,068)	55,113	62,734	265,049	300,919	104,909	(92,372)
Total district-wide net expense	$ (17,227,888)	$ (15,170,906)	$ (10,623,810)	$ (10,798,716)	$ (10,363,606)	$ (9,321,932)	$ (8,828,782)	$ (9,356,948)	$ (10,506,961)	$ (12,053,464)

continued

Dunellen Borough School District **Exhibit J-2**

Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	$ 9,931,548	$ 10,249,324	$ 10,907,075	$ 11,482,347	$ 12,079,439	$ 12,321,028	$ 12,505,844	$ 12,630,903	$ 12,883,521	$ 13,877,991
Taxes levied for debt service	427,585	446,050	718,825	519,950	723,050	728,201	727,900	731,798	729,800	-
Investment earnings			2,815	2,511	12,300	40,226	35,425	32,261	270,276	806,265
Miscellaneous income	100,114	68,308	76,814	18,601	528,560	89,674	30,260	55,058	266,576	216,721
Federal and State Aid for Capital Assets Projects	6,733,705	4,434,087								
Transfers										
Total governmental activities	17,192,952	15,197,769	11,705,529	12,025,409	13,343,349	13,179,129	13,299,429	13,450,020	14,150,173	14,900,977
Business-type activities:										
Investment earnings			5,491	7,486	-	-	-	-	-	-
Transfers				-	-	-	-	-	-	-
Total business-type activities	-	-	5,491	7,486	-	-	-	-	-	-
Total district-wide	$ 17,192,952	$ 15,197,769	$ 11,711,020	$ 12,030,895	$ 13,343,349	$ 13,179,129	$ 13,299,429	$ 13,450,020	$ 14,150,173	$ 14,900,977
Change in Net Position										
Governmental activities	$ (18,561)	$ (121,777)	$ 685,447	$ 1,489,761	$ 2,924,630	$ 3,794,463	$ 4,205,598	$ 3,792,153	$ 3,538,303	$ 2,939,885
Business-type activities	(16,375)	148,640	401,763	(257,582)	55,113	62,734	265,049	300,919	104,909	(92,372)
Total district	$ (34,936)	$ 26,863	$ 1,087,210	$ 1,232,179	$ 2,979,743	$ 3,857,197	$ 4,470,647	$ 4,093,072	$ 3,643,212	$ 2,847,513

Source: ACFR Schedule A-2

Dunellen School District **Exhibit J-3**
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved	$ 551,349	$ 805,027	$ 967,167	$ 539,438	$ 1,308,128	$ 3,453,176	$ 4,273,258	$ 4,468,453	$ 8,438,941	$ 11,915,229
Unreserved	(178,579)	(250,215)	(233,943)	(414,057)	(402,519)	(125,643)	(107,734)	(527,260)	(832,274)	(1,124,971)
Total general fund	$ 372,770	$ 554,812	$ 733,224	$ 125,381	$ 905,609	$ 3,327,533	$ 4,165,524	$ 3,941,193	$ 7,606,667	$ 10,790,258
All Other Governmental Funds										
Reserved			$ 223,219		$ 2,700,972	$ 7,712,891	$ 5,564,810	$ 6,211,345	$ 1,146,288	$ 851,512
Unreserved, reported in:										
Special revenue fund									(55,522)	(155,002)
Capital projects fund	$ 3,272	$ 8,477	459,379	$ 504,942	21,498,861	15,124,120	10,062,002	6,453,296	4,805,245	4,049,211
Debt service fund	1	1	1	1	1	2	2	-	-	-
Total all other governmental funds	$ 3,273	$ 8,478	$ 682,599	$ 504,943	$ 24,199,834	$ 22,837,013	$ 15,626,814	$ 12,664,641	$ 5,896,011	$ 4,745,721

Source: ACFR Schedule B-1

Dunellen School District **Exhibit J-4**
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 10,643,673	$ 10,966,574	$ 11,625,900	$ 12,002,297	$ 12,802,489	$ 13,049,229	$ 13,233,744	$ 13,362,701	$ 13,613,321	$ 13,877,991
Tuition	69,268	66,788	39,234	33,570	15,800	-	-	5,050	300	10,900
Miscellaneous	100,114	68,309	79,629	21,112	540,860	220,869	162,069	248,702	701,363	1,022,986
State sources	7,268,685	7,467,746	8,213,778	10,138,756	11,290,575	12,384,278	16,541,269	18,173,036	22,007,562	26,649,870
Federal sources	599,276	563,108	572,055	608,636	340,370	1,102,971	1,312,361	1,177,701	1,824,693	1,361,211
Total revenue	18,681,017	19,132,525	20,530,596	22,804,371	24,990,094	26,757,347	31,249,443	32,967,190	38,147,239	42,922,958
Expenditures										
Instruction										
Regular Instruction	5,042,670	5,027,477	5,374,906	5,667,051	5,456,007	6,076,135	6,581,960	7,028,868	8,930,241	9,534,956
Special education instruction	1,337,392	1,605,807	1,419,284	1,452,456	1,451,539	1,429,257	1,598,366	1,870,492	1,544,717	2,112,389
Other special instruction	526,119	605,155	632,386	699,547	672,705	631,784	751,106	897,743	1,367,220	1,013,481
Support Services:										
Tuition	1,047,738	884,398	858,063	951,733	891,820	621,085	912,708	950,592	1,423,019	1,531,970
Student & instruction related services	1,815,612	1,770,677	1,904,364	1,957,263	2,072,528	2,391,197	2,747,033	3,045,890	3,779,605	5,279,705
School administrative services	629,053	714,014	730,993	806,666	801,123	816,552	861,881	970,117	928,901	1,076,900
Other administrative services	893,097	979,750	927,389	1,007,372	1,049,866	984,464	1,087,852	1,217,499	1,342,824	1,419,826
Plant operations and maintenance	1,281,953	1,220,880	1,253,391	1,402,328	1,553,952	1,520,051	1,799,898	1,861,782	2,570,976	2,715,653
Pupil transportation	538,842	534,132	443,149	585,236	395,220	385,373	497,362	769,520	500,655	1,062,373
Unallocated employee benefits	4,321,120	4,517,526	5,155,928	5,733,229	6,309,844	6,352,985	8,126,024	8,506,139	9,277,890	10,663,706
Summer School			-	-	-	-	-	-	-	-
Charter School	32,564	51,716	29,528	13,876	30,634	11,375	20,259	-	133,848	206,234
Capital Outlay	1,071,876	316,497	229,857	2,593,163	3,101,888	3,357,418	10,121,504	6,466,127	6,859,499	1,653,264
Debt service:										
Principal	420,000	440,000	455,000	470,000	485,000	500,000	1,860,000	1,935,000	2,000,000	2,080,000
Interest and other charges	292,125	277,250	263,825	249,950	238,050	620,568	655,698	633,925	591,000	539,200
Total expenditures	19,250,161	18,945,277	19,678,063	23,589,870	24,510,176	25,698,244	37,621,651	36,153,694	41,250,395	40,889,657
Excess (Deficiency) of revenues over (under) expenditures	(569,144)	187,247	852,533	(785,499)	479,918	1,059,103	(6,372,208)	(3,186,504)	(3,103,156)	2,033,301
Other Financing Sources (uses)										
Bond Proceeds					23,800,000					
Transfers in			796,956	2,553,905	2,500,000	2,217,258	3,229,262	4,285,182	1,025,194	999,344
Transfers out			(796,956)	(2,553,905)	(2,500,000)	(2,217,258)	(3,229,262)	(4,285,182)	(1,025,194)	(999,344)
Total other financing sources (uses)	-	-	-	-	23,800,000	-	-	-	-	-
Net change in fund balances	$ (569,144)	$ 187,247	$ 852,533	$ (785,499)	$ 24,279,918	$ 1,059,103	$ (6,372,208)	$ (3,186,504)	$ (3,103,156)	$ 2,033,301
Debt service as a percentage of noncapital expenditures	3.9%	3.9%	3.7%	3.4%	3.4%	5.0%	9.1%	8.7%	7.5%	6.7%

Source: ACFR Schedule B-2

DUNELLEN SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Refund Prior Year Expenditures	Tuition	Miscellaneous	Total
2016	$ 1,839	$ 28,382	$ 69,268	$ 66,606	$ 166,096
2017	-	-	66,788	60,336	127,123
2018	2,815	-	39,234	70,960	113,009
2019	2,511	-	33,570	18,582	54,663
2020	12,300	-	15,800	528,560	556,660
2021	40,226	59,632	-	30,042	129,900
2022	35,425	5,170	-	9,720	50,315
2023	32,261	2,483	5,050	37,764	77,558
2024	270,276	101,895	300	125,180	497,651
2025	806,265	-	10,900	11,668	828,833

SOURCE: District Records

Dunellen School District **Exhibit J-6**
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Apartment	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities **a**	Net Valuation Taxable	Total Direct School Tax Rate **b**	Estimated Actual (County Equalized Value)
2016	$581,200	$124,891,400	$1,514,200	$14,232,100	$3,136,300	$144,355,226		$26	$144,355,226	$7.281	$568,041,053
2017	566,500	125,040,800	1,514,200	14,073,200	3,136,300	144,331,025		25	144,331,025	7.486	593,466,308
2018	459,100	125,333,000	1,514,200	14,133,200	3,136,300	144,575,824		24	144,575,824	7.813	601,419,131
2019	497,300	125,490,900	1,514,200	14,113,200	3,136,300	162,718,625	$17,966,700	25	144,751,925	8.161	597,114,728
2020	1,656,900	559,917,700	7,727,400	69,589,200	16,364,800	706,870,425	51,614,400	25	655,256,025	1.893	622,635,344
2021	6,681,700	560,138,300	7,727,400	68,916,400	6,814,800	701,893,100	51,614,400	100	650,278,700	1.988	647,453,489
2022	7,941,300	607,958,600	8,138,200	63,758,400	7,407,900	749,136,901	53,932,500	1	695,204,401	1.891	691,881,296
2023	7,837,300	708,649,100	9,744,300	65,185,800	7,064,200	852,719,700	54,239,000	0	798,480,700	1.665	775,872,344
2024	7,722,900	752,756,700	10,604,500	67,514,600	7,064,200	898,759,100	53,096,100	100	845,663,000	1.595	854,549,920
2025	5,603,800	844,875,500	11,922,300	68,208,600	7,064,200	1,114,105,100	176,430,600	100	937,674,500	1.480	926,734,369

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when 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

Dunellen School District **Exhibit J-7**
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per $100 of assessed value)

Fiscal Year Ended June 30,	Dunellen Board of Education						
	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Borough of Dunellen	Library	Middlesex County	Total Direct and Overlapping Tax Rate
2016	$7.220	$0.061	$7.281	$3.331		$1.564	$12.176
2017	$7.434	$0.052	$7.486	$3.389		$1.612	$12.487
2018	$7.316	$0.497	$7.813	$3.490		$1.656	$12.959
2019	$7.802	$0.359	$8.161	$3.706		$1.638	$13.505
2020	$1.783	$0.110	$1.893	$0.842		$0.368	$3.103
2021	$1.876	$0.112	$1.988	$0.872		$0.389	$3.249
2022	$1.786	$0.105	$1.891	$0.824		$0.392	$3.107
2023	$1.573	$0.092	$1.665	$0.721		$0.374	$2.760
2024	$1.509	$0.086	$1.595	$0.739		$0.373	$2.707
2025	$1.401	$0.079	$1.480	$0.672		$0.355	$2.507

Source: District Records and Municipal Tax Collector

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

Dunellen School District **Exhibit J-8**
Principal Property Tax Payers,
Current Year and Nine Years Ago

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer # 1	$ 5,080,000	1	0.54%			
FriendWell Plaza	4,250,000	2	0.45%	$ 855,100	8	0.59%
Sonja II LLC	3,168,400	3	0.34%			
Davco North Smalley LLC	2,895,800	4	0.31%			
Mastrocola Walnut Street LLC	2,263,000	5	0.24%			
A&M Gardens, Inc.	2,040,000	6	0.22%	375,000	6	0.26%
Resol53 LLC	2,000,000	7	0.21%			
Taxpayer # 2	1,941,300	8	0.21%			
Taxpayer # 3	1,906,800	9	0.20%	322,000	9	0.22%
T. and E. Realty Management LLC	1,857,300	10	0.20%			
Dunellen Associates				2,100,000	1	1.45%
Provident Savings Bank				404,400	2	0.28%
Verizon				309,000	3	0.21%
Sunrise Industries				400,000	4	0.28%
Retail Development Assoc.				401,600	5	0.28%
UMI Associates				374,000	7	0.26%
Summit Federal Savings				236,000	10	0.16%
Total	$ 27,402,600		2.92%	$ 5,777,100		4.00%

Source: District ACFR & Municipal Tax Assessor

Dunellen School District **Exhibit J-9**
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$10,643,673	$10,643,673	100.00%	-
2017	$10,966,574	$10,966,574	100.00%	-
2018	$11,625,900	$11,625,900	100.00%	-
2019	$12,002,297	$12,002,297	100.00%	-
2020	$12,802,489	$12,802,489	100.00%	-
2021	$13,049,229	$13,049,229	100.00%	-
2022	$13,233,744	$13,233,744	100.00%	-
2023	$13,362,701	$13,362,701	100.00%	-
2024	$13,613,321	$13,613,321	100.00%	-
2025	$13,877,991	$13,877,991	100.00%	-

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

Note: 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 is the amount voted upon or certified prior to the end of the school year.

Dunellen School District **Exhibit J-10**
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds [b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2016	$8,885,000	-0-	-0-	-0-	-0-	$8,885,000	2.25%	$1,203
2017	$7,930,000	-0-	-0-	-0-	-0-	$7,930,000	2.01%	$1,075
2018	$7,035,000	-0-	-0-	-0-	-0-	$7,035,000	1.90%	$1,016
2019	$6,565,000	-0-	-0-	-0-	-0-	$6,565,000	1.57%	$903
2020	$29,880,000	-0-	-0-	-0-	-0-	$29,880,000	6.79%	$4,149
2021	$29,380,000	-0-	-0-	-0-	-0-	$29,380,000	6.48%	$4,114
2022	$27,520,000	-0-	-0-	-0-	-0-	$27,520,000	5.46%	$3,636
2023	$25,585,000	-0-	-0-	-0-	-0-	$25,585,000	4.81%	$3,378
2024	$23,585,000	-0-	-0-	-0-	-0-	$23,585,000	4.07%	$2,885
2025	$21,505,000	-0-	-0-	-0-	-0-	$21,505,000	3.39%	$2,557

Source: District ACFR Schedules I-1, I-2

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Dunellen School District **Exhibit J-11**
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	$7,930,000	-0-	$7,930,000	5.49%	$1,203
2017	$7,490,000	-0-	$7,490,000	5.19%	$1,075
2018	$7,035,000	-0-	$7,035,000	4.87%	$1,016
2019	$6,565,000	-0-	$6,565,000	4.54%	$903
2020	$29,880,000	-0-	$29,880,000	4.56%	$4,149
2021	$29,380,000	-0-	$29,380,000	4.52%	$4,114
2022	$27,520,000	-0-	$27,520,000	3.96%	$3,636
2023	$25,585,000	-0-	$25,585,000	3.20%	$3,378
2024	$23,585,000	-0-	$23,585,000	2.79%	$2,885
2025	$21,505,000	-0-	$21,505,000	2.29%	$2,557

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14.

Dunellen School District **Exhibit J-12**
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Dunellen	$ 24,128,044	100.000%	$ 24,128,044
Other debt			
Middlesex County	598,454,466	0.637%	3,811,042
Subtotal, overlapping debt			27,939,086
Dunellen School District Direct Debt			21,505,000
Total direct and overlapping debt			$ 49,444,086

Sources: Township Finance Officer, Middlesex County Finance Office and Utility Authorities

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

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

Dunellen School District
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2025

		Equalized valuation basis
	2022	847,014,639
	2023	898,876,482
	2024	1,009,337,452
	[A]	$ 2,755,228,573
Average equalized valuation of taxable property	**[A/3]**	$ 918,409,524
Debt limit (4 % of average equalization value)	**[B]**	36,736,381
Net school debt	**[C]**	21,505,000
Legal debt margin	**[B-C]**	$ 15,231,381

	Fiscal Year									
	2016	2017	2018	2019	2021	2022	2023	2024	2025	2025
Debt limit	$ 23,057,618	$ 23,057,618	$ 17,584,955	$ 18,039,003	$ 24,665,486	$ 25,790,548	$ 27,453,355	$ 30,135,009	$ 33,133,313	$ 36,736,381
Total net debt applicable to limit	7,930,000	7,490,000	7,035,000	6,565,000	29,880,000	29,380,000	27,520,000	25,585,000	23,585,000	21,505,000
Legal debt margin	$ 15,127,618	$ 15,567,618	$ 10,549,955	$ 11,474,003	$ (5,214,514)	$ (3,589,452)	$ (66,645)	$ 4,550,009	$ 9,548,313	$ 15,231,381
Total net debt applicable to the limit as a percentage of debt limit	34.39%	32.48%	40.01%	36.39%	121.14%	113.92%	100.24%	84.90%	71.18%	58.54%

Source: Abstract of Ratables and District Records ACFR Schedule J-7

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

Dunellen School District **Exhibit J-14**
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2016	7,283	$ 393,274,717	$ 53,999 R	4.3%
2017	7,259	$ 403,077,752	$ 55,528 R	4.2%
2018	7,257	$ 420,884,229	$ 57,997 R	3.6%
2019	7,229	$ 440,484,657	$ 60,933 R	3.2%
2020	7,195	$ 463,221,295	$ 64,381 R	9.0%
2021	7,141	$ 499,405,835	$ 69,935 R	5.7%
2022	7,568	$ 540,082,752	$ 71,364 R	3.1%
2023	7,575	$ 570,791,400	$ 75,352 R	4.2%
2024	8,176	$ 616,077,952	$ 75,352 *	5.3%
2025	8,411	$ 633,785,672	$ 75,352 *	*

Source:

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

[b] Personal Income provided by US Dept of Commerce

[c] Per Capita provided by US Dept of Commerce

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

R =Revised
P =Projected
* Current data unavailable

Dunellen School District
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15

N/A

	2025			2016		
Employer	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**	**Employees**	**Rank (Optional)**	**Percentage of Total Employment**
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
	-		0.00%	-		0.00%

Source:
No reliable information is available at the local or county level.

Dunellen School District **Exhibit J-16**
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	83.0	83.0	85.0	86.0	88.0	88.0	87.0	87.1	98.0	106.0
Special education	28.0	29.0	30.0	31.0	31.0	31.0	28.0	29.0	21.0	21.0
Other special education	10.3	10.3	12.0	12.0	12.0	12.0	12.0	10.0	9.0	8.0
Other Instruction	3.0	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0
Support Services:										
Student & instruction related services	12.0	13.0	13.0	13.0	13.0	14.0	14.0	18.0	20.0	24.0
School administrative services	12.5	12.5	12.5	12.5	12.5	12.5	12.4	13.0	14.0	15.0
Business adminsitrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	5.0	4.0
Central Services and admin IT	6.3	6.3	6.3	6.3	6.3	6.3	6.3	9.0	9.0	9.5
Plant operations and maintenance	16.0	16.0	16.0	16.0	16.0	16.0	14.0	24.0	20.5	22.5
Food Service	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0
Total	173.4	175.4	180.1	182.1	184.1	185.1	179.0	192.1	196.5	210.0

Source: District Personnel Records

Dunellen School District
Operating Statistics
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment [d]	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2016	1,127	$17,466,160	$15,498	6.69%	110	1:10	1:10	1:10	1,127.0	1,087.6	-2.75%	96.5%
2017	1,187	17,911,530	15,090	-2.63%	110	1:11	1:11	1:11	1,187.0	1,089.9	5.32%	91.8%
2018	1,211	18,959,238	15,656	3.75%	112	1:11	1:11	1:11	1,211.0	1,138.3	2.02%	94.0%
2019	1,239	22,869,920	18,458	17.90%	114	1:11	1:11	1:11	1,239.0	1,178.0	2.31%	95.1%
2020	1,250	23,787,126	19,030	3.10%	116	1:11	1:11	1:11	1,256.0	1,215.0	1.37%	96.7%
2021	1,237	24,577,676	19,869	4.41%	116	1:11	1:11	1:11	1,222.5	1,162.1	-2.67%	95.1%
2022	1,215	35,105,953	28,894	45.42%	115	1:11	1:11	1:11	1,232.7	1,163.9	0.83%	94.4%
2023	1,311	33,584,769	25,618	-11.34%	116	1:11	1:11	1:11	1,302.0	1,225.7	5.62%	94.1%
2024	1,348	38,659,395	28,679	11.95%	119	1:11	1:11	1:11	1,363.9	1,289.7	4.75%	94.6%
2025	1,381	38,270,457	27,712	-3.37%	127	1:11	1:11	1:11	1,408.1	1,328.2	3.24%	94.3%

Sources: District records, ASSA and Schedule J-4

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
d Enrollment for FY2009 forward includes student counts for tuition students.

Dunellen School District **Exhibit J-18**
School Building Information
Last Ten Fiscal Years

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary										
JOHN P. FABER										
Square Feet	77,961	77,961	77,961	77,961	77,961	77,961	77,961	77,961	77,961	77,961
Capacity (students)	610	610	610	610	610	610	610	610	610	610
Enrollment	512	512	550	576	604	592	587	623	617	632
Middle School										
LINCOLN MIDDLE SCHOOL										
Square Feet	26,248	26,248	26,248	26,248	26,248	26,248	26,248	26,248	26,248	26,248
Capacity (students)	301	301	301	301	301	301	301	301	301	301
Enrollment	289	289	296	284	290	288	278	300	331	339
High School										
DUNELLEN HIGH SCHOOL										
Square Feet	81,881	81,881	81,881	81,881	81,881	81,881	81,881	81,881	81,881	81,881
Capacity (students)	432	432	432	432	432	432	432	432	432	432
Enrollment	345	345	365	379	356	357	350	388	400	410

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

Source: District records, ASSA

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

DUNELLEN SCHOOL DISTRICT

GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2025

Exhibit J-19

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

School Facilities	Project #	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Dunellen High School		$ 96,805	$ 132,964	$ 118,390	$ 118,390	$ 118,390	$ 118,390	$ 128,530	$ 128,530	$ 128,530	$ 128,530	$ 1,217,449
John P. Faber School		92,405	126,598	112,721	112,721	112,721	112,721	122,375	122,375	122,375	122,375	1,159,387
Lincoln Middle School		30,802	42,623	37,951	78,938	43,316	1,920	2,084	(15,278)	237,353	468,125	927,834
Total School Facilities		220,012	302,185	269,062	310,049	274,427	233,031	252,989	235,627	488,258	719,030	3,304,670
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
Grand Total		**$ 220,012**	**$ 302,185**	**$ 269,062**	**$ 310,049**	**$ 274,427**	**$ 233,031**	**$ 252,989**	**$ 235,627**	**$ 488,258**	**$ 719,030**	**$ 3,304,670**

DUNELLEN SCHOOL DISTRICT

INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

Exhibit J-20

POLICY TYPE	COVERAGE	DEDUCTIBLE
COMPREHENSIVE PACKAGE POLICY - School Alliance Insurance Fund		
Property-Blanket Building and Contents	$ 500,000,000	$ 5,000
Employee Dishonesty (Per Loss)	25,000	500
Money and Securities (in and out)	10,000	500
Comprehensive General Liability:		
Occurrence Limit	6,000,000	1,000
Comprehensive Automobile Liability	6,000,000	1,000
Workers' Compensation	2,000,000	1,000
Data Processing	250,000	1,000
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE BLANKET POSITION BOND - Western Surety/Hanover Insurance Company		
School Board Secretary/School Business Administrator	230,000	
Treasurer	230,000	

SOURCE: District Records

Single Audit Section

ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Dunellen School District
County of Middlesex
Dunellen, New Jersey 08812

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Dunellen School District Board of Education in the County of Middlesex, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Dunellen School District Board of Education's basic financial statements, and have issued our report thereon dated December 5, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

-Continued-

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
December 5, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
December 5, 2025

ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB circular 15-08

Honorable President and
Members of the Board of Education
Dunellen School District
County of Middlesex
Dunellen, New Jersey 08812

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the Dunellen School District Board of Education, 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Dunellen School District Board of Education's compliance with the compliance requirements referred to above.

-Continued-

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

-Continued-

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 Uniform Guidance and New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
December 5, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
December 5, 2025

DUNELLEN SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2025

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance At June 30, 2024	Carryover/ Walkover Amount	Cash Received	Budget Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2025 Accounts Receivable	Balance at June 30, 2025 Deferred Revenue	Balance at June 30, 2025 Due to Grantor	Cumulative Total Expenditures
U.S. Department of Health and Human Services																
Passed -through State Department of Human Services:																
General Fund:																
Medical Assistance Aid	93.778	2405NJ5MAP	N/A	$ 7,756	7/1/24	6/30/25			$ 7,756	$ (7,756)						$ 7,756
Total General Fund							-	-	**7,756**	**(7,756)**	-	-	-	-	-	**7,756**
U.S. Department of Education Passed-																
Through State Dept. of Education:																
Special Revenue Fund:																
Title I	84.010	S010A240030	N/A	218,887	7/1/24	6/30/25		$ (5,151)	135,931	(151,859)			$ (123,153)	$ 102,074		116,813
Title I	84.010	S010A230030	N/A	203,051	7/1/23	6/30/24	$ (72,320)	5,151	67,169							203,051
Total Title I Part A							(72,320)	-	203,100	(151,859)	-	-	(123,153)	102,074	-	319,864
Title II	84.367	S367B240027	N/A	34,970	7/1/24	6/30/25		5,651	32,778	(44,020)			(15,378)	9,787		25,183
Title II	84.367	S367B230027	N/A	31,157	7/1/23	6/30/24	(14,546)	(5,651)	20,197							31,157
Total Title II							(14,546)	-	52,975	(44,020)	-	-	(15,378)	9,787	-	56,340
Title III	84.365	S367B240030	N/A	37,750	7/1/24	6/30/25		3,992	19,987	(26,597)			(38,530)	35,912		(26,597)
Title III	84.365	S367B230030	N/A	33,824	7/1/23	6/30/24	(22,172)	(3,992)	26,164							33,824
Total Title III							(22,172)	-	46,151	(26,597)	-	-	(38,530)	35,912	-	7,227
Title III Immigrant	84.365	S367B240030	N/A	6,468	7/1/24	6/30/25		4,904	2,974	(7,883)			(9,099)	9,094		(7,883)
Title III Immigrant	84.365	S367B230030	N/A	9,543	7/1/23	6/30/24	(3,655)	(4,904)	8,559							9,543
Total Title III Immigrant							(3,655)	-	11,533	(7,883)	-	-	(9,099)	9,094	-	1,660
Title IV	84.424A	S424B240031	N/A	14,960	7/1/24	6/30/25		(7,498)	3,515	(3,716)	$ (2,891)		(18,943)	8,353		6,607
Title IV	84.424A	S424B230031	N/A	16,404	7/1/23	6/30/24	(7,793)	7,498	295							16,404
Total Title IV							(7,793)	-	3,810	(3,716)	(2,891)	-	(18,943)	8,353	-	23,011
I.D.E.A. Part B, Basic Regular	84.027	H027A240100	N/A	311,908	7/1/24	6/30/25		(31,461)	299,700	(311,908)			(43,669)			311,908
I.D.E.A. Part B, Basic Regular	84.027	H027A230100	N/A	311,323	7/1/23	6/30/24	(88,899)	31,461	88,899	(31,461)						311,323
I.D.E.A. Part B, Preschool	84.173	H173A240114	N/A	8,956	7/1/24	6/30/25			-	-			(8,956)	8,956		-
I.D.E.A. Part B, Preschool	84.173	H173A230114	N/A	9,366	7/1/23	6/30/24	(6,509)		9,674	(3,165)						9,366
Subtotal-Special Education Cluster							(95,408)		398,273	(346,534)			(52,625)	8,956		632,597
CARES Emergency Relief Grant	84.425D	S425D230027	CARES	200,014	3/13/20	9/30/22	8,570					$ (8,570)				200,014
American Rescue Plan-ESSER III	84.425U	S425U240027	ARP	1,746,586	3/13/20	9/30/24	(75,159)		442,166	(345,031)					$ 21,976	1,746,586
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U240027	ARP	129,447	3/13/20	9/30/24	20,025		6,737	(26,762)						129,447
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	-		40,000	(40,000)						40,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(3,804)		24,588	(20,784)						40,000
American Rescue Plan-Homeless	84.425U	S425U240027	ARP	8,313	3/13/20	9/30/24	(411)		411							8,313
American Rescue Plan-Climate Education & Resilience	84.425U	S425U240027	ARP	75,702	6/1/24	5/31/25	(40,594)		75,345	(35,108)			(357)			75,702
American Rescue Plan-Teacher Climate & Culture	84.425U	S425U240027	ARP	125,000	5/1/24	2/28/25	-		125,000	(125,000)						125,000
American Rescue Plan-High Impact Tutoring	84.425V	S425V240031	ARP	76,000	10/11/23	8/31/24	(5,931)		32,307	(28,130)			(1,754)			76,000
Total Education Stabilization Fund							(97,304)	-	746,554	(620,815)	-	(8,570)	(2,111)	-	21,976	2,441,062
Total Special Revenue Fund							**(313,198)**		**1,462,396**	**(1,201,424)**	**(2,891)**	**(8,570)**	**(259,839)**	**174,176**	**21,976**	**3,481,761**
U.S. Dept. of Agriculture Passed-																
Through State Dept. of Agriculture:																
Enterprise Fund:																
Child Nutrition Cluster:																
National School Lunch Program (Food Distribution)	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	3,385			(3,385)						3,385
National School Lunch Program (Food Distribution)	10.555	251NJ304N1199	N/A	39,640	7/1/24	6/30/25			39,640	(36,808)				2,832		36,808
School Breakfast Program	10.553	241NJ304N1199	N/A		7/1/23	6/30/24	(2,278)		2,278							
School Breakfast Program	10.553	251NJ304N1199	N/A	53,322	7/1/24	6/30/25			50,063	(53,322)			(3,259)			53,322
National School Lunch Program	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	(15,451)		15,451							
National School Lunch Program	10.555	251NJ304N1199	N/A	453,199	7/1/24	6/30/25			429,920	(453,199)			(23,279)			453,199
Subtotal-Child Nutrition Cluster							(14,344)		537,352	(546,714)			(26,538)	2,832		546,714
Summer EBT Administrative Cost	10.646	251NJ304N1803	N/A	643	7/1/24	6/30/25			643	(643)			-			643
Subtotal-Other Programs									643	(643)						643
Total Enterprise Fund							**(14,344)**		**537,995**	**(547,357)**			**(26,538)**	**2,832**		**547,357**
TOTAL FEDERAL ASSISTANCE							**$ (327,542)**	**-**	**$ 2,008,147**	**$ (1,756,537)**	**$ (2,891)**	**$ (8,570)**	**$ (286,377)**	**$ 177,008**	**$ 21,976**	**$ 4,036,874**

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

DUNELLEN SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2025

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2024	CARRY-OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2025 (ACCTS. RECEIV.)	BALANCE AT JUNE 30, 2025 INTERFUND PAYABLE/ DEFER. REVENUE	BALANCE AT JUNE 30, 2025 DUE TO GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPEND.
State Department of Education														
General Fund:														
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	$ 17,097,188			$ 17,097,188	$ (17,097,188)						$ 1,701,027	$ 17,097,188
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	76,133			76,133	(76,133)						7,575	76,133
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	1,589,062			1,589,062	(1,589,062)						158,098	1,589,062
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	493,621			493,621	(493,621)						49,111	493,621
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	240,563	$ (240,563)		240,563	-							240,563
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	192,588			-	(192,588)			$ (192,588)				192,588
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	3,400,912			3,400,912	(3,400,912)							3,400,912
On Behalf TPAF Pension PRM	25-495-034-5094-001	7/1/24-6/30/25	993,749			993,749	(993,749)							993,749
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	2,128			2,128	(2,128)							2,128
Reimbursed TPAF Soc.Secur.Contrib.	25-495-034-5094-003	7/1/24-6/30/25	879,516	(40,679)		875,623	(879,516)			(44,572)				879,516
Total General Fund				(281,242)		24,768,979	(24,724,897)			(237,160)			1,915,811	24,965,460
Special Revenue Fund:														
Preschool Education Aid	25-495-034-5120-086	7/1/24-6/30/25	1,550,024	-		1,550,024	(1,422,103)	-		-	$ 127,921		155,002	1,422,103
Trees for Schools Grant-NJ Dept. EPA	Unknown	7/1/23-6/30/24	68,164	(19,970)		20,449	(13,512)			(13,633)	600			13,512
Climate Ed. Resiliance Continuation	25-100-034-5063-359	6/1/25-5/31/26	15,000			-	-			(15,000)	15,000			-
Expand. Innov. Teach Climate Culture Com	25-100-034-5063-359	6/1/25-5/31/26	61,250			-	-			(61,250)	61,250			-
Fund. for Optimal Comp Univer. Screeners	25-100-034-5063-371	6/1/25-5/31/26	3,660			-	-			(3,660)	3,660			-
Adv. Plcmt Int Bacc Course Expan. Comp.	Unknown	6/1/25-12/31/26	50,000			-	-			(50,000)	50,000			-
Computer Science HS Courses	Unknown	6/1/24-8/31/25	45,927			27,774	(35,986)			(18,153)	9,941			35,986
Total Special Revenue Fund				(19,970)	-	1,598,247	(1,471,601)	-	-	(161,696)	268,372	-	155,002	1,471,601
Debt Service Fund:														
Debt Service Aid Type 2	25-100-034-5120-124	7/1/24-6/30/25	883,056			883,056	(883,056)							883,056
Total Debt Service Fund				-	-	883,056	(883,056)	-	-	-	-	-	-	883,056
State Department of Agriculture:														
Enterprise Fund:														
Nat.School Lunch Prog.(State Share)	24-100-010-3350-023	7/1/23-6/30/24		(944)		944								
Nat.School Lunch Prog.(State Share)	25-100-010-3350-023	7/1/24-6/30/25	27,240			25,768	(27,240)			(1,472)				27,240
Total Enterprise Fund				(944)		26,712	(27,240)			(1,472)				27,240
Total State Financial Assistance				**$ (302,156)**	**-**	**$ 27,276,994**	**$ (27,106,794)**	**-**	**-**	**$ (400,328)**	**$ 268,372**	**-**	**$ 2,070,813**	**$ 27,347,357**
Less On-behalf TPAF Pension Amounts:														
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	3,400,912				3,400,912							
On Behalf TPAF Pension PRM	25-495-034-5094-001	7/1/24-6/30/25	993,749				993,749							
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	2,128				2,128							
Total State Expenditures Subject to Major Program Determination							**$ (22,710,005)**							

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

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Dunellen School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise funds, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and NJ OMB 15-08* . Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($330,204) for the general fund and $152,031 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 3. (Continued)

	Federal	State	Total
General Fund	$ 7,756	$ 24,394,693	$ 24,402,449
Special Revenue Fund	1,353,455	1,372,121	2,725,576
Debt Service Fund		883,056	883,056
Food Service Fund	547,357	27,240	574,597
Total Financial Assistance	$ 1,908,568	$ 26,677,110	$ 28,585,678

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. OTHER

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	___Yes_x_No
2) Were significant deficiencies identified that were not considered to be material weaknesses?	___Yes _x_None Reported
Noncompliance material to financial statements noted?	___Yes_x_No

Federal Awards

Internal control over major programs:	
1) Material weakness(es) identified?	___Yes_x_No
2) Were significant deficiencies identified that were not considered to be material weaknesses?	___Yes _x_None
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ?	___Yes_x_No

Identification of major programs:

Assistance Listing	FAIN Number(s)	Name of Federal Program or Cluster
84.010	S010A240030	Title I
Education Stabilization Fund:		
84.425U	S425U240027	American Rescue Plan (ARP) ESSER
84.425U	S425U240027	American Rescue Plan Climate Education & Resilience
84.425U	S425U240027	American Rescue Plan Teacher Climate & Culture
84.425V	S425V240027	American Rescue Plan High Impact Tutoring

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___Yes_x_No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___Yes_x_No
Internal Control over major programs:	
1) Material weakness(es) identified?	___Yes_x_No
2) Were significant deficiencies identified that were not considered to be material weaknesses?	___Yes_x_No
Type of auditor's report on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable?	___Yes_x_No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
25-495-034-5120-078	Equalization Aid (State Aid Cluster)
25-495-034-5120-089	Special Education Aid (State Aid Cluster)
25-495-034-5120-084	Security Aid (State Aid Cluster)
25-495-034-5120-044	Extraordinary Aid
25-495-034-5120-086	Preschool Education Aid
25-100-034-5120-124	Debt Service Aid Type 2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and NJOMB Circular Letter 15-08, as applicable.

State Awards N/A

Federal Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

STATUS OF PRIOR YEAR FINDINGS

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year year findings.